



Money monitor

Best Buys plus
what's in
the news

IS IT WORTH IT?

Charity credit cards

Charity credit cards make giving easy: go shopping and your bank gives money to a good cause. Most give an initial donation (typically £5), followed by 0.25 per cent of the value of your credit card purchases. By far the most generous is Amex's Red card, promoted by Bono (below), which gives 1 per cent to an Aids charity.

Less charitable is the interest banks charge. APRs of 15.9 to 17.9 per cent are common, much



higher than our Best Buys Barclaycard Simplicity Platinum Visa (6.8 per cent) or Egg Money's Mastercard (7.9 per cent). **VERDICT** If you pay your bill in full each month, you'd probably earn more from a 'cashback' card, donating the money directly to charity. If you don't pay in full completely, you'd do better switching to a card with a lower interest rate and donating some of your savings. This qualifies for gift aid tax relief, too, while charity card donations don't.

Contacts

Abbey 0800 174635
www.abbey.com

Anglo Irish Bank 0845 455 2222; www.angloirishbank.co.uk

Bath BS 01225 423271
www.bibs.co.uk

Birmingham Midlands 0845 603 2286
www.askbm.co.uk

Bradford & Bingley
www.bradford-bingley.co.uk

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

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

Earl Shilton BS 01455 844422; www.esbs.co.uk

Halifax 0845 726 3646
www.halifax.co.uk

Hanley Economic BS 0800 542 8790; www.

thehanley.co.uk

Icesave
www.icesave.co.uk

Leek United BS 0800 093 0002; www.leek-united.co.uk

Nationwide BS 0800 302010
www.nationwide.co.uk

Principality BS 029 2038 2000
www.principality.co.uk

Saffron BS
www.saffronbs.co.uk

Sainsbury's Bank
www.sainsburysbank.co.uk

Scarborough BS 0845 634 3760; www.scarboroughbs.co.uk

Skipton BS 0845 717 1777; www.skipton.co.uk

Yorkshire BS 0845 120 0100;
www.ybs.co.uk

CHILDREN'S ACCOUNTS	ACCESS	AER (%)	A/C DETAILS		CONSISTENCY
	TYPE OF A/C	£10+	MAX AGE	FREE GIFT	BEST BUY FOR 6 MONTHS
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	✓	✓
SAFFRON BS Ladybird	B/P	5.55	15	✓	✓
NATIONWIDE BS Smart	B/I ^a	5.52	17	✓	

Access Type of banking offered: B=branch; I=internet; P=post-al a Internet banking for over-11s only

CHILD TRUST FUNDS	ACCESS	AER (%)			CONDITIONS	
	TYPE OF A/C	£250	£750	£1,450	MINIMUM ADDITION (£)	TRANSFERS IN
CHORLEY & DISTRICT BS	B/P	6.35	6.35	6.35	none	✓
YORKSHIRE BS	B/P	6.10 ^a	6.10 ^a	6.10 ^a	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=post-al a Rate excludes 0.7 per cent bonus payable for 12 months b 0.5 per cent bonus if £240 paid in per year for two years

SAVINGS ACCOUNTS	ACCESS	AER (%)			CONDITIONS		CONSISTENCY
	TYPE OF A/C	£100	£1,000	£5,000	INITIAL DEPOSIT (£)	NOTICE (DAYS)	BEST BUY FOR 6 MONTHS
ICESAVE Easy Access	I		5.70	5.70	250		
PRINCIPALITY BS e-saver	I	5.60	5.60	5.60	1		
ANGLO IRISH BANK 7-Day Notice	P/T		5.60	5.60	500	7	✓
BRADFORD & BINGLEY eSavings 3	I		5.60	5.60	1,000		✓
YORKSHIRE BS Internet Saver	I	5.55	5.55	5.55	1		
BIRMINGHAM MIDSHIRES Direct Phone	T	5.50	5.50	5.50	1		
SAINSBURY'S BANK Internet Saver	I ^a	5.50	5.50	5.50	1		✓

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

Access Type of banking offered: I=internet; P=post-al; T=telephone a Deposits can be made by post or in stores

REGULAR SAVINGS	AER (%)	MONTH DEP	ANNUAL CONDITIONS		CONSISTENCY	
	£100+	MIN (£)	MAX (£)	NO OF PAYMENTS	WITHDRAWAL W/O PENALTY	BEST BUY FOR 6 MONTHS
VARIABLE INTEREST RATE						
YORKSHIRE BS	7.00	10	500	11	1	✓
BATH BS	6.50	20	250	12	1	✓
SCARBOROUGH BS	6.30	10	250 ^a	10	1	✓
FIXED INTEREST RATE						
LEEK UNITED BS	7.50	10	250	12		✓
ABBEY	7.00	20	250	12		
HALIFAX	7.00	25	250	12		✓

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

£400 million

extra interest earned by credit card companies by charging in different ways

WHICH? RESEARCH

Children's accounts

All our Best Buys are instant access accounts, so you can deposit 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) with maximum ages of 20 and 15 respectively. Yorkshire, Chelsea, Halifax/Bank of Scotland and Saffron BS have been Best Buys for the past six months.

Child trust funds

A cash child trust fund is just like a savings account, except the interest is tax-free and the child can't get at the money until they are 18. Our Best Buy from Chorley & District Building Society currently pays 6.35 per cent. Hanley Economic Building Society offers an impressive rate of 6.8 per cent, but it's available only to people living in the local area.

Savings accounts

The top rate this month comes from Icesave, which pays 5.7 per cent from £250, and Principality Building Society, which pays 5.6 per cent from £1. Both are online accounts.

If you prefer to access your account by post or telephone, look no further than Anglo Irish Bank's 7-Day Notice account, which pays 5.6 per cent from £500.

The best widely available branch-based account is Chelsea Building Society's Guarantee 60 account paying 5.25 per cent.

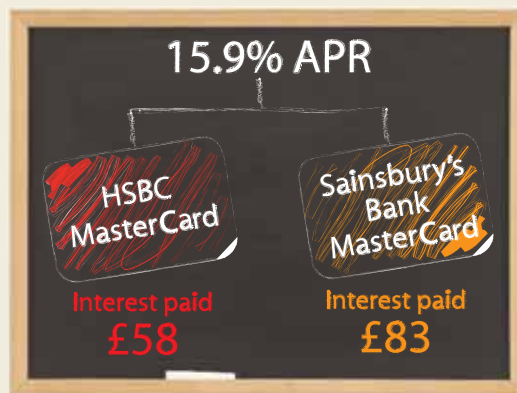
Regular savings

If you don't have a lump sum but can save a bit every month, regular savings accounts are a good option. The top rate comes from Yorkshire Building Society, which pays an impressive 7 per cent if you can save between £10 and £500 a month. Its interest rate is variable, so it could go down as well as up. If flexibility is not important and you want the certainty of a fixed rate, Leek United Building Society's account is the best bet.

Both Yorkshire and Leek United have been Best Buys for the past six months.

Your money

Fair interest for all



Annual interest based on someone who spends £500 a month, pays off £180 on two out of every four bills and pays the other two bills in full

Which? has made a 'supercomplaint' to the Office of Fair Trading (OFT) about how credit card companies calculate interest. Did you know that if you spent £500 a month with a Sainsbury's Bank MasterCard (15.9 per cent APR) you could pay £25 a year more in interest than with an HSBC MasterCard with an identical APR? And a Lloyds TSB Advance MasterCard could actually cost you £13 a year more than with HSBC.

The top 20 credit card providers currently calculate interest in 12 different ways, which is why cards with identical APRs don't always cost the same. Charges differ because interest-free periods may depend on the balance from the previous month being paid off in full, and because interest is charged over different periods.

Which? believes that there should be an unconditional interest-free period on new purchases, that interest should be calculated daily, and that customers should be able to clear their balance without incurring extra interest between the statement date and when full repayment is received. The OFT should respond to our complaint by the end of July – we'll let you know its verdict.

Refunds on protection insurance

If you've paid for payment protection insurance in a single premium, 'nil refund' clauses have often left you out of pocket if you cancel your policy early. But now, under a new agreement between the Financial Services Authority and insurers, you should receive a pro-rata partial refund rather than losing everything you have paid upfront if you repay a loan early, for example. Policy providers should give you details of the refund you can expect. If in doubt, contact the firm directly and ask.

NEWS IN BRIEF

Rubbish security

■ Alliance & Leicester, Barclays, Co-operative Bank, Halifax/Bank of Scotland, Nationwide, NatWest and Royal Bank of Scotland were recently named and shamed by the Information Commissioner for leaving customers' personal details in bins outside their premises.

Fraud abroad

■ Retail card fraud in the UK has fallen by 47 per cent in the year since chip and Pin was introduced, but thieves now target countries that don't have the system. Fraud abroad rose by 43 per cent: top destinations are France, Spain and the US.

Pru orphan assets

■ Prudential has appointed a policyholder advocate to determine how to distribute an estimated £8bn of orphan assets. Which? is clear that an equitable division would be 90 per cent to policyholders, 10 per cent to shareholders (see 'Speak up to Norwich Union', January 2007, p41).

TAKE ACTION!

From 1 June, all house sellers will have to provide a home information pack (see p33). Put the 'For sale' sign up before then if you want to avoid it.

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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