



# Money monitor

Best Buys plus  
what's in  
the news

## IS IT WORTH IT?

### Irresponsible loans

If you take out an unsecured loan with HSBC before 30 September, it will give you back 25 per cent of the interest you've paid if you see it through to the end of the term. But if you're one of the 70 per cent of people who pays loans back early, you'll miss out on the refund and will also be charged an early repayment penalty of one month's interest (plus an extra 28 days' interest if you don't give notice).

We think it is irresponsible to discourage early repayment in this way. HSBC gave us only its interest rates for homeowners – these range from 5.9 to 10.9 per cent. But there are better rates available elsewhere: for example, Moneyback Bank's rate is 5.6 per cent plus one month's interest for early repayment.

**VERDICT** An irresponsible product that discourages early repayment.



## Contacts

**Alliance & Leicester**  
0800 068 6069; [www.alliance-leicester.co.uk](http://www.alliance-leicester.co.uk)

**Anglo Irish Bank**  
0845 455 2222; [www.angloirishbank.co.uk](http://www.angloirishbank.co.uk)

**Bath BS** 01225 423271;  
[www.bibs.co.uk](http://www.bibs.co.uk)

**Bradford & Bingley** [www.bradfordandbingley.co.uk](http://www.bradfordandbingley.co.uk)

**Birmingham Midshires**  
0845 603 2286  
[www.askbm.co.uk](http://www.askbm.co.uk)

**Cahoot**  
[www.cahoot.com](http://www.cahoot.com)

**Chelsea** 0800 169 1076  
[www.thechelsea.co.uk](http://www.thechelsea.co.uk)

**First Direct**  
0800 242424  
[www.firstdirect.com](http://www.firstdirect.com)

**Halifax** 0845 726 3646  
[www.halifax.co.uk](http://www.halifax.co.uk)

**Intelligent Finance** 0845  
609 4343; [www.if.com](http://www.if.com)

**Leek United BS**  
08000 930002  
[www.leek-united.co.uk](http://www.leek-united.co.uk)

**Market Harborough BS**  
[www.mhbs.co.uk](http://www.mhbs.co.uk)

**Moneyback Bank**  
[www.moneybackbank.co.uk](http://www.moneybackbank.co.uk)

**Monmouthshire BS**  
01633 844402  
[www.monbs.com](http://www.monbs.com)

**Nationwide BS**  
0800 302010  
[www.nationwide.co.uk](http://www.nationwide.co.uk)

**Sainsbury's Bank** [www.sainsburysbank.co.uk](http://www.sainsburysbank.co.uk)

**Scarborough BS**  
0845 056 0840; [www.scarboroughbs.co.uk](http://www.scarboroughbs.co.uk)

**Skipton BS**  
0845 717 1777  
[www.skipton.co.uk](http://www.skipton.co.uk)

**Smile**  
[www.smile.co.uk](http://www.smile.co.uk)

CURRENT ACCOUNTS	A/C DETAILS		AUTHORISED O/D		SATISFACTION	
	MONTHLY PAY IN (£)	INTEREST ON £1+ (%)	ANNUAL INTEREST RATE (%)	INTEREST-FREE LIMIT (£)	ONLINE	OVERALL
<b>ALLIANCE &amp; LEICESTER</b> Premier <sup>a</sup>	500	1.50 <sup>b</sup>	7.90 <sup>c</sup>	20	★★	★★★★
<b>ALLIANCE &amp; LEICESTER</b> Premier Direct <sup>a,d,e</sup>	500	5.00 <sup>b,f</sup>	5.90 <sup>c</sup>	20	★★	★★★★
<b>CAHOOT</b>		3.65 <sup>g</sup>	11.80	100	★★★★★	★★★★
<b>FIRST DIRECT</b> Bank Account	1,000	2.00	10.90		★★★★★	★★★★★
<b>INTELLIGENT FINANCE</b> (IF)		2.50	9.80		★★★★★	★★★★
<b>NATIONWIDE BS</b> FlexAccount	1,000	4.25 <sup>h</sup>	7.75		★★★★★	★★★★★
<b>SMILE</b>	1,000	3.04	11.90		★★★★★	★★★★★

<sup>a</sup> Includes benefits such as travel insurance <sup>b</sup> 0.10 per cent paid on balances above £2,500 <sup>c</sup> Twelve-month interest-free overdraft for new customers <sup>d</sup> Must register for this account with a valid email address <sup>e</sup> No paper statements available: account transactions must be viewed online <sup>f</sup> On credit balances up to £2,500 for new accounts until 30 September 2007 <sup>g</sup> 3.75 per cent without a chequebook <sup>h</sup> 4.25 per cent on the first £2,999, then 0.25 per cent above £3,000

In March 2006 we sent 12,000 postal questionnaires and 2,000 online questionnaires to Which? members about their current account. We received 5,457 responses. Thanks to all who took part.

SAVINGS ACCOUNTS	ACCESS TYPE OF A/C	AER (%)			CONDITIONS		CONSISTENCY BEST BUY FOR 6 MONTHS
		£100	£1,000	£5,000	INITIAL DEPOSIT (£)	NOTICE (DAYS)	
<b>CHELSEA BS</b> Double Guarantee	B/P		5.00	5.00	250	80	
<b>ANGLO IRISH BANK</b> 7 Day Notice	P/T		4.85	4.85	500	7	✓
<b>BRADFORD &amp; BINGLEY</b> eSavings 2	I		4.85	4.85	1,000		✓
<b>BIRMINGHAM MIDSHIRES</b> Direct Tel Sav	T	4.75	4.75	4.75	1		
<b>MKT HARBORO' BS</b> onthodot Easy Access	I	4.75	4.75	4.75	1		
<b>SAINSBURY'S BANK</b> Internet Saver	I	4.75	4.75	4.75	1		

Rates highlighted in red show the categories in which the accounts are Best Buys

Access Type of banking offered: B=branch; I=internet; P=postal; T=telephone

REGULAR SAVINGS	AER (%)	MONTH DEP		CONDITIONS		CONSISTENCY
	£100+	MIN (£)	MAX (£)	TERM (MTH)	WITHDRAWAL W/O PENALTY	BEST BUY FOR 6 MONTHS
VARIABLE INTEREST RATE						
SCARBOROUGH BS	6.00	10	250 <sup>a</sup>	10	1	✓
BATH BS	5.25	20	250	12	1	✓
MONMOUTHSHIRE BS Saver Plus	5.25	20	1,000	12	1	✓
SKIPTON BS Regular Savings	5.05	25	500	10	1	
FIXED INTEREST RATE						
HALIFAX	7.00	25	250	12	0	
LEEK UNITED BS	6.00	10	250	12	0	

<sup>a</sup> You can make several payments a month as long as the total is within the monthly deposit limit

# 87%

of Which? members who switched current accounts found it straightforward

WHICH? RESEARCH

## Current accounts

Every year we ask you about your current account and use the results to help choose our Best Buys, based on cost and service. Note the lack of big names: only four out of ten customers of the big four (Barclays, HSBC, Lloyds TSB and NatWest) are very satisfied with their current account, compared with around eight out of ten customers of our top-scoring Best Buys. Smile does particularly well when it comes to customer satisfaction, with 82 per cent of its customers saying they're very satisfied, although this is quite a fall from last year, when it was 91 per cent (maybe because of increased charges – see right).

All of our Best Buys achieve at least an average rating for satisfaction and are good value, whether you are in credit or run a small or large overdraft.

## Savings accounts

To get the best rates this month, you need to be willing to tie up your money for a while, as Chelsea Building Society requires 80 days' notice when you want to get at your money.

If you want instant access, Bradford & Bingley is offering a very respectable 4.85 per cent and has been a Best Buy for the past six months, but you need at least £1,000 to invest. For lower amounts, Birmingham Midshires, Market Harborough Building Society and Sainsbury's Bank all offer instant access to your savings.

## Regular savings

If you don't have a lump sum but can save a bit every month, regular savings accounts are a good bet. The best rate comes from Scarborough Building Society, which pays 6 per cent if you can save between £10 and £250 a month. Its rate is variable, but it's been a Best Buy for the past six months. If flexibility's not important and you want the certainty of a fixed rate, look no further than Halifax. Also bear in mind that your own bank may have good deals for existing customers. Barclays and Alliance & Leicester, for example, both have regular savings accounts paying an impressive 10 per cent for current-account holders.

## Your money

# Advice shows 'substantial failings'



**Clive Briault, Managing Director of Retail Markets at the FSA: not in a position to name and shame**

Consumers are getting a raw deal from some financial services companies, according to the industry's own regulator, the Financial

Services Authority (FSA). Its mystery shoppers looking for an equity release mortgage found that almost half the companies they visited were not operating to a satisfactory standard. And when the FSA looked at investment advice, its findings echoed our own (see p20), with 'substantial failings' by an 'unacceptable number of firms'.

The FSA has given companies until March 2007 to show that they are sticking to its rules on treating customers fairly. We think that it should name and shame these companies, so that consumers know which to avoid. The FSA doesn't agree. It told us: 'We have set a deadline of March 2007. We are not in a position to name and shame firms unless enforcement action is taken.'

## Forgotten money could help poor

The Commission on Unclaimed Assets has proposed giving the estimated £15 billion in dormant bank and savings accounts, or forgotten life insurance or shares, to charities and voluntary projects for the poor. But the commission also says that account holders should be able to claim 'lost' money at any time. The British Bankers' Association, Building Societies Association, National Savings and Investments, and Pension Service offer free money-tracing services. The Unclaimed Assets Register will also search for unclaimed life policies, personal pensions, unit trusts or dividends for a fee of £18.

### NEWS IN BRIEF

#### More free ATMs...

■ HBoS, HSBC and the Royal Bank of Scotland are increasing the number of cash machines that don't charge for withdrawals, after pressure from Which? and the Treasury Select Committee.

#### ...in phone boxes

■ Nationwide has teamed up with BT to install cash machines in phone boxes. The five that have been installed don't charge for withdrawals.

#### No Monopoly money

■ A new version of Monopoly uses a mock Visa debit card instead of paper money to keep a record of how much players win and lose. Monopoly Here & Now Electronic Banking costs £24.99 (you can still buy it with cash).

#### No more Smiles

■ Smile has increased its authorised overdraft rate by 2 per cent to 11.9 per cent. It announced the increase before the Bank of England raised base rates by just 0.25 per cent in August.

#### TAKE ACTION!

If you want Revenue & Customs to guarantee to calculate your tax, get your tax return in by 30 September.

## OUR UNIQUE RESEARCH

### Our Best Buys

We analyse the whole market to bring you our Best Buys. With savings, loans and current accounts we recommend only companies that subscribe to the Banking Code. This protects you if anything goes wrong. Like all Which? recommendations, our Best Buys are totally independent – we're not swayed by industry influence.

## MEMBER BENEFIT

### Free website access

Our members-only website contains regularly updated Best Buys for credit cards, current accounts, Isas, savings accounts and mortgages, plus information on car, house and travel insurance, financial advice and protection insurance. Go to [www.which.co.uk](http://www.which.co.uk).