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PUBLISHED BY interactive investor

ARE PREMIUM BONDS REALLY WORTH IT?

If you hold £10,000 of Premium Bonds, the odds of winning at least a £1,000 prize in a year are one in 321. Compare that with the Windfall Bond, which offers odds of one in 64 of winning £1,000, £10,000 or a £50,000 prize in the first year… and pays interest too

Launched by the then Chancellor Harold MacMillan in 1956, Premium Bonds have been a popular way for Britons to save for over 60 years. Today there are around 21 million people saving almost £72 billion in Premium Bonds, making them still the most popular form of savings in the UK.

With odds of winning any monthly prize with a single £1 bond at 24,500/1, are they really worth the investment?

Premium Bond alternative

Despite the Bank of England increasing its rate in November 2017, some have yet to see this increase making any difference to their hard-earned savings. For those savers still disheartened with low interest rates and the slim chances of winning a payout and seeking better odds, the Family Building Society has an alternative, the Windfall Bond.

Based on the same principles of generating growth via a monthly prize draw, the Windfall Bond draw ensures there are 13 prizes up for grabs each month. The breakdown of prizes ensures that each bond has 13 opportunities to win a prize each month – 156 over the course of a year. The more bonds you hold, the greater the chance of winning a prize.

Even with one bond, your odds of landing a windfall are 64/1 in the course of the first 12 draws.

Premium Bond comparison

Compare those odds with Premium Bonds and the stats speak for themselves. NS&I estimates a holding of £10,000 worth of Premium Bonds has a one in 321 chance of winning at least a £1,000 prize over the course of a year*. That makes the odds of a Windfall Bond win five times better than Premium Bonds. Each month, every Windfall Bond is entered into a free draw for a chance to win one of 10 prizes of £1,000, two of £10,000 and one of £50,000.

As an added bonus, Family Building Society also pays interest linked to the Bank of England Base Rate, currently 0.50%, on all savings put into the Windfall Bond and there's no limit on how much you can invest. In contrast, NS&I doesn't pay any interest and there's a £50,000 limit on the number of bonds you can take out.

Fred won £10,000

Fred, a 56-year-old lecturer, won £10,000 after his first qualifying draw. He says: "The Windfall Bond is only part of my savings pot, and with interest rates so low, I thought a win of, say, £1,000, would be a good way of boosting the return.
He says: "I hadn't heard of the Family Building Society before, so I did some research online. I saw the Windfall Bond and thought realistically, one in 64 is pretty good odds!

"It's a sensible option. The odds are reasonable and the chances of boosting your return over two or three years are significant.

"I'm very pleased to have won in my first draw!"

** This figure assumes the odds and number of eligible bonds are the same as in the May draw for the full year.*

To find out more about the Windfall Bond
Call: 03330 140141
Email: newbusiness@familybsoc.co.uk
Visit: Familybuildingsociety.co.uk/windfall

REPLY NUMBER 1792

WELCOME

"FIX. IN SO MANY WAYS, the mortgage word of the moment," writes our columnist Jeff Prestridge in this month's issue (page 25).

And he's right. While the Bank of England base rate was held at 0.5% at the last Monetary Policy Committee meeting at the time of writing, the threat of a rate rise still looms heavily over mortgage borrowers.

One expert believes the hold on rates is temporary and "expects a hike later this year".

While this is likely to be good news for cash savers, an imminent rate rise means that now is the time for homeowners to act.

In our news analysis (on page 9), we explain how a typical mortgage borrower can save a whopping £6,000 over a two-year mortgage term simply by switching from a standard variable rate (SVR) to a cheaper fixed rate.

To help get you started picking the best deal for your home, we reveal the winners of our Mortgage Awards 2018 (on page 48) – such as the best provider for remortgaging. Other categories include the best lenders for first-time buyers, buy-to-let landlords, and older borrowers – so whatever your needs, we've got you covered.

However, is getting on to the property ladder the right decision for aspiring young homeowners who face the tricky challenge of saving for a hefty deposit? That's the question Edmund Greaves tackles in his latest Millennial Money Mantras column (page 18) after think tank the Resolution Foundation found that nearly two-thirds (65%) of young people still aspire to buy their own home.

In other property news, *Moneywise* participated in a burglary simulation to uncover how you can protect your home by getting into the mind of a burglar (page 46).

June also heralds the start of many a football fan's summer, with the 2018 FIFA World Cup beginning. To kick off the occasion, our industry insider (page 61) uses the 'beautiful game' as an analogy for creating a diverse investment portfolio.

Plus, for those starting out on their investment journey, picking the right platform is half the battle. We've put together our pick of the best investment platforms for beginners (page 56) to help ensure you're not paying over the odds.

On a final note, if after all this talk of mortgages and investing you'd like some lighter monetary relief, check out how a pet pug and cat have become an unlikely money-spinner for one couple after achieving Instagram sensation status (page 74).

Helen

Twitter: @HelenKnapman
Email: editor@moneywise.co.uk

Get in touch

t: @Hannah_Nemeth
Acting Deputy Editor

t: @edgreav
Product Researcher

t: @rachellacey77
Special Projects Editor

moneywise
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ACTING EDITOR Helen Knapman
ACTING DEPUTY EDITOR Hannah Nemeth
SPECIAL PROJECTS EDITOR Rachel Lacey
PRODUCT RESEARCHER/WRITER Edmund Greaves

CONTRIBUTORS
Arinola Araba, Jasmine Birtles, John Fitzsimons, Rob Griffin, Stephanie Hawthorne, Ruth Jackson, Sarah Jagger, Emma Lunn, Darius McDermott, Michelle McGagh, Jeff Prestridge, Simon Read, Esther Shaw, Nyree Stewart

ART DIRECTOR Mark Stammers
FREELANCE SUB-EDITOR Lewis Lyons

PUBLISHING DIRECTOR Jeremy King

ADVERTISING MANAGER Chris Sorrell
ACCOUNT MANAGER Kristian Libetta

MONEYWISE MAGAZINE
FIRST FLOOR, STANDON HOUSE,
21 MANSELL STREET, LONDON, E1 8AA
020 7680 3600 (PHONE)
020 7702 0710 (FAX)
MONEYWISE.CO.UK
EDITORIAL@MONEYWISE.CO.UK

SUBSCRIPTIONS HOTLINE:
01371 853 607
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mw

Sections

"We're gagging for freebies, no matter how dodgy it turns out to be"
Jasmine Birtles

Regulars

Interest rates held for now – but mortgage borrowers can still save thousands by switching

BY RACHEL LACEY

Despite widespread expectations of an interest rate rise this year, the Monetary Policy Committee (MPC) voted to keep rates at 0.5% in May – the latest meeting at the time of writing.

In the weeks before the MPC's meeting, economic forecaster the EY Item Club predicted two interest rate hikes in 2018 in its spring forecast: a 0.25% hike in May, followed by a further 0.25% increase near the end of the year.

Financial provider Hargreaves Lansdown was taking a similar view.

Its senior economist Ben Brettell says: "It looked like a May rate rise was a near-certainty. The Bank of England had upgraded its growth forecasts, and in March two members of the MPC broke ranks and voted for an immediate rate rise. Markets were then pricing in a 90% chance of a rate rise at May's policy meeting."

However, following disappointing first-quarter growth figures of just 0.1% and ongoing Brexit uncertainty, by the week of the MPC meeting the chances of a rise had slipped to just 8% and the committee voted seven to two in favour of holding interest rates.

"Personally, I think we might not see a rate rise for the rest of the year," Mr Brettell adds.

The news will be welcome relief to borrowers on standard variable rate (SVR) mortgages, as it means their monthly repayments are not expected to rise in the near future. However, not all experts agree and, if recent events have proved anything, the outlook for interest rates can change quickly. This stalling may only provide temporary reprieve.

Aniket Bhaduri, senior investment consultant at JLT Employee Benefits, says: "The country's long-term productivity problems remain, and unemployment continues to be at a record low. Scaling back a rate rise expectation may fuel inflation through a weaker pound and cheaper credit, with a continued increase in commodity prices. We therefore expect a hike later this year."

The only way variable rate borrowers can be confident that their mortgage repayments will not rise is to remortgage to a fixed-rate mortgage. Terms can typically be fixed for two to five years, often longer, making it easier for homeowners to budget.

Peace of mind aside, it can also be a fantastic way of reducing outgoings if you are on your lender's SVR or haven't remortgaged in some time.

Figures from broker London & Country Mortgages show that a borrower with a £150,000 mortgage over 25 years would be paying £855.18 a month on a lender's typical SVR of 4.75%. However, by switching to a two-year fixed rate of 1.34% with Monmouthshire Building Society (available to 65% LTV with a £999 fee and free legals and valuation), monthly repayments would fall to £588.69, saving the homeowner £266.49 a month – or a whopping £6,395.76 over the two-year period.

David Hollingworth, associate director of communications at London & Country Mortgages, says: "Keeping on top of the mortgage rate is a good way to manage costs now and to protect against any potential future increases too."

He adds: "It makes sense to start shopping around several months before the end of the current deal so that everything can be lined up in good time for a smooth switch. Some lender offers can be valid for up to six months, so it's possible to start the process even earlier in some cases."

According to research from online mortgage broker Habito, 40% of UK homeowners have neither switched nor reviewed their mortgage in the past five years. mw

Remortgaging: How the savings stack up

Loan: £150,000 over 25 years

Current deal: Lender's typical SVR of 4.75%

Current monthly repayments: £855.18 a month

New deal: 1.34% two-year fixed rate for remortgagers with Monmouthshire Building Society (£999 arrangement fee but includes free legals and valuation)

New monthly repayments: £588.69

Savings: £266.49 a month, £6,395.76 over two-year term of mortgage

One in five sellers sees property deal fall through

BY LEWIS LYONS

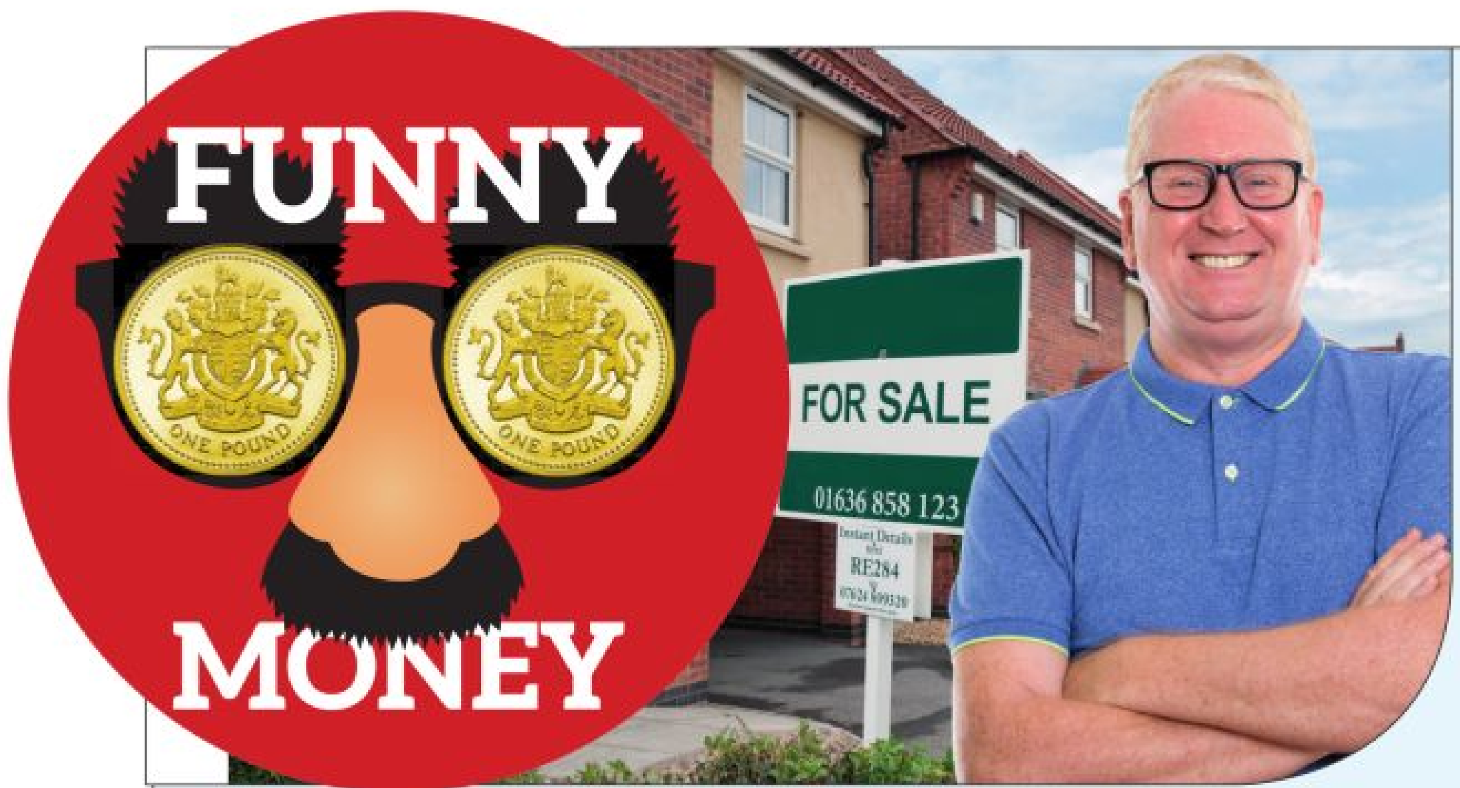
Homeowners in the UK are seeing more than 300,000 property transactions fall through, costing them £400 million.

This equates to one in five sellers losing out on a property transaction before completion, at a cost of £2,700 – largely due to broken chains, with 69% of collapsed sales down to buyers changing their minds.

The study by consumer group the HomeOwners Alliance found that just over half of sellers (51%) incurred financial costs averaging £2,727, and more than one in 10 (12%) were forced to shell out more than £5,000. These costs included legal/conveyancing fees (23%), legal searches (13%) and surveys on purchase properties (15%).

On average, 21% of the sellers' additional costs were caused by 'gazundering', where the buyer lowers their offer just before completion in the hope of forcing the seller to accept less. Gazundering was reported by almost one in 10 sellers (8%).

Some 80% of the 2,000 people polled say they would like to see buyers provide proof of funds before they can put in an offer, and 65% support the idea of voluntary reservation agreements – legally binding agreements that require the buyer and seller to put down a non-refundable deposit. mw



Sell your house for free if your name is Derek

BY LEWIS LYONS

Good news if your name is Derek: you can sell your house online without paying any estate agent's fees if you put it on the market before 30 June.

It's about time somebody did something for Dereks. The 1930s were a golden age for blokes called Derek, when it was consistently one of the UK's top 20 male names.

However, since the dizzying high point of 1934, when it was the 13th most popular name for baby boys, Derek has slipped out of favour and firmly into the ranks of the uncool. It fell out of the top 100 in 1975 and has never returned, according to the Office for National Statistics.

But online estate agent HouseSimple has taken pity on the unloved name and wants to rehabilitate it. Anyone named Derek who signs up now will have the agent's usual £995 fee waived, with their property marketed on the site for six months.

Terms and conditions are, naturally, very strict: Derek must be your first name, you must own or part-own the property and you must show ID such as a birth certificate, passport or driving licence.

Moneywise mortgage writer scoops top award

BY HELEN KNAPMAN

A *Moneywise* journalist has scooped a top award at the Headlinemoney Awards – the financial equivalent of the Oscars.

Our former product writer and researcher Adam Williams (pictured) beat stiff competition from *The Telegraph*, *The Times*, *This is Money* and *Which?* to take the Mortgage Journalist of the Year (Consumer) award, sponsored by Habito, for his work on *Moneywise*. His win follows our campaign on the plight of interest-only mortgage borrowers who will struggle to repay their debt at the end of their loan. On a similar theme, one of Adam's entries was on mortgage misfits trapped on high-interest loans.

Moneywise was also shortlisted in the Consumer Money Title of the Year category, while acting editor Helen Knapman was shortlisted for Consumer Money Journalist of the Year and columnist Simon Read for Consumer Champion of the Year. Adam, now at *The Telegraph*, was also shortlisted for his work on *Moneywise* in the Savings Journalist of the Year category.

Other wins included Financial Commentator of the Year for our columnist, and personal finance editor of the *Mail on Sunday*, Jeff Prestridge, while contributor Andy Webb bagged Financial Blog of the Year for his website BeCleverWith YourCash.com. mw

To know local companies, keep local company.

LET'S TALK HOW.

FIDELITY CHINA SPECIAL SITUATIONS PLC

China is changing, presenting significant investment opportunities for those who know where to look.

Why? Well, the spending power of a growing and affluent middle class is increasingly driving the economy. And government reforms support this shift to a focus on the new consumer.

In such a vast and complex market, you need on-the-ground expertise to take full advantage of these changes and the resulting undervaluations, particularly of small and medium-sized companies, which can occur.

That's why Dale Nicholls, manager of Fidelity China Special Situations, and his team of researchers are based in Hong Kong and Shanghai. Their local knowledge and connections make them well-placed to identify and benefit from valuation anomalies as they arise.

So, if you're looking for local knowledge-based investment in a market that's too big to ignore, take a closer look at the UK's largest China investment trust.

MONEY OBSERVER RATED FUND 2018

ELITE FUND rated by FundCalibre.com

PAST PERFORMANCE

	Feb 13 – Feb 14	Feb 14 – Feb 15	Feb 15 – Feb 16	Feb 16 – Feb 17	Feb 17 – Feb 18
Fidelity China Special Situations Net Asset Value	**18.3%**	**32.3%**	**-0.8%**	**45.4%**	**30.8%**
Fidelity China Special Situations Share Price	**13.7%**	**27.7%**	**-5.4%**	**52.0%**	**32.5%**
MSCI China	**-10.1%**	**29.1%**	**-17.6%**	**46.9%**	**32.5%**

Past performance is not a reliable indicator of future returns. Source: Morningstar as at 28.02.2018, bid-bid, net income reinvested. ©2018 Morningstar Inc. All Rights Reserved. The comparative index of the Investment Trust is MSCI China.

Past performance is not a reliable indicator of future returns. The value of investments can go down as well as up and you may not get back the amount you invested. Overseas investments are subject to currency fluctuations. Investments in small and emerging markets can be more volatile than other overseas markets. The shares in the investment trust are listed on the London Stock Exchange and their price is affected by supply and demand. The investment trust can gain additional exposure to the market, known as gearing, potentially increasing volatility. This trust invests more heavily than others in smaller companies, which can carry a higher risk because their share prices may be more volatile than those of larger companies.

To find out more, go to fidelity.co.uk/china or speak to your adviser.

Fidelity INTERNATIONAL

THE CONTINUING GROWTH OF IDENTITY FRAUD IN THE UK

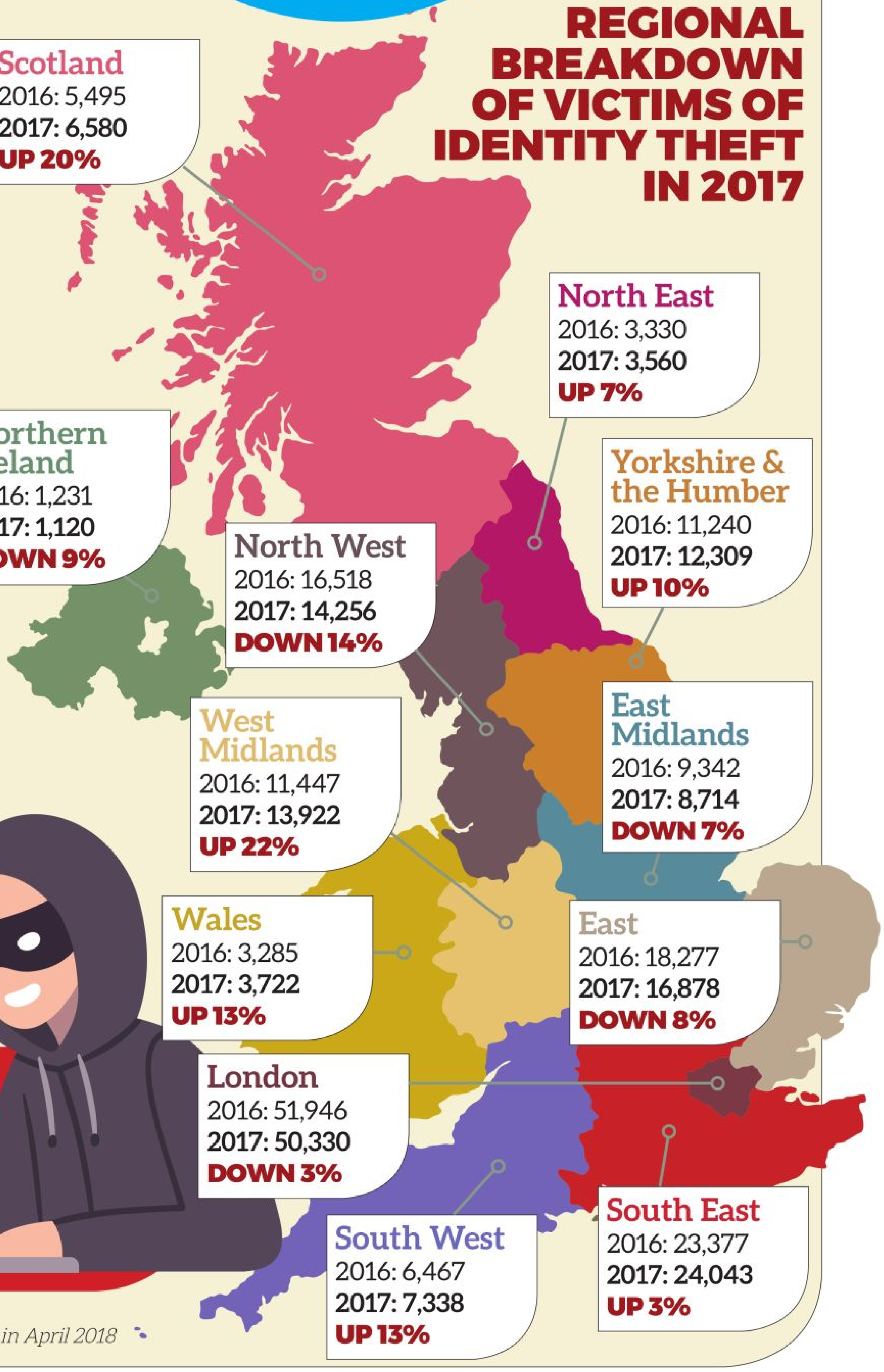
In 2017 **identity fraud** continued to rise, hitting an all-time high of **174,523 cases** – 95% of these cases involved the impersonation of an innocent victim

More than **a third** of bank account takeover victims are **over 60**

There was a **27%** increase in **14- to 24-year-olds** acting as 'money mules'. **Money mules** use their own bank accounts to transfer fraudsters' funds

Eight out of 10 fraudulent applications were made online

REGIONAL BREAKDOWN OF VICTIMS OF IDENTITY THEFT IN 2017



Source: Key findings of the Cifas annual Fraudscape report for 2017, published in April 2018

Action is needed to help struggling mortgage borrowers

HOMEOWNERSHIP is lauded in the UK, with scheme after scheme available to help first-time buyers on to the ladder.

We've got everything from Help to Buy equity loans to Lifetime Isas to Shared Ownership – and that's just the start.

Now don't get me wrong, given sky-high house prices and lofty deposit requirements, first-time buyers need all the help they can get.

I would have struggled to buy my first home last year if it wasn't for the handy 25% cash bonus I received on top of my Help to Buy Isa savings.

But it seems that once you've got on to the ladder you're somewhat forgotten.

The mortgage industry, like so many others, places responsibility on the consumer to search for a better deal. As such, fewer than 30% of Brits have considered remortgaging, according to research published by comparison website MoneySuperMarket in May. Meanwhile, 17% on a fixed-term mortgage don't know what happens when their fixed term ends.

Here at *Moneywise*, we often reiterate the importance for mortgage borrowers to note down when their fixed deal ends, so they can diarise to switch, to negate ending up on their lender's pricey standard variable rate (SVR). Just doing this one simple task can save a typical borrower £6,000 over a two-year fixed term, according to figures from mortgage broker London & Country.

However, what happens when you can't switch your mortgage? *Moneywise* reported the plight of such mortgage prisoners back in March 2017.

According to an interim report published by the Financial Conduct Authority (FCA) in May, around 30,000 borrowers are unable to switch despite it being the best option for them.

This is because while many of these borrowers are up to date with their mortgage payments, they took out their mortgage before the 2008/09 financial crisis and don't meet the stricter affordability criteria to remortgage that were introduced after the financial crash.

Plus, as these customers are with authorised mortgage lenders, the number of mortgage prisoners

could be much higher – around 120,000 – if those stuck on a poor deal with non-regulated firms are included.

The FCA now plans to work with brokers to develop better comparison tools so that consumers can compare brokers more easily, with its final report to be published at the end of the year.

Let's hope it takes strong action to help these borrowers. As one reader commented on *Moneywise*: "My son is self-employed, paying a high fixed-interest rate and ideally needs to remortgage. But due to a change in workload/income he is unable to get approval, which would help the family. This total lack of understanding on a customer wishing to reduce his outgoings is completely beyond common sense."

More needs to be done for the 120,000 mortgage prisoners

But it's not just mortgage prisoners who continue to pay for the mistakes of the past. We've reported concerns at *Moneywise* about the ticking interest-only mortgage time bomb, which will see many borrowers left with a large debt and little chance of paying it back at the end of their mortgage term over the next few years.

Many borrowers in this situation say their lender should have done more to ensure a suitable repayment vehicle was in place when their loan expired.

And then there are the 135,000 low earners who had their mortgage benefit – Support for Mortgage Interest (SMI) – taken away in April and replaced with a chargeable loan.

This controversial decision has been met with criticism from borrowers, MPs and industry experts.

One reader commented on *Moneywise*: "There has not been enough of a fair transition period for this [the change from SMI to a loan] to happen, and to make a very important decision about getting advice and to understand a very complicated form."

So, while it's positive to see the financial regulator finally taking notice of mortgage prisoners – it also urged interest-only borrowers to contact their lenders in January after it found that many have not talked to their lender about their repayment options – I'd argue that a lot more still needs to be done and tangible solutions for these borrowers need to be put in place.

Let me know your thoughts by emailing the address below or tweeting me @HelenKnapman. mw

Email editor@moneywise.co.uk

Virgin Mobile to up prices for 1.6 million users

BY HELEN KNAPMAN

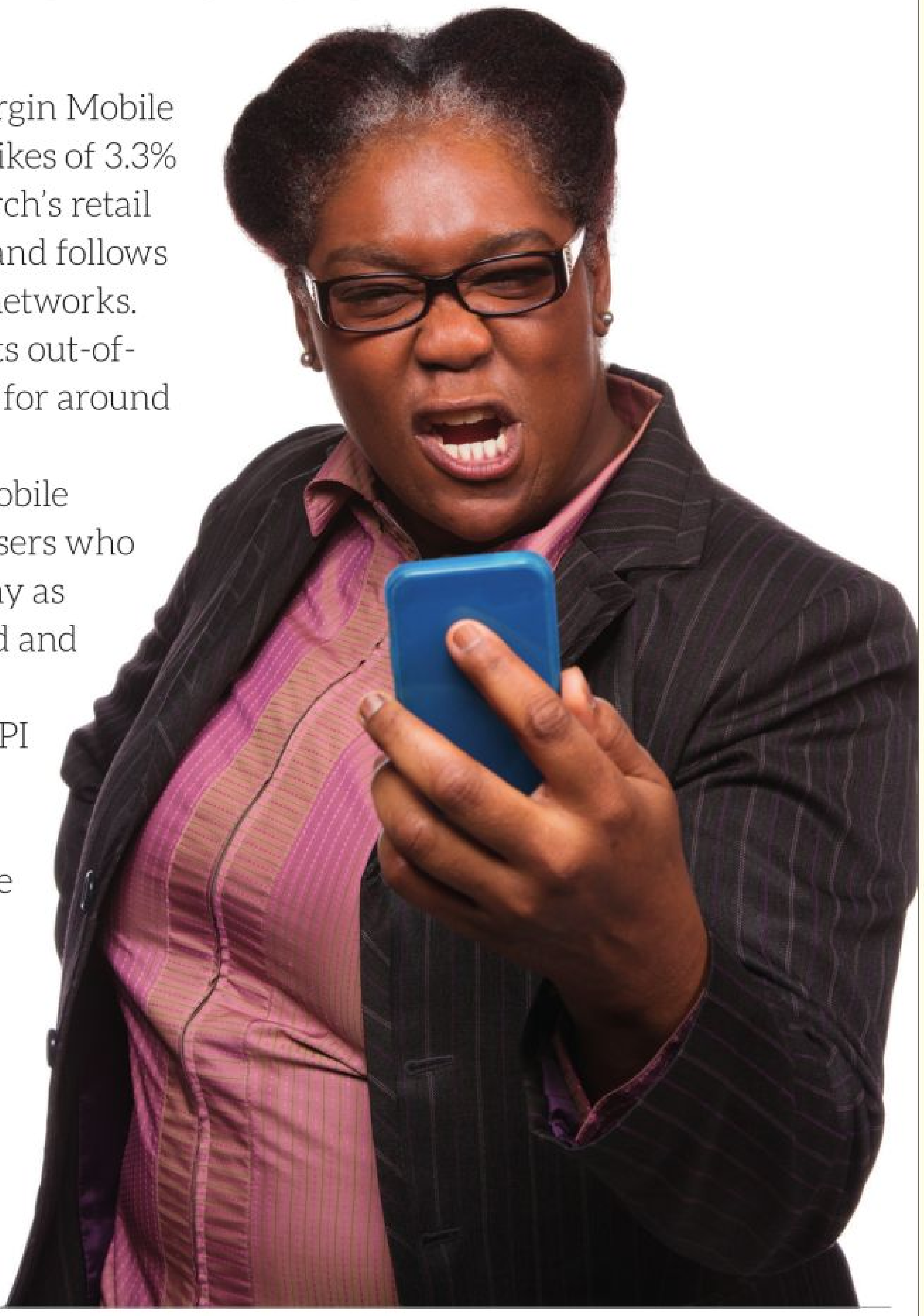
Around 1.6 million pay monthly Virgin Mobile customers will be hit with price hikes of 3.3% from July. The increase is linked to March's retail prices index (RPI) measure of inflation and follows in the footsteps of other major mobile networks.

In addition, Virgin Mobile is upping its out-of-bundle prices – including call charges – for around 200,000 pay monthly users.

Virgin Mobile says that 1.4 million mobile customers – made up of pay monthly users who joined after February 2018 as well as pay as you go (PAYG) users – will be unaffected and not see a rise in charges.

Customers who are affected by the RPI price rises cannot cancel their contract penalty-free, as Virgin Mobile says it makes it clear in its contracts and online that it is entitled to raise prices in line with inflation each year.

However, those customers who are "materially affected" by the out-of-allowance changes will have 30 days to cancel their contract, penalty-free, from the date Virgin communicated the price change. mw



Npower to hike energy bills by 5.3%

BY HELEN KNAPMAN

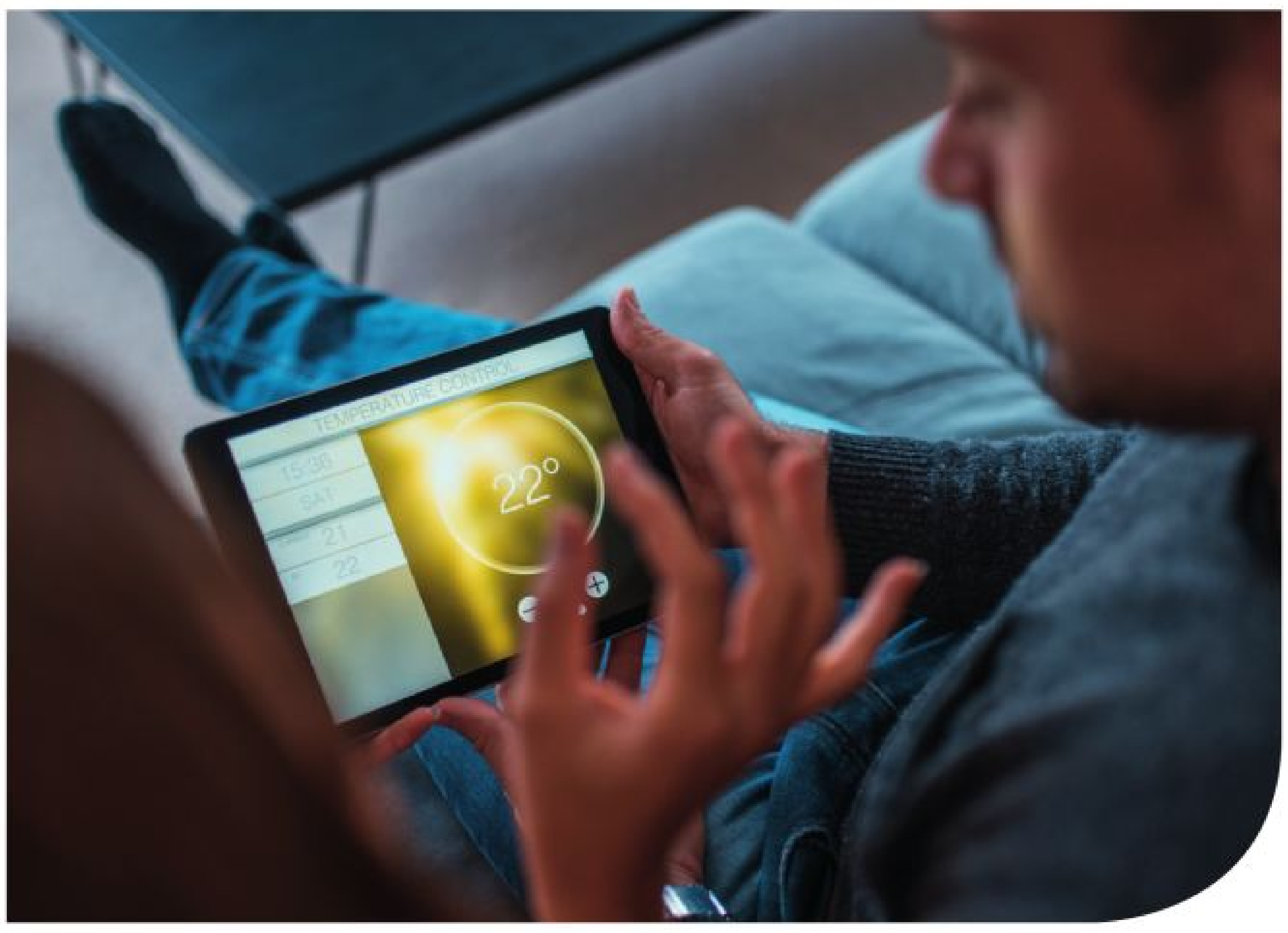
Npower has announced price increases which will affect around a million customers.

From 17 June, the average dual-fuel user on a standard variable rate (SVR) tariff who pays by direct debit will see prices rise by 5.3% – or £64 a year – taking annual bills to £1,230. This is made up of a rise of 4.4% on gas and 6.2% on electricity.

The Big Six energy provider says the price change "largely stems from increases in policy and wholesale energy costs".

However, customers on a fixed energy tariff, a pre-payment meter or a 'Safeguard' tariff for vulnerable consumers will not see prices rise. Npower says this accounts for over 60% of its customer base.

The easiest way to beat energy price hikes is to use a comparison tool to check if you can switch and save.



The average dual-fuel user will see prices rise by £64 a year

Claire Osborne, energy expert at comparison website uSwitch, explains: "Npower customers have a simple choice: to stay on a rip-off tariff and watch their bank balance shrink even further, or compare, switch and save up to £491." mw

Bulb warns of second price rise in four months

BY HELEN KNAPMAN

Around 400,000 households supplied by energy company Bulb may see their prices rise for the second time this year.

Bulb increased the price of its variable Vari-Fair tariff – the only one it offers – by 2.8% (an average of £24 a year) on 28 April.

However, Bulb has warned in an email to customers seen by *Moneywise* that "[we] might have to increase our prices in August" due to wholesale energy prices rising by 13% since February.

The company adds in a blog post on its website that continued cold weather in the lead-up to spring has put "increased pressure on already depleted gas stores".

In its email, Bulb promises to give customers 60 days' notice if it increases prices and says there would be no exit fee.

Bulb is a green provider, supplying 100% renewable electricity and 10% green gas to dual-fuel and electricity-only homes and businesses across the UK. Its average annual bill for a typical dual-fuel user stands at £880.

In comparison, the average dual-fuel household paying by direct debit pays £1,016 a year, according to energy comparison website uSwitch, while the average dual-fuel user on a Big Six tariff paying by direct debit stumps up £1,160 a year.

HOT DEAL

Every week on our website the *Moneywise* team picks out their favourite deal. For the magazine, we've chosen a way to get extra Tesco Clubcard points by downloading an app.

Get 25% extra Clubcard points with Tesco Pay+

BY EDMUND GREAVES

Use Tesco's dedicated payment app and you'll get an extra Clubcard point for every £4 you spend.

Get more great deals every week at:
MONEYWISE.CO.UK/DEAL-OF-THE-WEEK

What's the deal exactly?

Tesco is offering an extra Clubcard point for every £4 spent in all Tesco stores in the UK, including petrol stations.

This means you'll get a 25% bonus on top of the usual rate of one point per pound spent in store.

Download the app on to your Android or iOS phone and add the payment card you want to use. Then spend, using the phone's contactless technology, to get the bonus.

Why should I care?

Tesco Clubcard points are a valuable way to obtain discount vouchers, deals and promotions through its rewards tokens. You'll earn Clubcard points 25% faster by doing so through the dedicated payment app.

The payment app is also a convenient way for customers to track their in-store spending.

What's the catch?

Tesco is cutting the value of rewards tokens you can earn from 10 June. Instead of Tesco Clubcard points being worth four times their value in rewards from places such as Pizza Express and Zizzi, they will now be three times their value.

The 25% bonus will last until 31 December.

What are the other options?

You could earn one point for every £1 you spend with a Sainsbury's Nectar card, which effectively gives you 0.5% cashback; 500 Nectar points are worth £2.50.

Also check our guide to the best credit cards for rewards and cashback at Moneywise.co.uk/cards-loans/credit-cards.

Where can I find out more?

Check the Tesco website for how to set up Tesco Pay+.

Haagen-Dazs shrinks tub size but not its price

BY STEPHANIE HAWTHORNE

Shoppers will be giving a cold reception to Haagen-Dazs' decision to reduce the size of its ice cream tubs while charging the same price. This is yet another example of 'shrinkflation', where you get a smaller-sized product for the same money.

The US-owned giant has cut the contents of favourites including Belgian chocolate, vanilla and coffee from 500ml to 460ml. But despite the 8% reduction in size, Haagen-Dazs ice cream will still cost you £5.35 a tub.

The luxury ice cream maker told *The Mirror* that rising costs were to blame and insisted that it had taken the drastic step "absolutely as a last resort".

> 2,529 different products have shrunk since 2012

A huge number of manufacturers are adopting sneaky shrinkflation tactics, with the Office for National Statistics reporting in July 2017 that no fewer than 2,529 different consumer products have decreased in size or weight since 2012. mw

Broadband customers 'let down by unrealistic adverts'

BY HANNAH NEMETH

Consumers in the UK are paying for broadband services that are, on average, 51% slower than advertised, according to new research by *Which?*.

The consumer group analysed the results of 235,000 broadband users in the year to 30 April 2018 and found that households were only getting average speeds of 19Mbps (megabits per second), although they had paid for 38Mbps.

> People on a 200 Mbps broadband package receive just 52 Mbps

Consumers paying for faster broadband speeds were even worse off: those on a package of up 200Mbps, on average, only received speeds of 52Mbps.

Which? asked users to measure speeds using an ethernet cable (to check the speed at the router), though some tests may have been conducted over wi-fi.

Under new rules from the Advertising Standards Authority, as of 23 May broadband providers are no longer allowed to advertise 'up to' speeds as these are only available to 10% of customers. Instead, they must advertise the median average speed that up to 50% of customers will receive at peak times. mw

Watched pots do boil

THE COST OF STARTING A FAMILY

£12,161
Average spent on rent and bills by singletons

£13,248
Average spent on rent and bills by childless couples

£20.70
Weekly government benefit for your first child

£840 Cost of rent for an average one-bed property

£962
Cost of rent for an average two-bed property

£212
Additional cost of household bills (energy and water) with your first child

£60,796
Average difference in value between a one-bed and two-bed property

Source: MoneySuperMarket.com, April 2018

MILLENNIAL Money Mantras

BY EDMUND GREAVES

It's time to rethink why we buy property

Millennials need to decide whether getting on to the property ladder is truly worth it. Housing and the property market has always been a hot topic for discussion and it's become even more prominent of late due to the very high prices that homes in some areas have risen to.

Despite this, think tank Resolution Foundation has found that some 65% of young people still aspire to buy their own home.

But should millennials even bother buying a first home when the barrier to entry is so high?

I imagine one of the key reasons why young people desire to become homeowners is the stability it creates to start a family. Not being beholden to a landlord gives young couples significant reassurance that they won't one day be turfed out if the owner decides to sell up.

However, property ownership is in decline. According to the think tank, the number of families with children living in the private rental sector has increased from 600,000 in the early 2000s to 1.8 million today.

This is very likely to come down to an issue of cost rather than choice. According to research from comparison website MoneySuperMarket, a couple expecting their first baby should be prepared for their costs to rise by as much as £14,000 a year, which could make saving for a house deposit at the same time near-impossible.

Another likely reason for desiring homeownership is because many millennials will tell you they've had a mantra drilled into them by their baby boomer parents (who have done well out of home ownership) that property is always a good investment. "If the economy goes to hell in a handcart, you've still got the bricks and mortar!" I hear your parents cry. Well, imagine the local economy collapses in the town you live in, but continues apace 200 miles away. Suddenly you're stuck, potentially in negative equity, with an illiquid asset at the exact moment you need to move towns to get a job.

And that's assuming you manage to get on to the market in the first place, given the barrier to entry is appallingly high. The pain of scrimping and saving for a deposit and the brutal mortgage affordability tests that lenders now put people through have made it immensely difficult to get started. And don't forget the stamp duty land tax imposed if you're a first-time buyer purchasing a property over £500,000, and only the first £300,000 will be exempt from this tax where a home costs less than £500,000.

Plus, while the government lays out all manner of schemes to help youngsters get on the ladder – such as Help to Buy and Lifetime Isas (Lisas) – these simply stoke demand, do nothing to improve supply and are likely to further inflate prices and cut more entrants out of the market.

> "Buying a home is an impossible equation to solve"

In short, you've got a concoction that makes me wonder if buying a property is really worth it.

There is no doubt it has been a boon for our parents' generation. But now millennials are stuck in a Catch-22 situation where the deposits they're building rot away in low-interest bank accounts, their options are severely limited according to where the opportunities to live and work are most prevalent, and we are unlikely to ever see a return to the days of 100% mortgage lending.

It is simply becoming an impossible equation to solve. It's time the government helped renting become a more stable option for families and young people alike, and we could all think carefully whether our money could be better invested in other ways than buying a home.

As a young single person living in central London, owning my own property is well beyond my means. Owning in my home town while I rent in London is also unfeasible, because no lender will ever consider me for a buy-to-let loan, and right now I need to be in the capital for work.

Instead, I've decided to make my money grow using high-quality investment funds. I hope to be able to make small regular investments that will allow me to access the property market in 10 to 15 years' time.

Although do note that if you're planning to buy a home in the immediate future, then it's best to save in cash. Investing should only be for the long term, with the opportunity for greater returns over time. The value of your investments can go down as well as up. mw

Motorists to face tougher MOT tests

BY STEPHANIE HAWTHORNE

Stringent new rules for MOT tests in England, Scotland, and Wales came into force on 20 May.

The old-style 'pass or fail' MOT has been replaced by three defect categories – dangerous, major and minor.

The category applied will depend on the type and seriousness of the problem, but there are now two 'failure' classes – dangerous and major. If a car fails with a 'dangerous' result, it will be illegal to drive it on the public road, with the owner facing a £2,500 fine and up to six penalty points if they drive it to another garage to be repaired or to the scrapyard.

Under the new rules, the tests include checking for obviously underinflated tyres, contaminated brake fluid, leaks that pose an environmental risk and faulty or missing brake-pad warning lights, brake pads or discs.

New rules are also being introduced to test emissions, which are much more stringent, particularly for diesel cars that came with a diesel particulate filter (DPF) to clean up its emissions. mw

The new emissions tests are much more stringent

Motorists see petrol hikes as oil price soars

BY EDMUND GREAVES

Motorists have seen petrol and diesel prices go up in the wake of President Donald Trump's decision to withdraw from the Iran nuclear deal.

According to price comparison site Confused.com's fuel price index, in mid May a litre of petrol rose on average by 0.9p to 124.4p and diesel rose by 1p to 127.5p in the space of just a week.

This means that to fill a small car (42 litres) with petrol will now cost £52.25, while a medium car (57 litres) will cost £70.91 and a large car (65 litres) £80.86. Motorists filling with diesel will pay, on average, £53.54 for a small car, £72.66 for a medium-sized car and £82.85 for a large car.

But it does pay to shop around: the cheapest petrol can be found in Wigan, Lancashire, at £121.8p per litre, while the most expensive is in Lerwick, on the Shetland Isles, at £132.9 a litre, according to Confused.com.

Motorists in Edinburgh can fill up with the cheapest diesel at 125.1p a litre, while those in Lerwick are again the worst off – at £134.7p per litre. mw

Pothole 'epidemic' leads to spike in insurance claims

BY HANNAH NEMETH

Drivers and their insurers are paying out at least £1 million a month in repair bills for cars damaged by potholes, according to research by the AA.

The motorists' body, which also acts as an insurance broker, reports that more pothole claims were made between January and April 2018 than during the whole of last year.

The AA estimates that, across the UK, there will have been over 4,200 claims for pothole damage so far this year, with an average repair bill of around £1,000. Janet Connor, the AA's director of insurance, says: "In most cases, the damage caused by a pothole – a ruined tyre or even two tyres and perhaps a wheel rim – doesn't justify making an insurance claim, so the claims we are seeing are clearly much worse than that.

The average pothole damage repair bill is around £1,000

A new development this year, she says, is the growing number of claims where the damage is serious enough to be described as "car severely damaged and undriveable", adding that the pothole "epidemic" is a "national disgrace". mw

NatWest launches £100 switching offer

BY EDMUND GREAVES

NatWest is offering a £100 cash bonus if you switch to it using the Current Account Switching Service (CASS) before 15 June. It's the best upfront deal currently on the market.

You'll need to pay in at least £1,500 – either in one go or in smaller transactions – and set up and log in to NatWest's online banking platform or its mobile banking app by 13 July.

The next best deal is Halifax, which offers £75 to switch. However, with Halifax you'll also earn £3 a month if you pay in at least £750 monthly. This represents a total return of £111 over a year.

M&S Bank offers a £125 M&S gift voucher

Barclays' deal pays up to £384 over a year, but this offer expires on 29 June. You will also need to sign up to Barclays' Blue Rewards scheme and pay £3 a month, with the amount you earn dependent on the transactions you make and the Barclays products you hold.

Another option is M&S Bank, which offers a £125 M&S gift voucher for switching plus £5 in vouchers each month for a year.

Lastly, First Direct gives switchers a variety of non-cash options to pick from, including electronics worth up to £189, a £150 Expedia voucher or online self-development courses.

The Moneywise verdict

At the time of going to press, the NatWest deal is the best upfront cash offer, but you'll have to act fast and switch before 15 June – you'll receive the bonus by 10 August. In terms of overall value, there are better deals available, such as Barclays' or First Direct's offerings, but these don't have the bonus of upfront cash. mw

RBS boss questioned over branch closures

BY EDMUND GREAVES

RBS customers still face uncertainty in Scotland over branch closures, following the bank's chief executive Ross McEwan's recent questioning by the Scottish Affairs Committee.

Last December, the bank announced the closure of 62 branches in Scotland. This was revised in February 2018, with 10 branches subject to a temporary reprieve.

Appearing before the Committee, Mr McEwan (pictured) explained the decision: "When we look at our customer behaviour, the evidence is stark. Branch use has fallen dramatically. The vast majority of our customers want to bank when it suits them, at all hours. They aren't using the branch as their first port of call."

"People bank when it suits them"

Mr McEwan added that customers have access to more than 2,000 physical points "in communities across Scotland". This includes access points within Post Offices or mobile vans.

RBS will make a final decision on the 10 branches under review by the end of this year. mw

WARNING

SCAM WATCH

Avoid these top five scams

BY STEPHANIE HAWTHORNE

Online fraud has reached epidemic proportions, with the five most common scams totalling 130,202 cases in the UK in 2017, according to research by TalkTalk.

Here are the top five scams to avoid.

1. Online shopping and auctions

A product bought on an auction site is misrepresented online or not delivered. Scammers will accept an electronic payment, but the goods won't arrive and the sites are found to be bogus.

Fraudsters will try to access online banking

2. Computer software service fraud

Cold calls from bogus 'tech support' teams who claim that the victim's computer has a bug. Common ploys are the scammer asking to remotely access the victim's computer to fix it, at a hefty charge, or else they will simply ask for credit card information to 'validate the software'.

3. Email/social media hacks

A fraudster contacts a relative or friend via a victim's email or social media account and asks to borrow money and send it to an account that belongs to the scammer.

4. Personal computer hacks

A scammer sends phishing emails, directing users to enter personal information on a fake website. Once fraudsters have gained access, they will try to access online banking, or modify the computer so it is difficult for the owner to use.

5. Extortion

A scammer gains access to private content, such as photographs, and demands money or they will send it to family and friends or make it public.

'Girl fund' to invest in gender-diverse companies

BY STEPHANIE HAWTHORNE

With a nod to 'girl power', Legal & General Investment Management (LGIM) has launched the first gender diversity fund focusing on UK companies. The L&G Future World Gender in Leadership UK Index Fund ('GIRL' fund) will allocate more to companies that have achieved higher levels of gender diversity.

LGIM will score and rank companies according to four gender-diversity measures: women on the board of directors, women executives, women in management and women in the workforce, with companies expected to reach a minimum of 30% representation of women in these four measures.

The fund tracks an LGIM-designed index of around 350 of the UK's largest companies. It tracks the UK equity stock market via low-cost and transparent index exposure, managed against the Solactive L&G Gender in Leadership UK Index. The index is 'tilted' according to LGIM's gender diversity score.

Helena Morrissey, head of personal Investing at LGIM, says that gender inequality is an issue that causes "so much frustration". She adds: "Rather than feeling trapped or despondent, let's do something about it."

The fund will be available to individual investors through LGIM's personal investing platform. The minimum investment is £500. Ongoing charges are 0.5% a year. mw

It's the first UK gender diversity fund

Scottish Mortgage charges fall

BY HELEN KNAPMAN

Investors in Scottish Mortgage Trust – one of *Moneywise*'s First 50 Funds for beginners – will be pleased hear the charges they pay to invest in the fund have fallen.

According to Scottish Mortgage's annual results for the year up to 31 March 2018, the company's ongoing charges ratio (OCR) fell to 0.37%, down from 0.44% the previous year.

Moira O'Neill, head of personal finance at investment platform Interactive Investor (*Moneywise*'s parent company), comments: "One key advantage of Scottish Mortgage is its low management charge. We are delighted to see that this has fallen further. This is an almost 16% reduction on what was already one of the lowest cost ratios in the sector."

In terms of providing an income for investors, the firm's board has recommended a final dividend of 1.68p per share, providing a total distribution for the year of 3.07p per share - a year-on-year increase of just over 2%. Looking to share price growth, this rose by 21.6% in the 2017/18 financial year.

Vodafone tipped as 'strong buy' after results exceed expectations

BY HELEN KNAPMAN

Telecoms provider Vodafone has been singled out as a 'strong buy' for investors following the posting of positive financial results.

The group has announced that operating profits are up 15.4% to €4.3 billion in the year to 31 March 2018. As such, Richard Hunter, head of markets at investment platform Interactive Investor (*Moneywise*'s parent company), believes the future for Vodafone looks fruitful.

He explains: "On most metrics, the company has exceeded expectations, with another reduction in net operating costs and a strong hike in adjusted earnings pushing Vodafone back into the black. Pre-tax profits showed a 39% increase, while from an operational perspective broadband gains and strong data demand provided additional tailwinds."

However, Mr Hunter cautions that shares have lost 2% over the last year, compared to a 3.7% gain for the wider FTSE 100. In addition, new debt remains at a "significant level" and competition in the sector is "fierce". mw

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Here's a selection of recent tweets:

21 May 18 Buy-to-let landlords get cold feet **bit.ly/2kdlvOA**

21 May 18 Iceland trials plastic bottle recycling scheme with voucher offer **bit.ly/2IWK1RG**

18 May 18 Deal of the week: 30% off TalkTalk broadband **bit.ly/2ISqcLx**

17 May 18 Will Meghan Markle magic enchant the stock market? **bit.ly/2Gq63Hf**

16 May 18 Planning a trip overseas? Will you be using card or cash? **bit.ly/2Ikw6pj**

Ryanair cuts check-in window if you haven't reserved seats

BY HANNAH NEMETH

Ryanair has cut its online check-in window from four days to just 48 hours, unless you have paid to reserve a seat in advance.

The new rules come into effect on all flights departing from 13 June and anyone checking in from that date, meaning that passengers who haven't reserved a seat can only check in online between 48 hours and two hours before their flight departs.

This new move means holidaymakers going away for a long weekend won't be able to check in for both outward and return journeys before they fly.

> People can only check in from 48 hours to two hours before flying

Back in March, the budget airline raised the price of reserving a seat from £2 to £4, while the cost of reserving seats at the front of the plane went up from £7 to £13.01.

Ryanair argues that its new policy is still "double the 24-hour check-in period operated by Aer Lingus, British Airways, Lufthansa, Norwegian and Iberia" and that the move gives customers who have paid the £4 fee more time to select their seats. mw

BA customers can pay to select seats using Avios

BY STEPHANIE HAWTHORNE

British Airways Executive Club members with Avios points can use them to select their seats on all British Airways-operated flights, but it may not be the most effective way of using the points.

Previously, customers who did not have access to free seat selection could choose to pay to select their seats. Now, customers will also have the option to use their Avios points to cut the cost of seat selection or to cover the cost in full.

> "Using your Avios to reserve seats is a poor deal"

Customers who do not wish to spend Avios but do want to select their seats, will still be able to pay the cash amount or can wait and select their seat for free when check-in opens 24 hours before departure.

British Airways already offers free seat selection for Gold and Silver members of the British Airways Executive Club from the time they book and offers free seat selection for Bronze members seven days before their flight departs.

However, Rob Burgess, editor of the frequent flyer and air miles website Headforpoints.com, says: "While it is always good for flyers to have more ways of using their Avios, using your hard-earned points to pay BA's seat reservation fees is a very poor deal. You are getting just 0.55p per Avios this way. I expect anyone redeeming Avios for flights to be able to get 1p to 1.5p per point of value, which is far better." mw

Rail industry to make it easier to buy cheapest ticket

BY STEPHANIE HAWTHORNE

An end to the bewildering array of Britain's 55 million different railway fares is in sight as a public consultation by the rail industry starts in June.

The current system ignores the rise of smartphone technology or how people work and travel today, with part-time working and self-employment having increased by over a third in the last 22 years. The consultation, by the Rail Delivery Group and Transport Focus, will look at long-standing anomalies in the way tickets are charged.

For example, if a customer takes a journey involving two legs, with the first leg on a peak-time train and the second on an off-peak service, the customer may be charged the peak-time fare for the whole journey.

So, for example, an advance ticket from London to Leeds on a particular date and time is £127; however, by booking the journey in two legs it's possible to make the same trip for just £20.40 – saving £106.60. mw

Beauford Tourer

Jaguar E-type

WIN a £300 gift card to hire a classic car with chauffeur

Lotus Esprit S2

ENTER JUNE'S COMPETITION to be in with the chance of winning £300 to spend on hiring a classic or vintage car, truck or van, and enjoy an exhilarating couple of hours' drive anywhere in the UK or further afield

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AS WELL AS WEDDINGS AND OTHER EVENTS, WHAT INDUSTRY DOES BOOKACLASSIC CATER FOR?

A. Agriculture B. Finance C. Film and television

For your chance to win, send your answers on the reader reply card at the front of the magazine to arrive by 30 June 2018 or enter your answer online at Moneywise.co.uk/competitions by the same date.

Do you like the idea of driving through the countryside in a classic convertible, feeling the wind in your hair, or of arriving in style at your wedding or stag do? Then you could enjoy the experience with a car rental from BookAclassic.

BookAclassic is an online platform that allows owners of classic vehicles to rent out their cars, motorcycles, buses, trucks and vans for weddings, proms, birthdays, anniversaries and stag or hen parties, and also provides cars for the film and television industry in 36 countries.

You can hire a wide range of motors, with prices quoted per hour and a minimum two-hour rental. This includes the time it will take for the owner to get to and from your venue, so you need to book locally.

A Lotus Esprit S2 'Championship Gold' car (pictured above), for example, is available in Crawley, West Sussex for just £120 for two hours. This vehicle was produced by Lotus to celebrate the last of its seven F1 World Constructors' Championships in 1978.

In some cases, the rental will cost more than the £300 gift card, but the winner can pay the difference. Take, for example, a Jaguar E-type (pictured above), which is available for hire in Weybridge, Surrey for £145 an hour, but with a minimum four-hour rental fee of £580, or a 1930s-style open-top Beauford Tourer (pictured above), which is perfect for a wedding in London. It costs £120 an hour, with a minimum three-hour rental fee of £360.

When you book a vehicle, it includes a chauffeur so that you can relax and enjoy the ride. If you prefer to drive yourself, this is also an option.

To find out more and to view the cars available in your area, visit Bookaclassic.co.uk. mw

TERMS & CONDITIONS: BookAclassic does not guarantee vehicle availability on all days. The gift card is valid for a period of 24 months from when the competition ends on 30 June 2018. Gift cards can only be refunded within a 24-hour period from the time you make a booking. Not all vehicles for hire are available for self-drive to gift card holders. If you want to drive the car yourself, insurance is usually included in the price, but the winner must check with the car owner as some cars may require you to arrange your own insurance. To self-drive, you need to be over 25 and have held a valid driving licence for at least three years. If the winner wants to pay to hire the car for longer, this can be arranged with the owner for an additional fee. There is no cash alternative. Entry from competition bots will be excluded. The judge's decision is final. No correspondence will be entered into. Moneywise Publishing Limited shall pass the information on the winner to BookAclassic. We may also wish to tell you about other Group products and services.


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A good mortgage fix will offer financial certainty

EVER SINCE financial times got tough in this country 10 years ago – thank you, greedy bankers – there have only been two sustained rays of economic light to keep us happy: near-full employment and, for homeowners, the reign of rock-bottom mortgage rates.

If you have had equity in your home or you have managed to build a big deposit to buy a property, you have probably been a mortgage winner, taking advantage of some of the most attractive loan rates ever made available in this country.

Looking back at my own stretched personal finances since the financial crisis of 2008, there are only three achievements I am proud of – two of which relate to mortgages.

Firstly, I have managed to accumulate a half-decent pension through diligent regular saving and the generosity of my employer, which has kindly topped up my personal contributions.

Secondly, I have taken every opportunity throughout the past decade to lock down my mortgage payments by taking out a series of fixed-rate loans. Earlier this year, I took out a new two-year fixed-rate mortgage with my existing lender, which means I now know where I stand financially until 2020.

Why only two years? It is simple. At my time of life and with the kind of work I am involved in – where job insecurity rules – I cannot afford to look any further ahead.

Thirdly, and most importantly, since 2008, I have managed to chip away at my mortgage debt through regular overpayments. It is my intention that, come 2020, I will be loan free. My home, a suburban town house, will at last be my (our) mini castle. I will no longer be in hock to my bank.

For anyone who has a mortgage deal coming to an end, I urge you to strike while you can – and lock down your payments with a fixed-rate mortgage. I do not say this just because it looks as if the Bank of England base rate will rise at some stage over the summer from its current 0.5%, pushing up mortgage prices with it. It just makes great sense for a host of other solid reasons.

It will buy you certainty at a time when uncertainty (Brexit, a wobbly Conservative administration, *et al*) rules the waves. It will also allow you to budget with confidence rather than having to constantly worry that your mortgage payments could rise.

Although I opted for a two-year fix because of financial circumstances peculiar to myself, I would recommend borrowers opt for three- or five-year fixes. A good mortgage broker should be able to point you in the right direction – and, in most instances, will not charge you for their services (many are paid by the lenders whose mortgages they recommend).

Of course, the dirt-cheap mortgage market we are currently enjoying is not necessarily indicative of a healthy, consumer-friendly one. Far from it.

For example, some of the rules introduced by regulators governing mortgage affordability remain far too inflexible – and fail to take into account a changing labour market that is resulting in millions of workers moving from full-time employment to part-time work or self-employment.

I went through a mortgage affordability test five years ago and I am still recovering from the experience. I felt as if I had been financially strip-searched. It is one of the main reasons why I have stuck with my current lender, which does not make me jump high hurdles every time I want to take out a new deal.

"Fix: the mortgage word of the moment"

Thankfully, some of the newer lenders are rising to the challenge and embracing – rather than rejecting – 'new age' workers. Sensitive, sensible, flexible lending. That is the way forward.

It is also crazy that some mortgage borrowers remain trapped on high standard variable rate loans because their lenders will not allow them to switch to a cheaper deal. This is unfair and no more than blatant profiteering. Thankfully, and not before time, the regulator is on the case and promising to act.

Remember. Fix. In so many ways, the mortgage word of the moment. mw

JEFF PRESTRIDGE is the personal finance editor of *The Mail on Sunday*. He won the Contribution to Personal Finance Education category at the Santander Media Awards 2016. Email him at **columnists@moneywise.co.uk**

YOUR SHOUT

THIS MONTH'S STAR LETTER

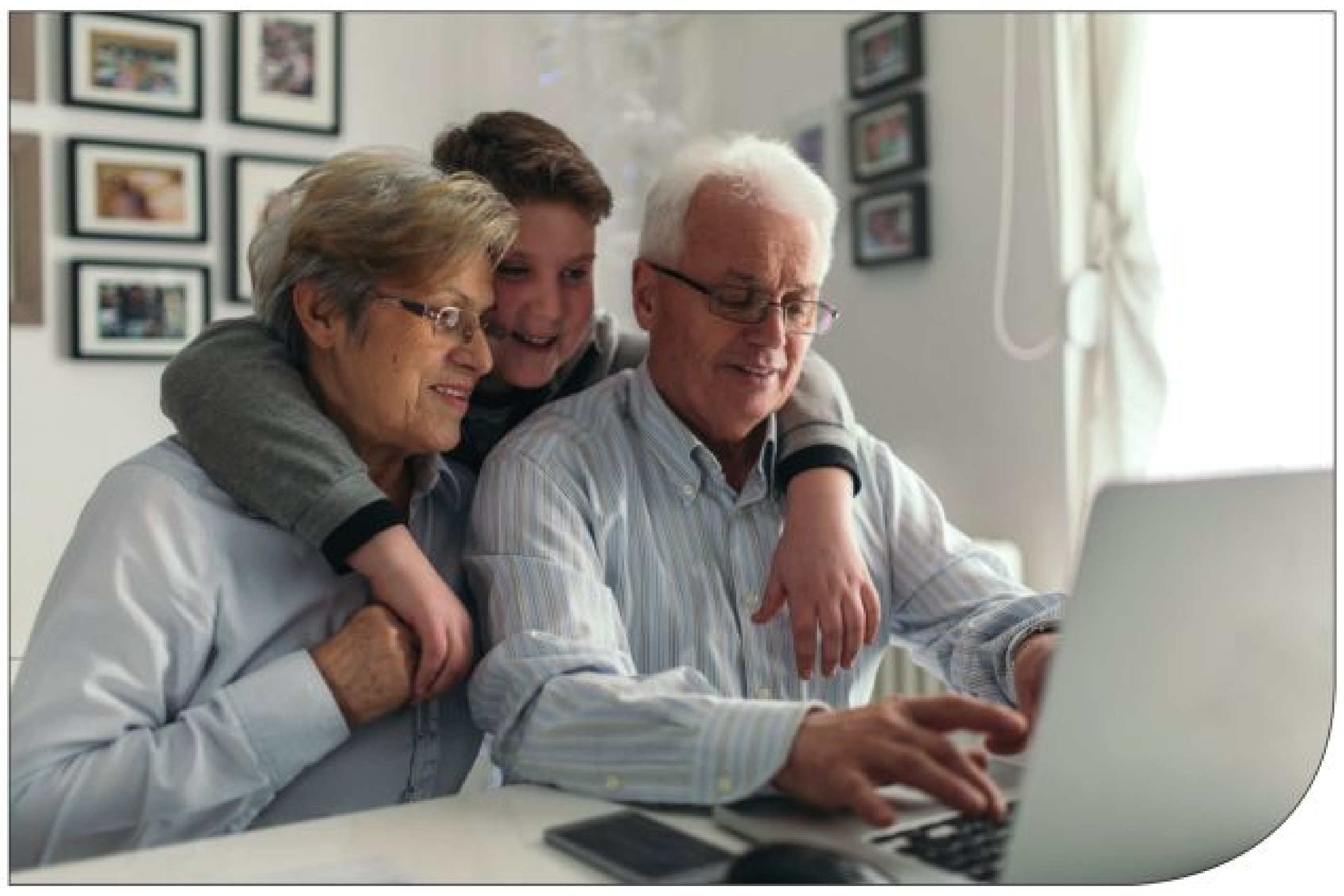
Three generations pick up tips from Moneywise

When I made my first purchase of *Moneywise* magazine several years ago, I had no idea what an impact it would have.

Not only are my husband and I thoroughly prepared for impending retirement, but our son, who is in his 40s, started investing after I forwarded the *Moneywise* newsletter to him. Our grandson, aged 11 and granddaughter, aged nine, have both learnt the lesson of compound interest and are saving hard.

That first copy of *Moneywise* has managed to influence three generations. Thank you.

JW/VIA EMAIL



Inspired and annoyed by female investment club

Moneywise says: In our April issue, we ran a feature on an all-female investment club, which got a mixed response from two male readers:

I've heard that money and friendship don't mix, but these ladies seem to be proving otherwise. At this stage of my life, I don't have nine friends I would be happy getting into this kind of arrangement with, but I would consider starting my own investment club in the future.

I am curious as to the details of such agreements between friends. I assume there are formal contracts involved and incentives for those members who have the most responsibility, such as those who are in charge of stock picking, buying/selling and so on.

I think these ladies have done a wonderful job to have been going almost 20 years, had their £10,000 back in their pockets in half that time and, most importantly, are still friends.

"I've heard that money and friends don't mix"

Great story, and some day I'll hopefully be contacting *Moneywise* with details of one I've founded or helped to found. Well done, and long may the success continue!

CR/VIA ONLINE COMMENTS

I wonder if *Moneywise* would write an article on an investment club which overtly excluded women?

DK/VIA ONLINE COMMENTS

Moneywise says: Thank you both for getting in touch. For free guidance on running an investment club, visit Proshareclubs.co.uk. We would be happy to run a feature about an all-male investment club.

Not happy at the idea of a Sainsbury's Nectar app

Moneywise says: We recently reported that Sainsbury's is trialling a new Nectar scheme, which rewards loyalty, not just how much your spend in store. However, two readers are not keen on the idea:

I've shopped exclusively at Sainsbury's for the past 15 years, I'm a Nectar card holder and held the previous reward card too. Having

Blog of the month: Our wheezy, old banking technology urgently

BY HOLLY MACKAY

High street banks' technology is wheezy, old and needs upgrading across the board. But this is not a new story. We make radical changes to our banking system every 100 years, and the consequences have always been painful.

In the 1830s, we moved from tally sticks to paper ledgers. Tally sticks were made from willow. The debt was written on the stick, which was then split in half. The debtor would keep half, which was called the 'foil'. The creditor would retain the other half, called the 'stock'. Willow has a very distinctive and specific grain and the two halves would only match each other. People soon realised that if you had a stick showing that the Earl of Crumpet owed you £5, then your half of the stick was worth £5 in its own right.

Clearly, having mountains of willow sticks knocking about has its limitations, and in the 1830s banking moved on to paper ledgers. The Exchequer had to get rid of excess wooden tally sticks and some bright spark decided to burn them in the basement of the House of Lords. The blaze got out of control and destroyed both Houses of Parliament. Banking upgrades have never run smoothly.

Over a century later, the paper-based ledgers were replaced by big old IBM mainframe computer systems in the 1960s. At that time, banks were the early adopters of technology. Innovators. Fast-forward to the 1980s and the investment banks snapped up the brightest engineers with hefty salaries and promises of gold.

Today it's a different story – welcome to cost-cutting and the big banks outsourcing technology, as talent is lured by the fresher fields of fintech, challenger banks and blockchain [secure shared online 'ledgers' of transactions].

Our banks need to compete with the nimble, shinier challenger banks and global tech firms. But the technology which made them innovators in the 1960s makes them a wheezing tanker today.

Modern businesses such as Facebook can do a 'rolling upgrade'. This is where they move pockets of people over to the new systems at a time. The irony is that it is precisely that lack of flexibility that is causing the banks to roll out these platform upgrades today in the first place.

WRITE TO US

EACH MONTH THE READER WITH THE BEST LETTER WINS A £50 M&S GIFT CARD

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to download an app and scan it at the till isn't very appealing. What's wrong with swiping the card?

There's an assumption here that people don't mind installing these apps, but I know I do. They're intrusive and you always have concerns over how your information is being shared and stored.

CR/VIA ONLINE COMMENTS

I'm totally against the new Nectar card that we [on the Isle of Wight] are being forced to sign up to. What is Sainsbury's thinking of? What about people who don't have computers? There are quite a lot on the island. People shop around to get the better deals; nobody does their weekly shop in one store any more. Well, if it doesn't value my custom by rewarding me on everything I buy, I will take my business elsewhere.

LW/VIA ONLINE COMMENTS

> "Nobody does their weekly shop in one store any more"

Downsize? No way, you've got to be joking

Moneywise says: Research by Lloyds Bank has revealed that almost half of empty nesters don't want to downsize. Two readers got in touch with us about their experience:

Downsize? No way! Firstly, having paid legal and estate agent fees plus the dreaded stamp duty, you will have wasted about £25,000. If you now move from a £600,000 house and buy a £400,000 one, your estate value will drop dramatically over a period of time. For the purposes of inheritance, the children will be left with £400,000 at a typical 6% return and £175,000 at about 1%, as opposed to £600,000 at 6%.

The tale does not end there, since such a move would also require new carpets, curtains and usually a kitchen refit. There goes another £15,000.

M/VIA ONLINE COMMENTS

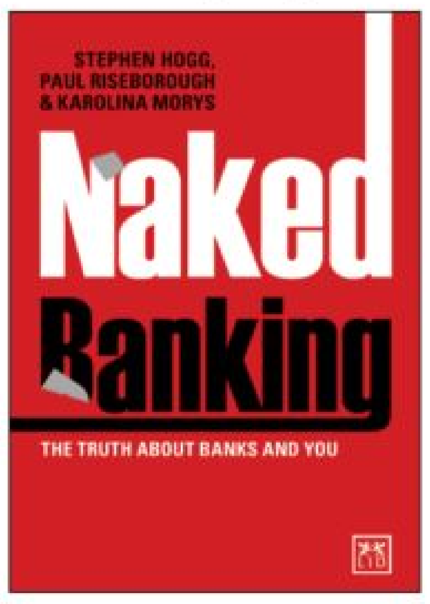
After 33 years at our former address, we 'rightsized' 18 months ago. We certainly had no aspiration for a 'typical downsize windfall of £110,000', as perceived by Lloyds Bank.

Just as well, as with no mortgage to discharge and working around a Midlands market of a healthy £500,000, our 'windfall' was £48, from which our solicitor requested a reimbursement of £4 due to a calculation error!

RMN/VIA ONLINE COMMENTS

20-second book review

Naked Banking
by Stephen Hogg, Paul Riseborough and Karolina Morys
LID Publishing, £9.99 paperback



Naked Banking - The Truth about Banks and You lifts the lid on what has gone wrong with the big banks and how they view current account holders, savers or borrowers. For example, are you a 'Jam Jar' saver who saves up for specific events or are you a 'Rate Tart' who always switches to top rates?

Written by three bankers, *Naked Banking* also explains how the way we think and act when it comes to our personal finances plays into the hands of the big banks. It offers practical advice, from checking rates regularly to using free overdraft facilities, and challenges the banks to do better.

To win one of 10 copies, go to Moneywise.co.uk/competitions and enter your name and address by 30 June 2018.

needs upgrading

Banks have nothing without customers' trust. My word is my bond. Trouble is, in a paper-free world, where the only record we have of our money is some pixels on a screen, when this goes wrong the trust is broken.

This was evident in recent outrage from TSB customers and is reminiscent of RBS's 2012 nightmare when millions were unable to access accounts. I don't think these will be isolated incidents and we will hear many similar stories as the IBM-powered beasts of the 1960s try to lumber into the new world, with outsourced technologists struggling to control them.

Maybe it's time to go retro and bring back the tally stick? Or is blockchain just the digital version of two willow halves?

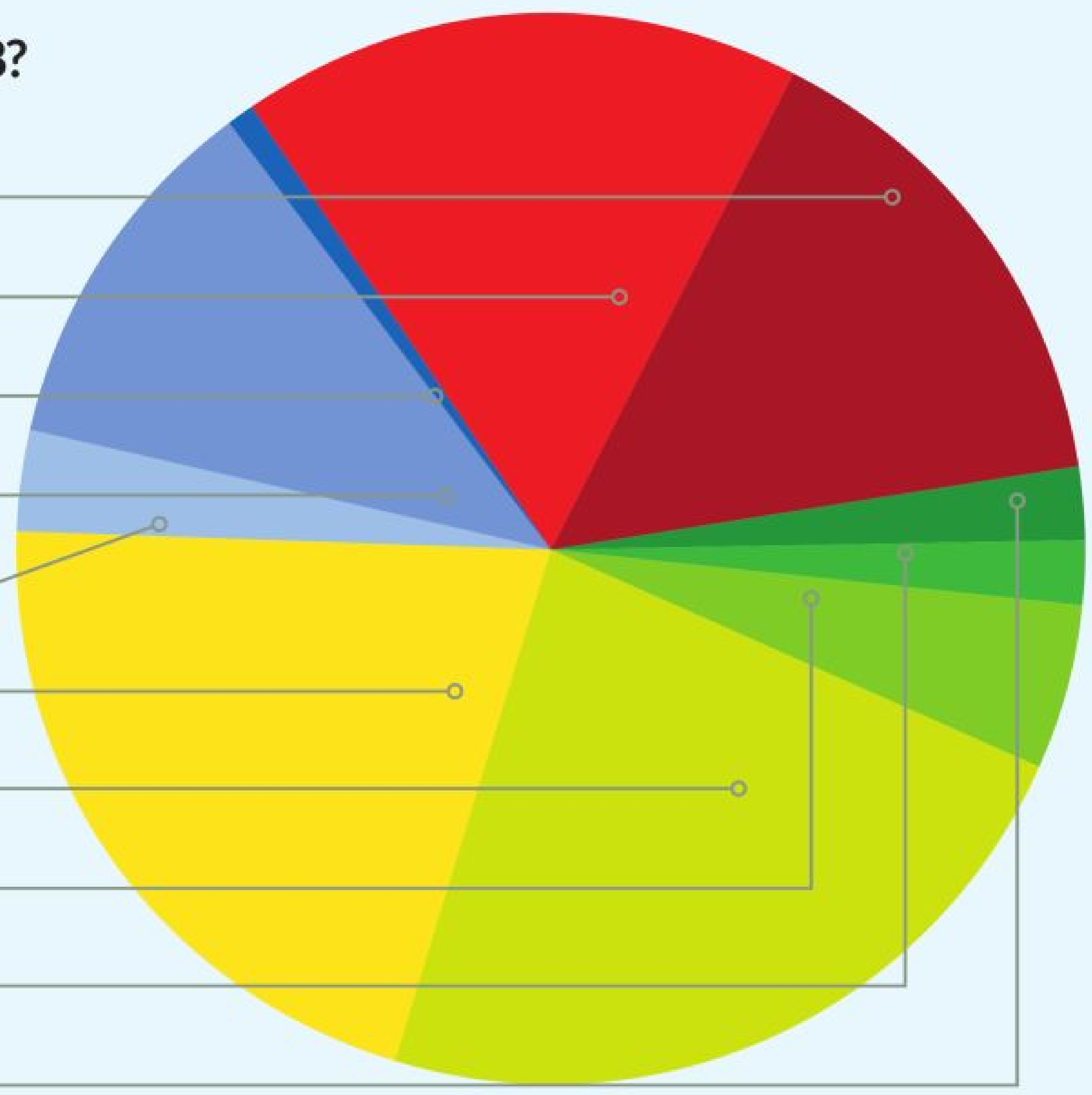
Holly Mackay is the chief executive of investment guidance website BoringMoney.

www.moneywise.co.uk/blog

WEB POLL:

Have you received a pay rise in 2018?

15%	Yes – above or at 2.8%
17%	Yes – but lower than 2.8%
1%	Yes - but because I changed jobs
11%	No – but I expect to receive one later in the year
3%	No – but I will ask for one
21%	No - I don't expect one
23%	I am retired
5%	I am self-employed
2%	I am unemployed
2%	Other



Based on 777 votes between 17 to 24 April 2018 on Moneywise.co.uk.

moneywise fights for

ARE YOU STRUGGLING to resolve a dispute with a company? We promise to do whatever it takes to get to the bottom of your problem. If you've been treated unfairly by a firm or are owed compensation for shoddy service, send your complaint to Moneywise's Fight for your Rights and we will take up the fight for you.

Write to us (including your name, address and phone number) at: **Fightback, Moneywise Publishing, Standon House, 21 Mansell Street, London E1 8AA**. Or email us at **fightback@moneywise.co.uk.** Due to the high volume of emails Fight for your Rights receives, we cannot guarantee answering every query personally.

An investment opportunity or a load of bull?

OUTCOME: Reader loses €1,000 to unregulated investment

Plenty of people claim to have made money out of cryptocurrencies and I reckon plenty more may in the future. But the hype around Bitcoin and others has attracted rogues – and they're hoping to trick you out of your cash.

Reader JB got in touch with a tale of woe after he was called out of the blue by a trader from a company called Coinbull. I would have thought the clue was in the name, but the people behind it – and those who sign up for it – obviously think of a strong bull market, rather than the other kind of bull.

What is Coinbull? It sets itself up as an online trading platform and claims to offer futures trading in a wide array of cryptocurrencies including Bitcoin, Dash, Ethereum, Litecoin and others.

It's similar to a wide number of other sites that have recently sprung up – Coinbull appeared in 2017 – that offer to help you make money by profiting from the recent interest in cryptocurrencies. You don't actually buy or sell these currencies but bet on their future movements.

Risky? You bet. But the risk is magnified by the fact that such sites aren't even regulated. In fact, they appear to be moneymaking schemes for the people who set them up.

Back to JB, who told me: "The broker persuaded me to invest €1,000 in the cryptocurrency market platform." He managed to "do some trades", he said, and pretty soon he was sitting on what he thought was a profit. But then, as is always the case with dodgy opportunities, he discovered a problem.

"I found I couldn't withdraw funds. I was disappointed and wanted to close the account, but the broker said that wasn't allowed. It seemed to mean that I had to keep trading until all my money was lost."

Surely that can't be right or fair? It's not. But the fact that Coinbull and similar cryptocurrency sites are unregulated means they can effectively do what they like.

> "The key advice is: don't ever respond to a cold call or offer to make money"

A little bit of digging reveals that the firm is based in Dominica, an island in the Caribbean far beyond the reach of UK lawmakers. Its address turns out to be a mailbox in a hotel on the island. When I called its number, I got the usual "Your call is important to us" message that companies use. But it obviously wasn't that important, as after a short while it clicked through to the message: "Sorry, this mailbox is full."

In other words, no one has ever bothered to listen to the messages from presumably anguished people trying desperately to get their cash back.

Things didn't end there for reader JB, as the firm obviously thought it could squeeze more money out of him.

He told me: "The senior broker called me from New York today and tried to persuade me to invest more money. He evaded my questions on the true nature of the function of Coinbull."

It has all the earmarks of a scam. I'm sorry JB has lost €1,000, but hopefully his experience will be a lesson to other readers.

The key advice is: don't ever respond to a cold call or an unsolicited offer to make money. Legitimate regulated investment firms will never contact you out of the blue. It's also worth checking the City watchdog's register of regulated firms at Register.fca.org.uk to check the credentials of any investment firms you deal with.

your rights WITH SIMON READ

'I'm worried about my credit score after my bank's missed payments'

OUTCOME: Reader gets £250 compensation for payment error

I have had a Tesco credit card for more than a year. I have a direct debit set up to pay the amount owed in full every month. In February, the payment wasn't taken. I rang Tesco and it said the payment date had been changed and advised me not to worry and that it would be taken out in March as usual. The adviser said it was all sorted, there would be no late fee and it wouldn't affect my credit rating.

Then the payment was not taken in March. I rang again and was reassured by the adviser that it would be taken in April. I was told not to worry as there would be no late payment fee and no effect on my credit score.

But then it wasn't taken in April either. I rang up in tears. Again, the adviser told me it would be sorted, which I didn't believe. So I decided to transfer the money and pay off the balance myself. I'm really worried that this has affected my credit score. What can I do?

NJ/Anglesey, Wales

> "My payment wasn't taken. I rang up in tears"

I contacted Tesco Bank on your behalf to seek some reassurance that things will be put right and your credit score won't be hit.

The bank responded promptly and positively. It said: "We apologise that NJ's direct debit payment was stopped in error, which resulted in the payments between February and April not being collected. We have confirmed that no fees have been applied as a result, and that the customer's credit file will not be affected. We apologise for any inconvenience this may have caused."

I pointed out that you suffered some distress because of the situation and asked if it could give you a gesture of goodwill by way of apology. Tesco Bank told me it has offered you £250 as compensation.

I asked you if you were happy with the outcome. You told me: "I've asked Tesco Bank to close my credit card account as I no longer want anything to do with the company."

I don't blame you. Despite calling every month, the error wasn't dealt with, leaving you concerned about your finances. But I'm confident that your credit score won't have been hit and hope that the compensation goes some way to easing your anger.

Solar King's worthless guarantee

OUTCOME: Finding old paperwork means reader gets free repairs

I read with interest your piece [in May's *Moneywise*] regarding [laser eye clinic] Ultralase. It sounded very similar to our predicament last year. We had bought solar panels from a company called Solar King, with a 25-year guarantee. So when the system stopped working, we contacted the company. And, similarly to Ultralase, the website played on its history and also used all original Solar King logos and phone numbers.

But it is now apparently a completely different company. I was told the guarantee is not valid, but we could pay the new firm to have it inspected and repaired!

Luckily, I had saved the original paperwork and the warranty was with an independent company. It did take some time and we were without any solar income through some of the year's sunniest months, but it was repaired free of charge.

So please advise readers to check any warranty or guarantee is worth having before parting with hard-earned money.

PC/Liverpool

That's good advice. The more I come across guarantees offered by firms, the less useful they seem. In many cases, they're just marketing gimmicks that may never be honoured.

In your case it was a local solar firm, based in St Helens, Merseyside, that offered you the guarantee. The firm – which also appeared to trade under the name Solar Crown – actually went bust in 2016, although a new firm called SCUKL appeared from its ashes before going bust in turn in 2017. The company you contacted has nothing to do with the old firms and so refused to honour the guarantee.

But it obviously sniffed an opportunity for some business, so I'm glad you managed to find the old paperwork and instead get things repaired for free.

As an aside, the former boss of Solar King now runs a thriving six-strong pub and restaurant business in Liverpool and surrounding areas. It's pleasing to think that he's made a really good go of things and is not losing any sleep over the broken promises he made to customers. mw

SIMON READ is a a money writer and broadcaster. He was personal finance editor at *The Independent* and is an expert on BBC1's *Right On The Money*

Ask the experts

THIS MONTH'S STAR QUESTION

What can I do about the high fees I'm paying on an old pension I have?

Q I have just discovered that I am paying £15 a month in fees on a pension I no longer pay into. It was closed in 2015. How can I avoid these high fees? I'm not planning to retire for another 13 years and I don't want to have to pay this amount for all that time, especially when I don't know what these 'admin costs' are.
JG/Bexhill-on-Sea

PATRICK CONNOLLY
Certified financial planner at Chase de Vere

You are not alone. Many people are paying high charges on their personal pensions. These are typically policies which were taken out many years ago.

The good news is that pension charges have fallen significantly in recent years, including the government introducing a 0.75% charge cap on default pension funds as part of the auto-enrolment initiative.

While this is good news, it doesn't help those with older pension policies, where charges are usually higher and often very difficult to understand. Many people will be paying far more in charges than they realise.

The simple solution is to transfer your money to a more competitive pension which has lower charges. Transferring from one personal pension to another should be quite straightforward.

However, you will need to be aware of any potential pitfalls to doing this. It could be that you are giving up some valuable guarantees, such as high guaranteed annuity rates (GARs), if you move elsewhere, and you should also look out for any exit penalties. Many older-style pensions will penalise you if you transfer away from them.

"The good news is pension charges now have a 0.75% cap"

So while transferring to a different pension seems like the logical choice, make sure you understand any downsides before you do it. If you're not sure, you should take independent financial advice.

Can my husband transfer a property to me to help us save on taxes?

Q My husband's parents gave him a property over a decade ago. It was before we met, so is in his sole name. There is no mortgage on it, and it is currently rented out. My husband is self-employed and pays higher-rate income tax on the rental income. I am a stay-at-home mum with no income at the moment. Is it possible for him to gift the property to me to lower our household tax returns?
PT/Sunbury-on-Thames

DAVID WESLEY-YATES
Chartered tax adviser at Red & Black Accountancy

You can gift the beneficial ownership of a property from one spouse to another so that the rental income can be taxed on the spouse whose taxable income is lower.

The simplest form of planning is for the house to be held outright by you, as you are the spouse paying tax at the lower rate. It is also relatively easy to change the beneficial ownership of UK property.

However, some spouses may prefer to hold assets or other property jointly. Such ownership is also helpful if one spouse dies, whereupon the other spouse usually has full access to the asset without the need for probate formalities.

Under tax rules, income from most jointly held assets is deemed

Each month the reader with the best question wins a £50 M&S giftcard

to be taxed 50:50. This applies even if the true ownership is not 50:50. However, the couple may choose to be taxed in line with the true ownership ratio.

All this means that if you want the income to be solely taxed at your income tax rate, then the property will need to be wholly transferred to you.

As there is no mortgage on the property, no stamp duty land tax will arise on the transfer.

Also, because the transfer is between spouses, there are no capital gains and inheritance tax implications. Legal advice will be needed on the transfer of the property.

My elderly uncle is in prison. Is my aunt entitled to any of his state pension?

Q My uncle has never claimed his state pension and is now in prison. My aunt is 78 and they are still married. Is she entitled to claim any, or all, of his state pension?

TR/Enfield

MICHELLE CRACKNELL
Chief executive of the Pensions Advisory Service

The short answer is that the state pension is not paid to prisoners.

The longer answer is that due to your aunt's age, her state pension is paid under the old system. The way that the old system used to work was that each member of a couple could build up a pension in their own right. So, in principle, each member of a married couple could earn a full state pension. However, many women had gaps in their national insurance record or had paid the specially reduced 'married woman's stamp' and so reached pension age with very limited pension entitlement in their own right.

In recognition of this fact, a married woman had the option to claim a pension at 60% of the full basic state pension rate, based on her husband's record of national insurance contributions (NICs). This could be claimed when her husband reached state pension age. I assume that your aunt is already in receipt of her state pension, either calculated on her contributions or her husband's record. This means your aunt will not be entitled to any further pension.

> "Under the old pension system, many women had gaps in their NI record"

Is it true that interest-only retirement mortgages are being reintroduced?

Q I have heard a rumour that the financial regulator wants to reintroduce interest-only retirement mortgages. Is this true and are any companies offering them yet?

MD/Northop

DAVID HOLLINGWORTH
Mortgage broker at London & Country Mortgages in Bath

The Financial Conduct Authority (FCA), which regulates mortgage sales, raised the issue of retirement interest-only mortgages last September in its quarterly consultation document. This came about as part of broader research it has been conducting into the ageing population.

The regulator identified retirement interest-only options as a potentially useful product for some older borrowers but felt that the regulatory classification may be limiting their availability. The concept of a retirement interest-only mortgage is that interest payments are made each month, but over an indefinite term. The mortgage does not need to be repaid until a certain specified life event, typically upon death or moving into full time residential care, for example.

Because there is no defined mortgage term, this type of product has fallen under the rules applying to equity release products, such as lifetime mortgages. The concern was that this could limit the availability of this type of product, as mainstream mortgage lenders and advisers would not offer them.

The FCA sees the newly defined retirement interest-only mortgage as a potentially useful option for those with a maturing interest-only mortgage but no repayment vehicle

Ask the experts

or facing a shortfall. It could also help those who want to release equity from their property but want to avoid interest rolling up.

Following the consultation, the FCA implemented the necessary changes in March this year. It is, therefore, still early days and we have yet to see much in the way of new products. There may still be challenges for some lenders in funding a more open-ended product like this.

However, Bath Building Society has launched two retirement mortgages available to those aged 65 or over, both offering rates discounted from the standard variable rate (SVR) on up to 25% of the property value. Rates start as low as 4.29%, depending on the borrower's situation and where there is a lasting power of attorney (LPA).

Other alternatives could be available from lenders that have already eased their criteria for older borrowers. These may not offer the open-ended term of a retirement interest-only mortgage, but may be more forgiving on the maximum age to which they can lend. For example, Hodge Lifetime offers a mortgage for over-55s on an interest-only basis and can be taken up to the age of 95.

With any standard or retirement interest-only mortgage option, the lender will need to assess the borrower's ability to pay, as there will continue to be monthly interest payments. It will be important to be able to show your level of income and outgoings to make sure it will be a sustainable option.

Turn to page 48 to find out the best lender for older borrowers in the Moneywise Mortgage Awards 2018.

THE BEST CASH ISAS

Type of Isa	Account	Interest Rate	Notes
Easy access	Paragon Limited Edition Easy Access Isa (Issue 4)	1.31%	Transfers in allowed
Easy access	Shawbrook Bank Easy Access Cash Isa - Issue 4	1.3%	Unlimited withdrawals. Transfers in allowed. £1,000 minimum opening balance
One-year fixed-rate bond	Bank of Cyprus Fixed Rate Cash Isa	1.51%	Transfers in allowed. £500 minimum opening balance
Three-year fixed-rate bond	Aldermore Three Year Fixed Rate Cash Isa	1.8%	Transfers in allowed. £1,000 minimum opening balance
Five-year fixed-rate bond	Hodge Bank Five Year Fixed Rate Cash Isa	2.25%	Transfers in allowed. £1,000 minimum opening balance

Source: Moneywise, 21 May 2018

If I take Cash Isa income to supplement my company pension, will I pay tax on it?

Q When I turn 60, I can start to take my company pension. I'm hoping to use some Cash Isa money to boost my income until I reach state pension age at 67. Will I pay tax on the Isa part of my income? SG/Welham Green

LISA VAUGHAN
Chartered financial planner at Fogwill & Jones

You'll be pleased to know that Isas allow you to withdraw your savings without paying any income or capital gains tax. The amount you're allowed to put in Isas is capped each tax year, though – in the 2018/19 tax year the overall Isa allowance is £20,000.

> "Isas allow you to take your savings without paying any income or capital gains tax"

If you plan to rely on Cash Isas, make sure you shop around for a good interest rate. Interest rates are so low at present that your savings are not likely to produce much income. See *Moneywise*'s weekly updated best Cash Isas guide: Moneywise.co.uk/best-cash-isa-rates-week.

I would suggest that you contact an independent financial adviser (IFA) to carry out a review of your circumstances, particularly in relation to your income, savings and tax position. A financial adviser could help you to maximise a tax-efficient income from your savings during retirement.

What is an interest-only mortgage?

When you take out a mortgage, you generally have two repayment options: capital and interest, or interest-only. With the first option, every month you pay an amount that repays some of the interest on your loan as well as some of the capital you borrowed. Over the term of the mortgage – usually around 25 years – you'll repay everything you borrowed plus interest.

In contrast, with an interest-only mortgage, every month you only repay the interest on the loan. This means your monthly repayments are much lower, but you aren't repaying the initial sum you borrowed. So you need to have another plan in place to repay what you borrowed. This could be an investment plan running alongside the mortgage. Otherwise, when your mortgage term is up, you could face a large bill and potentially have to sell your home to pay it.

Retirement interest-only mortgages have an indefinite term. This means you repay the interest each month, but the capital you borrowed doesn't have to be repaid until either you die and your home is sold, or you go into long-term care and your home is sold.

What's the best way for me to get out of my car hire purchase agreement?

Q Please can you give me some advice on settling my car loan? At the moment, I have two loans: the mortgage on my house and the hire purchase agreement on my car. I was very excited to get a three-year-old Range Rover Evoque with a £5,000 deposit and monthly payments of £438. I can afford the payments but I have realised that I hate having two loans. I don't use the car often enough to justify the costs, but it is impossible to get out without paying at least half of the total cost of the car and the entire loan at 9.2% per year. Plus, my car insurance is an extra

Each month the reader with the best question wins a £50 M&S giftcard

£2,000 a year. I am about to receive a bonus from work, so I want to get rid of the car debt and buy a cheaper car outright, but how should I do it?

Do I pay the £25,000 loan, so I own the car, and then sell it? I have calculated I would get a cheaper car and be left with £7,000 to £10,000 cash if I do this.

Or do I just pay off the £10,000 I owe on the loan and return the car? I would then have £18,000 but need to buy a cheaper car.

Alternatively, I could keep the car and continue making the repayments for the remaining year. I could then use my bonus to pay off part of my mortgage and at the end of the year I would own the Range Rover.

I feel like the first option is the best, but would appreciate a second opinion.

MS/Woking

ANDREW HAGGER
Founder of personal finance website Moneycomms.co.uk

Paying off the full £25,000 of finance, owning the car outright and trading it in for a cheaper model is the option I would recommend. However, you should establish what the early repayment fee is if you do this and get it confirmed in writing.

It's also worth asking if the garage will give you a better deal on a replacement vehicle as part of the arrangement.

The third option is definitely a no-no as you'll be paying the £438 each month, and the hefty insurance premiums, and the car will depreciate further in value. You've admitted that you hardly use the car, so why prolong matters?

Is tax payable on money my parents give to their children?

Q My parents do not own their home but have some money in banks and building societies totalling around £25,000, which is well below the inheritance tax (IHT) allowance of £325,000.

I know there is an annual limit of £3,000 for gifting money, but because their total amount is less than the inheritance tax limit, does tax have to be paid if they split this money now between their four children if they don't live for seven years?

GW/Dumfries

DAVID WESLEY-YATES
Chartered tax adviser at Red & Black Accountancy

What and how much your parents wish to give their children is completely up to them. But whenever money is given away, it is important to plan the gift to ensure it is tax free.

You can give away £3,000 worth of gifts each tax year (6 April to 5 April) without them being added to the value of your estate. This is known as your 'annual exemption'. Additionally, if you live more than seven years from when you make a gift, your children or family won't have to pay inheritance tax on your gift when you die. In this situation, your gift becomes known as a 'potentially exempt transfer'.

Each individual has their own nil-rate IHT-free band, currently set at £325,000. This means that their estate and taxable gifts are exempt from inheritance tax up to a certain threshold – currently £325,000.

However, it doesn't sound like inheritance tax will be a concern in this situation. Provided your parents' estate is worth less than £325,000 when they die, which it seems it will be, and they give less than £325,000 away in the seven years before their death, then no tax is payable.

Can I renew my Isa by splitting it into two different parts?

Q I have a fixed-rate Cash Isa that is due for renewal. I'd like to know if I can renew it by splitting it into two parts: a Cash Isa with one company and a Stocks and Shares Isa with another. Or do I have to renew the whole Isa into either a Cash Isa or a Stocks and Shares Isa?

JW/via email

LISA VAUGHAN
Chartered financial planner at Fogwill & Jones

You can transfer your individual savings account (Isa) from one provider to another at any time. You can also transfer your savings to a different type of Isa or to the same type.

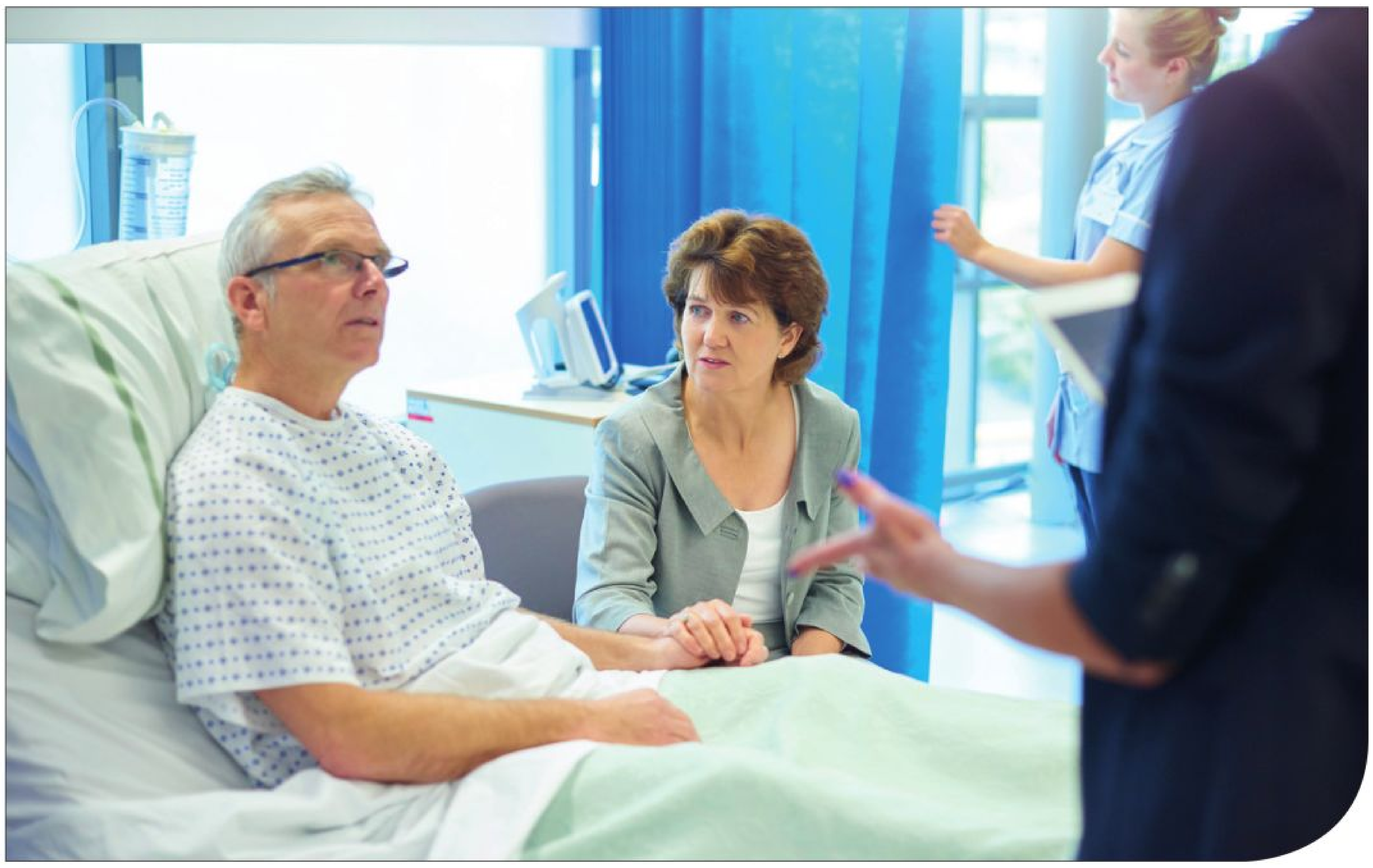
So yes, once your fixed-rate Isa matures, you could split the money into two parts and transfer each part to different providers in either a Cash or Stocks and Shares Isa. Transferring doesn't count towards your Isa allowance in this tax year because you would be transferring money that has been saved in a previous year. If you happen to be transferring Isa money that has been paid in this tax year, you have to transfer the whole amount.

When paying new money into an Isa, you can pay into different types but you can only pay into one of each type each tax year. Also make sure you don't go over the total annual Isa allowance of £20,000.

"When paying into an Isa you can only pay into one of each type per year" moneywise investigates

Help when you need it

LIVING WITH CANCER? MAKE THE MOST OF FINANCIAL SUPPORT



Being diagnosed with cancer is difficult enough without the added strain of money worries. *Moneywise* looks at what you can do to minimise the financial impact

BY SARAH JAGGER

It can be a costly time if you're diagnosed with cancer and having treatment. According to cancer charity Macmillan, 83% of people are financially worse off after a diagnosis.

The average impact is £570 a month in lost income and unexpected extra expenditure, including hospital travel and parking costs, inflated heating bills, wigs and scarves, different foods, and childcare to replace a stay-at-home parent.

Unsurprisingly, many people go overdrawn or have to borrow from elderly parents – or worse, have ended up in debt or bankrupt.

The good news is help is available. Here's what you need to know.

Speak to your employer

Check with your employer how long it will continue to pay you should you be unable to work. "Different employers have different sick-pay policies. It's down to individual circumstances if your employer can help," says Jamie Smith-Thompson, managing director at financial adviser Portafina. "Talk to your employer about its policy and your employee options. It might be able to help more than you think."

If you're self-employed and you have a large tax payment due and you are sure your earnings or profits will suffer substantially, speak to HMRC as soon as possible.

Check your insurance policies

Most critical illness policies cover a cancer diagnosis and will pay a claim at that point. Insurer Aegon says its critical illness claimants typically received £90,769 each in 2017.

Income protection and accident and sickness protection policies, meanwhile, cover loss of earnings if you are unable to work. Some policies also have a 'waiver of premium' clause, which means premium costs are covered during illness.

Danny Cox, a chartered financial planner at stockbroker Hargreaves Lansdown, says: "Check your policy documents and contact your insurance companies to notify them you are expecting to make a claim. It's important to keep up the payments on these and any other life insurance policies you have – if they lapse, cover will be lost."

The average impact after a diagnosis is £570 a month in lost income and extra costs

Review your benefit entitlement

"Claiming benefits depends on your circumstances, as they are means tested. Do you already have enough money to rely on for the time being? If so, you'll be expected to use that first", says Mr Smith-Thompson.

Check what state benefits you may be entitled to receive by contacting your local Jobcentre Plus on 0800 055 6688 or find out online using the benefits calculator at Turn2us (Turn2us.org.uk). Benefits advice and a calculator is also available from Macmillan Cancer Support – visit Finance.macmillan.org.uk or call 0808 808 0000.

Look at your savings and expenditure

Reassess your savings and any planned short-term expenditure.

It may be worth delaying any big spends until your financial future is clear.

If you have a mortgage, credit cards or a loan that you're struggling to repay because of your illness, contact the lender.

"The sooner you act the better," says Sarah Coles, personal finance analyst at Hargreaves Lansdown. "Talk to your provider about the possibility of reducing payments and freezing interest temporarily. It will also put together a plan for how you can get back on track when you are able to return to work."

Bank of Scotland, Halifax, Lloyds and Nationwide offer specialist support services, run in partnership with Macmillan Cancer Support (Macmillan.org.uk), to help customers living with cancer manage their finances. Support could include waived account charges or interest freezes on credit cards. Lloyds Banking Group says it has helped more than 2,300 people since the service launched last July.

Despite this undoubted progress, Macmillan's research shows that many people still aren't getting the financial support they need from their bank or building society when they're ill. The charity is calling on the government to make it a legal obligation for banks to have a duty of care for vulnerable customers, before they reach crisis point.

If speaking to your bank or lender seems overwhelming, then a debt charity may be able to negotiate your debts on your behalf. "Macmillan Cancer Support has a partnership with StepChange (Stepchange.org), so its experts have experience of tackling the financial challenges that can come with the disease," adds Mrs Coles.

Determine your pension rights

You can take your pension from age 55, but if you are unable to work, you can retire sooner. Some employers' schemes also offer enhancements which may pay more if you retire because of illness, so check.

"You might discover options that you may not realise you have," says Mr Smith-Thompson. "For example, if your illness is terminal and you have less than 12 months to live, you may be able to release all your pension benefits."

If you're unsure about your pension position, speak to a qualified independent financial adviser (IFA). You can find a locally based adviser who meets your needs at Unbiased.co.uk. Alternatively, call The Pensions Advisory Service on 0300 123 1047 or visit your local Citizens Advice. mw

SARAH JAGGER is a financial journalist who was editor of Channel 4's 4Money website and has written for *The Guardian*, *Best* and *Yours*

Many people aren't getting the financial support they need when they're ill

Four ways cancer patients can save on costs

1 Cut travel costs If you have a low weekly income or receive certain benefits, you may be able to get some or all of your travel costs to hospital reimbursed. Apply for the NHS Low Income Scheme and you'll be given a medical costs exemption certificate. Alternatively, take proof of your benefits entitlement to your hospital or doctor's surgery.

If you have difficulty walking, you may qualify for a disabled person's pass for free travel on buses and a blue badge to help you with parking. Contact your local authority for a claim form and ask a benefits adviser for help. At your initial planning appointment before treatment, you should also ask your hospital if it offers free or reduced-cost parking permits, or if you need help to get there, you may be able to use hospital transport.

2 Get free prescriptions Anyone in England who has had a cancer diagnosis can get their prescriptions free of charge. Get an exemption certificate signed by your doctor, which lasts for five years. Prescriptions are already free in Northern Ireland, Scotland and Wales.

3 Ask for help with utility bills Contact your provider and tell them about your diagnosis – it should be able to provide a safety net for you. If you are on a low income you may also be entitled to a reduction in your bills through the government's Warm Home Discount scheme. Call Macmillan Support's helpline on 0808 808 0000 for advice on gas, electricity and water bills and for information on what help schemes you may be able to access.

4 Apply for a grant Cancer charities, including Macmillan, offer a number of grants for those on low incomes with minimal savings. These can help with bills, with everyday costs, or even to pay for a break.

WATER BILLS: DON'T SPLASH THE CASH

If you pay for your water supply, then you may want to consider having a meter installed. It could boost your household finances

BY ESTHER SHAW

Water bills are on the up, following increases at the start of April which saw the average water and sewerage bill rise by £9 to £405.

In England and Wales, where a household's water supplier depends on where you live, the average increase for this tax year was 2%. However, some customers – such as those of United Utilities – faced a bigger increase of 4%.

In Scotland, where water and sewerage prices depend on your council tax band for your home – and are covered by a 'combined service charge' – bills will rise by 1.7% on average. This means that those in tax band D, for example, will pay £437 a year.

In Northern Ireland, there are no domestic water charges.

Water is just one of a number of bills that have gone up in recent months for many households, piling increasing pressure on people's finances.

Tim Robertson, chief executive of Save Water Save Money, says: "With consumers already navigating a year of consistent price increases, high inflation and low wage growth, it is well worth taking steps to mitigate the annual rise in water bills."

Andy White, charges expert at water watchdog the Consumer Council for Water (CCW), adds: "There are lots of ways you can save money, including trialling a water meter, taking advantage of free water-saving devices, and checking to see if you're eligible for a cut-price tariff."

Moneywise takes a closer look.

Install a water meter

While you can't switch water companies – as you can with gas and electricity suppliers – you may be able to save money by having a water meter fitted.

Mr White says: "For many households, this can be the most effective way to cut water bills, and you can get a meter installed free of charge." With a meter, the size of your bill depends on your consumption rather than the rateable value of your property.

As a rule of thumb, if your home has more bedrooms than people living in it there's a good chance you may be able to save money. Mr White adds: "Water meters won't benefit everyone, but some people can save more than £100 a year."

In most cases, you'll have up to two years to switch back to unmeasured charges if you change your mind.

That said, some water companies in the south-east of England are rolling out universal metering programmes, where customers do not have the option to switch back to unmeasured charges. Always check your options with your water company before switching.

To find out if you might be better off switching to a meter, make use of an online calculator

To find out if you'd be better off with a meter, check online

– the Consumer Council for Water has a handy calculator (Ccwater.org.uk/watermetercalculator).

Note that in Scotland, it's not free to have a water meter installed, so you are probably best sticking with what you have. Also, be aware that as there are no domestic water charges in Northern Ireland, there is no need for a meter.

Get help with your water bills

In England and Wales, there are additional ways to save on your water bills – such as via social tariffs and through the WaterSure scheme.

Every water company now offers a reduced social tariff for eligible low-income customers. Some of these tariffs can slash bills by as much as 90%. You can find out if you're likely to qualify for help, and how to apply, by using CCW's social tariff guide. Visit Ccwater.org.uk/households/help-with-my-bills.

If you're already a metered customer, meanwhile, but have high usage due to a medical condition or because you have a large family, and also receive income-related benefits, the WaterSure scheme could help. It limits the amount you're charged and in most cases will be capped at the average household bill for your water company region.

In Scotland, households can find more information about the help available at the Water Industry Commission for Scotland at Watercommission.co.uk/view_HouseholdCustomers.aspx. Also visit Citizensadvice.org.uk/scotland/consumer/water/water-and-sewerage-s/paying-for-water-and-sewerage-in-scotland-s/. For example, if you are entitled to a single person's discount on your council tax, it will also be applied automatically to the water and sewerage charges on your council tax bill.

People in Northern Ireland can find out about the help available by visiting The Consumer Council at Consumercouncil.org.uk/water/additional-help-for-energy-and-water-customers/. Help with adapted equipment like tap handles and control knobs is available to people on the Customer Care Register, such as pensioners and those with a disability or chronic medical condition.

"We are making big savings now"

Eddie and Jill Joesbury-Clarke (pictured above) from Worcester in the Midlands managed to cut their water bill from £750 a year to less than £400 by switching to a water meter.

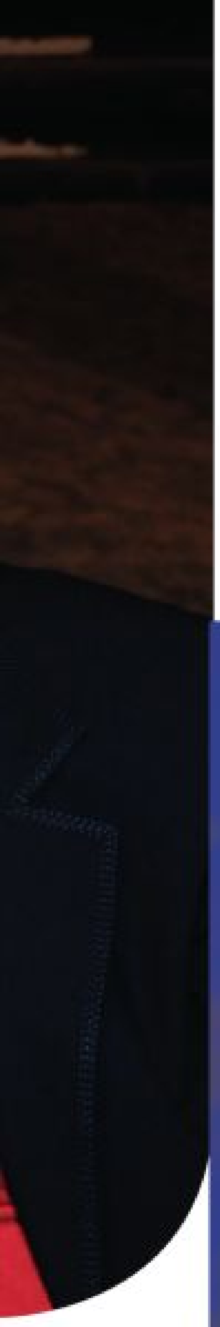
The couple, who live in a three-bedroom bungalow, opted to trial a meter with Severn Trent Water back in 2013 to see if that would reduce their costly bills.

Eddie, 84, says: "I went online and put our details into the water meter calculator on the Consumer Council for Water website. The site told me that we could potentially make a pretty substantial saving, so we were keen to give it a go."

After moving to metered charges, the couple managed to almost halve their bill.

"We now pay less than £400 a year for our water," says Eddie. "This has made a real difference to our household finances. My only regret is that we didn't trial a water meter all those years ago when our children left home. But at least we are making big savings now."

The couple say they have always been conscious of using water sparingly so as not to waste this finite resource. Eddie adds: "We take all sorts of water-saving measures, such as having a dual-flush system in the toilet, and using a water butt to collect rainwater in the garden. I have also only ever used a sponge, bucket and watering can to wash the car – never a hosepipe."



MORE TOP TIPS TO REDUCE HOW MUCH YOU SPEND ON WATER

1 Turn off the tap when you brush your teeth

This could save a family of four up to £50 on annual metered water bills, according to water efficiency firm Save Water Save Money, as well as 17,520 litres of water per year.

2 Cut a minute off your shower time

This could save you £30 on your energy and metered water bills per year, or £120 for a family of four, according to Save Water Save Money.

3 Install a water-saving shower head

One of these could save a family of four £75 on their gas bill and about £120 on their water bill (if metered), according to the Energy Saving Trust.

4 Fix your dripping taps

A dripping tap can waste around 5,300 litres of water a year, according to the Energy Saving Trust. If you're on a water meter, this could cost you an extra £15 per year.

5 Take a five-minute shower instead of a bath

A quick shower uses a lot less water than a long soak in the bath. If everyone in a four-person family took a five-minute shower in place of a bath, it could save around £15 on energy bills and around £25 on metered water and sewerage bills a year, according to the Energy Saving Trust.

6 Fit a dual-flush toilet button

Around a third of the total water used in every household is through toilet flushing, so it's worth investing in a device that lets you choose how much water you use – an average of 4-6 litres per flush instead of 13. A dual-flush button could save a four-person household 50,000 litres of water every year. That would save around £150 a year in metered sewerage water bills, according to the Energy Saving Trust.

7 Use a bowl to wash up

Using a bowl to do the washing-up rather than leaving the hot tap running could save around £25 a year on a household's energy bill and around £30 on metered water and sewerage bills, according to the Energy Saving Trust.

8 Store up your washing-up

Save up your dishes and do the washing-up in one go to reduce the amount of water you use. Similarly, wait until you've got a full load before using your dishwasher – or, for that matter, your washing machine.

9 Use a garden water butt

Collect rainwater in a water butt and then use this to fill a watering can when you need to water the garden. This is much less wasteful than a hosepipe or sprinkler, which can use up to 1,000 litres an hour. A metered household using a hosepipe for one hour a month could typically save about £35 a year, according to the Consumer Council for Water (CCW). Non-metered households won't save.

10 Fish for freebies

Most water companies offer free devices that help you reduce your usage. This might include £20 low-flow shower heads, £5 inserts to reduce the flow of water from your tap, and Save-a-Flush bags, worth £2, which go in the cistern and save about 1 litre of water each time you flush the toilet. See your water company's website for details.

11 Soak away savings

If you have a soakaway in your garden, which drains excess water into the earth, you may be able to have surface water drainage charges removed from your bills, saving over £50 a year, according to the CCW. You may also be eligible for a refund of charges you've paid, as soakaway discounts first came into force in 2001.

12 Make use of free online tools to analyse your water use

Check out water usage tools such as the aqKWa Savings Engine (Aqkwa.co.uk). This gives you an overview of your total use, with personalised water saving advice for your location, home and lifestyle.

For more water saving tips, visit Ccwater.org.uk, Est.org.uk and Savewatersavemoney.co.uk. mw

ESTHER SHAW was deputy money editor at the *Independent* and is a freelance money, property and travel journalist

TOP TIPS ON BEATING UNFAIR

If you've ever received a parking ticket when you've parked legitimately on privately owned land, you'll know how irritated it makes you feel. But rather than reluctantly pay up, you could challenge an unfair ticket and have it quashed. We look at the options

BY JOHN FITZSIMONS

There are few things more likely to outrage a motorist than an unjust parking ticket. What is more, it appears that drivers in the UK are increasingly being asked to cough up.

New analysis of DVLA data by the RAC Foundation reveals that in the 2017/18 financial year a record number of private parking tickets were issued. The DVLA released 5.65 million vehicle keeper records to car parking management companies last year. Almost all of these will have been used by private parking firms to issue motorists with tickets – up from 4.7 million the year before.

The problem is that significant numbers of these tickets are issued incorrectly. It's got sufficiently bad that even the government has stepped in. In January, the Department for Communities and Local Government promised new legal protections from "unscrupulous parking operators", which are currently being scrutinised by Parliament.

So what are your rights when it comes to challenging a ticket that you think is unfair?

When can you appeal against a parking ticket?

There are plenty of entirely justifiable reasons for challenging a parking ticket. These might include:

- A lack of clear signage explaining the parking rules for that spot
- The fine is disproportionate to the cost of parking or any losses the landowner has incurred
- You were unable to purchase a pay and display ticket as the machine was out of order
- The parking company was not actually responsible for overseeing the land on which you parked
- The parking ticket is invalid, perhaps because details have been recorded incorrectly
- It was an emergency or your vehicle had broken down.

Council ticket vs private ticket: how can I tell the difference?

There are two types of parking ticket, depending on who owns the land on which you parked. If you get a ticket on a council-owned space, you'll be issued with a penalty charge notice or excess charge notice. But if you are issued a ticket on privately owned land, it will be a parking charge notice. There's no recent data on the average fee charged by private parking companies, but research carried out by Citizens Advice in 2015 placed this figure at £83. However, it reported that some have been hit with fines as high as £300.

The ticket itself should explain who it has been issued by – and, therefore, what type of ticket it is. This is important, as the appeals process differs between a private parking ticket and one issued by local council.

Get evidence

If you plan to contest a ticket, you must provide evidence to demonstrate precisely why you shouldn't have to pay it. So if there wan't clear signage, you need to prove it. Photograph the area around the parking space to show the absence of signage. Similarly, if a pay and display machine is broken, take pictures of it to show why you were unable to purchase a ticket.

Ryan Jackson, founder of parking management firm Gemini Parking Solutions, says: "A picture paints a thousand words, and could prove vital in your appeal case. Whether your grounds for appeal is because of insufficient signage or an unseen ticket or permit, always take a photo to corroborate your claim, as an operator will have to review its photo evidence according to what you have provided."

Over 5 million private tickets are issued a year

Is the company registered?

It's important to check whether the parking company is a member of an accredited trade association. You can do this on the websites of the British Parking Association (BPA) at BritishParkingAssociation.co.uk or International Parking Community (IPC) at Theipc.info.

This matters because firms that aren't members of accredited associations can not get your details from the DVLA (Driver and Vehicle Licensing Agency) – which means they can't take you to court if you don't pay.

So if you do get a ticket from a non-accredited firm and feel the need to let off steam, don't write in to complain – you'll be handing the company the personal details it needs to pursue you.

Also, be careful of 'ghosting', where a ticket is not physically issued, but a demand and a charge is.

Martyn James of Resolver (Resolver.co.uk), a free online

PRIVATE PARKING TICKETS

"I checked the details – and won"

Julien Speed, a PR manager from Kent, received two tickets from Highview Parking after a trip to Tesco, with fines totalling £140. So he took action. He explains: "I took a two-pronged approach of challenging Highview on the grounds of technicalities, and complaining to Tesco about poor customer relations."

He pointed out to Highview that a sign at the car park entrance advertises up to two hours of free parking when at least £5 is spent in store, and that both conditions were met. Julien also noted that the charge notice arrived a whopping 23 days after the alleged offence, when the official guidance detailed under the Protection of Freedoms Act 2012 points out that it should arrive within a fortnight when no windscreen ticket has been issued.

"I'm pleased to say that both companies wrote to me separately, cancelling both tickets," he adds.

service for claims and complaints, says there are an increasing number of these cases: "What's particularly worrying is when we hear about blatantly dishonest tickets. Though no one knows how widespread the practice is, any examples of this are absolutely unacceptable and should be appealed even if you've decided to pay."

Don't pay up

Generally, with a parking ticket you can cut the cost of the fine by 50% if you pay up in the first 14 days.

You might be tempted to pay up first and then go through with the appeal. But this can be seen as a recognition of being at fault and damage the chances of your appeal being successful.

Speak to the landowner

When you are issued a ticket, it will come from the parking firm that has been employed to oversee that particular bay. But the parking firm isn't the landowner – the space may be owned by a retailer or business. So if you think you've been treated unfairly, it's worth speaking to the landowner directly.

Put it all in writing

Once you have the evidence you need, it's time to put that complaint in writing. The ticket you were issued should have the parking firm's contact details on there.

You can do this independently or you could use Resolver, which can help with your complaint form and ensure you get a timely response.

If at first you don't succeed

If your initial appeal is unsuccessful, you can take your case to an independent arbiter. If the parking firm is a member of the BPA, your case should be raised with Parking on Private Land Appeals (POPLA).

This service is free and you have 28 days in which to do so after your initial complaint is rejected. According to POPLA's 2017 report, it upheld more than half of the almost 58,000 complaints it received.

If the parking firm is a member of the IPC, you need to take your case to the Independent Appeals Service. Again, this is free to use, but you only have 21 days.

Should you prove successful with the arbiter, the charge will be dropped. However, if you lose again, you will need to pay up or else risk being taken to the small claims court.

We'll cover fighting council parking tickets in July's Moneywise. MW

JOHN FITZSIMONS is a freelance journalist who writes for Yahoo Finance, Lovemoney, Mirror.co.uk and Mortgage Solutions

10th Moneywise Customer Service

moneywise CUSTOMER SERVICE AWARDS 2018

Metro Bank, the most trusted financial provider for two years running, receives its awards

Moneywise can now reveal the companies that have been shortlisted in our Customer Service Awards 2018

BY RACHEL LACEY

Now in its 10th year, the *Moneywise* Customer Service Awards seeks the views of members of the public to find out which financial services companies they trust and which offer the highest level of customer service.

Moneywise would like to say a very big thank you to everybody who took part. This year an impressive 40,000 people completed our questionnaire, making it the largest survey of financial consumers in the UK.

The awards cover a broad range of financial services, from banking, including current and savings accounts, through to borrowing, with loans, mortgages and credit cards considered, to insurance, including home, motor, health and pet plans.

Last year the top award, for most trusted financial provider, went to Metro Bank for the second year in a row. Santander took the prize for most trusted mainstream bank and LV was voted the most trusted insurance provider.

This year's winners will be announced on 7 June at a black-tie gala dinner in London's West End. The results will be published in the August issue of *Moneywise* and online at Moneywise.co.uk.

Here's the 2018 shortlist.

CURRENT ACCOUNTS AND BANKING

BEST CURRENT ACCOUNT PROVIDER FOR BRANCH SERVICE

Bank of Scotland
Halifax
Metro Bank
Nationwide Building Society
Santander
TSB

BEST CURRENT ACCOUNT PROVIDER FOR CALL CENTRE SERVICE

Clydesdale Bank
First Direct
Metro Bank
M&S Bank
Nationwide Building Society
The Co-operative Bank

BEST BANKING APP

Danske Bank
First Direct
First Trust Bank
Metro Bank
Monzo
Nationwide Building Society

MOST TRUSTED SMALL BUSINESS BANKING PROVIDER

HSBC
Lloyds Bank
Metro Bank
NatWest
Royal Bank of Scotland
Santander

MOST TRUSTED CURRENT ACCOUNT PROVIDER

First Direct
M&S Bank
Metro Bank
Nationwide Building Society
The Co-operative Bank
TSB

SAVINGS

BEST PROVIDER FOR CHILDREN'S SAVINGS

Barclays
Halifax
HSBC
Nationwide Building Society
Santander
Yorkshire Building Society

MOST TRUSTED SAVINGS AND CASH ISA PROVIDER

Coventry Building Society
First Direct
Ford Money
Leeds Building Society
Nationwide Building Society
Skipton Building Society

BEST PROVIDER FOR REGULAR SAVERS

Bank of Scotland
First Direct
Ford Money
Nationwide Building Society
Santander
TSB

BEST SAVINGS PROVIDER FOR LARGE DEPOSITS

Coventry Building Society
First Direct
Ford Money
Nationwide Building Society
RCI Bank
Virgin Money

CREDIT CARDS

MOST TRUSTED CREDIT CARD PROVIDER

American Express
First Direct
John Lewis
M&S Bank

Awards 2018: shortlists revealed

£1,000 SURVEY PRIZE DRAW WINNER

Every reader who entered *Moneywise's* Customer Service Awards 2018 survey was in with a chance of winning the top £1,000 cash prize, as well as five runner-up prizes of £100 in gift vouchers for Amazon, John Lewis or Marks and Spencer.

This year's £1,000 winner and £100 gift card runners-up have been notified.

Nationwide Building Society
Santander

BEST CREDIT CARD PROVIDER FOR REWARDS
American Express
ASDA Money
John Lewis
M&S Bank
Sainsbury's Bank
Tesco Bank

BORROWING AND LENDING

BEST P2P PLATFORM FOR INVESTORS
Assetz Capital
Funding Circle
Lending Works
Lendy
RateSetter
Zopa

MOST TRUSTED LOANS PROVIDER
First Direct
Hitachi Personal Finance
Lending Works
Nationwide Building Society
RateSetter
Zopa

MOST TRUSTED MORTGAGE PROVIDER
Coventry Building Society
First Direct
HSBC
Nationwide Building Society
TSB
Yorkshire Building Society

MOST TRUSTED BUY TO LET MORTGAGE PROVIDER
Bank of Ireland
Coventry Building Society
Halifax
NatWest
The Mortgage Works
Virgin Money

INSURANCE

MOST TRUSTED HEALTH INSURANCE PROVIDER
Aviva
AXA PPP
Benenden
BUPA
CS Healthcare
Simplyhealth

MOST TRUSTED HEALTH INSURANCE PROVIDER VIA EMPLOYER
Aviva
AXA PPP
BUPA
CIGNA
Simplyhealth
Vitality

MOST TRUSTED LANDLORD INSURANCE PROVIDER
Aviva
AXA
Direct Line
Simply Business
Towergate

MOST TRUSTED LIFE INSURANCE PROVIDER
AIG Life
Aviva
Legal & General
LV
Prudential
Royal London

MOST TRUSTED HOME INSURANCE PROVIDER
Aviva
AXA
Churchill
Direct Line
LV
NFU Mutual

BEST PROVIDER CONTENTS INSURANCE
AA
Admiral
Aviva
CSIS
Direct Line

MOST TRUSTED TRAVEL INSURANCE PROVIDER
Aviva
AXA
Coverwise
Holidaysafe
Insure and Go
Staysure

MOST TRUSTED CAR INSURANCE PROVIDER
Aviva
CSIS
Direct Line
LV
NFU Mutual
Zurich

MOST TRUSTED PET INSURANCE PROVIDER
Direct Line
Lifetime Pet Cover
More Than
Petplan
Sainsbury's Bank
Tesco Bank

MOST TRUSTED INSURANCE COMPARISON SITE
Compare the Market
Confused
Go Compare
MoneySuperMarket
Quidco
TopCashback

It's the largest financial consumer survey in the UK

MOST TRUSTED OVERALL AWARDS
There are no shortlists for our most trusted overall provider, mainstream bank, insurer and P2P platform awards.

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Savvy savers need to get online

Millions of people are missing out on the best savings rates because they are unwilling – or unable – to apply for online-only or app-based accounts. Find out how much you could be losing on a poor-performing high street account and consider helping elderly relatives to get online and bag a better deal

BY RUTH JACKSON

If you are computer-savvy, the internet has made managing your personal finances a lot easier. A few minutes on a comparison website can help you shave hundreds, if not thousands, of pounds off your energy, broadband and mortgage bills.

You can also manage your bank and savings accounts online, allowing you to see your balances, transfer money and, in many cases, grab the best possible savings rates.

But, the other, darker, side of the rise of the internet's influence on personal finances is its effect on those left behind. According to the charity Age UK, nearly four million people aged 65-plus have never used the internet. Meanwhile, others who are internet-savvy may not be comfortable using the web to manage their finances. For these people, comparing deals and getting hold of the best interest rates has got a lot harder over the past two decades.

Those who aren't online and can't access comparison tools and websites are left reliant on phoning around, which is time-consuming and will probably mean you're not guaranteed to get the best deal. Another option is using a broker, but this can cost money, unlike free web searches.

But it's not just comparing rates where offline savers may become unstuck.

Anna Bowes, director of independent savings advice site Savings Champion, explains: "These days, most of the best savings rates available are online-only accounts, so savers who are not prepared to open and manage their savings online are missing out on valuable interest. And those who stick with their

Online vs offline interest rates

Savings type	Best online rate (AER)	Best alternative rate (AER) offering post/branch/telephone access
Easy access	RCI Bank – 1.30%	Kent Reliance – 1.21%
One-year fixed-rate bond	Wyelands Bank – 1.85%	Al Rayan Bank – 1.85%
Two-year fixed-rate bond	Wyelands Bank – 2.15%	Hodge Bank/Close Brothers – 2.05%
Three-year fixed-rate bond	RCI Bank – 2.31%	Hodge Bank/Close Brothers – 2.20%
Five-year fixed-rate bond	Vanquis Bank/Secure Trust Bank – 2.65%	Close Brothers – 2.60%

Source: Savings Champion, 13 April 2018

high street banks are likely to be suffering the most, as these providers offer some of the worst rates available."

We aren't just talking about the top few best buy accounts – take a look at a comparison table of all types of savings accounts and most of the top 10 are only available online.

"Having looked at the best buys at the time of writing, eight of the top 10 easy-access accounts are online only, and it's a similar story for online fixed-rate bonds," says independent personal finance analyst Andrew Hagger.

Rachel Springall, finance expert at the comparison site Moneyfacts, continues: "Out of the top six deals on one-year fixed-rate bonds, four of them only offer online access, which includes Atom Bank, Ikano Bank, Milestone Savings and OakNorth Bank.

"Clearly, there will be some disgruntled savers learning this fact, as they could earn less interest if they don't go online to manage their account."

The reason why banks and building societies offer better rates on their online-only accounts is simple: they are cheaper to run. An online-only account has far lower overheads than an account with branch access, where the costs of running the branch have to be factored in.

Mr Hagger explains: "Part of the reason the products offered are so competitive is that the internet-only channel is far more cost-effective to run, compared with staffing branches and call centres and all the overheads associated with each."

If you are in a position to do so, choosing online-only savings accounts can boost your nest egg substantially.

"For example, HSBC's Flexible Saver, which can be opened in branch as well as by telephone and online, pays a paltry 0.05%," says Mrs Bowes. "However, you could earn up to 1.3% AER with RCI Bank's Freedom Saver, which can only be opened online.

"On a balance of £50,000 that's a difference of earning £25 or £650 gross a year."

At present, the rise of online-only best deals is mainly excluding the older generation who haven't embraced the internet, but more and more people could become financially excluded as banks and building societies focus on the latest technology. Atom and Tandem are examples of such app-based, digital-only banks.

"The majority of best buy online savings come from the newer financial brands, which seem to be more focused on the smartphone generation," says Mr Hagger. "Yes, it may be cost-efficient, but at the same time, too many people are being excluded from applying for the best rates."

> "High street banks offer some of the worst rates"

If you are comfortable with internet banking, you may want to help someone you know who is missing out on the best interest rates because they don't bank online.

"My wife and I sorted out an online-only fixed-rate bond for my father-in-law, who is 88 years old," says Mr Hagger. "We applied for the product while he watched the application process online – the necessary paperwork was then sent to his home address, while the email address we used was my wife's, so we get emails when the bond is due to mature, for example. It enables us to keep an eye on things." mw

RUTH JACKSON is a journalist specialising in personal finance who writes for national newspapers, magazines and websites

THINK LIKE A THIEF TO WARD OFF CRIMINALS

It's surprising how easy it is for burglars to get into your home, as *Moneywise*'s **Edmund Greaves** found out with the help of a forensic psychologist. We look at ways to protect your property from intruders

Burglary can be a financially and psychologically devastating event for a family. But one way to help protect your property against crime is to get into the mind of a burglar.

Using computer simulations, forensic psychologist Dr Claire Nee of the University of Portsmouth conducted research with 55 convicted burglars serving time in prison, along with 50 offenders who had committed other crimes.

To help gain an insight into the psyche of burglars and to understand what they look for when it comes to burgling your home, *Moneywise* participated in Dr Nee's burglary simulation in partnership with Churchill Insurance. Here's what we found out.

1 Very few burglaries are opportunistic

Very few burglars are opportunistic. Instead, many are regularly scanning and analysing neighbourhoods and environments they encounter for future opportunities.

Dr Nee says: "Very few burglars are what we would call properly impulsive or indiscriminate, which is what we normally mean by opportunistic. The majority of burglars have a lot of knowledge in their heads; we call them cognitive schemers. "They'll be thinking: 'Oh, that looks quiet down that road – it might be a good place for the daytime' or 'I might come back here in the evening'. They're using things like where the house is positioned on the street, or how many people they can be seen by."

Burglars are far more likely to target isolated houses or end of terraces. According to the study, it is very rare for a burglar to try to gain entry from the front of the house, as the likelihood of being spotted is much higher. Burglars will often knock on the front door to see if anyone is home, before heading around the back.

Not only is an empty house an easier target, but the majority of burglars are aware of the implications of being disturbed in the course of a burglary; if that causes the burglar to pick up anything that could serve as a weapon, the offence is raised to aggravated burglary, which carries much stiffer sentences.

2 It's obvious, but don't leave doors or windows open if you're out

Staggeringly, Dr Nee says that close to half of the burglars she has worked with reported accessing a property through an open door or window.

"Burglars often say that households buy expensive security devices but leave a window open or forget to switch on the alarm," she says.

Forensic psychologist Dr Claire Nee

3 Smaller possessions are what burglars target

Contrary to popular belief, the items burglars most commonly target are not high-value items, such as flat-screen TVs and desktop computers, as these often have cables that are tedious to remove and are simply too large to steal.

Instead, most burglars target items that are easy to carry or put into pockets, such as jewellery, passports, wallets, phones, tablets and laptop computers.

According to the study, having tracking software such as Find My iPhone on iOS and Find My Device on Android makes little difference in deterring theft, as burglars will switch off devices straight away.

During Dr Nee's simulation, users get to burgle a typical house, trying to discover where the homeowners keep their valuables

The burglar will then deliver the device to a middleman who wipes it of the owner's information.

When it comes to other stolen goods, Dr Nee says it is highly unlikely the burglar will sell any of the stolen items online on sites such as eBay or Gumtree, as burglars generally have pre-arranged accomplices to buy stolen goods, or rely on quick-sale, no-questions-asked pawn shops.

4 Burglars tend to avoid kitchens, bathrooms and children's bedrooms

Dr Nee's research shed fascinating light on how burglars analyse their environment and make decisions once inside a property. They tend to make sure a house is empty, before moving to the furthest location from their point of entry and systematically making their way through the house back to where they came in.

The burglar will move through the house, thoroughly checking drawers and cupboards for valuable items. In most cases, burglars already know where to look, as many householders follow the same tendencies when it comes to hiding items, such as putting valuable jewellery and passports in filing cabinets.

Dr Nee says, on average, burglars reported spending as little as eight minutes searching through a house. "Burglars are very fast. They don't want to spend a long time in there, but they just know very quickly where high-value areas are."

When it comes to places in the house that burglars avoid, kitchens and bathrooms tend to be ignored as householders don't put items of value in these rooms. Also, interestingly, it seems many burglars are not completely devoid of a moral code, as the majority say they wouldn't enter a child's room because it is "morally wrong".

According to Dr Nee: "They really didn't like going into children's bedrooms. In the past, we knew they didn't go into children's bedrooms, but we thought it was just because they wouldn't think there was much in there, but nearly every one of them said: 'That's a child's room – that's the no-go area.' Burglars don't go in the bathroom either. You can't store all your electronic goods in the bathroom cabinet, but we need to think about trying to be less obvious. The burglar will be on this habitual automatic route and if the stuff isn't there, one of things they really don't like is spending too long – they'll just get more and more twitchy."

5 Use light timers to discourage entry

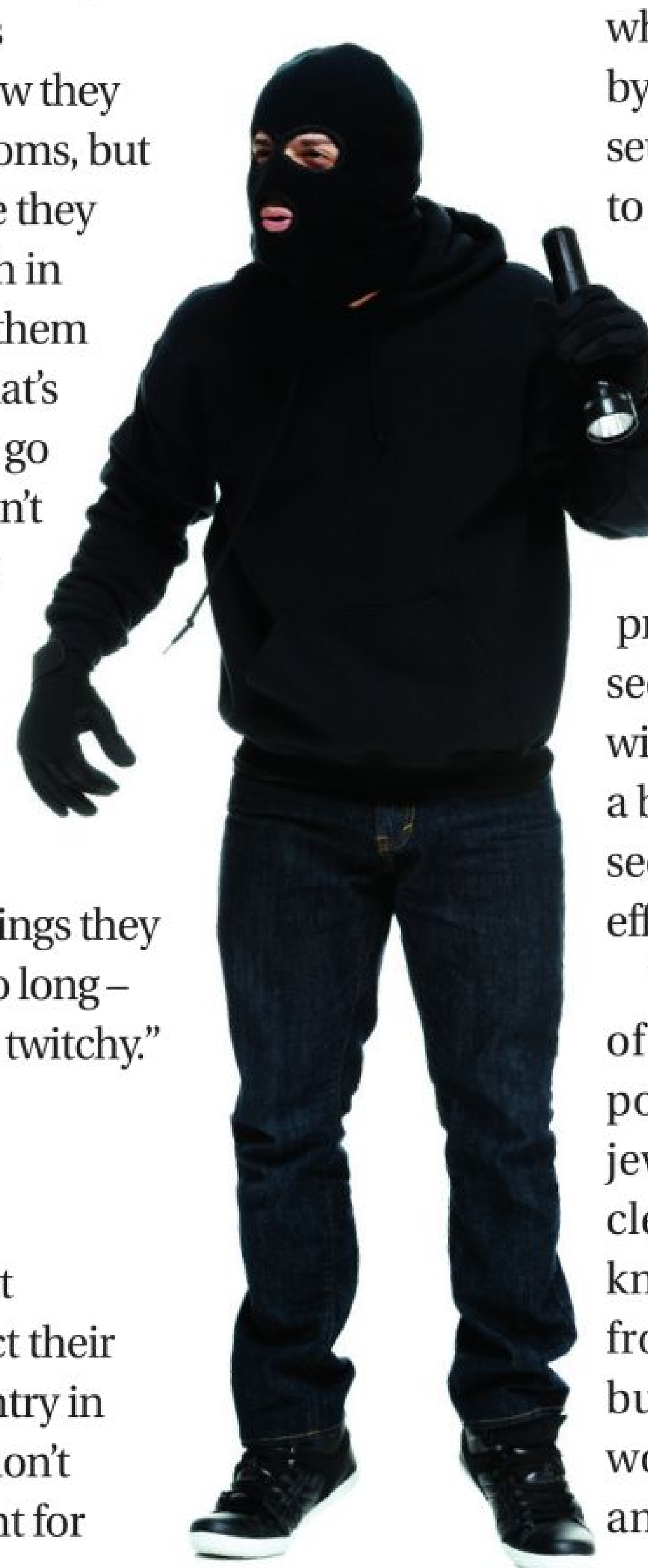
Dr Nee says the best thing that homeowners can do to protect their belongings is to discourage entry in the first place. She says: "We don't want to make life inconvenient for householders because of burglars, but at the same time I think there is a leap to be made by householders to reduce risk.

"There are some small things we can do to make our properties look less attractive first, and then if someone does get inside, maybe not finding possessions exactly where they are expecting them."

***Moneywise*'s Edmund Greaves takes part in Dr Nee's burglary simulation**

Making a house appear occupied with light timers, having a neighbour come around and check the property, using motion sensor-activated outdoor lights and other simple deterrents make a property too high a risk for a burglar to try.

Martin Scott, head of Churchill Home Insurance, explains: "One of the most common things people forget is to make their home look occupied while they are away. This may be by asking people to house-sit or by setting up timers for lights and sounds to fake occupancy.



"Another thing to reduce your risk is to appraise your home as if through the eyes of a burglar. Check whether you have any easy access points through the rear or side of the property, and if you do, make these secure. If your home provides cover with trees, a high wall or a fence for a burglar trying to break in, install security lights as these can be an effective deterrent.

"Finally, keep your valuables out of sight. If you have high-value portable electronics, cash, jewellery or identity documents in clear view of a window, a burglar knows exactly where to steal them from. If everything is hidden, a burglar may decide that it isn't worth the time searching for items and move on." mw

Trying to work through the maze of mortgage products on the market to find the right one for you? Find out which providers were judged to be the best in the business – whether you're taking your first tentative steps on the property ladder, looking to switch mortgages, or you're a last-time buyer

BY RACHEL LACEY

Moving home should be exciting. Whether you are taking your first step on the property ladder or buying your forever home, it's an important milestone that often marks the start of a new life.

However, the reality is it can be one of life's most stressful events. *Moneywise* can't pester solicitors on your behalf or deal with any difficult buyers or sellers in your chain, but we can help you make one vital decision, and that's picking the right mortgage.

The right lender, offering the right deal and top-notch customer service, can help remove a good chunk of your home-buying nerves and alleviate some of your financial concerns.

Yet the choice of lenders and deals can often be dumbfounding, and working out which provider to approach is often difficult. For many borrowers – such as first-time and older buyers – it's also not as straightforward as shopping around for the cheapest rate.

This is where the *Moneywise* Mortgage Awards 2018 can help. Our awards will help you to narrow down the best lenders for you. Whether your needs are straightforward or a little more complicated, we can help you find the best deals.

It's not just for home buyers either, with a category for those looking to remortgage their existing property too. There's also a category for buy-to-let borrowers that will help pinpoint the lenders that really understand the very specific needs of buyers in this market.

BEST LENDER FOR FIXED RATES

HSBC

WINNER: HSBC

- **Contact: Hsbc.co.uk/1/2/mortgages**
- **Top deal: 1.49% two-year fix**
- **Max LTV: 60%**
- **Fee: £999**

HIGHLY COMMENDED: Barclays

BARCLAYS

Best lender for fixed rates

Fixed-rate mortgages offer borrowers the certainty that their mortgage repayments will not rise if interest rates do. With interest rates remaining so low and experts predicting base rate rises this year (see page 9), it comes as no surprise that fixed deals are the preferred choice of most buyers.

Deals are typically fixed for two to five years, but longer-term fixes of as much as 10 years are available.

This is a hugely competitive part of the mortgage market and this was reflected in the close scoring within this category. For the second year in a row, however, the prize was scooped by HSBC.

Judge Aaron Strutt, product and communications manager at mortgage broker Trinity Financial, is a big fan.

"HSBC has consistently offered great fixed rates with competitively priced arrangement fees. The bank has been targeting borrowers with different deposit sizes and eased its acceptance criteria to ensure more applicants qualify. He adds: "The lender always has one eye on

the best buy tables when it launches a new fixed rate and this helps drive down prices across the market. HSBC has also recently introduced a new processing system and employed more staff to manage demand."

Coming a very close second place is Barclays.

Judge Andrew Montlake, director at mortgage broker Coreco, says: "Barclays has been so consistent this year, with excellent pricing and some really helpful criteria."

Best lender for discount mortgages

These mortgages offer a rate that is discounted against the lender's standard variable rate. They don't offer the security of a fixed-rate mortgage, but for those borrowers who are happy to accept the risk associated with variable-rate mortgages, there are excellent deals available.

The winner this year is Yorkshire Building Society, which takes this accolade for the second consecutive year.

Mr Strutt says: "Yorkshire Building Society has consistently offered market-leading discounted rates that undercut the price of fixed rates. The lender provides such a huge discount off its standard variable rate (SVR), the deals are tempting borrowers who want the lowest monthly repayments rather than longer-term payment security."

In a category dominated by building societies, the highly commended award goes to Hinckley and Rugby Building Society.

Judge David Hollingworth, associate director of communications at broker London & Country Mortgages, says: "Hinckley and Rugby is a lender that is consistently leading the way on discounted products with an impressive range of both short and long-term, offset and early-repayment charge-free options. That spans across all loan to values (LTVs) including 90% and 95% LTV, where they were one of only a few lenders offering a credible alternative to fixes."

BEST LENDER FOR DISCOUNT MORTGAGES

YORKSHIRE BUILDING SOCIETY

WINNER: YORKSHIRE BUILDING SOCIETY

- Contact: Ybs.co.uk
- Top deal: 0.97% discounted variable rate until 30 June 2020 (4.02% off SVR of 4.99%)*
- Max LTV: 65%
- Fee: £1,495
- Small print: 1% early repayment charges.

HIGHLY COMMENDED: Hinckley and Rugby Building Society

H&R HINCKLEY AND RUGBY BUILDING SOCIETY

BEST LENDER FOR OFFSET MORTGAGES

SCOTTISH WIDOWS BANK

WINNER: SCOTTISH WIDOWS BANK

- Contact: Scottishwidows.co.uk/mortgages
- Top deal: 1.64% two-year fix (purchase-only rate)
- Max LTV: 60%
- Fee: £1,499
- Small print: There are early repayment charges of 1.9% of the chargeable balance until the 12th payment, followed by 0.9% for the remaining term of the fixed rate.

HIGHLY COMMENDED: Accord

ACCORD MORTGAGES

Best lender for offset mortgages

Offset mortgages can be a great boon to borrowers who also have a healthy savings balance. By linking their savings to their mortgage, borrowers are able to reduce the mortgage balance on which interest is charged. So, for example, if you borrowed £100,000 but had £25,000 in savings, you would only have to pay interest on £75,000


Buy-to-let mortgages for first-time buyers
You could get a buy-to-let mortgage with us – even if it's your first property purchase.
When you apply, you'll need to show us you can afford the monthly payments and that you meet our eligibility terms.
Your buy-to-let property may be repossessed or a receiver of rent appointed if you do not keep up payments on your mortgage.
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BEST LENDER FOR BUY TO LET

WINNER: BARCLAYS

- Contact: Barclays.co.uk/mortgages
- Top deal: 1.55% two-year fix
- Max LTV: 60%
- Fee: £1,950
- Small print: 3% early repayment charges

HIGHLY COMMENDED: Santander

of your mortgage. Over the whole term of a mortgage, this can save borrowers thousands of pounds in interest – either by reducing monthly repayments or paying off the loan early.

For the fourth year on the bounce, the award goes to Scottish Widows Bank, which got the maximum number of votes. Mr Montlake has the ultimate compliment for the lender. "It's one of my most used lenders this year, excellent offering and pricing – so good I remortgaged there myself!"

Offset features are available on all its mortgages, which include flexible mortgages and professional mortgages, for people with careers including solicitors, doctors, teachers, actuaries and engineers. Each application is assessed individually, without adherence to rigid rules.

Mr Hollingworth adds that the range has also become more affordable. "Scottish Widows has long offered offset functionality, but last year backed that up with very competitive pricing. Making products attractive in their own right but adding offset on top helps open up the benefits of offset up to a wider audience."

Accord Mortgages – a broker-only subsidiary of Yorkshire Building Society – is runner-up in this category.

Mr Strutt says: "Accord offers a range of well-priced offset deals with low arrangement fees and it typically offers two and five-year fixes. The society has a huge appetite to lend and wants to take business from many of the other mortgage providers. By providing a great range of offset mortgages, the lender has another niche to tempt in borrowers."

BEST LENDER FOR FIRST-TIME BUYERS

WINNER: NATIONWIDE

- Contact: Nationwide.co.uk/products/mortgages
- Top deal: 1.89% two-year fix
- Max LTV: 90%
- Fee: £999
- Small print: 2% early repayment charges in year one, then 1% in year two

HIGHLY COMMENDED: Halifax

Best lender for buy to let

It's becoming increasingly difficult for landlords to make money from renting property, with increases to stamp duty and changes to tax relief on mortgage interest. This means it's all the more important for investors to get the best deal they can on their mortgage from a lender that can help them navigate this changing market.

This year, the judges voted unanimously for Barclays.

Mr Strutt says: "There is a lot of competition in the buy-to-let market and lenders need to work very hard to attract new customers. As well as offering super-cheap rates, Barclays takes personal income into account, as well as the rental income, to ensure more borrowers secure the loan size they need."

Santander came in second place.

Mr Strutt says: "Santander offers low buy-to-let rates and attractive buy-to-let rental calculations to make it easier for landlords to secure new rates. The remortgage calculation helps landlords to switch on to some very competitively priced rates. The bank also provides a free property valuation if you are purchasing a property and it has a maximum loan size of £750,000."

Best lender for first-time buyers

Life is tough for first-time buyers, who are having to raise bigger and bigger deposits in a climate where lending criteria are only getting tighter. This award is, therefore, here to recognise those lenders that are going the extra mile to help their customers take that elusive first step on to the property ladder.

This year it was a two-horse race, with Nationwide only just pipping Halifax to the post.

Commenting on our winner, Mr Hollingworth says: "Nationwide presents itself as a lender eager to help the first-time buyer market, and its good rates, backed up with well-judged incentives across the range of free valuations, and £500 cashback, mean that it delivers for first-time buyers time after time."

Mr Montlake, meanwhile, is a big fan of our runner-up for this market: "No lender knows first-time buyers like Halifax. It is consistently excellent," he notes.

BEST LENDER FOR FIRST-TIME BUYERS WITH FAMILY SUPPORT

WINNER: THE FAMILY BUILDING SOCIETY

- Contact: Familybuilding society.co.uk/Mortgages
- Top deal: 2.89% three-year fix
- Max LTV: 95%
- Fee: £599

HIGHLY COMMENDED: Barclays

BEST LENDER FOR LIFETIME TRACKERS

WINNER: FIRST DIRECT

- Contact: Mortgages. firstdirect.com
- Top deal: 2.49% lifetime tracker (base rate plus 1.99%)*
- Max LTV: 75%
- Fee: £0
- Small print: No early repayment charges

HIGHLY COMMENDED: Santander

Best lender for first-time buyers with support

The challenge for first-time buyers is so great that many will call on parents or other family members for financial support. For this reason, *Moneywise* introduced this award last year to recognise those lenders that have come up with innovative loans that can accommodate financial support provided by a third party.

Taking the award this year is last year's runner-up, the Family Building Society.

Mr Strutt explains the lender's innovative proposition. "The Family Building Society has a range of options for younger borrowers who are relying on the bank of mum and dad to get on the property ladder. This includes guarantor mortgages, where parents can use their income to boost the application, also joint borrower sole owner options where the parents' names go on the mortgage and not the deeds."

He adds: "The Family Building Society provides a 95% LTV mortgage so long as borrowers can put down a 5% deposit. As part of the deal, parents agree to put savings in a linked savings account or have a charge secured on their property. The three and five-year fixed rates are competitively priced, and if money is in a linked saving account it's used to reduce the monthly repayments and the parents are even paid interest."

Last year's winner, Barclays, is this year's runner-up. Mr Hollingworth says: "Although Barclays' Family Springboard was not the first product to use the approach of additional security from parents, it is certainly one of the best. Requiring the parent to lock down only 10% for what will often be as little as three years is practical and rates are available to as much as 100% of the purchase price."

Best lender for lifetime trackers

Not every borrower wants to remortgage every few years and lifetime trackers provide a solution for those seeking long-term value. Rates are linked directly to the Bank of England base rate, so lenders cannot change them on a whim. Also, many deals have no early redemption penalties, so borrowers aren't tied in either.

This year, the award goes to First Direct.

Mr Hollingworth says: "Any winner should be able to point to consistency through the year, rather than an occasional victory. First Direct can certainly claim that, and has always been at the top or thereabouts when it comes to the best lifetime tracker deals on the market."

Mr Montlake agrees, and says it's the product First Direct "excels at".

Coming in second place is Santander.

Mr Hollingworth adds: "Although it may not have offered the most extensive range of lifetime tracker options, Santander maintained a competitive option throughout the year, backed by what has been extremely strong service."

Best lender for remortgages

When your fixed or discounted mortgage deal runs out, you'll be moved on to your lender's higher standard variable rate. This can see your repayments soar, but you can avoid that by remortgaging on to a more competitive deal. Although there will be upfront fees attached to remortgaging, these should be offset by lower monthly repayments. Many lenders will also offer incentives such as cashback or

BEST LENDER FOR REMORTGAGES

BARCLAYS

WINNER: BARCLAYS

- Contact: Barclays.co.uk/mortgages
- Top deal: 1.49% two-year fix
- Max LTV: 60%
- Fee: £999
- Small print: 3% early repayment charges

HIGHLY COMMENDED: HSBC

HSBC

BEST LENDER FOR LARGER LOANS

BARCLAYS

WINNER: BARCLAYS

- Contact: Barclays.co.uk/mortgages
- Top deal: 1.56% two-year fix for mortgages between £1 million and £5 million
- Max LTV: 60%
- Fee: £2,499
- Small print: 3% early repayment charges

HIGHLY COMMENDED: HSBC

HSBC

free legal work to encourage switching, too.

Our winner this year is Barclays.

Mr Hollingworth says: "Barclays has shown strong determination to be a strong player in what has been a very competitive remortgage market. As well as offering good rates with a remortgage package as standard, it also has the Great Escape option with no fees and cashback as well, removing some of the costs that hinder switching."

Taking the runner-up prize is HSBC.

Mr Hollingworth adds: "HSBC gets a deserved place by offering what have very often been market-leading rates. If it had a weak spot, it was the fact that it didn't always offer remortgage incentives, but it deserves credit for recognising this and making them a standard part of its offering to boost its remortgage credentials further."

Best lender for larger loans

Despite their wealth, many borrowers requiring larger loans can find their choices limited. This is because the amounts required may exceed the maximum loan size on the most competitive deals. The fact that these borrowers may also have income from a variety of sources only complicates matters.

For this reason, *Moneywise* introduced this new category last year to highlight those lenders that are serving this market well, and this year the award is retained by last year's winner, Barclays.

Mr Montlake is not short of praise for the lender. "Barclays is outstanding in every way: affordability, pricing, interest-only, and even looking at bespoke pricing for the right clients. Exceptional!"

HSBC came in a close second.

Mr Hollingworth says: "HSBC has frequently offered the keenest rates on the market and it doesn't put ceilings on those rates, making them available to very large loan borrowers as well."

Best lender for new builds

Buyers of new homes often need an understanding lender – the property may not have been completed at the time of application, while slick service is often required if a developer has imposed tight deadlines.

Another new category last year, this award recognises those lenders that are up to the job. Proving its commitment to this market, Halifax keeps the award it won last year.

Mr Strutt says: "Halifax has a bespoke range of products available for borrowers looking for new-build mortgages, and a specialist team to manage applications. The bank offers shared equity and shared ownership applications and government housing schemes. There is the option to extend mortgage offers if the new-build completion time overruns."

Mr Hollingworth adds: "Halifax is a lender that knows the new-build market well, which is apparent in not only the product design but also in the consistently excellent service. It has a range of new-build deals with longer completion deadlines and can offer semi-exclusive rates that can be more generous in the LTV it offers."

Commenting on Santander, which takes the runner-up position this year, Mr Hollingworth says: "New build has been a competitive market and Santander has been a lender that has worked hard to develop its position in that market. Its excellent processing times are a boost to new-build customers, where timescale is important, and its two-and-a-half-year fixed rates, with longer completion deadlines as well as end date, help it fit the new-build need."

Best lender for older borrowers

Older borrowers can often have a hard time getting a mortgage, with many lenders imposing maximum age caps for loans and using rigid lending criteria. This

BEST LENDER FOR NEW BUILDS

WINNER: HALIFAX
- Contact: Halifax.co.uk/mortgages
- Top deal: 2.15% two-year fix
- Max LTV: 75%
- Fee: £999
- Small print: Early repayment fee 2% to 30 June 2019, 1.1% to 30 June 2020

HIGHLY COMMENDED: Santander

BEST LENDER FOR OLDER BORROWERS

WINNER: THE FAMILY BUILDING SOCIETY
- Contact: Familybuildingsociety.co.uk/mortgages
- Top deal: 2.49% two-year fixed rate
- Max LTV: 80%
- Fee: £999
- Small print: 2% early repayment fee in first year, 1% in second year

HIGHLY COMMENDED: Market Harborough Building Society

INNOVATOR OF THE YEAR
WINNER: KENT RELIANCE

For improvements to its BTL proposition

can be particularly problematic for borrowers with interest-only mortgages or those that haven't been able to fully repay their mortgage before they retire.

This award, which was only introduced last year, recognises those lenders with a more pragmatic approach to older borrowers. Our winner this year is the Family Building Society.

Mr Strutt says: "The Family Building Society helps a lot of older borrowers and has acceptance criteria designed to make it easier to qualify if you have pension or investment income. The lender also takes earned income into account up to the age of 70 and has a common-sense approach to mortgages to get applicants agreed."

The second place goes to Market Harborough Building Society.

Mr Strutt adds: "Market Harborough will take a client's overall situation into account and look at their income situation. Unlike many other lenders, each case is agreed by the credit committee, giving more flexibility to get more older applicants through who can clearly demonstrate affordability."

Innovator of the year

Lenders are continually developing their mortgage proposition to give themselves the edge over the competition. However, it can sometimes be difficult to differentiate between cheap gimmicks and innovations that make a genuine difference to their customers and address their needs. This category seeks to reward those lenders that are doing the latter.

The award goes to Kent Reliance Building Society for improvements it made to the application process for buy-to-let loans. Mr Hollingworth says: "The buy-to-let market has undergone a huge amount of change in a short space of time. That includes the latest changes for buy-to-let portfolio landlords, who now have to provide detail of their entire portfolio, not just the property in question.

"One of Kent's innovations has been to promote the use of a technology solution, allowing landlords to upload information from their own data record to automatically sort the relevant data into the relevant fields wherever possible. In addition, the portfolio information is then stored, so that they don't need to add all the information every time." mw

THE JUDGES

The *Moneywise* Mortgage Awards 2018 were judged by:
David Hollingworth, associate director of communications at London & Country Mortgages
Andrew Montlake, director at Coreco
Aaron Strutt, product and communications manager at Trinity Financial

Methodology

Trinity Financial compiled our shortlists, based on best buy data over 12 months (supplied April 2018). Shortlists of lenders with the best rates were given to the judges, who voted for winners and runners-up, looking at rates, fees, penalties, flexibility, service and treatment of new and existing customers. Judges voted for their innovator of the year, but the *Moneywise* editorial team made the final decision. Data supplied by Trinity Financial on 14 May 2018. Mortgages are for purchase or remortgage unless otherwise stated. * Indicates mortgages only available directly from the lender and not via an intermediary.

Fail to pick the right platform and you could see your investment savings eaten away by admin fees, trading charges and exit penalties

The best **investment platforms** for beginners

BY EDMUND GREAVES

Before you dive in and start picking funds, you first need to choose your investment platform. This may seem a minor decision, but making the wrong choice could cost you hundreds of pounds a year in fees and ultimately eat into the return on your investments.

To help get you started, here's *Moneywise*'s guide to picking the right platform, whether you plan to invest in funds for the long term or trade stocks and shares on a more frequent basis.

What is a platform?

A platform is an online service that helps investors do five things:

- **Choose which funds to invest in**
- **Buy funds**
- **Hold funds**
- **Monitor the funds' performance**
- **Sell funds**

There is no single best platform as each offers different levels of fees and charges based on the size of your portfolio and the number of times you want to trade your holdings.

Each interface also varies. Some platforms are designed for total beginners, while others offer vast amounts of in-depth information.

What charges will I pay?

If you're not used to investing, the choice of platforms can seem overwhelming. A good way to start your search is to think about what type of investor you'll be. Will you be trading funds (buying or selling) on a weekly or monthly basis, or are you happy to sit back and make changes less often, perhaps once or twice a year?

Pricing structures vary widely across the market, so this is not a decision to be taken lightly. Some providers have no ongoing fund-dealing charges, while others charge up to £10 each time you make a trade.

Most platforms charge an ongoing admin fee, which is a percentage of your total investment, although some will charge a flat fee on a monthly or annual basis.

Analysis for *Moneywise* (see table overleaf) compiled by the platform comparison site The Lang Cat (Langcatfinancial.co.uk) shows how different providers are competitive in different areas of the market.

For example, someone making a £25,000 lump sum investment would pay £113 a year in fees to use Hargreaves Lansdown, compared to £45 with iWeb.

Interactive Investor (*Moneywise*'s parent company) charges a flat fee of £90 a year, which is uncompetitive for people with a £5,000 lump sum, but attractive to investors with more money.

If you're investing £5,000, meanwhile, the cheapest options are Cavendish Online, Charles Stanley Direct, and Close Brothers' AM Self Directed Service, which cost £13 a year.

In addition, platforms usually charge an exit fee if you switch your Isa to another provider. This is typically around £25 per investment fund, but some, such as Fidelity, do not have any exit charges.

Many investment platforms also offer bonuses and freebies to entice you to sign up, and this can be a useful way to make some extra cash. But ensure you don't lose out in the long run by picking an account that charges higher ongoing fees just because it pays a sign-up bonus.

See the table below for the annual charges for a Stocks and Shares Isa on the main platforms – the colours indicate cost, with green being the cheapest, moving up through yellow, orange and then red, which is most expensive.

Many platforms offer bonuses and freebies to entice you

recommended funds. Others, such as AJ Bell Youinvest and Interactive Investor, have much more detailed notes on each recommended fund, so may be more suited to experienced investors.

Technology also plays its part, with some platforms offering smartphone apps and others simply offering users website access.

Remember that you can only open and subscribe to one Stocks and Shares Isa in each tax year, but you can hold multiple Isas from tax years gone by. If you don't keep your investments in an Isa wrapper, you can open as many investment accounts as you like at any time.

Stocks and Shares Isa annual fee by portfolio size

Portfolio size	£5,000	£25,000	£75,000	£100,000
AJ Bell Youinvest	£19	£69	£194	£256
Alliance Trust Savings	£120	£120	£120	£120
Aviva Consumer Platform	£20	£100	£288	£375
Barclays	£60	£62	£162	£212
Bestinvest	£20	£100	£300	£400
Cavendish Online	£13	£63	£188	£250
Charles Stanley Direct	£13	£63	£188	£250
Close Brothers A.M. Self Directed Service	£13	£63	£188	£250
Clubfinance	£80	£80	£80	£80
Fidelity Personal Investing	£45	£88	£263	£350
Halifax Share Dealing	£63	£63	£63	£63
Hargreaves Lansdown	£23	£113	£338	£450
Interactive Investor	£90	£90	£90	£90
iWeb	£45	£45	£45	£45
Saga Investment Services	£20	£100	£300	£400
Santander	£18	£88	£225	£275
Selftrade	£39	£99	£236	£299
Strawberry	£40	£98	£248	£310
The Share Centre	£88	£88	£88	£184
Trustnet Direct	£60	£103	£228	£240
Willis Owen	£20	£100	£275	£350

Source: The Lang Cat, May 2018. Assumes four deals a year within an Isa, no investment growth. Figures rounded up to the nearest £1. Additional fees, eg fund fees, may apply

What else should I consider?

It's not just price you need to consider when picking an investment platform. Some platforms, such as Hargreaves Lansdown, offer a raft of information on the basics of investing and have lists of

If you do have multiple holdings, it might make both financial and practical sense to keep them in one place, as some platforms may charge a lower fee, depending on the size of your investments. But this isn't always the case, so check with your preferred provider first.

Moneywise's platform picks

To help you pick your perfect platform, *Moneywise* asked Rodolfo Crespo, associate research director at platform research firm Platforum, and Holly Mackay, founder and chief executive of platform comparison site Boring Money, for their expert views on four investment profiles: smaller portfolios, larger portfolios, holding shares and funds, and regular investors.

Moneywise then analysed this research to compile our top picks based on price, quality of service, information and help available, and the user-friendliness of the website and app.

Best for smaller portfolios: HARGREAVES LANSDOWN

While not the cheapest option out there for smaller sums, Hargreaves Lansdown wins for its quality customer service and breadth of information for those looking to invest with smaller amounts.

Ms Mackay explains: "It's relatively expensive, with a platform fee of 0.45%, but for smaller portfolios it can be argued that the fees are still good value and worth the excellent service.

"For a beginner, the ability to speak to someone in less than 10 seconds is very reassuring.

"It's also about as safe as an investment platform can get, given it's a FTSE 100 company and the biggest investment platform in the UK with over one million users. In addition, the general user experience behind the scenes is great and the mobile app is very good."

Best for larger portfolios and frequent traders: INTERACTIVE INVESTOR

Interactive Investor wins for its competitive fees once your portfolio grows to a larger size. A flat £90 fee is equivalent to 0.12% a year once you've invested over £75,000, and that represents great value for an investor with a larger pot. This fee is also returned as trading credit too, so

The ability to speak to someone in about 10 seconds is reassuring

shouldn't necessarily be considered a sunk cost.

Ms Mackay says: "The £90 flat platform fee makes it very attractive for those with larger portfolios. The £90 fee also gives you the equivalent amount in trading credits, which is worth nine trades at Interactive Investor's standard rate of £10 per trade.

"It's not the most beginner-friendly platform, with a lot of jargon aimed at the more experienced investor. However, the app is a lot cleaner and easier to use."

Mr Crespo believes the platform is improving its offering for novices: "Interactive Investor has recently improved the guidance it offers to beginners with the launch of its Rated Investments list."

Best for holding shares and funds: CHARLES STANLEY DIRECT

If you're looking to hold a mixture of both funds and individual shares, our pick is Charles Stanley Direct, thanks to its flat 0.25% fee and good customer service ratings.

Ms Mackay explains: "It is rated highly by its customers, who give it an 81% recommend score on our website.

"In terms of cost, Charles Stanley Direct has a fixed platform fee of 0.25% for funds, with no fund dealing charges, which is one of the cheapest options available.

"For shares, it has a trading fee of £11.50 and a platform fee of 0.25%, which is waived for any month where you make one or more chargeable trades.

"It also has solid customer service and a decent app which is continually improving."

Best for regular investments: FIDELITY PERSONAL INVESTING

Regular investing is an increasingly popular option for investors getting started from scratch, or who want to build upon a small lump sum.

Mr Crespo explains: "Setting up an ongoing regular contribution into a Stocks & Shares Isa is a popular way of dipping your toes into the waters of investing. We would recommend looking for a platform which charges no transaction fees for contributions going into funds. In addition, some platforms offer reduced transaction fees for regular investment plans investing into shares, ETFs (exchange traded funds) and investment trusts.

"Fidelity Personal Investing, Hargreaves Lansdown and Selftrade offer the best of both worlds, with no trading fees for funds and a £1.50 fee for other investments. However, with the best-in-class guidance for beginners, Fidelity Personal Investing would be my top pick."

As with our other three top platforms, Fidelity also has an app. However, Fidelity's app is only available on iOS, although it plans to launch an Android version shortly this year. Charles Stanley Direct, Hargreaves Lansdown and Interactive Investor have both iOS and Android versions. mw

A Stocks & Shares Isa is a way of dipping your toes in investing

moneywise
FIRST 50 FUNDS
THE Q&A

Rathbone Ethical Bond Fund

Noelle Cazalis

Moneywise's **Helen Knapman** gets the lowdown on a new entrant to the First 50 Funds list for beginner investors – Rathbone Ethical Bond Fund – from its assistant manager Noelle Cazalis

What is the fund?

It's a corporate bond fund, which mainly invests in bonds issued by companies in sterling. It's also an ethical fund, so we have a list of inclusion and exclusion criteria and our independent research team will use this to analyse the companies we want to buy bonds from.

One of our key investment objectives as a fund is to pay a high yield, and the income on the fund is one of the highest in the sector.

Can you explain about its environmental mandate?

Every investment needs to have no negative environmental factors and at least one positive factor. Negatives include the tobacco, oil and alcohol industries, while positives could be social impact in the charity sector.

It's a myth that ethical funds don't generate as strong returns as non-ethical funds. We've outperformed other funds over one year, three years, five years and 10 years.

What do you look for when picking bonds to invest in?

The first thing is a theme – this could be macroeconomic, sector-based or political. A few years ago, for example, oil prices were high, and we thought this would benefit train companies [as car drivers would turn to rail travel].

We look at companies with a strong credit metric, and what's important for us is cashflow generation, for the company to be able to pay its income – the interest it pays on the bond. We look for at least one of the 'four Cs':

- Character: management and strategy
- Capacity: cashflow and ability to pay
- Collateral: whether a bond is secured and whether we have a claim on some of the company's assets if it defaults
- Covenants: whether there are protections in place for bondholders

Rathbone Ethical Bond Fund: Key stats

Launched: May 2002

Fund size: £1139.9 million

OCF: 1.3% [i]

Yield: 3.8%

[i]28 February 2018

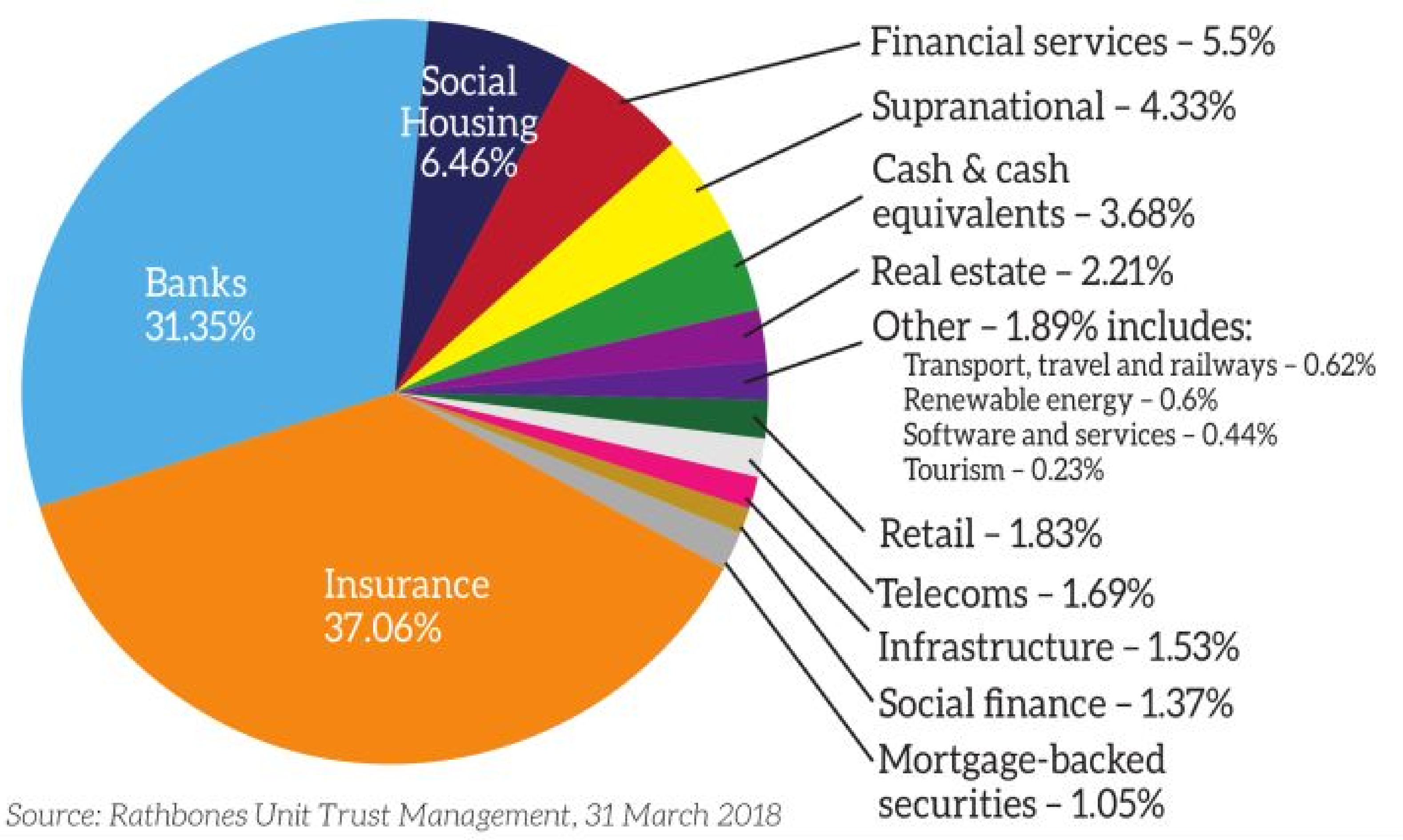
Source: Rathbones Unit Trust Management, 21 May 2018

The team behind the fund

Bryn Jones is the head of fixed income for Rathbones, and is lead manager on the Rathbone Ethical Bond Fund. He joined Rathbones in November 2004 from Merrill Lynch. Bryn graduated from Birmingham University with a Bachelor of Arts degree in Geography in 1995.

Noelle Cazalis is the assistant fund manager within the fixed income team, assisting Bryn on the Rathbone Ethical Bond Fund. Noelle joined Rathbones in July 2011 as a credit analyst. She has two master's degrees from the University of Montesquieu in France, and an investment management certificate, and is also a chartered financial analyst.

Sector breakdown



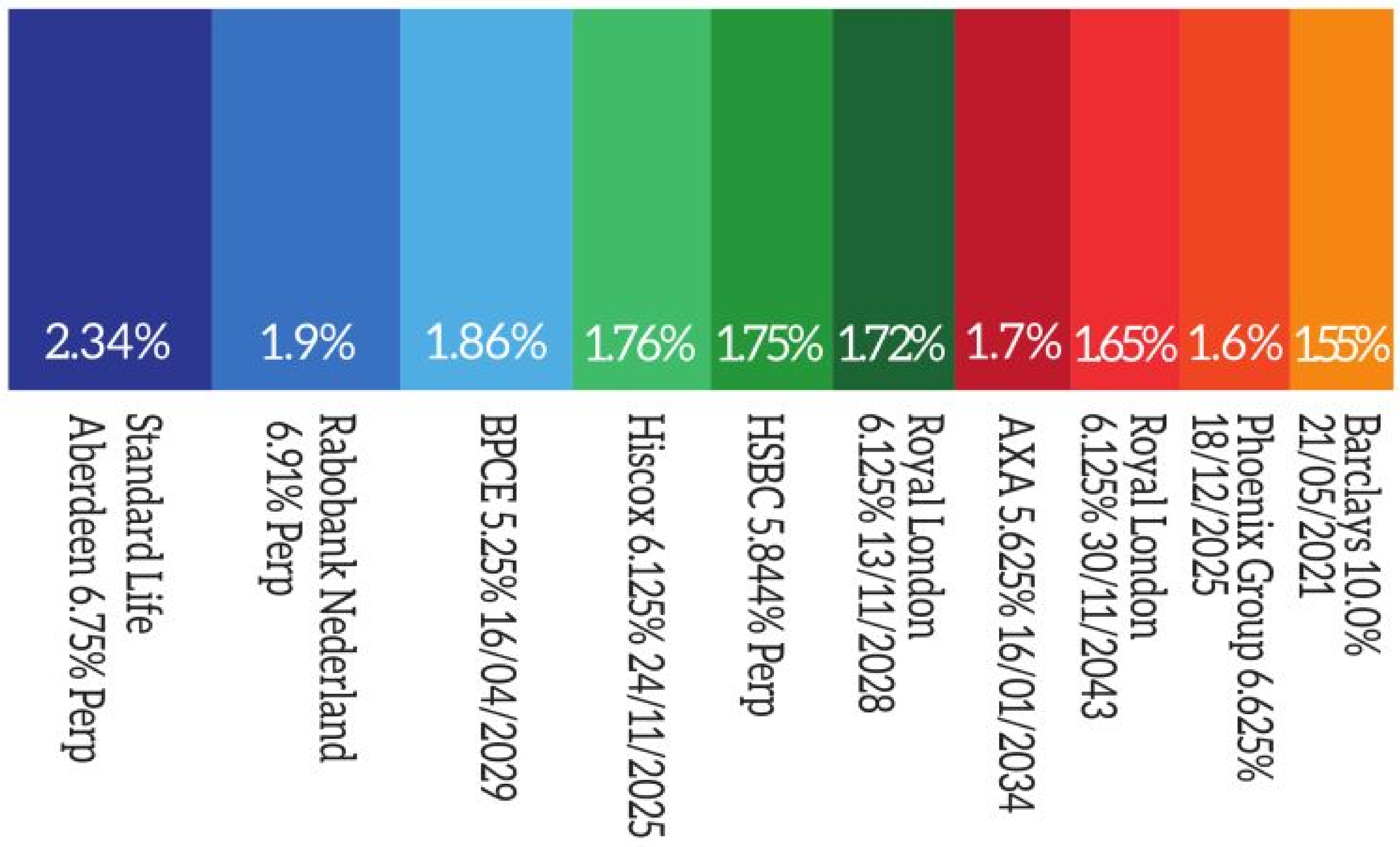
Source: Rathbones Unit Trust Management, 31 March 2018

Five-year discrete performance of Rathbone Ethical Bond Fund

Year	2013	2014	2015	2016	2017
Rathbone Ethical Bond R Acc in GB	3.78	10.25	0.93	6.41	9.85
Benchmark [ii]	0.87	12.20	0.49	10.65	4.32

[ii] Index: IBOXX UK Sterling Non Gilts All Maturities TR in GB. Source: FE, 22 May 2018

Top 10 holdings



Source: Rathbones Unit Trust Management, 31 March 2018

What have you recently been buying and selling?

Recently we've been a little bit more cautious, as we think interest rates will continue to march higher, which has negative implications for bond prices.

So we've been buying floating-rate bonds, where the interest rate rises as the coupon increases, and buying some high-quality AAA bonds from supranational institutions such as the European Investment Bank (EIB).

Another area is the charity bond market, which is good for our ethical angle and gives us good diversification. I think we're the only institutional investor in the charity space. We've been buying from the Charity Aid Foundation and from Thera Trust, which buys properties and fits them for people with learning disabilities.

> "It's a myth that ethical funds don't generate strong returns"

As for selling, we've sold higher-risk names in insurance and companies geared to consumer finance, such as a Clydesdale Bank Tier 2 bond, as we're worried about pressure on consumers to service debts.

How often do you buy and sell bonds?

Our turnover is about 30%. We don't have a set holding period; some bonds we hold until maturity, others we don't.

The first reason we would get rid of a bond is if we have concerns about the company's ability to service the debt. Another one would be valuation – for example, if we think the investment has played out and has become expensive.

The other reason is when a bond gets really short-dated, with one or two years until maturity, as then its yield can drop, which affects the income we pay investors.

What's been the best and worst investment decision?

One of the best was probably Phoenix Life Insurance. It had some trouble with bondholders in 2008, but in 2012 it came back to the market. It didn't get a credit rating, but we decided to trust the management and, since then, it has been paying a dividend and it's had a credit rating upgrade.

The worst was solar panel company SolarWorld. It was suffering from competition from China, but we held on to it because we thought it could improve. However, it was unable to meet its interest payments, so the bond price continued to go down and we exited after a few months. That taught us to interrogate the underlying cashflow and to stick with our conviction and sell.

What are the challenges and opportunities for the fixed-income sector?

The main challenge is the interest rate environment and what central banks are doing. The US Federal Reserve is hiking rates right now and we think it will continue with more hikes this year. The risk is that it hikes too quickly, which will impact consumers, businesses and the economy.

We continue to find opportunities in the insurance space as we feel values are attractive and these companies continue to have high credit ratings.

Why should consumers consider fixed income?

If you're looking for income it's easier to predict the income on a bond, which has a fixed coupon, than to predict a dividend yield. It's also a much less risky asset class than equities, as you have less volatility.

What's your top tip for a beginner investor?

Keep looking at the bigger picture, at the underlying investments and how they interact with each other. It's also important to understand how much you can afford to lose and think about whether you should change your asset allocation in that respect. mw

My investment dream team

Picking an investment fund from the 3,000 or so available can seem a daunting task. Choosing a group of funds for an investment portfolio even more so. But there are some simple tips you can follow and, for those who'll be watching the FIFA World Cup, there are some similarities to putting together your fantasy football team.

First, you need to think about your attitude to risk. A football manager's career can be extremely short if the results are not to the fans' liking. But, as that manager, do you play it safe or take risks in the hope of more spectacular rewards?

When investing, take care not to be so cautious that you stand no chance of meeting your investment goal. Likewise, there is no point choosing volatile assets if the rise and fall in value of your investments keeps you awake at night.

Second, consider your time horizon: can you bide your time, making smaller inroads towards your investment goal? Are you behind and need to attack? Or do you want to defend now and protect what you have accrued over the years?

Just as relying on a single player to carry a team can be risky, you shouldn't rely on just one investment. What if it underperforms? Have a diversified portfolio, with some investments that are the core, some to protect your pot of money if markets fall, and some attackers, ones that are riskier but can provide good returns over time. I'm often asked how many funds should be in a portfolio. I'd say up to five funds if you have under £30,000 to invest, no more than 10 if you have £30,000 to £100,000, and 15 to 20 for larger sums.

Here's my World Cup-inspired adventurous portfolio – my attacking First XI, in a 1-3-4-3 system:

The midfield

My starting point is Investec UK Alpha, a well-diversified core fund. It has at least 50% invested in FTSE 100 companies, with the rest in medium and smaller-sized UK businesses.

I would add Threadneedle European Select, which invests predominantly in large European companies that can defend their margins, and Matthews Asia Pacific Tiger, which also invests in high-quality companies for the long term and is run by a well-structured and well-resourced specialist team.

My final choice is Lazard US Equity Concentrated, which typically holds no more than 20 to 25 US companies, ranging from the fairly small through to the very large. Although a concentrated fund, it represents a core market.

In defence

In goal would be Premier Defensive Growth. It aims to deliver consistently in all market conditions by investing in assets that offer a predictable return.

My other defensive assets include BlackRock UK Absolute Alpha and Jupiter Absolute Return, which can make money from both rising and falling share prices, and TwentyFour Dynamic Bond*, which invests across the range of fixed-interest assets and has one of the highest yields in its sector.

In attack

To add some excitement to a long-term portfolio, I'd choose Fidelity China Special Situations, a trust that invests in small and medium-sized firms in China and Hong Kong.

Aberdeen Latin American Equity, run by its renowned emerging markets team, and Baillie Gifford Shin Nippon, which invests in Japanese smaller companies where the manager sees growth opportunities, are my other attackers.

Performance figures for Darius's investment dream team since the last World Cup in 2014

Aberdeen Latin American Equity	25.82%
Baillie Gifford Shin Nippon PLC	199.38%
BlackRock UK Absolute Alpha	19.14%
Fidelity China Special Situations Plc	143.31%
Investec UK Alpha	37.58%
Jupiter Absolute Return	13.12%
Lazard US Equity Concentrated*	26.30%
Matthews Asia Pacific Tiger	67.31%
Premier Defensive Growth	6.43%
Threadneedle European Select	53.74%
TwentyFour Dynamic Bond	17.00%

*Source: FE Analytics. Total returns in sterling. Data from 13 July 2014 to 2 May 2018. *This fund was made available to UK investors on 25 February 2016, so performance is from this date to 2 May 2018.*

They think it's all over...

Once you've put your portfolio together, don't then forget about it. While constant disruption and tinkering with the team is a bad idea, you may need to substitute a fund now and again to make sure your investments stay on track. We always say that reviewing your portfolio at least once or twice a year is about right.

Finally, keep an eye on costs. I'm firmly of the opinion that cheapest does not mean best. I'm quite happy to pay a bit more for a fund I think will outperform the market more often than not. But, at the same time, there is no point paying high fees for an investment that consistently disappoints. mw

Past performance is not a reliable guide to future returns. You may not get back the amount originally invested, and tax rules can change over time. Mr McDermott's views are his own and do not constitute financial advice.

***Indicates a member of Moneywise's First 50 funds list for beginner investors. For more information see: Moneywise.co.uk/first-50-funds**

DARIUS McDERMOTT is managing director at Chelsea Financial Services and FundCalibre

Fund Briefing

Your guide to investing in stocks and shares

THIS MONTH: HOW TO INVEST IN VALUE FUNDS

Investing in undervalued companies and selling when they rise is not for the faint-hearted – there may be a good reason they're cheap – but it can bring great returns

QUICK GUIDE: Is this approach right for me?

Consider investing in value funds if...

- You believe value will outperform growth
- You want exposure to undervalued companies
- You are happy taking more of a contrarian stance

BY ROB GRIFFIN

Value investing is a relatively simple concept: you buy into good-quality stocks that are undervalued and cash in when the stock market realises their true worth.

However, the reality is rather more challenging.

These companies are generally unloved, and many have had troubled pasts, so there's a strong chance their performance may not recover – or may even deteriorate.

This means investors must accept that all value funds will encounter rough patches, according to Patrick Connolly, a certified financial planner with advisory firm Chase de Vere.

"Value managers often need to be brave and have a contrarian approach, conviction and a long-term outlook, as badly performing stocks don't tend to recover overnight," he says.

Theoretically, value stocks should be less risky than growth-oriented names, because they are generally large, established companies that pay regular dividends.

He suggests there are a number of attractive funds looking at value stocks in different sectors, including Investec UK Special Situations, JPM US Equity Income, Jupiter UK Special Situations and Schroder Asian Income.

Adrian Lowcock, investment director at multi-manager investment company Architas, agrees that many value stocks currently stand at a significant discount to the rest of the market.

The key, he suggests, is picking a value manager who can make the most of the opportunities in the market.

"A lot of investment knowledge is required, as stock selection is critical," he says. "Managers need to know everything about a company and have a good analytical brain to avoid value traps, which are companies that look cheap but will fall much further."

He highlights Schroder Recovery, managed by Kevin Murphy and Nick Kirrage, and Richard Buxton's Old Mutual UK Alpha fund as two potential holdings.

"The latter tends to be more of a contrarian fund but currently has a value tilt, while Schroder Recovery is often described as a deep-value fund as it looks for the most undervalued stocks while aiming to avoid the traps," Mr Lowcock says.

But investors need to acknowledge that the value style of investing has underperformed over the past decade, according to Darius McDermott, managing director of fund research agency FundCalibre.

> "Most investors should aim to blend value and growth holdings"

"We have been in an artificial environment, with central banks undertaking quantitative easing policies to keep the global economy and markets alive," he says.

This has resulted in interest rates being kept extremely low and has made investors more willing to pay more for decent growth.

However, this backdrop can be a positive.

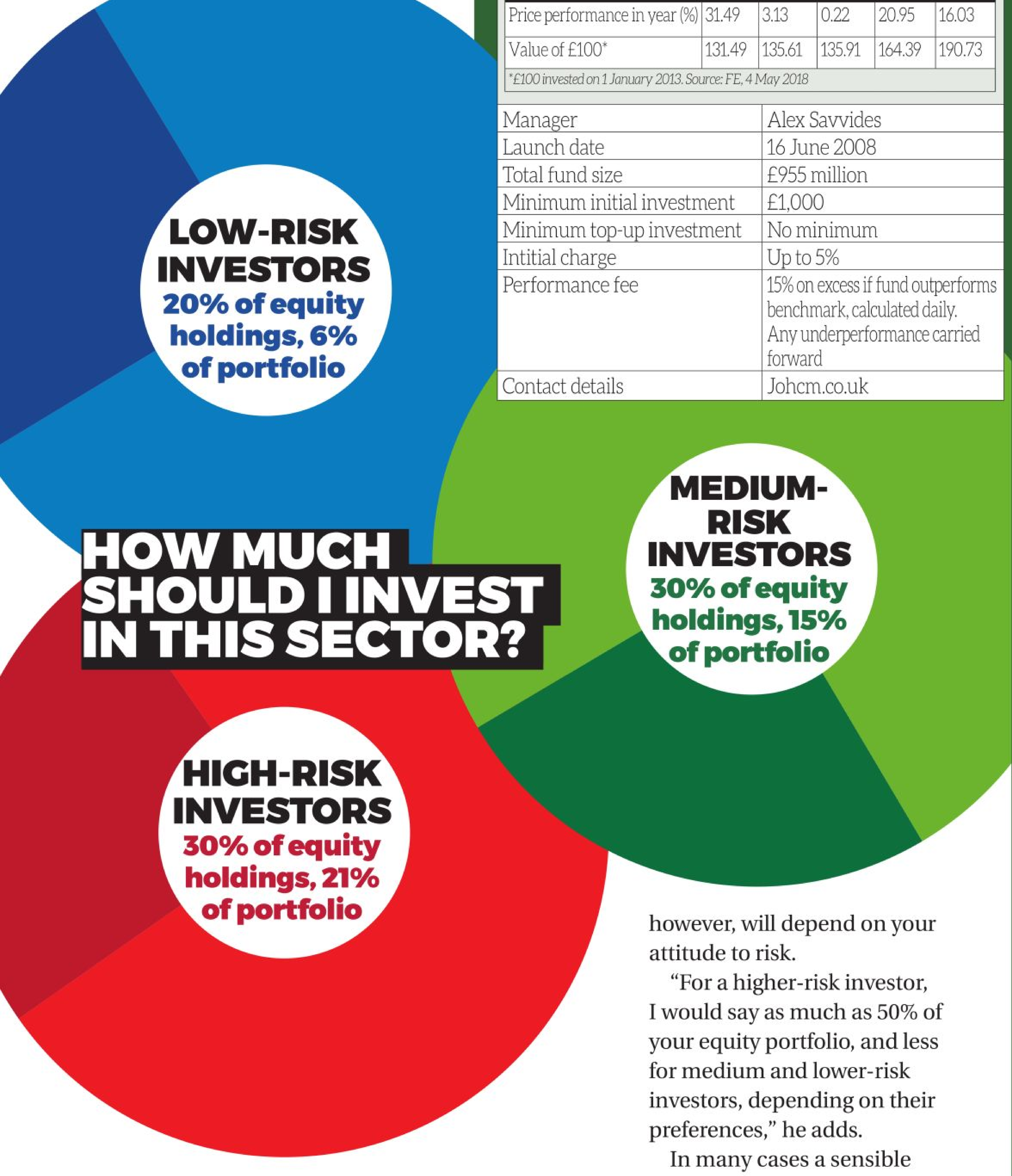
"One thing I've learnt in my 20-plus-year career is that you have a better chance of making money from something when it's cheap than buying when it's expensive," he says.

Mr McDermott points out that value stocks tend to be more geared to good global growth, so if the current trend continues, they could do better.

This is especially the case should global growth accelerate, or inflation – and therefore interest rates – rise higher than currently expected.

"Sectors that benefit from faster growth and higher interest rates, such as mining, tend to be value areas," he adds. "The price of

HOW MUCH SHOULD I INVEST IN THIS SECTOR?



commodities tends to go up as global growth and inflation accelerate, but their costs remain largely the same."

It's a similar situation for banks, explains Mr McDermott: "They make a higher net interest margin as interest rates go up – the difference between what they pay depositors and what they lend at – so you would expect value to outperform."

Of course, it's vitally important that the manager avoids the aforementioned value traps. "Sometimes a company is cheap for a very good reason – and will only get cheaper," Mr McDermott says, sounding a note of caution.

How much exposure you have to this area of the market, however, will depend on your attitude to risk.

"For a higher-risk investor, I would say as much as 50% of your equity portfolio, and less for medium and lower-risk investors, depending on their preferences," he adds.

In many cases a sensible approach will be to have a broad exposure to both growth and value, according to Mr Connolly.

"Most investors should aim to blend value and growth holdings, so they aren't over-reliant on one style and don't have too much risk in their portfolio," he says.

This requires an analysis of individual funds before committing your cash. Of course, it's always important to do your due diligence, but especially so in this case.

"Some funds are focused on growth, while others are focused on value and many others take a pragmatic view and hold both growth and value stocks," he adds.

ROB GRIFFIN writes for *The Independent, Sunday Telegraph* and *Daily Express*

Alex Savvides

Fund to watch: JOHCM UK Dynamic

The aim of JOHCM UK Dynamic is to generate long-term capital growth through the active management of a portfolio of UK equities.

The manager, Alex Savvides, believes misunderstanding of corporate change by the stock market regularly presents opportunities for patient, unemotional investors.

His approach leads to investment in high-quality, unloved and under-researched UK companies, many of which are often found in out-of-favour areas.

At present, his top sector positions are financials (27.7%), consumer services (18.1%), industrials (16.7%), and oil and gas (12.8%).

His top 10 holdings, meanwhile, include household names such as oil giants BP and Shell, HSBC and Lloyds Banking Group, Vodafone, and supermarket chain Morrisons.

Darius McDermott, managing director of Fund Calibre, highlights the distinctive 'recovery' investment strategy and notes that the portfolio also provides a reasonable level of income.

Mr McDermott also points out every holding in the portfolio must pay a dividend, which is a discipline designed to underpin the valuation of the holding and limit the impact of mistakes.

"Mr Savvides invests in UK companies undergoing substantial positive change that is unrecognised in the current share price," he says. "He seeks to benefit from a recovery in the business."

JOHCM UK DYNAMIC FUND

Value of £100 invested in the fund over five years

Year	2013	2014	2015	2016	2017
Price performance in year (%)	31.49	3.13	0.22	20.95	16.03
Value of £100*	131.49	135.61	135.91	164.39	190.73

*£100 invested on 1 January 2013. Source: FE, 4 May 2018

Manager	Alex Savvides
Launch date	16 June 2008
Total fund size	£955 million
Minimum initial investment	£1,000
Minimum top-up investment	No minimum
Intitial charge	Up to 5%
Performance fee	15% on excess if fund outperforms benchmark, calculated daily. Any underperformance carried forward
Contact details	Johcm.co.uk

"SHOULD I OPEN A LIFETIME ISA?"

A reader asks if he should open a Lisa for a house purchase when he has little credit history

BY ROB GRIFFIN

I am in my late 30s and don't own my home. I am considering opening a Lifetime Isa (Lisa) before I turn 39 and using it to save and fund either my retirement or a house purchase. Am I taking a risk in putting money into a Lisa when there is no guarantee that I can get a mortgage?

I am concerned as I don't have much credit history, having never had a credit card, and in recent years I've lived in a property where all utility bills were covered by my partner's employer.

Initial diagnosis

Scott Gallacher, director of wealth manager Rowley Turton, believes your first task should be checking your credit score through specialist companies such as Equifax or Experian.

You can quickly sign up with either company and download a free credit report to see exactly what information they hold on file about you.

Once you know what potential lenders will learn about your financial history, you can see if there are any mistakes or issues that may cause you problems.

Mr Gallacher says: Martin Bamford, managing director of financial planning firm Informed Choice, agrees your poor credit rating might negatively impact your ability to get a mortgage but suggests there are steps you can take to improve this in a relatively short period of time.

"The act of borrowing money and paying it back reliably is all it takes to build a credit history," he says.

For example, applying for a credit card and store card to use for a few purchases and paying both back in full before any interest charges are applied will help your case in the future.

"You are also likely to have a credit history if you have owned a mobile phone on a contract basis," he adds.

"A Lisa gives you the option to save more later"

Treatment plan

However, regardless of the outcome of your credit history research, Mr Gallacher insists this shouldn't deter you from putting money away.

"The key advantage of a Lisa is that it can be used for buying your first home or being available tax free from age 60 to help fund your retirement," he says. "Consequently, even if you can't get on the property ladder it will still be a helpful part of your long-term planning."

Mr Bamford also concludes that it makes sense to open a Lisa before you reach the 40-years-old age limit if a home purchase is a possibility.

"You can then continue to contribute through to your 50th birthday and receive the 25% government bonus on contributions each year up to £4,000," he says.

Alternative treatment plan

However, there are other factors to consider before opening a Lisa. The risk you are concerned about refers to the withdrawal penalty, points out Danny Cox, a chartered financial planner at investment firm Hargreaves Lansdown.

"A Lisa receives an annual bonus of £1,000 for every £4,000 saved, but if withdrawals are made other than to buy a first house, or before age 60, a 25% penalty applies," he says.

So, if you don't buy a house, there is no risk from a withdrawal penalty as long as the Lisa savings are held until age 60.

That said, Mr Cox concludes: "In my view, it would be a good idea to open up a Lisa before age 39, using the minimum balance, so you have the option to save more later."

It's also worth speaking to a mortgage adviser who can assess your situation, points out Alistair Cunningham, a chartered financial planner at Wingate Financial Planning.

"It is possible for two people to use a Lisa to buy together, so a joint mortgage might be possible," he says. mw

Do you have a question for the Investment Doctor? Email **editor@moneywise.co.uk**

ROB GRIFFIN writes for *The Independent*, *Sunday Telegraph* and *Daily Express*

MAKE SURE ALL THINGS YOUR JOINT FINANCES

Assumptions about men being the main breadwinner in a relationship may be dying out, but the UK still has a long way to go before couples take an equal role in managing their finances and investments. We look at emerging trends and how we can prevent gender stereotypes affecting our finances

BY NYREE STEWART

The gender pay gap and the resulting drive to put more women in senior positions in the boardrooms of large companies has seen the topic of wealth and gender catapulted into the headlines.

In the 21st century, some may think the traditional stereotype of the man being the main breadwinner in a relationship and looking after the family finances has fallen by the wayside. But research by digital investment service UBS SmartWealth, published in December, suggests that less than a fifth (16%) of women consider themselves to be the breadwinner of the family.

This survey of 2,000 co-habiting couples revealed 59% of men considered themselves to be the main breadwinners, with only 8% identifying their partners as the main contributor to household finances.

One trend that emerged from the survey was that men consistently undervalued the role of their partners when it comes to investing, saving and paying bills. For example, 53% of men say they have most responsibility for saving, with just 9% attributing this role to their female partner. Yet 46% of females felt responsible for savings.

On bill paying, 55% of men said this was mostly their responsibility compared with 41% of women.

But when it comes to investing, while 33% of women feel they have the more important role in investment decision making, 60% of men believe they have the most responsibility for investing – and just 6% of males felt their partner held this role.

There is a perception that while men are willing to trade the stock market, women are more cautious with their money. The most recent HMRC figures show that in 2015-16, more than 1.1 million investment Isas were held by men, compared with 892,000 by women.

Meanwhile, the UK findings from BlackRock's 2017 Investor Pulse survey reveal that just 32% of women feel confident when it comes to savings and investments, versus 46% of men, and only 38% of women feel in control of their financial futures, compared to more than half (51%) of men.

Less than a fifth (16%) of women consider themselves the breadwinner of the family
UBS SmartWealth, January 2018

In 2015/16 1.1 million investment Isas were held by men, compared to 892,000 by women
HMRC, April 2018

"Only 38% of women feel in control of their financial futures"

Helen Morrissey, personal finance specialist at financial provider Royal London, says: "A lack of confidence is often cited as a key barrier to women investing, but there is no need to invest solely in high-risk investments to build a nest egg. A steady return built up over the long term will go a long way towards building a decent pot. Speaking to a financial adviser can be really helpful in finding the right investment strategy to meet your needs."

She highlights that initiatives such as auto-enrolment have had a huge impact on the number of women saving into a workplace pension, with recent Department for Work and Pensions (DWP) figures suggesting the percentage of women saving into a defined contribution pension has risen from 40% in 2012 to 73% in 2016.

"However, it's important to realise that current auto-enrolment minimum levels will not provide enough to generate a decent income in retirement. You should look to top up contribution levels wherever possible. It's also worth bearing in mind that employers also contribute to workplace pensions, so it's a great way to boost your savings," she adds.

Attitudes towards gender and finance are changing

The UBS research also indicates that generational attitudes towards gender roles are beginning to change. For example, in couples aged over 45, 65% of men claimed themselves to be the main breadwinner, compared to 13% of women. But in couples aged under 35, the figures are lower for men, at 42%, and almost double for women, at 23%.

Jane Goodland, responsible business director at Quilter, adds that while in the past financial decisions may have been made by

ARE EQUAL IN

40% of women aged 30 to 45 are the primary decision-makers when it comes to the household finances
Quilter, February 2017

> "The cliché that women are more cautious investors than men crops up time and again"

just one family member, typically a male, "that perception is outdated".

She explains: "Our research ['In-Betweeners, A Generation Between Pension Regimes'] shows that 40% of women aged 30 to 45 are the primary decision-makers when it comes to the household finances."

She also points to research and insight firm Kantar's 'Winning Over Women' report last year, which highlighted that women have a different focus when it comes to dealing with their finances.

"They are more concerned about relationships and family members, whereas men are focused on products and price. This means that women are looking for a fundamentally different conversation about their finances," Ms Goodland adds.

"According to some estimates from the Boston Consulting Group, by 2020, 66% of the world's wealth will be in the hands of women. To prepare for this, financial services firms need to innovate to make sure they are ready to meet the financial goals and attitudes of females."

How to break down gender barriers in finance

In the wake of equality initiatives around the world, what can be done to speed up the process of removing these financial stereotypes?

Ms Morrissey says the most important thing to remember is to not be over-reliant on a partner or the prospect of being part of a couple to secure your financial future.

She says: "If you are in a couple, you should make sure you have a good understanding of each other's finances. In a relationship, one partner should not have full control of the finances. Do you know what bills are coming in? Do you know what debts your partner has? Differing financial outlooks can cause real tension within relationships. Do you understand your partner's approach to managing money, as hidden debts could impact your own credit rating as well as that of your partner. Sitting down as a couple and working out a budget you can both stick to can save a lot of arguments."

Sophie Kilvert, relationship manager at Seven Investment Management (7IM), points out that often women only start to take control of their finances after a life-changing event.

"There is always a risk of falling into gender stereotypes when discussing finances and gender – the cliché that women tend to be more cautious investors than men is one that crops up time and again, but the

Median income before tax by age and gender 2015-16

Age	Males	Females
Under 20	13,800	13,400
20-24	17,300	15,900
25-29	22,300	20,500
30-34	26,700	23,000
35-39	30,000	24,200
40-44	32,100	23,900
45-49	32,200	23,100
50-54	31,800	22,400
55-59	30,800	21,900
60-64	27,200	20,100
65-69	22,900	17,800
70-74	19,500	16,900
75 and over	19,000	16,000

Source: HMRC - Personal Incomes Statistics 2015-16

picture is far more nuanced and I know many women who would actively bristle at the suggestion.

"I am proud to have as many female clients as male, but it is also fair to say I have more single women than I do single men. I find women tend to be more likely to seek advice after a significant life event such as bereavement or divorce, often having not been in the driving seat managing the finances historically. Being in the dark financially can make difficult periods in your life very much worse – the last thing anyone needs at a vulnerable time is a financial shock or a feeling of not being in financial control. Whether you are male or female, couples should think about managing their finances as a team."

Ms Morrissey notes that having all the bills in one partner's name can affect the other partner's credit rating. "This is particularly important if you have never had a loan or credit card before – a lack of information means it can be hard for credit reference agencies to build a file on you, which means you may struggle to get credit in the future. Having some utility bills in your name will enable these agencies to build a credit file on you."

By 2020, 66% of the world's wealth will be in the hands of women
Boston Consulting Group, June 2016

She adds: "Wherever possible, make your own provision, whether that is pensions, Isas or other savings vehicles. Your partner may earn more than you or have a better pension, but you need to think about the position if that relationship were to end. While married couples would obtain some kind of financial settlement as part of a divorce, what about those couples who cohabit? There is no concept of 'common law marriage' for couples who have lived together for a long time and if a relationship were to end one partner could be left with very little financially."

Of course, many women may not find it easy to take control of saving and investing, especially when they earn less than their male counterparts. Last year, the government introduced mandatory reporting of the gender pay gap by companies with more than 250 employees. Of the 10,281 companies that reported data for the 2017/18 year, over 880 reported no gender pay gap at all based on median hourly earnings, but 147 companies reported a gap of 50% or higher.

"Some women fail to consider their financial needs"

Emma-Lou Montgomery, associate director at Fidelity Personal Investing, says: "To paraphrase [singer/songwriter] Tammy Wynette, sometimes it's hard to be a woman. From getting paid less than our male counterparts to taking career breaks to have children, women's working lives very often stumble before they've even started.

"We might live longer, but we're massively unprepared for it financially. Lower earnings for working mothers and part-time roles can be to blame, but so can simply failing to consider your own needs. While your children may well be your priority, remember you're important too. Putting at least something aside for your future financial security isn't selfish – it's essential."

Claire Walsh, a chartered financial planner at Aspect 8, summarises: "Unfortunately, in mixed-gender relationships the stereotype of the man being in charge of personal finances often still bears out. While many women manage the day-to-day finances, it does tend to be men who make the longer-term financial planning decisions, particularly when it comes to mortgages, investments and pensions.

"It is natural in a couple to have a division of labour, but understanding your personal finances and taking control of these is so important to long-term financial security and peace of mind. I think we are seeing a change in younger demographics, but more needs to be done to encourage women to take more interest in their finances." mw

NYREE STEWART is a freelance personal finance journalist who writes for the *Financial Times* and *Money Observer*

GAME-CHANGING WAYS TO TEACH KIDS ABOUT MONEY

When Dr Arinola Araba wanted to help her kids understand the value of money, she found a novel way to get the message across – and has now inspired others across the UK and beyond. Here she explains how it all began and offers her top tips to help your kids learn how money works


Arinola at The Costello School in Hampshire

BY DR ARINOLA ARABA

The way we do business and pay for things has changed so much recently that explaining to a child how money works presents a very different challenge than it did just a few years ago.

The popular phrase 'cash is king' seems to be losing its place now that we have so many different ways to pay for goods and services. And this world of easy credit and electronic transactions means it can be difficult to explain to children how money works.

But given that research suggests money habits are picked up from as early as age five to seven, it is crucial that the younger generation understand their finances so they can develop a better relationship with money that can help them to gain 'financial freedom' later in life.

I am a single mum to three young adults, who are all currently at university. When the children were younger and in primary school, they were introduced to the idea of undertaking chores and earning pocket money.

But when I entered a period in my life when redundancy and lower wages became a reality, I realised the children needed a better understanding of how you work or solve a problem to earn money; it does not sit in the bank, at the ready when you insert a card into the cashpoint. And I had to find a way to get that message across.

That conversation began with 22 teenagers in our local east London community, followed by hours of workshops where we had many conversations about the origins and uses of money. The bMoneywize board game was born as a result of this project, and I believe my children now have a sound financial understanding because of it. They all hold part-time jobs while studying and they contribute to the running of the home when they come back during the holidays.

> "Show children how you deal with your finances – and make it fun"

The game itself has gone on to gain recognition on a national and international scale, and I now go into schools to teach children money skills using the board game during either their maths or PSHE (personal, social, health and economic) lessons.

If I had to give parents or other family members my top tips to teach children about money, they would be as follows:

1 **Show children, with relevance to their age, how you deal with your finances – whether that's making payments or managing bills – and make it fun.**

2 **Encourage children to save towards something they want. This goal will give them a feeling of control and achievement.**

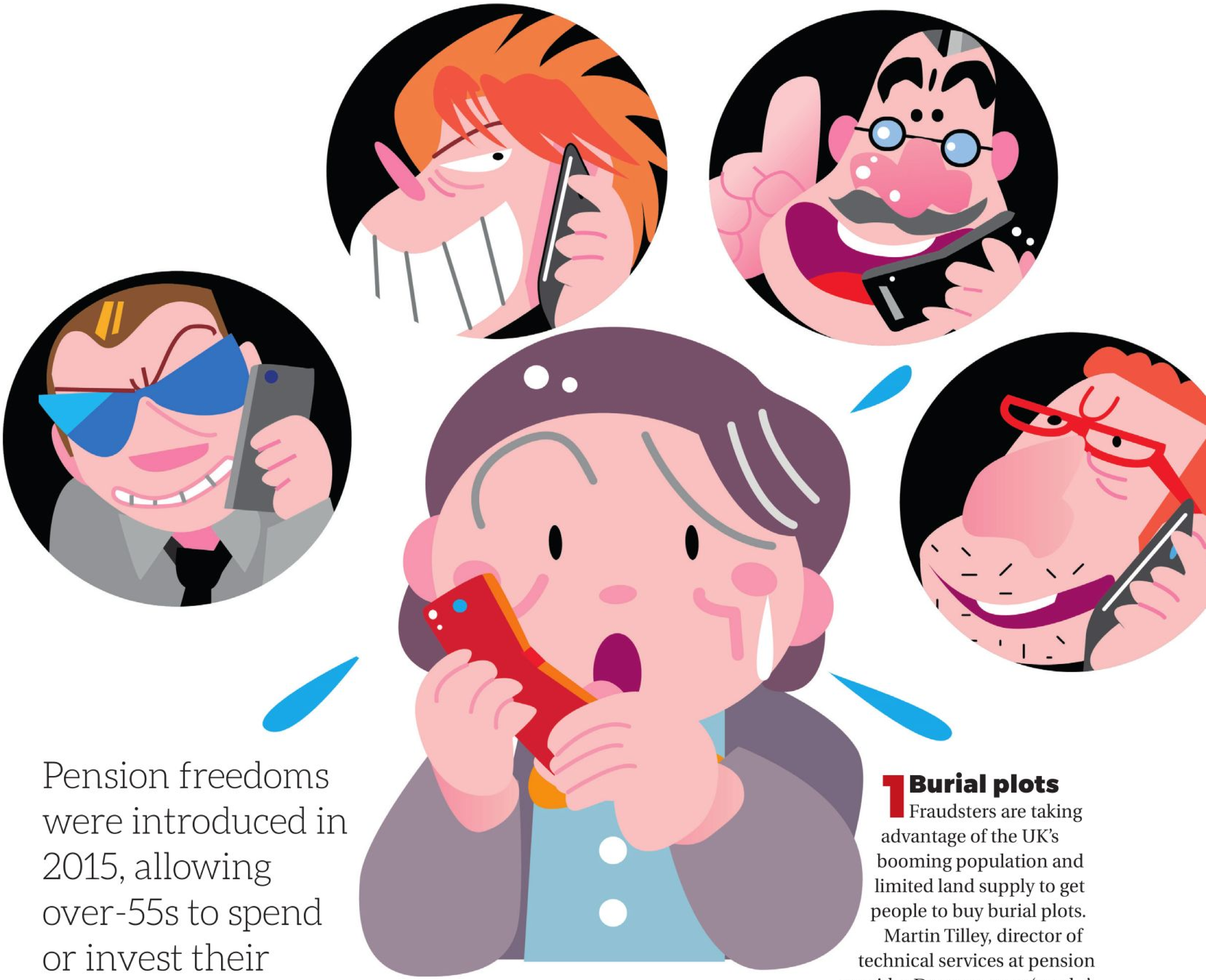
3 **Reward children, if possible, to help them understand the benefits of saving and earning interest. You could, for example, offer to pay part of the cost of an item they are saving up for.**

4 **Children need opportunities to practise handling money in age-appropriate ways; either through play or by taking responsibility for paying smaller items or bills or helping with chores around the home.**

5 **Teach children to take care of the money they do earn.** mw

DR ARINOBA ARABA is an author and the inventor of the bMoneywize game, which focuses on helping young people learn maths and financial skills in a fun way. You can buy a copy for £24.27 (£19.97 plus £4.30 p&p) on Bmoneywize.co.uk

BEAT THE PENSION



Pension freedoms were introduced in 2015, allowing over-55s to spend or invest their pension as they want. However, in the first year of the relaxed rules the government says that around £19 million was lost to pension fraud – double the figure for the previous year

BY MICHELLE McGAGH

Fraudsters typically encourage people to withdraw their savings to invest in high-risk investments that fail. Often victims are urged to complete a pension transfer to another scheme and the money is invested via the new pension, but with the same outcome – the investor loses their cash.

Analysis by pension consultancy firm Xafinity in September 2017 found signs of potential fraudulent activity in one in 12 pension transfer requests. The scams are numerous. Here's what to look out for.

1 Burial plots

Fraudsters are taking advantage of the UK's booming population and limited land supply to get people to buy burial plots.

Martin Tilley, director of technical services at pension provider Dentons, says 'marks' (potential victims) are provided with information that is factually accurate to build trust.

"The way these people operate is they give people a hook, a fact that is correct," he says. "For instance, Muslims by their faith are buried and not cremated, so people are offered burial plots in areas where there is a high concentration of Muslims.

"The idea being there is limited supply and high demand, so the land will go up in price." However, Mr Tilley says that "scammers are controlling the market" and the plots are "vastly overpriced".

SCAMMERS

2 Off-plan property

Off-plan hotel rooms are a common racket seen by Mr Tilley. He says investors are offered the chance to buy rooms in hotels that are being constructed in holiday destinations such as Cape Verde, with the promise of high returns. However, the rooms are being sold to UK investors at inflated prices.

"You are buying a hotel room for £50,000 in Cape Verde and being offered a 10% return… but you can buy them directly for less than £15,000," he says.

"The first £10,000 you pay is funding your 10% a year for the first two years, because the hotel hasn't been built yet. Then you pay 15% commission to whoever is flogging the rooms and another 15% to the intermediary."

The development may take years to build, and even if it were successful, there would be no guarantee you could sell when you wanted to access your pension.

3 Bitcoin

Bitcoin is big business and news of its soaring value at the end of 2017 (it has since fallen) has made investors susceptible to fraud.

Michelle Cracknell, chief executive of The Pensions Advisory Service (TPAS), says one pensioner moved their money into a new pension believing they were buying the cryptocurrency, but had actually just bought shares in a bitcoin company that subsequently went into voluntary receivership.

As a shareholder they were at the bottom of the pile for payouts on any money recovered, and "to add insult to injury" were then billed by the administrator of the company, saying they owed admin fees.

"When we checked, the trustees of the pension, the administrator and the director of the bitcoin company all had the same surname," says Ms Cracknell. "It was a family set-up."

4 Self-administered pension schemes

Most investors will have heard of self-invested pension schemes (Sipps), but maybe not small self-administered schemes (SSAS). The latter are typically used by businesses to hold assets in a pension, but fraudsters use them to get around stricter Sipp rules on permitted investments.

An investor will be encouraged to move their money into a SSAS, which are not as carefully regulated. As anyone can legally set up a SSAS and demand a transfer of pension funds into it, the original pension provider moves the money across without question. The fraud occurs when the money is transferred and the pension funds are placed into high-risk investments.

"People are told to move their money so they can invest [through a SSAS] and are told that the returns on these dodgy investments are so good that the HMRC does not want [people] to invest in a tax-exempt environment [like a Sipp], so you have to take all your money out [of the Sipp pension and put it into the SSAS]," warns Mr Tilley.

To protect investors, Dentons does not allow investments in some high-risk areas, including hotel rooms, storage pods and land banking, in its SSAS. However, not all providers are so scrupulous.

5 Offshore bonds

It isn't just dodgy investments that savers need to be alert to, they must ensure the wrapper they are investing in is legitimate.

Mr Tilley says crooks like to dress unregulated investments up in investment wrappers that are regulated to provide investors with peace of mind.

"Some [of these investments] are packaged up as offshore bonds, which are regulated entities," he says. "The offshore bond may be regulated, but what they put inside the bond is a load of rubbish… like car parking spaces. Putting them in an offshore bond means the investments are dressed up to look legitimate."

He says although the bond will promise 8% a year, in reality the scammers "run it for two years, pull all the money out and disappear".

Scammers use SSAS to get around the stricter Sipps rules

6 Double advisers

Just as important as the investments you are putting your money into is who is advising you to transfer your money.

John Moret, a pension consultant, says investors should watch out if their pension transfer is managed by one adviser and the investments by another.

"Usually you have an unregulated adviser who is promoting a pension transfer, but

What to do if you've been scammed

Michelle Cracknell (pictured left), chief executive of The Pensions Advisory Service, says those who have fallen prey to scammers should report the incident to Action Fraud, the UK's national fraud reporting centre. Although it's still unlikely they will get their money back, sharing information will help police crack down on fraud.

Fraud victims will undoubtedly be angry, but Ms Cracknell says they need to take action to rebuild their pension fund.

"We will talk to those affected by fraud about what they need to do to get a full state pension record and matching employer pension contributions, because they will have a hole in their pension," she says. Also be wary of claims management firms that promise to recover your cash. It will be another scam.

To report a scam and/or get a crime reference number, contact Action Fraud on 0300 123 2040 or at Actionfraud.police.uk.

not authorised to do it. So they get an independent financial adviser (IFA) who is regulated and then that regulated adviser walks away," he says.

The regulated IFA gets paid to do the transfer and then absolves responsibility for their client. This leaves the unregulated adviser to invest the transferred pension money and the investor without any protection or ability to claim compensation when the investments go bad.

7 Payment protection insurance

If you have received a payment protection insurance (PPI) refund via a claims management company, be wary of offers to deal with your pension, warns Ms Cracknell.

She says one woman who called TPAS's advice line had been approached about a transfer by a company which had previously won her PPI compensation.

"She received £200 back on her PPI and then they called her about pension transfers," explains Ms Cracknell. "The company had already built up trust with the woman because they had delivered pound notes to her."

Websites of companies running scam transfers often offer other services such as PPI and road accident compensation, which should be red flags if you are approached.

8 Redundancy risk

Con artists are using personal information online to target individuals.

Ms Cracknell says she has seen cases of people being approached for fake pension reviews after they have been made redundant. After a restructuring at a big-name insurance company, a former employee was contacted by scammers. Ms Cracknell adds that it is easy for the fraudsters to target former staff by using the networking site LinkedIn.

"The scammers told the person the employer had asked them to contact them about transferring their pension," she says. "The fraudsters had a valid reason for calling because the employer was going through a change and a pension review wasn't beyond the realm of possibility."

It's easy for fraudsters to target people by using LinkedIn

9 Claims management con artists

If being conned into transferring your pension money into a rogue scheme wasn't bad enough, those who have lost money are now being targeted by claims management companies.

Ms Cracknell says one man who called TPAS had already lost his pension after he was targeted by a claims company.

"He was contacted by a company which said they could get his pension money back," she says. "He paid them £500 to do it, but it was a scam. The reality is that once that money has been transferred and put into high-risk investments, it's gone. If the Pensions Regulator and the police cannot get the money back, what makes you think a claims management company can?"

10 Cold calls

Cold calling is pension scammers' preferred way of operating. Citizens Advice reckons 10.9 million consumers have received unsolicited contact about their pension since April 2015, when pension freedoms were introduced.

The government has announced that legislation to ban cold calling, texting and emailing will be brought in by this month specifically to try to stem the flow of pension scams.

However, Ms Cracknell warns this does not mean pension savers can take their eye off the ball.

"The size of the prize means the scammers will find an alternative route or take the risk and keep cold calling," she says. "Just because there is a ban, do not assume that every call is a bona fide call." mw

MICHELLE McGAGH is a personal finance journalist who has written for *The Guardian*, Citywire, AOL and *Money Observer*

The telltale signs of being conned

New types of fraudulent schemes are emerging all the time as scammers try to stay one step ahead, but there are some common telltale signs that you're being taken for a ride.

Martin Tilley, director of technical services at Dentons, says if you are contacted about a pension transfer or a too-good-to-be-true investment, it pays to be suspicious. "If it's not a regulated investment, then take every fact as a lie before they prove it is not," he says.

"You have to dig, ask questions about the investment, and if they do not want to give answers, they will stop talking to you. For them, it's a waste of time and they will move on."

If you are unsure about an investment, TPAS's Michelle Cracknell says you can do some basic searches, such as seeing whether the company offering the investment is located in the UK. Although she says an offshore location does not automatically mean it's a scam, regulation and compensation schemes may differ.

She also recommends using the internet to do background research on the directors to see whether they hold numerous directorships in a variety of companies, which could ring alarm bells.

Investors can also call TPAS and run an investment past the organisation before it is too late. "If you are worried and suspicious, give TPAS a call," says Ms Cracknell.

Contact TPAS on 0300 123 1047 or visit Pensionsadvisoryservice.org.uk.

Snapping and sharing photos – and getting paid for it – is many people's dream job. But is it really possible to earn an income on Instagram? *Moneywise* shows you how to get started

BY EMMA LUNN

For the uninitiated, Instagram is a social networking app made for sharing photos and videos from a smartphone. Similar to Facebook, Twitter and YouTube, users create a profile and post content. You can follow other people's accounts, see their photos and videos, react to content, leave public comments and send private messages.

It may sound like a fairly enjoyable waste of time, but Instagram has become big business, with thousands of Instagrammers earning money from their photos, either full-time or as a lucrative hobby.

Fancy joining them? Here's a five-step guide to how to do it.

Understand how Instagram works

In short, it's all about 'influencer marketing'. Traditionally, people were influenced by celebrities – copying what they wore, where they went or what they ate – as well as by journalists or broadcasters who could reach a high number of readers, listeners or viewers.

But social media means anyone now has the potential to become an influencer. The key is to grow your social media following to the point where companies will pay you to picture, plug or mention their product in your posts.

It's all about how much people like and comment

People seen as having influence over what their followers wear or do, and the things they buy, are known as 'micro influencers'. This term typically refers to social media content creators with a following of between 1,000 and 100,000 accounts.

How much influencers are paid to mention a company or product varies from a few quid to hundreds or even thousands of pounds.

Set up your account

To be a successful influencer you need to pick a subject you're passionate about and that has visual appeal, such as fashion, travel or pets. The aim of your posts is to build a loyal following of other people interested in the same subject.

"Consistency and specialism are key if you are looking to make money from your Instagram," says Emily Austen, chief executive of PR company Emerge. "The most successful pages are dedicated to a particular area – be that travel, beauty or fitness. This both ensures you are seen as an expert in your category, but also that your followers are more legitimately interested in your content."

As Instagram is a picture-led platform, the number one rule is to post high-quality images on a regular basis. Pay special attention to your account bio (biography) as this is the first thing people see when they click on your page. Your bio is also the only spot on Instagram where you can insert a clickable link – most people link to their blog or business.

Don't be tempted to buy followers or use a bot (an automated robotic tool) to boost your followers. While the numbers might look impressive, it doesn't fool brands looking for influencers to collaborate with. Authenticity is an Instagram buzzword and it applies to your followers as well as content.

Understand engagement

Engagement is the name of the game on Instagram. It's not just about your follower count but how often people interact by 'liking' and commenting on your photos. As engagement increases, so does your earnings potential.

"To grow engagement, it's important to be consistent and post regularly on the topics that you are genuinely interested in, as your followers are most likely to be following you because they share those interests," says Barbara Soltysinska, chief executive and founder of IndaHash.com, a platform that connects influencers with brands.

She adds: "Video content also helps people to get to know you and follow you more regularly, and create a sense of community. Instastories [images or videos that appear on your account for 24 hours only] are also growing in popularity, so don't underestimate it as it allows you to present a fuller picture of you as an influencer to an audience."

Instagram hashtags (#) – topic labels you give to your posts – are another key way to encourage engagement.

Five steps to making money on INSTAGRAM

Using the right combination of hashtags can help expose your feed to large and targeted audiences.

Philip Story, chief executive of marketing agency Enchant, suggests asking your followers a question or asking people to comment and give you their ideas. "Be super-active in commenting within your community, not just on your own posts. Search for the hashtags that you are active within, and contribute to the community. This will help you grow quickly," he says.

> Your aim is for brands to pay you

Connect with brands

Once you've built up significant engagement on your feed, it's time to start building relationships with brands. Once again, interaction is crucial – follow brands you like, view their stories, comment on their posts and follow similar people. You need to be seen as both 'on brand', and also with the potential to open the brand up to new consumers through your following.

"Connecting with brands on social media can be as simple as commenting and engaging with their posts, interacting with their stories or striking up a conversation – essentially becoming a brand loyalist that's known to them," says Doone Roisin, co-founder of influencer platform Sweet P Social.

Your aim is for brands to pay you, either by offering you a freebie or cash, for a 'sponsored post' or collaboration. Make sure you stick to Advertising Standards Authority rules though, by using hashtags such as #ad, #sp or #sponsored if you're paid for a post.

Exciting as it may be, experts advise new influencers against taking every paid opportunity that comes their way.

"There will be brands and agencies which offer money for influencers to post something that might not necessarily suit their personal brand, and the money can be understandably tempting," says Fiona White, head of PR at digital marketing agency I-COM. "But remember your post will be there for future brands to see, and if it doesn't fit in with their ethos they are unlikely to partner with you further down the line."

Use a third party

The past couple of years has seen the launch of several websites and apps which connect brands and influencers. These include Buzzoole, Indahash, Sweet P Social, Takumi and Tribe. In most cases, you need a minimum of 1,000 followers to sign up. All five of the platforms listed above are free for Instagram influencers to use, as they make money by charging brands commission on top of any posts they purchase.

There are various ways the platforms hook up companies and influencers but, as an example, Tribe works like this: brands upload their brief to the Tribe app and influencers respond by producing relevant content. The brand can then pick the creators it wants to work with, and the two parties negotiate the pay rate.

As a rough guide, Tribe suggests an influencer with up to 10,000 followers would earn £50 to £100 per post. The big bucks are reserved for those with the biggest followings – an influencer with more than 50,000 followers could earn £250 to £350 per post. MW

Cat and dog tales

Sebastian Smetham, 34, from Bristol, and Finn Paus, 29, from Norway (pictured above) didn't plan to become Instagram stars. They quit their jobs to walk the 497-mile Camino de Santiago trail in Spain with their pug Bandito and cat Luigi.

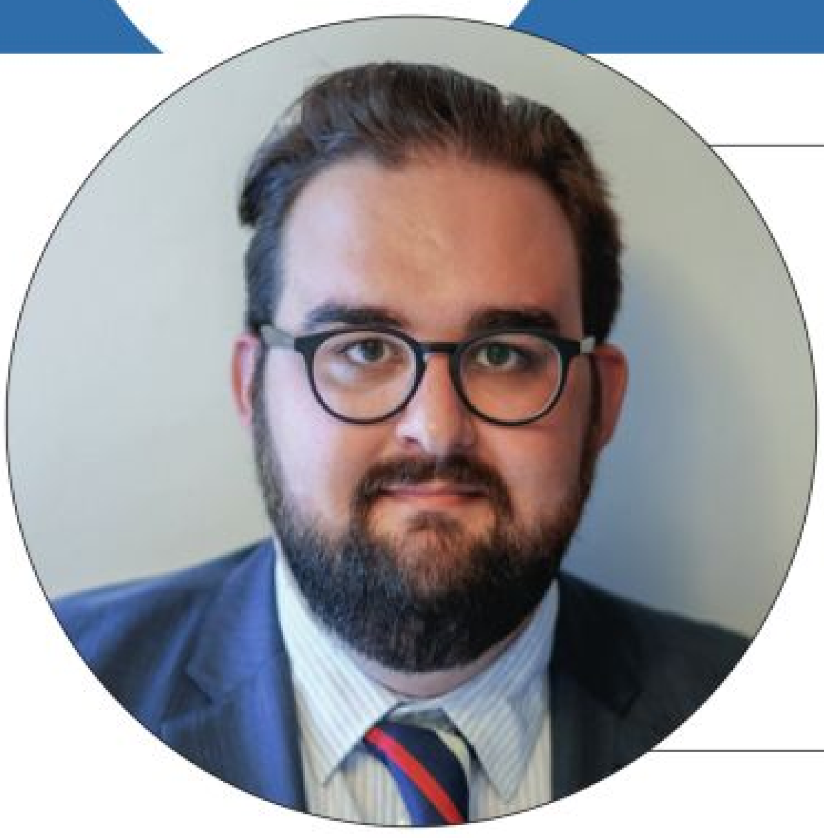
"The walk took us through tiny villages. We took a dog trolley for the pets, and a tent," explains Sebastian, "We met loads of people along the way who were really interested in whether we made it to the end of the walk. So we set up Facebook, Instagram and Twitter accounts so people could follow our journey." The pair posted regular videos and photos of their pets and their following grew – their Instagram account Pug and Cat (@pugandcat) now has more than 116,000 followers.

The pet pair caught the attention of a literary agent and pet product brands, which paid Sebastian and Finn for advertising and sponsored posts. "We also got approached by online news community Newsflare about licencing our videos and the payments started coming in," says Sebastian. "Then we set up a website and started selling merchandise. Our earnings vary from month to month, but we have earned about €10,000 (£7,200) in total, including earnings from Instagram and Newsflare."

Sebastian says the key to Instagram success is doing something original. "There are plenty of dog accounts on Instagram, but I think we've done well because we've done something a bit different by going on a long walk and camping with our pets for three months."

Bandito the pug passed away over Easter after a short illness. He's sadly missed.

moneywise BEST BUYS



Edmund Greaves has hunted through the mass of financial products and data to bring you this month's best deals on current account switching, overseas cards and mortgages. For more best buys, updated weekly, go to **Moneywise.co.uk/best-buys**

Current account switching: which incentives get customers going?

Current account switching offers have taken a different path of late, with upfront cash offers declining while reward schemes and non-monetary offers are on the rise. But do these switching offers mask the quality of bank you're switching to?

The latest figures for the Current Account Switching Service (CASS) reveal that in the first quarter of this year more than 250,000 current account switches were recorded by payment systems coordinator Bacs.

Looking at the bank-by-bank switching data makes for an interesting comparison of the various incentives they offer to tempt new customers.

Current account switching – the winners and losers

Provider	Q4 2016	Q1 2017	Q2 2017	Q3 2017	12 months[1]
Nationwide	30,510	38,683	38,626	26,003	133,822
TSB	2,799	11,750	20,120	7,654	42,323
Halifax	14117	4,979	-7,840	29,208	40,464
Clydesdale Bank	-4,658	-12,857	-9,456	-6,779	-33,750
NatWest	-9,675	-10,264	-13,826	-16,583	-50,348
Barclays	-16,779	-16,056	-10,164	-15,252	-58,251

Source: Bacs. [1] October 2016 to September 2017

The best switching offers vs customer retention

First Direct caught our attention recently when it withdrew its long-standing £100 current account switching offer. The bank didn't wait long, however, to provide a brand new incentive to prospective customers.

This came in the form of product giveaways. Those switching to the bank could pick from a range of offers including electronics worth up to £190, a £150 Expedia voucher or even an online self-development course worth up to £700.

Unfortunately, as First Direct is a wholly owned subsidiary of HSBC, we can't tell from the CASS data how many customers are joining and leaving which brand within the group. According to Bacs, the HSBC Group net gain (made up of people who've joined minus those who have left) was 15,146 customers in the 12 months between October 2016 and September 2017.

Another recent rewards shake-up came from Barclays, which has doubled its cashback incentive for a year for new customers who switch to it before 29 June. So, sign up to Barclays' Blue Rewards scheme, costing £3 a month, and deposit at least £800 monthly into your new current account, and you'll earn double the cashback for 12 months. For instance, instead of the normal £7 monthly cashback for having a direct debit going out of your current account, you'll earn £14. This creates a total reward of up to £384 over the course of 12 months.

In the first quarter there were 250,000 current account switches

Barclays, however, scores very poorly in the switching data. In the most recent 12 month-period available, it had the largest outflow of current account users of any UK bank – with a net loss of 58,251 customers.

If these new incentives don't tempt you and you still want an upfront cash reward, unfortunately the offers available are currently very limited.

NatWest pays switchers the most, with £100. However, this offer is only available until 15 June and you must meet other criteria. It saw a net outflow of 50,348 customers.

Halifax offers £75 upfront for switching, plus £3 a month for the first year if you meet the minimum monthly pay-in and have direct debits going out. This will earn you a total of £111 over a year. It recorded strong growth in terms of switchers, with a net gain of 40,464.

Curiously, the provider that has posted the largest net gain is Nationwide, which doesn't even have a switching bonus. Instead, the Nationwide FlexDirect current account pays 5% interest on balances up to £2,500.

It must be thanks, in part, to this incentive that Nationwide has recorded by far the largest net gain of customers, at 133,822. mw

FEATURED PRODUCT

First Direct 1st Account

Switch to the First Direct 1st Account and you'll get either a £150 Expedia voucher, a choice of electronic gadgets or an online course worth up to £700. The account also has a £250 interest-free overdraft; anything over that is charged at 15.9% APR.

WITH **EDMUND GREAVES**

moneywise BEST BUYS

SAVINGS: Moneywise.co.uk/best-savings-rates

Product and provider	Type	Headline rate	Minimum and maximum balance	Open account	Notes	Change
Bank of Cyprus Online Easy Access Account	Easy access	1.32%	£1 to £1 million	Online only	-	↑
Paragon 120 Day Notice (Issue 9)	Notice account	1.66%	£500 to £100,000	Online only	120 days' notice required	=
Paragon One Year Fixed Rate Savings Account	One-year fixed rate	1.86%	£1,000 to £100,000	Online only	This account requires 120 days notice	↑
Secure Trust Bank Two Year Fixed Rate Bond	Two-year fixed rate	2.16%	£1,000 to £1 million	Online only	-	↑
RCI Bank Three Year Fixed Term Savings Account	Three-year fixed rate	2.31%	£1,000 to £1 million	Online only	Protected by the French deposit scheme	=
Secure Trust Bank Five Year Fixed Rate Bond	Five-year fixed rate	2.65%	£1,000 to £1 million	Online or by phone	-	↑
First Direct Regular Saver	Regular Saver	5%	Up to £300 a month	Online only	Open to current account holders only	=
Halifax Kids' Regular Saver	Children's Savings	4.5%	£10 to £100 a month	Branch only	Max age 15, no early access	=

Rates correct as of 16 May 2018

FEATURED PRODUCT
Savings
Paragon One Year Fixed Rate Savings Account. This account requires 120 days' notice to withdraw cash but offers a rate of 1.86%. Must be opened online.

moneywise BEST BUYS

CASH ISAS: Moneywise.co.uk/best-cash-isa-rates

Product and provider	Type	Headline rate	Minimum and maximum balance	Open account	Notes	Change
Paragon Limited Edition Easy Access Cash Isa (Issue 4)	Easy access	1.31%	£1 to £100,000	Online only	Accepts transfers	↑
Hinckley & Rugby Building Society 120 Day Notice Cash Isa	Notice account	1.2%	£500 to £300,000	Branch or post	120 days' notice required	↓
Bank of Cyprus One Year Cash Isa	One-year fixed rate	1.51%	£500 upwards	Online only	Accepts transfers	↑
Kent Reliance Two Year Fixed Rate Cash Isa	Two-year fixed rate	1.68%	£1,000 to £1 million	Branch, online or phone	Accepts transfers within 30 days of account opening	↓
Hodge Bank Three Year Fixed Rate Cash Isa	Three-year fixed rate	1.8%	£1,000 upwards	Branch, online or post	Accepts transfers	↓
Hodge Bank Five Year Fixed Rate Cash Isa	Five-year fixed rate	2.25%	£1,000 upwards	Branch, online or post	Accepts transfers	=
Coventry Building Society Junior Isa	Junior Isa	3.5%	£1 upwards	Branch, online, phone or post	Yearly Junior Isa limit of £4,128, must be under 18	↑
Skipton Building Society Online Cash Lifetime Isa	Lifetime Isa	0.75%	Up to £4,000 a year	Online only	Must be saving for a first home or retirement and aged 18-39	=
Barclays Help to Buy Isa	Help to Buy Isa	2.53%	Deposit up to £1,000 and make regular savings of up to £200 a month	Branch, online or phone	Open to first-time buyers only	=

Rates correct as of 16 May 2018

FEATURED PRODUCT
Cash Isa
Paragon Limited Edition Easy Access Cash Isa (Issue 4). This account has a best buy rate of 1.31% and can be opened online. The account requires a low initial deposit of just £1.

More about our Moneywise savings and Cash Isa Best Buys

We prioritise products that are widely and easily available. We aim to pick products that are available until the publication of our next edition, but this is subject to factors outside our control.

With each of our Best Buy savings accounts, you can earn £1,000 tax-free each year if you're a basic-rate taxpayer or £500 if you pay the higher rate of tax.

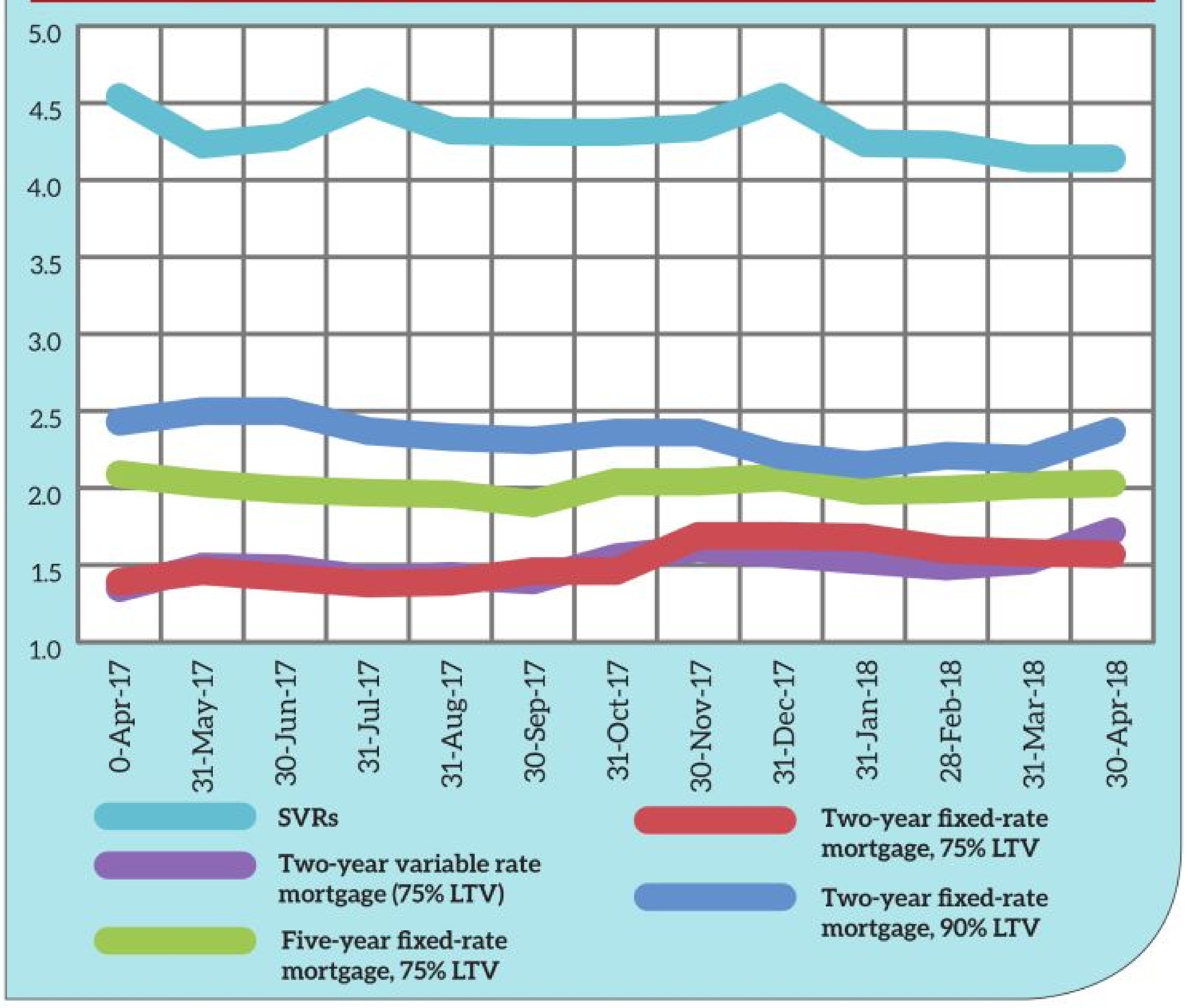
If you're an additional-rate taxpayer, then you do not receive a personal allowance and you should consider a Cash Isa. All the interest earned in these accounts is tax-free and you can save up to £20,000 in the 2017/18 tax year.

Unless otherwise specified, all these providers are individually licensed by the Financial Conduct Authority, so your savings will be covered by the Financial Services Compensation Scheme (FSCS) up to £85,000. All interest rates are AER – the annual equivalent rate.

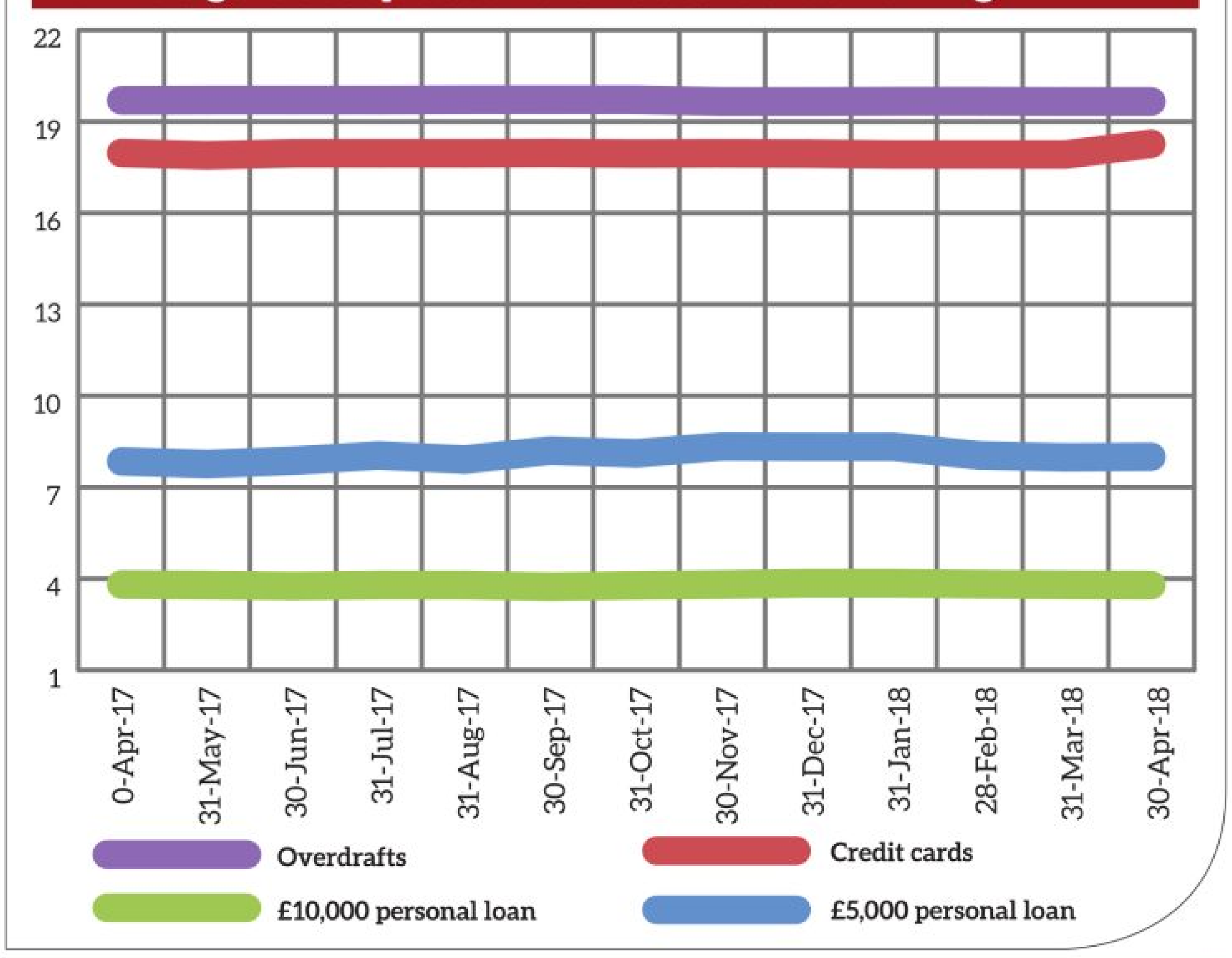
We update our Best Buys every week online and you can find the best deals at **Moneywise.co.uk/best-buys**.

Use these charts to compare your rates against the rest of the market

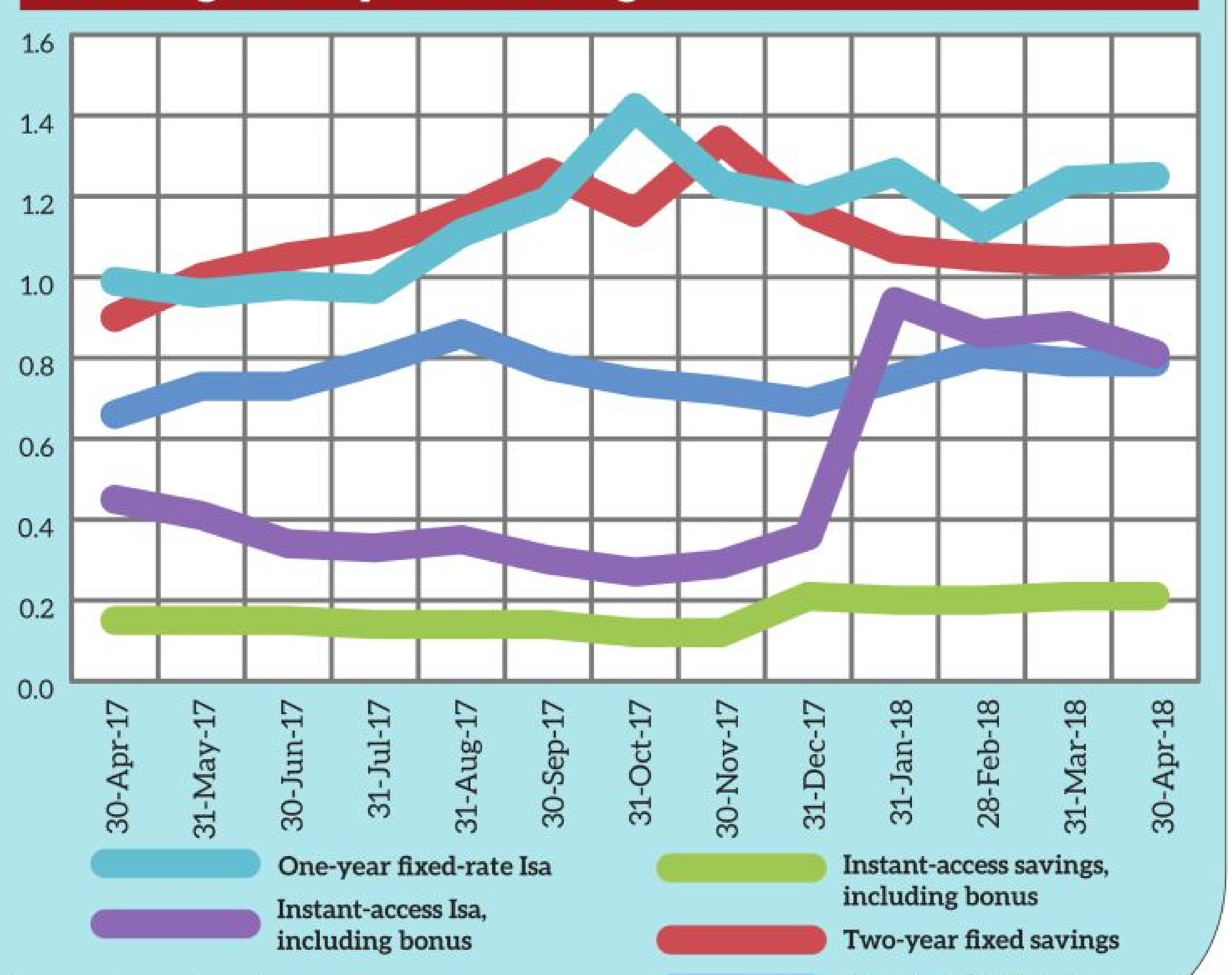
% Average mortgage rates quoted to households



% Average rates quoted for unsecured borrowing



% Average rates paid on savings



Source: Bank of England

BEST BUY OVERSEAS CARDS

SAVE MONEY WHEN YOU SPEND ABROAD Holiday season is creeping upon us and getting the best deal for your holiday money is essential. A recent study from data provider Defaqto found that debit cards are the most expensive way to spend while abroad. But that doesn't mean they're always a poor choice for holidaymakers.

For instance, Starling Bank's current account offers one of our best buys for spending overseas. The bank's debit card offers fee-free spending worldwide, with no limits on cash withdrawals. It is currently the only debit card to allow this. The card also uses the Mastercard exchange rate, which is near enough the best-value rate you can obtain.

The account pays 0.5% interest on balances up to £2,000 and 0.25% on balances between £2,000.01 and £85,000. Despite the fact that it is an app-only account, money up to £85,000 is protected by the Financial Services Compensation Scheme (FSCS), which provides peace of mind.

Those who prefer to use credit cards abroad should consider the Barclaycard Platinum Travel card. This credit card provides no-fee spending and cash withdrawals worldwide, with a representative APR of 19.9%. Unlike other overseas credit cards, it doesn't apply interest on cash withdrawals abroad from the moment of the withdrawal – it instead waits until your bill is due. So, providing you pay off the card at the end of the month, the cash withdrawal will be interest free. However, the no fees guarantee on this product expires at the end of August 2022.

Another option is the Tandem Cashback credit card. This card offers no fees on spending or cash machine withdrawals worldwide with an APR of 18.9%. What makes this product unusual is that it also pays 0.5% cashback on all spending at home and abroad too. However, the drawback of this card is that interest is charged on cash withdrawals from the day of the transaction.

BEST BUY MORTGAGES

TOP BUY-TO-LET-DEAL If you're thinking of jumping on the buy-to-let bandwagon, there are still good deals to be had. Our example buyer is borrowing against a £250,000 property using an interest-only mortgage. They are looking for a 20-year term and 75% loan-to-value (LTV) ratio. All fees will be paid upfront.

The current top deal based on these parameters is from Virgin Money, with an interest rate of 1.92% fixed until 30 April 2020. The fees for this product are £609 and monthly interest repayments are £300. This brings an annual cost of £3,905. Once the 1.92% rate expires, the standard variable rate (SVR) of 4.99% kicks in.

Those looking for a longer fix should consider Principality Building Society, which has a headline rate of 2.55% fixed for five years. It has fees of £1,775 and an annual cost of £5,136. Once the initial rate expires it reverts to an SVR of 4.9%.

If you'd like to take a chance on the base rate not moving, the best variable-rate deal available at the moment comes from Monmouthshire Building Society, with an interest rate of 1.7%. This represents a 3.29% discount off the current 4.99% SVR. This deal has £1,287 of fees and £266 in monthly payments, equivalent to £3,831 per year. mw

Our best buy selection criteria:
We prioritise products that are widely and easily available. We aim to pick products that are available until the publication of our next edition, but this is subject to factors outside our control. Our latest recommendations, updated every week, are available at **Moneywise.co.uk/best-buys**. If you find something better, contact us at editorial@moneywise.co.uk.

moneywise FIRST 50 FUNDS

When you start investing, choosing from thousands of funds can seem daunting. To make your choice easier, *Moneywise* has selected our 50 favourite funds for beginners. Index tracker funds can be used to build a low-cost, solid core for your portfolio. Active funds have the potential to perform better, but there is the risk that the fund manager may make the wrong decision. Investment trusts possess unique features that are attractive but make them riskier than active funds. View performance of the *Moneywise* First 50 Funds below.

Find out more at Moneywise.co.uk/first-50-funds

TRACKERS (ranked in order of three-year returns, as at 21May 2018)

	ISIN Inc	ISIN Acc	Ongoing charges %	Yield %	One-year return %	Quartile	Three years %	Quartile	Five years %	Quartile
HSBC American Index C Acc	GB00B80QG490	GB00B80QG615	0.06	1.5	12.6	1	56.06	1	98.32	1
Vanguard US Equity Index A Acc	GB00B5B74S01	GB00B5B71Q71	0.1	1.5	12.33	1	54.62	1	96.86	1
Vanguard Global Small-Cap Index Acc	IE00B3X1LS57	IE00B3X1NT05	0.38	1.34	14.11	1	52.07	1	85.07	1
L&G International Index Trust I Acc	GB00B2Q6HX78	GB00B2Q6HW61	0.13	1.9	10.78	2	47.24	1	73.1	1
Fidelity Index World P Acc	GB00BP8RYB62	GB00BJS8SJ34	0.12	1.82	11.82	1	46.65	1	75.38	1
HSBC Japan Index C Acc	GB00B80QGM70	GB00B80QGN87	0.21	1.53	14.18	1	43.94	2	58.07	2
Vanguard LifeStrategy 100% Equity A Acc	GB00B545NX97	GB00B41XG308	0.22	1.72	10.22	2	40.75	2	65.19	2
Fidelity Index Emerging Markets P Acc	GB00BP8RYT47	GB00BHZK8D21	0.2	1.88	13.13	1	36.77	2	N/A	N/A
Vanguard FTSE Developed Europe ex-UK Equity Index A Acc	GB00B5B74N55	GB00B5B71H80	0.12	2.43	5.27	3	34.04	2	57.75	2
Vanguard LifeStrategy 60% Equity A Acc	GB00B4R2F348	GB00B3TYHH97	0.22	1.47	5.59	3	26.85	2	43.24	3
L&G UK Index Trust I Acc *	GB00BG0QPH16	GB00B0CNGN12	0.1	3.6	8.42	3	25.12	3	42.58	3
iShares 100 UK Equity Index (UK) D Acc	N/A	GB00B7W4GQ69	0.07	3.56	8.44	2	24.84	3	38.61	3
iShares Overseas Corporate Bond Index (UK) D Acc	GB00BNB74B95	GB00B58YKH53	0.16	2.82	-2.71	4	24.67	3	20.48	4
HSBC FTSE 250 Index C Acc	GB00B80QFZ35	GB00B80QG052	0.18	2.46	8.6	2	24.31	3	59.48	2
iShares Physical Gold ETC Acc	N/A	IE00B4ND3602	0.25%	N/A	-0.58	N/A	23.63	N/A	4.61	N/A
Vanguard FTSE UK Equity Income Index A Acc	GB00B5B74684	GB00B59G4H82	0.22	4.69	5.34	2	14.25	3	30.45	3
Vanguard LifeStrategy 20% Equity A Gross Acc	GB00B4620290	GB00B4NXY349	0.22	0.21	1.14	4	13.49	4	22.75	4
Vanguard UK Government Bond Index Acc	IE00B1S75820	IE00B1S75374	0.15	1.3	-1.75	4	12.56	4	22.98	4
L&G Short Dated Sterling Corporate Bond Index I Acc	GB00BKGR3G14	GB00BKGR3H21	0.14	2.04	0.4	4	6.91	4	N/A	N/A
Vanguard Global Bond Index Hedged Acc	IE00B2RHVP93	IE00B50W2R13	0.15	1.6	-0.66	4	4.66	4	12.58	4

ACTIVES (ranked in order of three-year returns, as at 21 May 2018))

	ISIN Inc	ISIN Acc	Ongoing charges %	Yield %	One-year return %	Quartile	Three years %	Quartile	Five years %	Quartile
Lindsell Train Global Equity B - Inc	IE00B3NS4D25	N/A	0.74	0.87	22.04	1	74.92	1	128.98	1
Fundsmith Equity T Acc	GB00B4MR8G82	GB00B4Q5X527	1.05	0.56	12.58	2	74.2	1	126.72	1
Baillie Gifford Japanese B Acc	GB0006010945	GB0006011133	0.63	0.76	25.07	1	70.36	1	97.52	2
Marlborough UK Micro Cap Growth P Acc	N/A	GB00B8F8YX59	0.8	0.73	18.76	1	69.06	1	140.08	1
Man GLG Continental European Growth C Professional Acc	N/A	GB00B0119487	0.9	0.58	13.96	1	69.05	1	131.68	1
Old Mutual UK Mid Cap R Acc	GB00B8FC6L92	GB00B1XG9482	0.85	1.01	13.05	2	54.07	2	112.88	1
Royal London Sustainable World Trust C Acc	GB00B8GG6326	GB00B882H241	0.77	1.08	12.82	2	45.5	2	76.81	3
Liontrust Special Situations I Inc	GB00B57H4F11	N/A	0.86	1.77	13.77	2	45.44	2	77.35	2
Fidelity Emerging Markets W Acc	N/A	GB00B9SMK778	0.96	0.89	14.8	1	40.96	2	54.67	3

ACTIVES (continued)

	ISIN Inc	ISIN Acc	Ongoing charges %	Yield %	One-year return %	Quartile	Three years %	Quartile	Five years %	Quartile
Fidelity American Special Situations W Acc	N/A	GB00B89ST706	0.95	0.59	5.57	3	39.3	2	90.19	2
TB Evenlode Income B Acc	GB00BD0B7D55	GB00BD0B7C49	0.9	3.3	8.83	3	38.77	3	72.17	3
MI Chelverton UK Equity Income B Acc *	GB00B1FD6467	GB00B1Y9J570	0.86	4.55	13.17	2	37.96	3	87.09	2
Artemis Global Income I Acc	GB00B5N99561	GB00B5ZX1M70	0.8	3.37	12	1	36.89	1	74.62	1
Stewart Investors Asia Pacific Leaders B Acc	GB00B57S0V20	GB0033874768	0.89	1.16	7.25	1	32.6	1	50.6	1
Kames Property Income B Gr Acc	GB00BK6MJF73	GB00BK6MJB36	0.87	5.03	6.41	3	18.85	3	N/A	N/A
Marlborough Global Bond P Acc	GB00B8H7D001	GB00B6ZDFJ91	0.44	3.36	-0.42	4	18.24	2	22.84	4
Rathbone Ethical Bond Inst Acc	GB00B7FQJT36	GB00B77DQT14	0.68	3.99	2.76	4	16.43	4	31.51	4
TwentyFour Dynamic Bond I Gr Acc	GB00B57TXN82	GB00B5VNH238	0.77	4.74	3.57	3	13.31	4	34.72	2
Fidelity Moneybuilder Income Y Acc	GB00B3Z9PT62	GB00BBGBFM09	0.56	3.21	-0.39	4	10.71	4	19.95	4
Jupiter Strategic Bond I Acc	GB00B544HM32	GB00B4T6SD53	0.73	4.15	-0.26	4	9.61	4	18.7	4

INVESTMENT TRUSTS (ranked in order of three-year returns, as at 21 May 2018)

	Discount/ Premium %	Gearing %	Ongoing charges %	Yield %	One-year return %	Quartile	Three years %	Quartile	Five years %	Quartile
Scottish Mortgage Investment Trust (SMT)	3.33	7	0.37	0.61	32.78	1	94.91	1	205.95	1
Henderson Smaller Companies Investment Trust (HSL)	-8.2	9	0.43	2.23	27.53	1	53.97	1	134.72	1
F&C Global Smaller Companies (FCS)	-0.15	5	0.84	0.91	11.29	3	45.35	1	85.06	3
Jupiter European Opportunities (JEO)	0.85	5	0.99	0.92	17.4	1	45.19	2	95.37	2
Picton Property Income	-0.44	35 **	1.24	3.86	10.22	3	43.48	2	147.58	1
Finsbury Growth & Income Trust (FGT)	0.83	3	0.7	1.93	13.82	2	42.31	3	85.58	3
Witan Investment Trust (WTAN)	-0.8	10	0.76	2.06	12.54	2	41.7	3	91.96	2
Murray International Trust (MYI)	1.25	12	0.64	4.32	-1.72	4	27.32	4	16.88	4
City of London Investment Trust (CTY)	1.21	9	0.42	4.15	5.06	4	19.54	4	43.56	4
F&C Commercial Property (FCPT)	2.45	20 **	0.96	4.09	5.18	4	18.44	4	71	4

*Source: FE, 21 May 2018 Please note: Historic yield figures will only be provided for funds with at least 12 months of performance history. * The history of this unit/share class has been extended, at FE's discretion, to give a sense of a longer track record of the fund as a whole. ** Source: The Association of Investment Companies, 18 May 2018*

HOW TO READ THE FIRST 50 FUND TABLES An International Securities Identification Number (**ISIN**) uniquely identifies a fund and you can use the ISIN to find the fund on a DIY investment platform. **Inc** and **Acc** refer to different share classes of a fund. The income class of a fund (Inc) will pay out your dividends and any other income as cash, directly into your bank or investment account. The accumulation class of a fund (Acc) will hang on to your money and reinvest it directly back into the fund. The **ongoing charges** figure is an overall total annual charge for owning part of a fund and includes management costs and the transaction charges for the buying and selling of investments. **Quartile** rankings are a measure of how well a fund has performed against other funds in its Investment Association or AIC sector. The rankings range from 1 to 4 for all time periods covered. Funds with the highest percentage returns are assigned a quartile of 1, whereas those with the worst returns are assigned a quartile of 4. **Investment trusts data:** Investment trusts can be identified by their TIDM (Tradable Instrument Display Mnemonics) number, a short, unique code used to identify UK-listed shares, shown in brackets next to the investment trusts. The **Discount/ Premium** column shows the percentage difference between the value of a trust's underlying assets and the value of its share price. **Gearing** means borrowing money to buy more assets in the hope the company makes enough profit to pay back the debt and interest and leave something extra for shareholders. Not all investment companies use gearing, and most use relatively low levels of gearing. The majority of investment companies have a gearing range – from no gearing (0%) to 20% gearing in normal market conditions.

Annuities Top three example rates on £50,000 purchase price (as at 2 May 2018)

The Annuity Bureau

CONVENTIONAL ANNUITIES (GROSS ANNUAL INCOME)

Age	Level		RPI-linked	
60	£2,483	Legal & General	£1,348	JUST
	£2,441	JUST	£1,291	Legal & General
	£2,368	Hodge Lifetime	£1,266	Aviva
65	£2,871	JUST	£1,784	JUST
	£2,850	Legal & General	£1,698	Legal & General
	£2,726	Aviva	£1,625	Aviva
70	£3,299	Legal & General	£2,150	JUST
	£3,241	JUST	£2,035	Aviva
	£3,136	Aviva	£1,955	Legal & General
75	£3,781	Legal & General	£2,649	Aviva
	£3,731	Aviva	£2,621	JUST
	£3,683	JUST	£2,582	Legal & General

ENHANCED ANNUITIES (GROSS ANNUAL INCOME)

Age	Level		RPI-linked	
60	£2,650	JUST	£1,544	JUST
	£2,551	Aviva	£1,501	Aviva
	£2,483	Legal & General	£1,308	Canada Life
65	£3,075	JUST	£1,966	JUST
	£3,024	Aviva	£1,938	Aviva
	£2,850	Legal & General	£1,697	Canada Life
70	£3,442	JUST	£2,344	JUST
	£3,369	Aviva	£2,294	Aviva
	£3,299	Legal & General	£1,949	Legal & General
75	£4,141	Aviva	£3,050	Aviva
	£4,140	JUST	£3,027	JUST
	£3,977	Canada Life	£2,776	Canada Life

Annuity rates based on purchase price of £50,000. Single life, nil guarantee period, income payments monthly in arrears. Enhanced annuity rates based on Type 2 diabetes, one tablet a day, diagnosed for 10 years. Source: Annuity-bureau.co.uk

No such thing as a free lunch

"Sometimes one pays most for the things one gets for nothing," said Albert Einstein, and he knew a thing or two.

Take the Cambridge Analytica/Facebook debacle. We can poke people we've never met, post 2,000 selfies and watch pandas sneeze all day for nothing, but it turns out we pay for it with, oh, small things, such as the future of our democracy. Nothing major.

But have we learnt from it? Have we heck.

We're still gagging for a freebie, however dodgy and, frankly, fraudulent it turns out to be.

I'll admit that I have, in my past, been particularly partial to a juicy freebie wherever I saw one. My motto: "If it's free, grab an armful."

I've blagged my way into lunches, launches and weekend getaways. I even got a free breast massage session (yes, that really is a thing) by reviewing it for a national newspaper.

Even now, I'm keen on free experiences. For example, I swap homes with people abroad to get (nearly) free holidays.

But that's what I would call a genuine freebie – essentially swapping goods or services so there's a give with the take. A type of bartering. You scratch my back, I'll unclog your guttering. That kind of transaction.

But the freebies we're enticed with now, particularly online, are darker, sneakier and altogether far more expensive than the old-fashioned ones.

Most internet businesses work on the 'freemium' model. According to online encyclopedia Wikipedia (which should know, as it operates this method itself), freemium is "a pricing strategy by which a product or service (typically a digital offering or an application such as software, media, games or web services) is provided free of charge, but money (premium) is charged for additional features, services, or virtual goods".

Sound familiar?

It should do, because it's what our high street banks have already been doing for decades. And that's ended *so* well hasn't it? Our 'free' bank accounts come with hidden charges and aggressive marketing strategies to cross-sell to us. We (and the UK economy) are the ones who pay in the end.

Then you've got the free delivery we expect with every order and then wonder why the courier has tipped our new 24-piece dining set into next door's bins.

We want the free financial 'advice' we used to have, even though it often made us lose big-time on poor pensions and investments.

We complain about adverts on free radio stations and online music services but begrudge the BBC £150.50 a year for advertless 24-hour local, national and international TV, radio and online output 365 days of the year.

But then we jump at the chance of getting a fabulous and FREE Parker pen, because it's so worth having in return for grossly overpriced and underperforming life insurance.

"Our 'free' bank accounts come with hidden charges"

Can you see the time when you decide to actually pay for information that you could get for free? "Marjory," you'd say to your wife, even though her name is Glenda, "I'm going to put my hand in my pocket and pay £1 a week to make sure I get some actual facts when I read articles in my chosen online paper, as opposed to the made-up news we get from Trumpton."

Not many of us are doing it. I'm just as guilty. It has taken me a whole year to get around to 'donating' a fiver a month to support journalism in my favourite daily newspaper… and I'm a journalist. You'd think I'd see the value.

Admittedly there are some freebies that really are free. Free stuff is all around us. Free museums, local council events, free books at libraries and free parks and gardens. We need to use 'em or we'll lose 'em.

Another freebie is PickMyPostcode.com, a free competition site where you just put your email address and postcode in and then win up to £800 if yours is the winning code that day. It's the traffic generated by us checking the site each day that pays for the prizes.

But for most things in life, we have to pay. The question is, do we want to pay with money or with our future? Just a small question. Nothing major. Now go and look at videos of puppies playing with babies for free to make yourself feel better. mw

JASMINE BIRTLES is a financial journalist and founder of MoneyMagpie.com.
Email her at **columnists@moneywise.co.uk**