



Money monitor

Best Buys plus
what's in
the news

IS IT WORTH IT?

Saga online savings

A new online savings account from Saga for the over-50s promises inflation-beating rates, which start at 0.45 per cent above the base rate for year one, match the base rate for year two and drop to 0.25 per cent below the base rate in year three, continuing at this level in subsequent years. The account offers considerable flexibility, with a minimum deposit of £1 and a maximum of £5 million. It places no restriction on the number of withdrawals you can make in a year, and pays interest monthly or annually.

VERDICT Current rates are 6.2 per cent in year one, 5.75 per cent in year two and 5.5 per cent in year three. These are good, but not as high as our Best Buy Sainsbury's Internet account, which offers 6.25 per cent with no age restrictions. Older savers who want a high-paying internet account might also consider Northern Rock's Silver Savings Online account (6.30 per cent for over-50s) and



Coventry
Building
Society's
Sixty-Plus

eSaver (6.34 per cent in the first year for savers aged 60+).

Contacts

American Express
0800 700111; www.americanexpress.co.uk

Bank of Ireland 0845 719 0190; www.bank-of-ireland.co.uk

Bank of Scotland
0845 729 3949; www.bankofscotland.co.uk

Barclaycard
0800 731 0200
www.barclaycard.co.uk

Capital One Bank
0845 840 0400
www.capitalone.co.uk

Egg Money
www.egg.com

Halifax
0845 728 3848
www.halifax.co.uk

Harley Davidson
0800 515166

Leeds BS 0800 587 2542; www.leedsbuilding.society.co.uk

MBNA www.mbna-credit-cards.co.uk

Mint 0870 410 0870
www.mint.co.uk

SkyCard 0870 333 5470
www.skycard.com

Smile 0870 843 2265
www.smile.co.uk

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

CASHBACK CREDIT CARDS	% CASHBACK ON ANNUAL SPENDING				MAX	APR
	£0- £1,999	£2,000- £3,500	£3,501- £10,000	£10,001+	ANNUAL MAX (£)	%
AMEX Platinum Moneyback ^a	0.5	0.5	1	1.5	no max	15.9
BANK OF IRELAND (UK) Moneyback ^b	0.5	0.5	0.5	0.5	75	14.9
BARCLAYCARD Plat ^m with Cashback MC ^c	0.5	0.5	0.5	0.5	180	14.9
CAPITAL ONE BANK Cashback World MC ^d	1	1	1	1	no max	15.9 ^e
EGG MONEY MasterCard ^{f,g}	1	1	1	1	200	7.9 ^e
LEEDS BS MasterCard ^h	0.5	0.5	0.5	0.5	no max	17.9
SMILE Classic Visa ^j	0.5	0.5	0.5	0.5	no max	18.9 ^k
YORKSHIRE BS Base Rate Tracker Visa ^{h,m}	1	0.5	0.5	0.5	no max	11.8 ⁿ
YORKSHIRE BS Classic Visa ^{h,m}	1	0.5	0.5	0.5	no max	15.4

Rates highlighted in red show the categories in which cards are Best Buys ^a Up to 3 per cent cashback for the first three months ^b Also available as a gold card with same rates and features ^c 2 per cent cashback on supermarket spending and petrol up to £15 a month ^d Up to 4 per cent cashback for the first three months ^e Rate depends on your credit score ^f Available online only ^g Cashback is lost if less than £5 at year end ^h Cashback can be paid as cheque or credited to account ^j Cashback paid monthly ^k Lower rate of 15.9 per cent available to current-account holders ^m If applied for with a Yorkshire BS Mortgage, the cashback reward will be paid into mortgage account ⁿ Bank of England base rate for first six months, 5.5 per cent above base rate after that

0% BALANCE TRANSFER	APR	TRANSFER FEE	DEAL	0% PERIOD	
	%	% OF BALANCE	DEAL STARTS	PURCHASE	TRANSFER
HBOS One 12 Month MasterCard	15.9 ^a	3 (min £3)	Issue	12	12
SKYCARD MasterCard	16.9 ^a	2.99 (min £7.48)	Issue	to 1 June 2008	to 1 June 2008
CAPITAL ONE BANK Platinum MasterCard	9.9 ^a	1.7	Transfer	to 1 May 2008	to 1 May 2008
HARLEY DAVIDSON Platinum MasterCard	12.9	3 (min £3)	Issue	9	9
HBOS Anniversary One Card	13.9 ^a	3 (min £3)	Issue	9 ^b	9 ^b
MBNA Platinum Reward Visa	15.9	3 (min £3)	Transfer	9	9
MINT Card ^c	14.9	2.5 (min £5)	Issue	to 1 Mar 2008	to 1 Oct 2008

^a Exact rate depends on your credit scoring ^b A further 0 per cent for six months after first anniversary of account opening ^c Also available as a gold card and platinum MasterCard with same rates and features

CREDIT CARDS FOR BORROWING	APR (%)	TYPE OF BORROWER		
		OCCASIONAL PAYER	NEVER PAYER	HOLIDAY PAYER
BARCLAYCARD Simplicity Visa	6.8	✓	✓	✓
EGG MONEY MasterCard ^a	7.9 ^b	✓	✓	✓
YORKSHIRE BS Base Rate Tracker Visa	11.8 ^c	✓		✓

^a Available online only ^b Rate depends on your credit score ^c Bank of England base rate for first six months, 5.5 per cent above base rate after that

All rates correct at 3 September 2007

Information based on data supplied by moneyfacts.co.uk

If you've got ideas or views on anything financial, we'd love to hear from you. Please get in touch with us at moneynews@which.co.uk

£30 million

interest lost annually caused by time
it takes banks to transfer money

OFFICE OF FAIR TRADING

Cashback cards

Cashback credit cards are ideal if you always or usually pay your bill off every month, as you earn a percentage of what you spend (between 0.5 per cent and 1.5 per cent).

Currently both the Capital One Bank Cashback with World MasterCard and the Amex Platinum Moneyback card are offering greater rewards for the first three months after you open the account. The Capital One card offers a market-leading 4 per cent for three months, reverting to a competitive unlimited 1 per cent after that. The Amex Platinum Moneyback card is good for those who are big spenders, as it pays 1.5 per cent on any unlimited spending above £10,000 a year, which is doubled to 3 per cent in the first three months after you open the account. It's worth remembering, however, that American Express is not as widely accepted as either Visa or MasterCard.

0 per cent deals

More cards now offer 0 per cent deals on new purchases, which may be useful if you are buying an expensive item or doing some early Christmas shopping, as you can spread the cost. We've looked at those that are available for the longest periods – up to 12 months interest-free. If possible, put the money you have 'borrowed' into a Best Buy savings account in the meantime (Sainsbury's Bank Internet Saver currently offers 6.25 per cent).

All these credit cards offer the same interest-free period for any balance transfers. Any fees charged are uncapped (ranging from 1.7 to 3 per cent), which could add up if you transfer large amounts.

Borrowing cards

When calculating Best Buys, we are the only organisation to take into account the way cards charge interest, as well as the interest rate, to find the true cost.

Occasional payers pay one in every four bills in full, never payers never or rarely pay their bills in full and holiday payers borrow for big purchases and pay the debt off over the year.

Your money

Bank transfers delayed

Bank customers are set to lose up to £15 million in lost interest, thanks to a six-month delay in speeding up bank transfers.

At the moment it takes an average of three days to transfer money from one bank account to another, even if you bank online and send the money yourself. A new system due to start in November promised to speed things up, with virtually instantaneous transfers. But now the Association for Payment Clearing Services (Apacs) has postponed its launch until May 2008. Spokeswoman Sandra Quinn (above) put the delay down to the complexity of co-ordinating 13 banks and building societies in a system handling 440 million transactions a year.

Although this is only 8 per cent of the total number of automated payments, it accounts for £128 billion. The Office of Fair Trading has estimated that this delay could cost customers around £30 million in lost interest each year.



Dormant accounts come to life

A parliamentary select committee recently endorsed government plans to donate an estimated £500 million in dormant bank and building society accounts to good causes.

If the proposals become law next year, the first funds could be transferred by 2009, though consumers will retain a legal right to their money should they come forward later to claim it. A campaign to contact missing account holders has already begun. If you have lost track of an old bank account, visit www.bba.org.uk (020 7216 8909); for an old building society account, visit www.bsa.org.uk (020 7437 0655).

NEWS IN BRIEF

Cheques out

■ Sainsbury's has joined Boots, Next, Currys, WH Smith and others in no longer allowing customers to pay by cheque. In May 2007 (p5) we reported that 57 per cent of those surveyed still found cheques 'really useful', although the number of cheques issued a day fell to 4.9m last year, from 11m in 1990.

Premium bonds at WH Smith

■ National Savings & Investments is to market its products through 400 WH Smith stores. Customers can get information on savings certificates and premium bonds. These will also continue to be sold at post offices.

Clerical error

■ Clerical Medical has admitted paying incorrect bonuses on 28,000 with-profit policies taken out between January 2003 and May 2004 and is making extra payments to investors affected. It also compensated 59,000 customers last year for errors with unit-linked policies.

TAKE ACTION!

New students must insure their personal possessions – they usually won't be covered by their parents' policies.

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.

MORE ON MONEY

Which? Money

In the October issue of *Which? Money*, discover which mortgage lenders really look after their customers, plus ten ways to save at the supermarket. Try two issues of *Which? Money* for just £2. Call now on 01992 822800 or see p82.

