



Money monitor

Best Buys plus
what's in
the news

IS IT WORTH IT?

Little reward

Halifax's packaged current account, Ultimate Reward, costs less than the average, at £120 a year, and has a £250 interest-free overdraft and 5 per cent interest on credit balances up to £2,500 (0.1

per cent thereafter). Benefits include worldwide annual multi-trip family travel insurance with winter sports

cover, AA roadside assistance, mobile phone insurance and an American Express traveller's cheque card worth £20.

Travel insurance and breakdown cover are the two most useful benefits. An equivalent Best Buy travel insurance policy costs £77 and AA roadside assistance costs £32, making the annual cost of these £109.

VERDICT Packaged accounts are worth the cost only if you use at least two or three of the benefits offered. Ultimate Reward is better value than most, given the relatively high interest rate of 5 per cent, but most people would be better off with one of our free Best Buy current accounts.



Contacts

Bradford & Bingley
www.bradfordandbingley.co.uk

Chelsea BS
0800 121 8822
www.thechelsea.co.uk

Chorley & District BS
01257 279373
www.chorleybs.co.uk

Clydesdale Bank
0800 445265
www.cbonline.co.uk

Dudley BS 01384 231414
www.dudleybuilding
society.co.uk

Earl Shilton BS 01455
844422; www.esbs.co.uk
Halifax 0845 726 3646
www.halifax.co.uk

Hanley Economic BS
01782 255000
www.thehanley.co.uk
Intelligent Finance 0800
917 6082; www.if.com

Kent Reliance BS 0845
122 0022; www.krbs.co.uk

Marks & Spencer
0845 900 0900; www.
marksandspencer.com

Monmouthshire BS 01633
844402; www.monbs.com

National Counties BS
01372 747771
www.ncbs.co.uk

National Savings
www.nsandi.com

Nationwide BS
0800 302010
www.nationwide.co.uk

Saffron BS 0800 072 1100
www.saffronbs.co.uk

Sainsbury's Bank
0800 032 1365; www.
sainsburysbank.co.uk
Skipton BS 0845 717 1777
www.skipton.co.uk
Yorkshire BS 0845 120
0100; www.ybs.co.uk

MINI CASH ISAs	ACCESS TYPE OF A/C	AER (%)			TERMS		CONSISTENCY BEST BUY FOR 6 MONTHS
		UP TO £2,999	£3,000- £5,999	£6,000- £18,000	INITIAL DEP (£)	NOTICE (DAYS)	
KENT RELIANCE BS Direct	P	5.71	5.71	5.71	1		✓
YORKSHIRE BS e-Isa	I	5.65	5.65	5.65	10		✓
CLYDESDALE BANK	B	4.60	4.80	5.60	10		✓
BRADFORD & BINGLEY eSavings	I	5.55	5.55	5.55	1,000		✓
MONMOUTHSHIRE BS	B/P	5.55	5.55	5.55	10	30	
DUDLEY BS Transfer	B/P	n/a	n/a	5.55	9,000	30	
NATIONAL COUNTIES BS	B/P/T	5.51	5.51	5.51	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

CHILDREN'S ACCOUNTS	ACCESS TYPE OF A/C	AER (%)		A/C DETAILS		CONSISTENCY BEST BUY FOR 6 MONTHS
		£10+		MAX AGE	FREE GIFT	
YORKSHIRE BS One Day	B/P	5.70		20		✓
CHELSEA BS Ready Steady Save	B	5.70		15		✓
HALIFAX/BANK OF SCOTLAND Save4it	B/P	5.55		15	✓ ^a	✓
SAFFRON BS Ladybird	B/P	5.55		16	✓ ^b	✓
NATIONWIDE BS Smart	B/I	5.52		17	✓ ^c	
MONMOUTHSHIRE BS Young Savers	B/P	5.50		17	✓ ^d	

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

a Coin bank, calculator or wallet b Moneybox c Welcome pack d Moneybox, rucksack or wallet

CHILD TRUST FUNDS	ACCESS TYPE OF A/C	AER (%)			CONDITIONS	
		£250	£750	£1,450	MINIMUM ADDITION (£)	TRANSFERS IN
YORKSHIRE BS	B/P	6.10 ^a	6.10 ^a	6.10 ^a	none	✓
CHORLEY & DISTRICT BS	B/P	6.00	6.00	6.00	none	✓
SKIPTON BS	B/P	5.85	5.85	5.85	10	✓
EARL SHILTON BS	B/P	5.75 ^b	5.75 ^b	5.75 ^b	10	✓

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

Access Type of banking offered: B=branch; P=postal

a Rate excludes 0.7 per cent bonus payable for 12 months b 0.5 per cent bonus if £240 paid in every year for two years

BALANCE TRANSFERS: LONG-TERM	APR (%)			
	BALANCE TRANSFER	STANDARD PURCHASE	RISK BASED	DEAL STARTS
MARKS & SPENCER MONEY & more MasterCard	3.90	16.9 ^a		Transfer
INTELLIGENT FINANCE Life of Balance Visa	4.95	16.9	✓ ^b	Issue
SAINSBURY'S BANK Standard/Platinum MasterCard	5.94	15.9	✓ ^b	Transfer

a 0 per cent for 12 months b Rate depends on your credit score

350%

Increase in C&G/Lloyds TSB's mortgage exit fee in last five years

WHICH? RESEARCH

Mini cash Isas

It always makes sense to use up your tax-free allowance (£3,000 a year) in a Best Buy Isa before putting money into a savings account.

Top of the table this month is Kent Reliance Building Society's Direct account, which pays 5.71 per cent and is operated by post. If you prefer to access your account online, Yorkshire Building Society's e-Isa paying 5.65 per cent is a good bet.

We've included only Isas that allow transfers into the account. If you don't have any money to transfer, look at National Savings Direct Isa. It pays 5.8 per cent on balances up to £3,000, with an initial minimum deposit of £1,000.

Children's accounts

All our Best Buys are instant access accounts, so you can make deposits and withdraw money at any time. Yorkshire Building Society's One Day account and Chelsea Building Society's Ready Steady Save pay the best rate (5.7 per cent from any amount), with a maximum age of 20 and 15 respectively. Yorkshire, Chelsea, Halifax/Bank of Scotland and Saffron have been Best Buys consistently for the past six months.

Some of our Best Buys also offer gifts, such as a moneybox or wallet, as an incentive.

Child trust funds

A cash child trust fund acts just like a savings account, except the interest is tax-free and you can't get at the money until you are 18.

Our Best Buy cash account, from Yorkshire Building Society, currently pays 6.1 per cent (plus a 0.7 per cent bonus for a year), available at a branch or by post. Hanley Economic Building Society offers an impressive 6.8 per cent but it's available only to people living in the local area.

Balance transfers

If you don't want to switch every time a deal ends, transfer your balance to a card with a long-term low rate. None of our Best Buys charges a fee, and the rates last until you have paid off the balance. As with most long-term, low-rate cards, their standard interest rate is much higher, so use another card for new purchases.

Your money

Exit fees slammed



Consumers could now claim back hundreds of pounds in mortgage exit fees – payable when they redeem their mortgage or switch lender – following an investigation by the Financial Services Authority (FSA).

Andrew Salmon (above) recently switched his mortgage from Halifax to Nationwide and was shocked to find that the exit fee had increased from £85 when he took the mortgage out in 1998 to £225 – a difference of £140. This added to the already high cost of switching. 'I needed £800-£900 for fees in total, so I had to delay switching until I could raise the cash,' says Andrew.

The FSA concluded that, under the Unfair Terms in Consumer Contracts Regulations, such exit fees must reflect the true cost of the administration involved. It wants lenders to charge no more than the exit fee stated when the mortgage was taken out or no fee at all. Andrew says: 'I will definitely try to claim back the difference in the fees.'

Visit www.which.co.uk/money to find out how you can claim back mortgage exit fees and to download template letters.

National Insurance refunds

In May 2006 the government announced that the number of qualifying years of National Insurance contributions needed for a full state pension would in future be cut from 44 for men and 39 for women to 30 for everyone. So anyone who has made voluntary contributions since 25 May 2006, will reach state pension age on or after 6 April 2010 and has already paid 30 years of contributions may now be entitled to a refund. Details of how to claim will be given on www.hmrc.gov.uk in due course.

NEWS IN BRIEF

PPI firm fined

■ The Financial Services Authority has fined GE Capital Bank £610,000 for failing to have adequate procedures for selling payment protection insurance (PPI) with store cards such as House of Fraser and Debenhams. As we went to press, the Competition Commission announced a full investigation into PPI.

Advice for all

■ All consumers could have access to free generic financial advice by 2012 as part of the government's strategy for improving financial awareness. An action plan will be published by the end of 2007.

Fair share

■ Pearl Assurance is to distribute surplus assets of more than £500 million in its with-profits fund to its one million policyholders. This contrasts with the reattribution proposed by Norwich Union (see 'Speak up to Norwich Union', Jan 2007, p41), where policyholders are likely to receive less than their rightful share of 90 per cent.

TAKE ACTION!

Use your £3,000 tax-free cash Isa allowance for the year by 5 April to avoid losing it. See 'A brand new Isa age', p20.

OUR UNIQUE RESEARCH

Our Best Buys

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

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Which? Money

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