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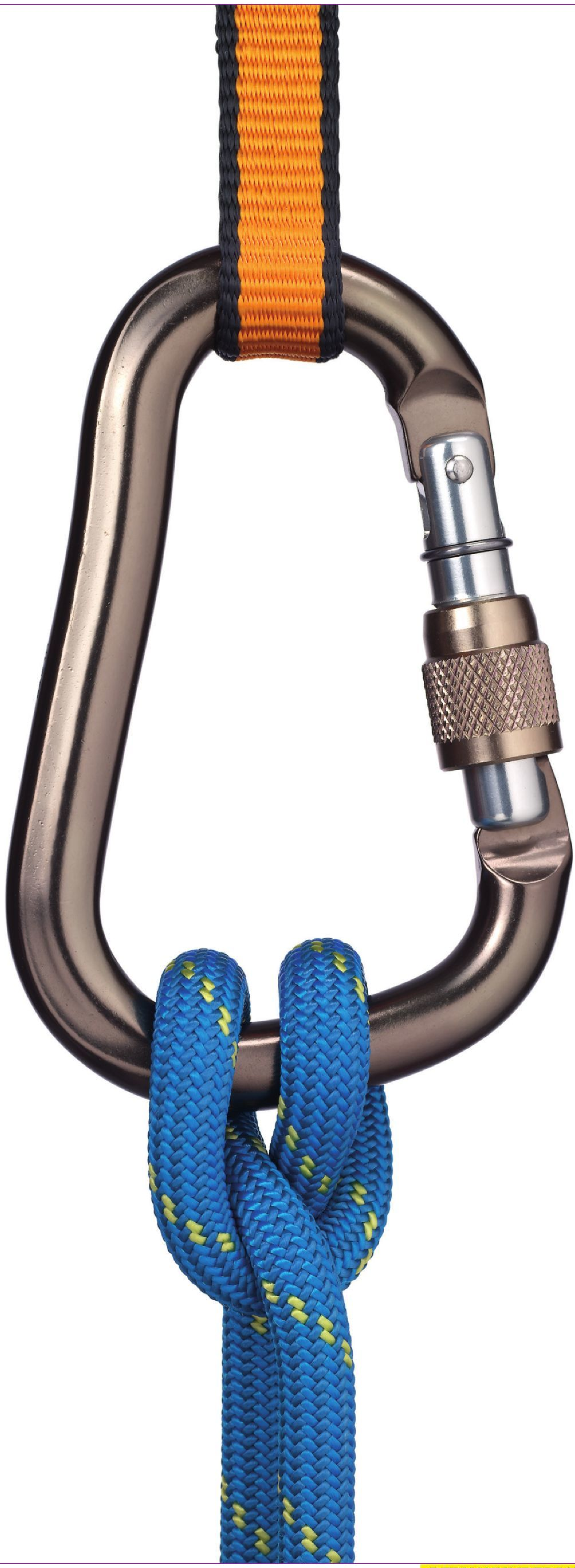

WELCOME

THERE'S NOTHING LIKE finding an easy way of saving a lot of money. Some strategies require restraint, determination, commitment – others an hour with a cup of tea and a copy of *Moneywise*.

In this June issue, we've got two great ways for you.

On page 9, we show you how to give yourself a mortgage MOT. Mortgages are often our biggest monthly outgoing, and yet it's one we spend very little time thinking about. Our tips and explainers could save you thousands of pounds – and will require little effort.

On page 48, we also reveal the winners of the *Moneywise* Mortgage Awards 2019. These are the lenders that have shone brightest, been truly innovative and given outstanding service over the year.

On page 68, we explain how to find the best investment platform for you. We compare their fees and what they offer. Whether you have tens of thousands to invest or £50 a month, the difference between platforms can amount to tens of thousands of pounds over time.

Finding a good deal is, of course, satisfying, but sometimes it's far more important than that.

Our guide to finding travel insurance after a cancer diagnosis (page 38) explains how to find an affordable policy that makes it possible to get away.

Meanwhile, on page 73 we look at the best budget rooms and how to find them. There are times when we want to find the perfect place to stay and really enjoy our surroundings. There are others – such as before a flight, after a wedding, on a work trip – when we just need somewhere clean and comfortable to sleep for a few hours. We look at the options.

Our special projects editor, Rachel Lacey, is in the middle of a big build – her house is currently emerging from rubble into a new and improved family home. On page 58, she shares her tips for anyone considering a building project. My favourite is her advice to think twice before telling a builder that they come recommended by a friend. She says: "Once a builder knows customers are singing their praises, it's perhaps only human nature to increase their prices. Another time I might say I found them on Google."

On page 54, we confront a homeowner's nightmare: Japanese knotweed. We explain how to identify this fast-growing weed, what to do if you find it, and explore whether it's fair that it can have such an impact on the value of a home.

And finally, we've got a great competition on page 24 – a luxury city break for two.

As always, we'd love to hear from you – your views and money-saving tips.

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JUNE 2019

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quarterly Direct Debit £7.50.
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Registration number: 5034730

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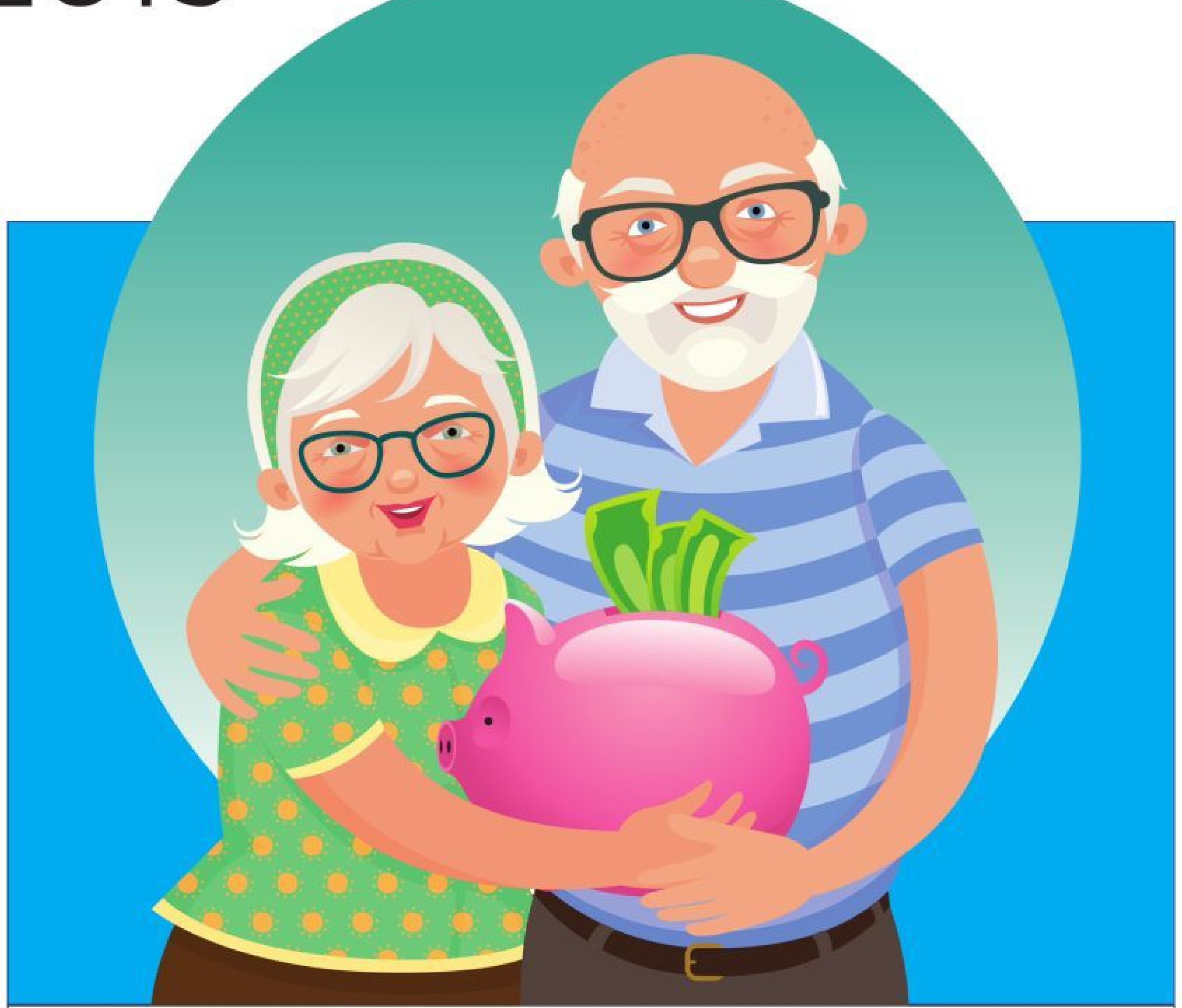

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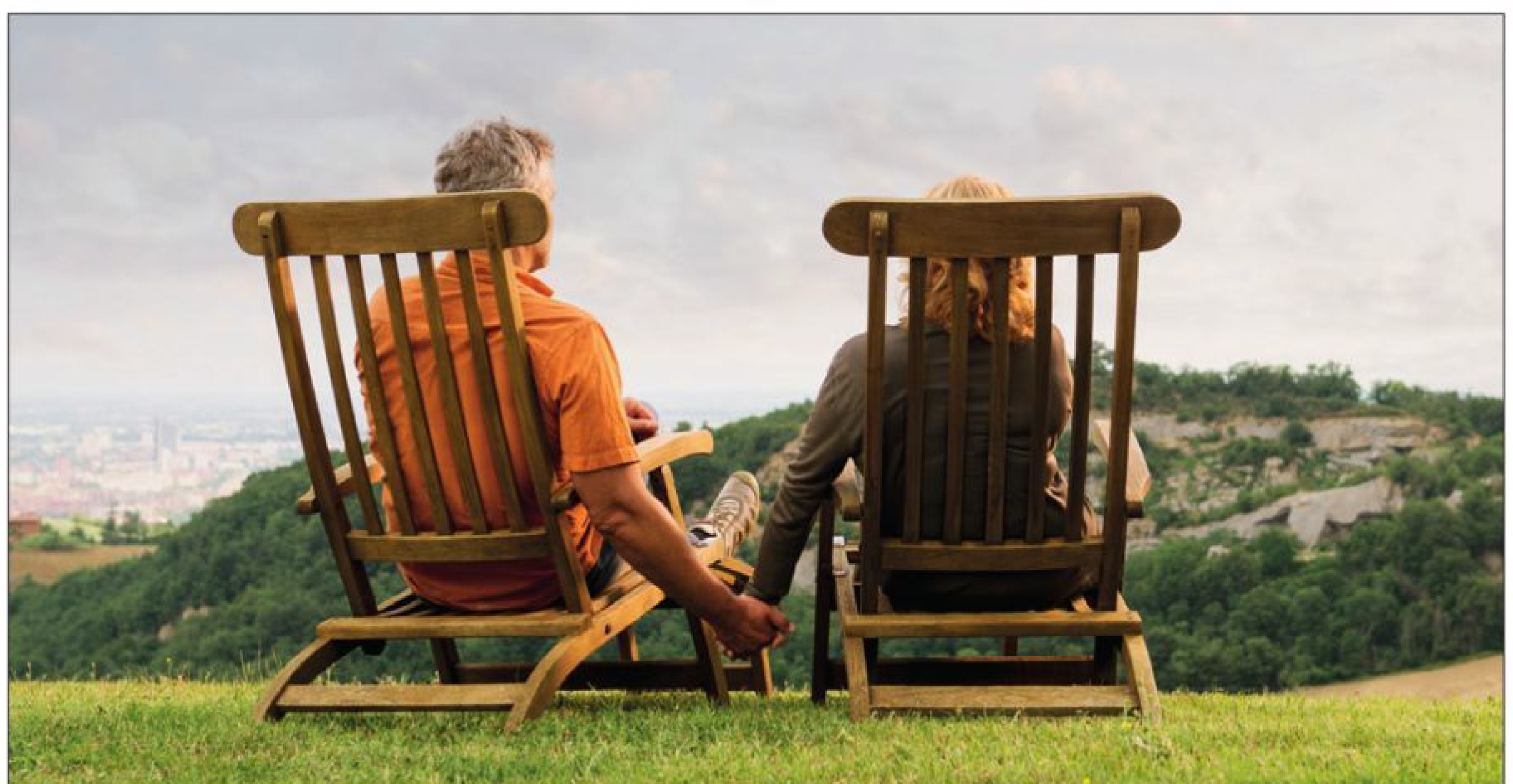

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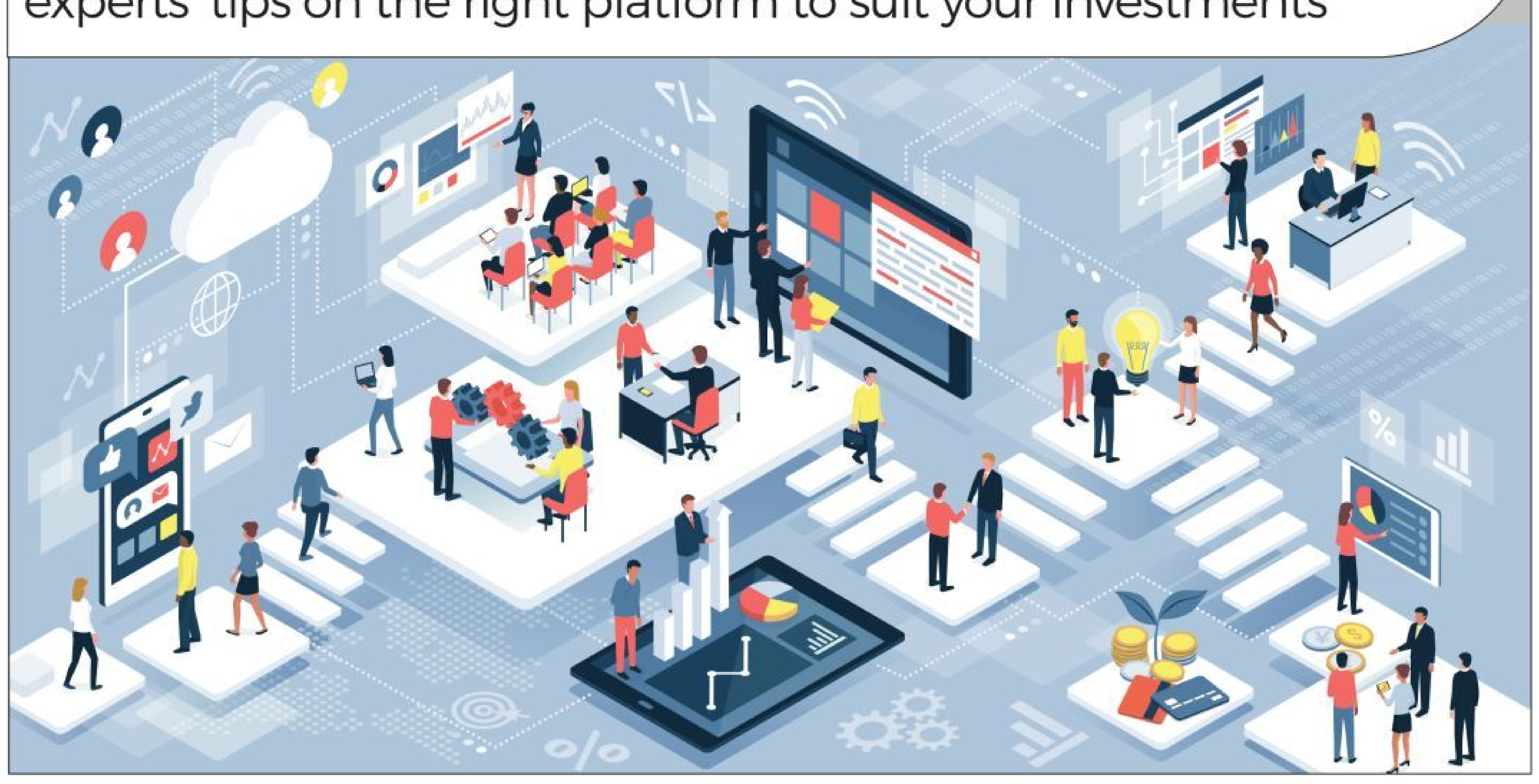

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GIVE YOURSELF A MORTGAGE MOT

Your mortgage may be your biggest regular outlay. If you're not sure how healthy yours is, a check-up could save you a mint – and mortgage newbies can work out how to secure the home of their dreams

BY JO THORNHILL

Chances are you spend very little time thinking about your mortgage – yet it is probably the biggest bill you have to pay month in, month out. If you think your home loan could be in better shape, try our 'Mortgage MOT' and see if you could trim your costs. Or, if you are yet to buy your own home, find out what you can do to take that elusive first step on to the property ladder.

Switch from SVR

Almost one million borrowers are paying their lender's standard variable rate (known as SVR). This is the default rate you roll on to after an initial fixed or tracker rate deal (a rate that tracks the Bank of England base rate) comes to an end.

But with the average SVR at 4.89%, according to independent data compiler Moneyfacts, and some SVRs even higher than 6%, there are big savings to be made by switching. By comparison the best short-term fixed rates are less than 2%.

Dig out your mortgage paperwork and check if you are still in a 'deal' – a fixed or tracker rate – or if you are paying your lender's SVR. Find out

your interest rate and what, if any, penalties there might be to switch. Those tied into a deal will typically have redemption penalties to switch away, but those on SVR are usually free to move without incurring any fees.

The savings can be significant. A borrower with a £100,000 repayment mortgage over 25 years paying an SVR of 4.89%, for example, would have monthly repayments of £578. By switching to a two-year fixed rate at 2% they could cut this to just £424.

Even if there is an arrangement fee on the fixed-rate deal (fees of around £1,000 are typical) there will still be a saving of more than £2,600 over two years compared to paying your current lender's SVR.

"Competition is fierce in the mortgage market so the majority of borrowers on SVR can make substantial savings by switching," says David Hollingworth, associate director of communications at London & Country Mortgages.

Even so-called 'mortgage prisoners' should consider discussing their options with a mortgage broker. These borrowers are stuck on high interest loans with defunct lenders such as Northern Rock and Bradford & Bingley who have previously struggled to meet affordability criteria with rival lenders.

In March this year the regulator, the Financial Conduct Authority, published a report into the mortgage market, and among its recommendations were plans to make it easier for these borrowers, where they were meeting monthly repayments, to find a new mortgage deal.

"Many borrowers in this situation are meeting their monthly repayments but are paying way over the odds on high SVRs," says Mr Hollingworth. "It is great news that lending criteria is being relaxed to enable these homeowners to shop around and find a better rate."

Use a broker to find a better deal

Searching for a new mortgage can be daunting, which is why so many borrowers end up paying their lender's SVR for so long. But there is help to navigate the market and switch to a better deal – a process known as remortgaging.

A good mortgage broker can search across the market to find the best deals – looking at different interest rates and set-up fees to work out the total cost.

Different deals might suit your needs depending on the size of your mortgage, the amount of equity (part of the property that you own) and your credit rating. And there is not usually a fee to use a broker, with most brokers taking their commissions instead from lenders.

Richard O'Reilly, mortgage expert, at online mortgage broker Habito,

OVERPAYING TO PREPARE FOR THE NEXT RUNG

Charlotte and Matt Lenton from Boston, Lincolnshire, have their eye on a house move soon and are trying to build up equity in their current home. Charlotte, 24, who is studying for a master's degree in gender studies, and Matt, 28, a car mechanic, pour all their disposable income – £500 a month – into the mortgage, on top of their regular repayment of £270 a month.

Charlotte and Matt have deliberately remained on their lender Santander's 'Follow-on rate', at 4% (even though they could get cheaper fixed deals elsewhere) as there are no penalties to make unlimited overpayments.

This Santander rate is variable and tracks at 3.25% above the Bank of England base rate (which is currently 0.75%).

"We hope to be able to buy a new place once I graduate and am working full time – hopefully next year," says Charlotte.

"We know it is important to get ourselves into as strong a position financially to be able to climb up the property ladder. So we are budgeting hard now to be able to overpay on the mortgage."

says: "Remortgaging may sound complicated but it doesn't have to be. A broker will search the market to make sure that you get the best deal out there and that the savings are worth the effort."

Lock in security

Long-term fixed rates are attractive to homeowners because they give certainty over exactly how much your mortgage repayments are going to be in the longer term.

Many people opt for this security, even if it costs them more each month when compared to a short-term fixed rate or tracker.

However, if interest rates fall you may not be able to take advantage of a better deal if you have locked into a fixed rate. Borrowers need to weigh up their priorities and whether they would be able to afford the mortgage at different rates.

"With rates at historic lows five-year and even 10-year fixed rates have grown in popularity," says Mr O'Reilly. "Due to increased competition the difference in rate between five-year and two-year fixed rates has narrowed, so it means more borrowers have decided to take the longer-term option."

Moneywise Mortgage Awards 2019

Whether you are a first-time buyer or a last-time buyer, buying a home or an investment or simply remortgaging onto a better deal, get the lowdown on the best mortgage offers for you with Moneywise Mortgage Awards 2019, starting on page 48.

Overpay on the mortgage

If you have any spare cash left each month, overpaying on your mortgage is an excellent option. It speeds up the repayment of your mortgage and reduces the interest you pay.

"It's important to keep a buffer of savings in a bank account for emergencies," says Dilpreet Bhagrath, mortgage expert at digital broker Trussle. "But once that buffer is in place, overpayments on the mortgage are a fantastic, tax-efficient way of maximising your additional disposable income and making considerable savings."

Most mortgage deals allow up to 10% of the mortgage balance to be paid off in overpayments each year without penalty. But always check with your lender. And remember, it is not usually possible to get the overpaid money back.

On a £150,000 repayment mortgage over 25 years with a 2% fixed-rate mortgage, the monthly repayments would be £636. If the borrower overpays £100 a month they would clear their mortgage four years and two months earlier – and save £7,301 in interest. The calculation assumes the interest

PROBLEMS WITH REPAYMENTS? DON'T BURY YOUR HEAD IN THE SAND

Getting into payment difficulties with your mortgage can be extremely stressful – but taking early action can help stop the problem from escalating.

If you have a change of circumstances, such as illness or job loss, which is going to affect your ability to meet your mortgage repayments speak to your lender. Under guidance set out by the regulator all lenders are required to treat customers in difficulties sympathetically and to offer solutions. Depending on your situation it may be possible to switch your mortgage to interest-only repayments for a short time to alleviate the pressure, for example.

Lenders should also be able to set up a regularly reviewable payment plan with you based on what you can afford. This will give you some breathing space.

"Pre-empt any issues and talk to your lender as soon as possible," says David Hollingworth, associate director, communications at London & Country Mortgages. "It is always better if you can flag up difficulties early and work with your lender rather than ignore the problem, which will usually make the debt situation much worse."

For independent debt advice visit nationaldebtline.org (0808 808 4000) or contact citizensadvice.org.uk.

rate remains the same throughout the mortgage term.

Consider an offset loan

For borrowers who also have savings, an offset mortgage offers another way to get those cash savings to work harder. With an offset loan – providers include Barclays, First Direct, NatWest, Scottish Widows Bank and Yorkshire Building Society among others – your savings are offset against your mortgage so you only pay interest on the balance.

So if, for example, you had a £150,000 mortgage and £30,000 in savings you would only pay interest on £120,000. This can significantly reduce your monthly repayments, and borrowers retain access to their savings at all times.

However, most borrowers use offset loans as a way of reducing the term of the loan – so they keep their repayments the same and effectively overpay, clearing the mortgage years early and saving thousands in interest.

The flexible features of offset mortgages are appealing but borrowers may pay a premium compared to the best fixed and tracker-rate deals available, so be sure you will use the offset facility if you go for this type of mortgage.

Be sure you will use the offset facility if you go for this type of mortgage

First-time buyers: get help on to the property ladder

Save as much as possible to be able to access the lowest fixed rates. Although deals have improved for those with just a 5% deposit, fixed mortgage rates improve significantly for those with a 10% deposit or more to put down on their first home.

Many people will be lucky and have help from the bank of Mum and Dad. Research by savings provider Foresters Friendly Society shows that almost one-third of parents intend to contribute toward a deposit on their child's first home.

Tax-efficient savings schemes such as the Help to Buy Isa and Lifetime Isa are also good places to start, offering a government bonus to add to your savings towards a first home.

Taking your mortgage over a longer term can make monthly repayments more affordable. Most lenders will allow a mortgage to be taken over 30, 35 and even 40 years, depending on your circumstances, compared to the historic standard 25-year term.

But the downside is you will pay much more interest over the term if you do not reduce it at a later date.

Mr Hollingworth says: "Most borrowers will try to cut the term further down the line when finances might have changed. This is always advised where possible to avoid paying a lot more interest."

Tori Hull, 23, and her partner Ollie Hensberg, 24, a project engineer, have decided to do this to keep their repayments down. They have taken a mortgage with Accord at 3.21%, putting down a 5% deposit on their new home in Devizes, Wiltshire, with a term of 35 years. It means the monthly repayments on the £170,500 loan will be £677, compared to £827 if the mortgage was taken over 25 years.

"Taking the loan over 35 years instead of 25 is what enabled us to buy the property. Otherwise the repayments would have been unaffordable," says Tori, who works in training for the Ministry of Defence. "We are young so we are not worried about the loan term being over 30 years. It is our plan to reduce the term at a later date when we remortgage. But we're not in a rush." mw

JO THORNHILL is a personal finance journalist who has written for *Money Observer* and *thisismoney.co.uk*.

Old and new ways to teach kids about cash

One of my favourite childhood possessions was a porcelain piggy bank dressed in blue trousers, matching braces, no shirt and a tie.

Like millions of children born in the Eighties, I got the piggy bank free with my first NatWest bank account. I loved the satisfying clank of my pocket money – a pound coin on Fridays after school – as it fell on the small stash I'd already managed to save.

I'd pile in the pounds until I had enough to buy a new troll or count out the small change to buy penny sweets with my friends – or a 12p sherbet if I was feeling flush.

But a new study this week suggests that these activities, which for many of us are remembered as such an ordinary part of growing up, are fading out.

Children are now so used to seeing their parents pay with cards that physical money is an alien concept, the research from University College London found.

Researchers observed lessons where primary school children were handling change and were shocked by the lack of financial literacy.

For many of us, these skills seem so commonplace it's easy to forget they have to be learnt.

When I discussed the issue with Vanessa Feltz on BBC London recently, she told me she remembered the moment she realised coins weren't more valuable the bigger they were.

In an increasingly cashless society, it is not a given that children will learn these skills by necessity or example.

Some schools are stepping up and teaching them. For example, at Arkholme Primary School in Lancashire, where headteacher Joy Ingram won the *Moneywise* Personal Finance Teacher of the Year Award last year, four-year-olds spend time in the classroom handling coins and becoming used to them.

"At this age, the concept that each coin has a different value is quite difficult," Mrs Ingram told me. "If you say this is a 1p, this is a 2p, this is a 5p piece and ask 'what is the total value?', the instinct is to see that there are three coins and to just do one plus one plus one makes three. However, a little later, the idea clicks into place."

"When I upturned my piggy bank and nothing came out, I knew I had no money to spend"

Perhaps there will be a time in a cashless future when these skills are redundant altogether, but while physical money still exists, being able to handle it confidently remains as essential as ever.

It will be interesting to see what other effects of a move towards a cashless society – where notes and coins are totally replaced by cards and apps – has on younger generations.

We're charging so quickly towards it and still don't fully understand the potential fallout.

For example, I find it much harder to spend £30 in coins and notes – to part with the physical cash in my hand – than to spend it with tap of a card on a contactless reader.

Many of us are more likely to think twice before spending when we use cash than a card because of this – what behavioural economists describe as the 'pain of paying'.

It will be interesting to see the impact on spending habits should physical cash become all but obsolete.

Similarly, as a child I knew when I upturned my piggy bank and nothing clattered out that I had no money to spend. Credit cards and debit cards with overdrafts blur the lines between credit and debt – you can run out of money and continue spending.

But cashless can also have the opposite effect.

In My Money Lessons (page 23), reader Owain Williams describes how he and his wife, Hannah have got their finances in order using budgeting apps.

The couple get notifications in real time if they overspend on any area such as groceries or eating out. They can also create as many pots as they like to save towards special things, such as holidays and Christmas – and check how they're progressing on their smartphones.

New technology has opened up these possibilities and transformed their spending habits. Similar apps are also available for children, such as Rooster and GoHenry.

And while NatWest still offers piggy banks to its young savers, it also has an app with games to make saving fun.

Whatever the future of money holds, it seems clear that good lessons in personal finance are as important as ever, to help young people navigate through it.

In May, I helped judge our Personal Finance Teacher of the Year Awards 2019 and was so impressed by the fantastic things going on in schools all around the country – helping students understand the old ways and the new.

We can't wait to share some of the best ideas with you – watch this space. mw

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Cut back benefits for older people, says Lords Committee

BY EDMUND GREAVES

The state pension triple lock, free TV licences for over-75s and winter fuel payments should all be cut back, a House of Lords Committee has proposed. The report from the House of Lords Committee on Intergenerational Fairness and Provision calls for much of the help for older generations to be curtailed.

The committee has published these recommendations as part of a wide-ranging look at government rules and policies to "deliver a fairer society" that provides more support to younger generations.

Chair of the committee, Lord True, comments: "We found that intergenerational bonds are still strong, and the evidence suggested that both young and older people recognise the contribution the other makes and the challenges they face.

"However, there is a risk that those connections could be undermined if the government does not get a grip on key issues such as access to housing, secure employment and fairness in tax and benefits."

National Insurance

The national insurance system "functions poorly" as national insurance contributions (NICs) do not directly pay for the state pension, nor are they linked to any actual rules on the size of state pension payments, according to the committee.

The report says it is unfair that only those of working age pay the tax, and recommends that those over state pension age should also contribute.

The committee says NICs should be merged into the income tax system, and that this would protect vulnerable older people from having to pay as contributions would be weighed against income.

State pension triple lock

The committee has called for the state pension triple lock to be abolished and instead increased alongside average

workers' pay. The report states: "The triple lock for the state pension should be removed. The state pension should be uprated in line with average earnings to ensure parity with working people.

"However, there should be protection against any unusually high periods of inflation in the future."

Free TV licence

The free TV licence for over-75s has also been criticised. The report calls for the free TV licence to be phased out for those who can afford to pay. It recommends that the government subsidise the poorest households instead.

Free bus pass and winter fuel payments

In London, Wales, Scotland and Northern Ireland the free bus pass begins at the age of 60 but for the rest of England it applies from the age of 65 and will increase in line with state pension age.

Regarding winter fuel payments the report says they are "not well targeted", and argues that single parents are more likely to face fuel poverty than pensioner couples.

In both the case of winter fuel payments and the free bus pass, the committee recommends that people should not be given access to the benefit for five years after reaching state pension age.

It also says that the government should look at treating these benefits as taxable income for those above the personal allowance threshold (currently standing at £12,500 a year).

The committee conceded that there was an environmental case to be made to sustain the free bus pass as it encourages older people to use public transport instead of driving.

The Lords' report calls for much of the help for older people to be curtailed

Inheritance, council and property taxes

The committee also makes recommendations for changes to council tax, inheritance tax and other property taxes such as stamp duty.

It says council tax is an "incoherent combination of a property tax and a service charge". It recommends that council tax more closely reflect property values than it currently does, and a system that allows those with high property values but low incomes to delay payment until the sale of a property.

It also says second homes should be subject to a full rate of local tax.

Stamp duty has "seriously distorted" the housing market according to the committee. It calls on the government to review the system and its effect on housing market liquidity and consider how it can be reformed to improve housing choices and availability for young families.

Finally, the report says inheritance tax is "capricious" and unfit for purpose. It recommends reviewing whether and how assets should be taxed on death or transfer in order to ensure greater intergenerational fairness. mw

Mastercard court ruling could see £300 payout for most UK adults

BY STEPHEN LITTLE

Mastercard could be forced to pay almost every adult in the UK £300 after a court ruling paved the way for a £14 billion class action lawsuit.

The legal action, taken by former Financial Ombudsman Walter Merricks, claims that 46 million UK consumers suffered losses as a result of Mastercard's excessively high card fees.

The Court of Appeal ruled that the Competition Appeal Tribunal must reconsider the case against the firm after it was thrown out two years ago.

The case will now go back to the Competition Appeal Tribunal, which will then decide whether the case should proceed.

Mr Merricks says he is "very pleased" with the decision. He alleges that over a 16-year period to 2008, the fees that Mastercard charged businesses – known as interchange fees – meant consumers paid higher prices on purchases than they should have.

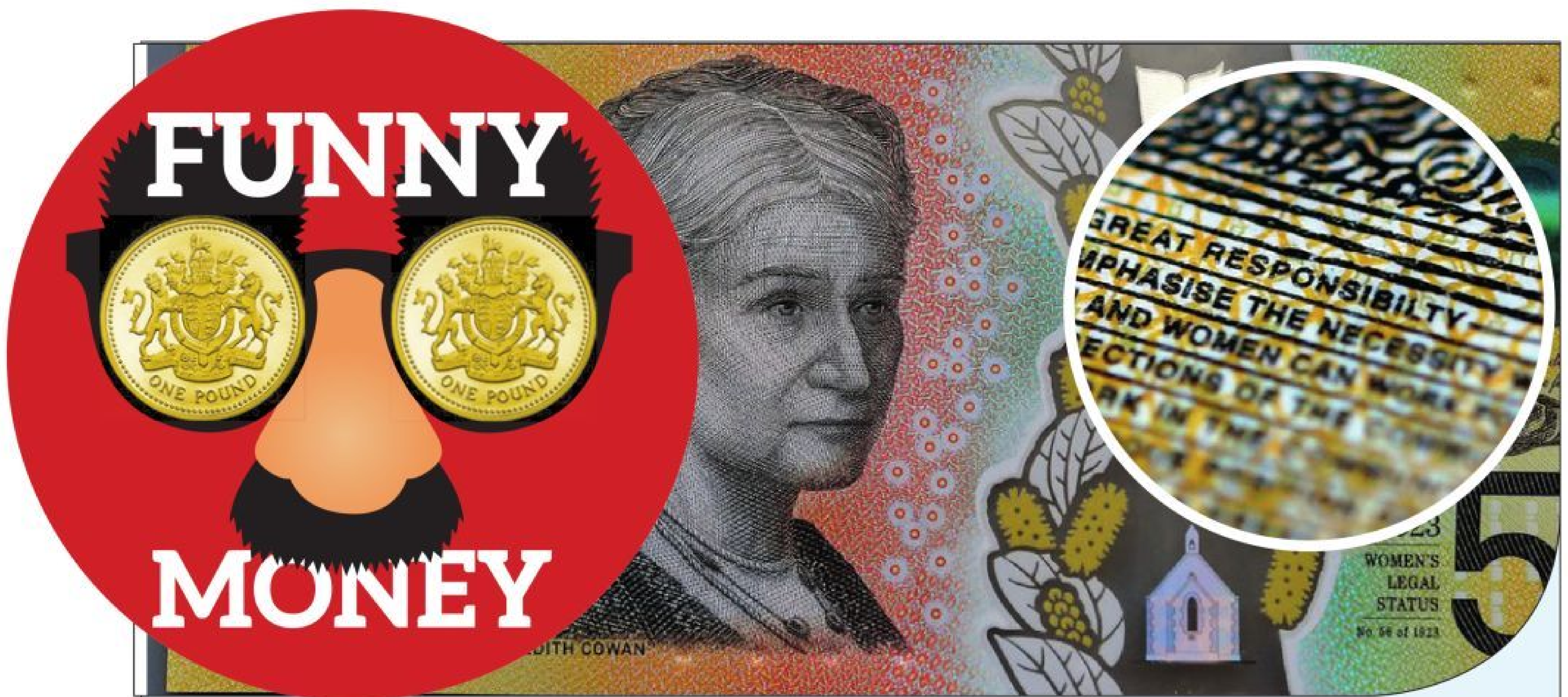
Ruling paved way for £14bn lawsuit

In 2017, the Competition Appeal Tribunal threw out Mr Merricks's claim on the grounds it was not "suitable to be brought as collective proceedings".

However, senior judges found on Tuesday that the Competition Appeal Tribunal had applied the wrong legal test in deciding whether the claim should go ahead.

Mastercard says that it will fight the decision in the Supreme Court if necessary.

A Mastercard spokesperson says: "Mastercard continues to disagree fundamentally with the basis of the claim, and we believe UK consumers receive real value from the security, convenience and consumer protection of our payment services."



Australia prints millions of $50 notes with spelling error

BY STEPHEN LITTLE

Millions of $50 Australian dollars have gone into circulation with a typo on them.

The Reserve Bank of Australia (RBA) incorrectly spells 'responsibility' as 'responsibilty' on around 46 million new $50 notes.

The RBA was alerted to the error when a listener of radio station Triple M sent in a magnified photo.

The note went into circulation in October last year with several new features on it designed to improve security as well as tactile elements to help the visually impaired.

The note features Australian writer and inventor David Unaipon on one side and politician Edith Cowan on the other.

The typo appears on Cowan's side in the text of her first speech to parliament in 1921.

The RBA does not plan to pull the note from circulation and says the spelling will be corrected in the next print run.

The $50 note is the most widely circulated in Australia, according to the RBA.

Customers complain most about TalkTalk broadband, says Ofcom

BY STEPHEN LITTLE

TalkTalk has been named the broadband provider with the most unsatisfied customers, new figures from the telephone watchdog reveal.

Overall, 83% of broadband customers are satisfied with their service, while 13% had reason to complain in 2018.

TalkTalk customers are less likely to be satisfied with their broadband provider, with only 79% happy with the service, according to the telecoms regulator.

Customers are also less likely to be satisfied with the way their complaint is handled.

Sky broadband customers are less likely than average to have reason to complain, and more likely to be satisfied with how their complaint is handled.

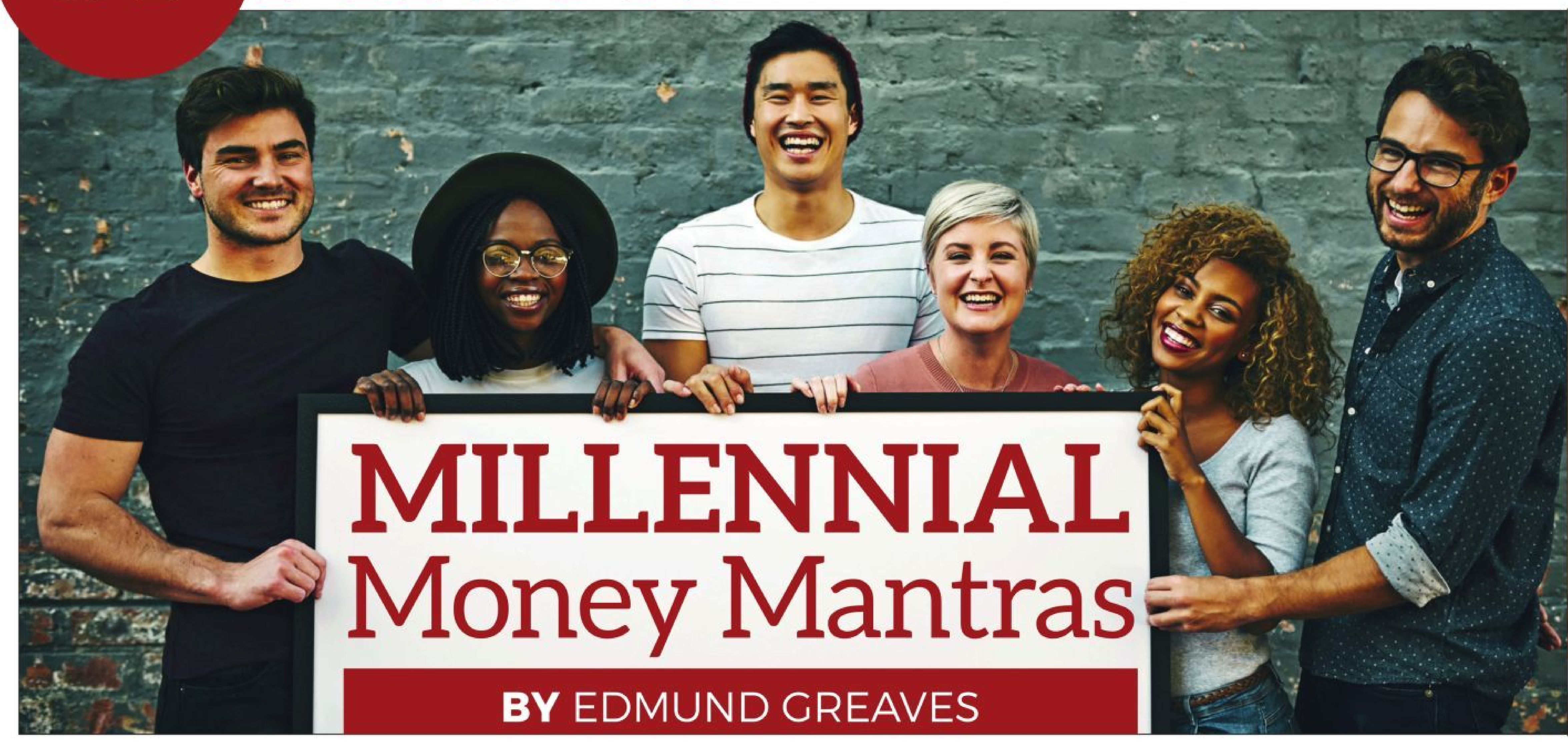
Regarding complaints about mobiles, Vodafone customers are less likely to be satisfied with value

for money (82%), while Virgin Mobile customers have below-average satisfaction with how their complaint is handled.

Both companies are also less likely to resolve complaints on first contact.

Overall, 93% of mobile customers are satisfied with their overall service.

Tesco Mobile and giffgaff customers are more likely to recommend their provider to a friend. Their customers also have above-average satisfaction with value for money – 97% for giffgaff and 92% for Tesco Mobile, compared to 87% average. mw



Your money can help make the world a better place, says **Edmund Greaves**

Here's a way you can save the earth without gluing yourself to the London Stock Exchange

The Extinction Rebellion has captured headlines in recent weeks with some notable but questionable protest activities.

It has now targeted London's financial centre, the City of London, with protesters gluing themselves to the London Stock Exchange entrance.

The protest group claims: "The world's top banks have poured £1.5 trillion into fossil fuel financing since the Paris Agreement just over three years ago, with financing on the rise each year. There is [sic] countless billions more funding projects which lead to rainforest destruction, industrial agriculture and other ecologically catastrophic projects."

While its cause of saving the planet from ecological destruction is admirable, it would be helpful if it articulated some positive ways people can act to change the financial system and how money is used for the better.

But it won't do that, so here I am to suggest ways to get started with saving the world by using your own money.

ESG

ESG is the buzziest of buzzy catch phrases in modern finance. The acronym stands for Environmental, Social and Governance. Each bit comes with its own implications but in totality it adds up to a matrix of decision-making that filters out the nastiest businesses out there.

The appetite for this kind of rigorous approach to stock picking is growing, and many a fund manager will delight in telling you it's all good for business.

But if consumer investor demand for ESG took off in a meaningful way, many more retail investment funds would be driven to use the framework to filter out destructive companies.

As for what to invest your money in, it requires a bit of research to find funds that are already doing serious 'ESG' and performing strongly.

Moneywise recommends the Rathbones Ethical Bond, for a start, but this is a conservative approach fund.

Investing using tracker funds is trickier in this area. Many will simply take a selection from the index you wish your money to follow, and so do not allow you to opt out of investing in sectors you dislike. For example, if you were to invest in a FTSE 100 tracker fund you would likely end up investing in big tobacco and oil companies whether you like it or not.

However, change is underway. Calls were made recently by 140 asset and wealth managers for stock market index providers to exclude manufacturers of "controversial weapons" from major indices.

Impact investing

Impact investing takes ESG a step further. Where ESG looks to filter out certain firms or sectors that lack good environmental, social or governance records, impact investing looks to focus money on actively good companies that aim to improve the world.

Impact investing funds are actively managed, and managers will want to see measurable effects.

A good example of this is Impax, which offers a range of funds. Another is recently launched digital wealth manager Tickr, which specialises in building impact investment portfolios through a user-friendly app.

Pensions

We can go even further than your Isa contributions, though. Something I harangue my friends to do is to check what their pension funds are invested in. Often it will be in a vanilla (usually quite conservative) 'default' fund.

"Why not take a stand if you don't think your bank behaves in an ethical way?"

But more and more pension providers now offer the option of eco-friendly pension funds.

Unfortunately for some the options will be limited. But even auto-enrolment megalith NEST has an ethical investment option.

If NEST's millions of pension savers all opted tomorrow to transfer their savings to the ethical fund, you better believe it would make waves.

Banking

Finally, you can extend the activism with your money further than just savings and investments. Why not take a stand if you don't think your bank behaves in an ethical way?

Co-operative Bank and Triodos Bank offer brilliant, ethical services, and are just waiting to accept your business.

It is well and good for the Extinction Rebellion to highlight the hand of the financial sector in some of the most devastating environmental activities the world has ever known. But ultimately 'finance' is beholden to the money it receives from customers.

Those customers are you, me, your mum and dad, your friends, and whoever else you care to think of.

We've all got pensions, Isas and bank accounts. Let's put them to use. mw

Brits pay a record £5.4bn in inheritance tax

BY RACHEL LACEY

Brits are paying more inheritance tax (IHT) than ever before, according to the latest figures from HMRC.

In the year to March 2019, IHT receipts rose by around £160 million to £5.4 billion.

The increase – which HMRC has attributed to rising asset values – is in spite of the residential nil-rate band introduced in April 2017.

Currently IHT is paid at a rate of 40% on estates worth more than £325,000. However, the new residential nil-rate band of £150,000 provides an additional tax-free allowance when the family home is being passed down to its owner's children or other direct descendants.

Although the latest figures mark a continuation of a consistent and long-term trend of increases, IHT can be legally avoided with the correct planning.

Neil Jones, wealth management and tax specialist at Canada Life, says: "It's crucial to use any reliefs, exemptions and allowances. Starting any planning early is essential and there's a range of trusts available that can enable clients to make sure more of their money goes to beneficiaries while reducing the amount of tax payable when they die."

Withdrawing cash from your pension? Watch out for HMRC tax trap

BY FAITH GLASGOW

Just 12,600 claims for overpaid tax on pensions withdrawals were made in the first three months of 2019, but official figures suggest the actual number of those who have been overtaxed is much higher.

Latest figures from HMRC show that £433 million has been reclaimed in total since pension freedoms were introduced in April 2015.

The freedoms have enabled people to withdraw as much of their pension pot as they want, but if they withdraw a large lump sum, or even the whole pension, on their first withdrawal they are in danger of being hit by a punitive 'emergency tax', which they then have to reclaim from HMRC.

A total of £31 million was reclaimed by around 12,600 individuals in the first quarter of 2019 – but statistics from the Financial Conduct Authority indicate that around 150,000 pensions are accessed for the first time each quarter. Many of them may also have been overtaxed.

After four years of pension freedoms, HMRC is still applying its 'Month 1' approach to the taxation of withdrawn pension funds. Under this system, the initial withdrawal will be treated by the pension provider as the first of 12 monthly withdrawals, so the usual tax allowances are divided by 12 and applied.

Despite coming under pressure from the pension industry in 2018 to change the way it taxes pension withdrawals, HMRC has so far refused to rethink its position.

HOW TO CLAIM BACK TAX

If you believe you have been overtaxed on a pension withdrawal, you can reclaim the money using the online service through Government Gateway.

Alternatively, you can download the necessary form from gov.uk. But make sure you use the right form for your circumstances.

P50Z – if you have emptied your pension and have no other income in that tax year.

P53Z – if you have emptied your pension but have other taxable income.

P55 – if you haven't emptied your pension pot and you won't be taking regular payments.

"It's clear many people still rely on cash"

No change for 1p and 2p coins

BY EDMUND GREAVES

Chancellor Philip Hammond has ended speculation about the demise of copper coins.

The Chancellor has confirmed that no changes will be made to the current cash supply, ranging from 1p and 2p coins all the way up to £50 notes.

This is despite analysis from the Bank of England last year that suggested removing 1p and 2p coins would have little or no impact on inflation.

Mr Hammond says: "Technology has transformed banking for millions of people, making it easier and quicker to carry out financial transactions and pay for services.

"But it's also clear that many people still rely on cash, and I want the public to have choice over how they spend their money."

The Treasury estimates that 2.2 million people in the UK still rely on cash, particularly older and more vulnerable people, and those in rural communities.

Cut council tax bills for households using smart bins, says think tank

BY STEPHEN LITTLE

'Smart bins' fitted with waste sensors could reward households who recycle with lower council tax, a think tank has suggested.

The bins would record household recycling rates and allow councils to save money from better-planned rubbish collection routes.

The savings could then be passed on to those residents who send the least waste to landfill.

The recommendation comes in a new report from think tank the Social Market Foundation (SMF), which examines how new technologies could provide more efficient delivery of public services.

The SMF says that a rebate would incentivise households to recycle more and to waste less – driving up recycling rates across the country.

UK councils such as Rugby and Wandsworth are already using sensor technology that monitors and reports bin fill-levels in litter bins. Some smart bins automatically compress waste, reducing the frequency of collections.

With bins only emptied when full, the SMF says this has resulted in significant financial savings. The SMF says that using similar technology at home could also deliver savings and encourage recycling.

WARNING
SCAM WATCH

Holidaymakers lose more than £7 million to fraudsters

BY STEVEN LITTLE

Unsuspecting holidaymakers lost millions of pounds to fraudsters last year in travel-related scams, a new report reveals.

The victims lost £1,380, on average, in scams involving fake airline tickets, accommodation and tours.

The report from the Association of British Travel Agents (ABTA), Action Fraud and Get Safe Online found that more than 5,000 people reported losing a total of just over £7 million to holiday and travel-related fraud last year.

This was up on the previous year when 4,382 victims reported losing £6.7 million.

The report warns that fraud may be even higher, with many victims feeling too embarrassed to report it.

For all the latest scams news and advice go to:
Moneywise.co.uk/scams-rip-offs

Airline ticket fraud

More than half (53%) of the crimes reported were related to the sale of airline tickets.

Reports were made consistently throughout the year with losses of over £425,000 in August.

One trick is to offer victims incredible deals on fake websites or social media.

If a victim provides their contact details when making a search for flights on a bogus website, the fraudster then offers them a deliberately low quote for their desired flight to tempt them into making a payment.

After the victim has paid, they receive a confirmation email, but further enquiries with the airline reveal their booking does not exist.

Accommodation fraud

Accommodation scams account for 25% of travel fraud, with most scams reported in October.

Fraudsters use fake online adverts, bogus sales calls, emails and text messages offering incredibly cheap deals.

Villas are often advertised below the market rate to entice customers who think they have grabbed a bargain.

Although some of these villas are fictitious, many exist but are being offered by fraudsters without the legitimate owner's knowledge. Spain and France are the two destinations most commonly targeted. mw

Top tips to avoid travel fraud

Stay safe online. Check that the web address is legitimate and has not been altered by slight changes to a domain name – such as changing from an address ending in co.uk to org.

Do your research. Don't just rely on one review. Instead, do a thorough online search to check the company's credentials.

Look for the logo. Check whether the company is a member of a recognised trade body such as ABTA. If you have any doubts, you can verify membership of ABTA online, at Abta.com.

Pay safe. Wherever possible, pay by credit card and be wary about paying directly into a private individual's bank account.

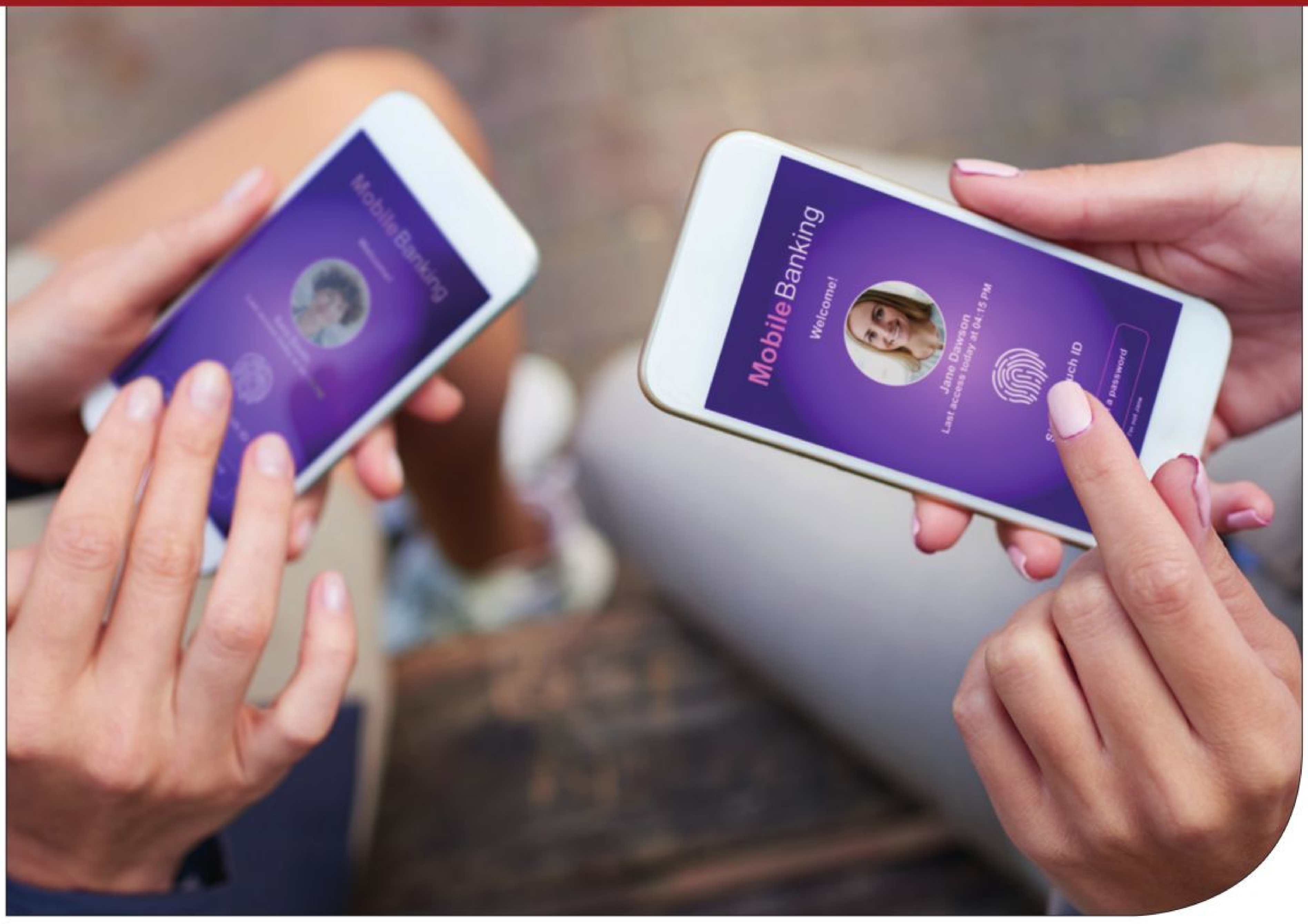
Check paperwork. You should study receipts and invoices, as well as terms and conditions. Be very wary of any companies that don't provide any at all.

Use your instincts. If something sounds too good to be true, it probably is.

Report it. Victims should contact Action Fraud at Actionfraud.police.uk.

"My money lessons"

Getting hitched put our finances into focus



With a baby on the way, Moneywise reader Owain Williams and his wife, Hannah, set about using digital banking apps to keep their finances on the straight and narrow

As my fiancée (now wife), Hannah, and I were rowing across a perfectly still Lake Windermere, tears in our eyes and a brand new ring on her finger, we were blissfully unaware of the impact marriage can have on money. Believe it or not, on that perfect day when we decided to spend the rest of our lives together, we didn't discuss our finances once.

It didn't take long, though. After retelling the story of the proposal over and over to all who were interested, I would invariably ask them: "How do you do your money?" The answers were surprisingly varied.

Marriage advice is broadly standardised and consistent: don't go to bed angry, make compromises, and so on, and it's always dispensed with such confidence. Answers to my money question, however, lacked any of that cohesion. Evidently, the correct way to manage money in a marriage had not yet been universally agreed upon.

My now-wife and I are in our 30s. We have no great debt, we rent a three-bedroom semi in Salford and are both in full-time employment. We have two cars, two rabbits and a baby on the way.

Neither of us had been particularly bad stewards of our money. However, the only thing that would stop us from buying a new pair of jeans, for example, would be a declined card at the checkout. It took a serious case of matrimony to make us realise that this couldn't continue. We were, in fact, on a perfect trajectory toward deeper debt.

So we sat down one night, switched the TV off and sorted it. With the help of digital banking apps, we are today living in the financial freedom we both always wanted.

It started with a few basic decisions.

Married couples who use joint accounts seem to neatly fall into one of two camps. Either deposit the exact amount needed to cover monthly bills and pocket the rest. Or put your combined wages directly into the joint account and filter the rest back into said pockets. We decided early on that every penny we earned or owed belonged to both of us. So we chose the latter.

Owain and Hannah Williams plan to get their finances under control with the help of technology

Do you have a lesson you've learnt about money you'd like to share? Please email **editor@moneywise.co.uk**

"With banking apps we're living in financial freedom"

It is then, after all our bills are covered, that the real work began.

These wonderful new app-based banks are nothing short of remarkable. They are incredibly easy to use and have features and customer service that make you wonder what all the big banks have been doing all these years. We chose Monzo, which, like other apps such as Starling or N26, has built-in budgeting tools.

The modest amount of money that we have left after our monthly bills have been paid is distributed to one joint account and two personal app-only accounts.

The amount deposited into our joint Monzo gets split between monthly spending and what we call 'short-term saving'. The app allows you to save like this using saving 'Pots' for which you can set targets. We have Pots for many things, including holidays, car repairs, birthdays and Christmas. These have been a revelation.

No longer do we have to worry in the run-up to Christmas, or get caught out by a flurry of birthdays. Holidays are now genuinely more enjoyable because we are not eating into our monthly budget, while drinking on the beach.

The spending allowance is also neatly rationed. We can tell it exactly how much we would like to spend as a couple each month within a variety of categories: groceries, eating out, transport, and so on. It seems so simple, but without these little guides, we would be spending blind, back on that dangerous trajectory. With the app, however, the helpful graphics clearly show us both if we are spending too quickly or in the wrong places.

There is then the curious case of our 'personal' Monzo accounts. Some of our friends who discouraged us from going 'all in' with our money made the point that you can't be truly romantic or spontaneous if all the money is entirely shared and so keenly controlled. It is a good point, but we have so far found our system works to avoid this.

Our personal accounts, which receive the remaining 5% of our income, have not only allowed us to remain generous and spontaneous, but they have negated any grounds for disagreement.

If she wants to treat herself to a £50 ceramic spoon, that's fine. No questions asked. If I want to spend £100 on a Lego rocket, I can, and I did. It's bliss.

This is no great folk tale, merely a humble example of how small changes and a little app has helped us to navigate our first year of financial cohabitation.

All we have done is find an easy way to look after the pennies, allowing the pounds to stay in line. mw

WIN a luxury city break for two

ONE LUCKY READER and their guest can enjoy a luxury, two-night stay in Birmingham

HOW TO WIN Simply answer the following question:

WHAT IS THE NAME OF THE WHARF IN BIRMINGHAM'S CITY CENTRE?

A) Canary Wharf B) Sherborne Wharf C) Butler's Wharf

For your chance to win, send your answer on the reader reply card at the front of the magazine to arrive by 30 June 2019 or enter your answer online at Moneywise.co.uk/competitions by the same date.

The winner and their guest will enjoy a two-night break at the Park Regis Hotel, from where they can explore Birmingham's rich heritage.

Ideally located in the centre of Birmingham, this luxury four-star hotel is a recent addition to Birmingham's skyline and is a must-stay for anyone looking to explore this vibrant city.

Birmingham has many Industrial Revolution-era landmarks that are a reminder of its 18th-century history as a manufacturing powerhouse. It is also home to a network of canals, where you can enjoy a boat trip or a visit to Sherborne Wharf, which is now lined with trendy cafés and bars. In the city centre, the Birmingham Museum & Art Gallery is known for pre-Raphaelite masterpieces.

Just a short walk away from the hotel, you will find nightclubs, shopping centres, theatres and a wide variety of good restaurants to choose from.

Those who don't want to stray from the comfort of the Park Regis hotel can make use of its restaurant, bar, outside terrace, fully kitted-out gym and tranquil Shakina Urban Spa.

Moneywise is offering the winner and their guest a two-night stay in one of its luxurious deluxe rooms.

As well as two nights' stay in a spacious twin or double room, which offers views over the city, the prize includes:

- A bottle of prosecco and chocolates in the room upon arrival
- Breakfast – continental or full English – in the hotel's 1565 restaurant
- Dinner for two in the 1565 restaurant on the first night

For more information about the hotel, visit Parkregisbirmingham.co.uk. mw

TERMS & CONDITIONS: Two nights' accommodation in a deluxe twin or double bedroom based on two people sharing. Offer includes one bottle of prosecco and one dinner for two on the first evening and breakfast on both mornings. The dates are subject to availability at the hotel. The prize must be redeemed by 30 November 2019. Entrants must be aged over 18. The prize is not transferable and cannot be exchanged for a cash value. The judge's decision is final. No correspondence will be entered into. Moneywise Publishing Limited shall pass information on the winner to Park Regis Birmingham. We may also wish to tell entrants about other products and services.

Work hard, play hard

It's a philosophy I have adopted throughout my adult life. And although the knees creak a little bit more (and a lot louder) than they used to, there's very little that holds me back.

Not even the recent right to enjoy discounted rail fares – no, it's not a result of eligibility for a 16-25 railcard – has slowed me down, although the London Marathon in April proved a formidable challenge (a little over five hours of pain). On reflection, I still think of myself as more spring chicken than burnt-out rooster.

While the playing hard element of my life involves a little bit of marathon running and a chunk of cinema and live music (for those who are interested, I'm more Kiki Dee than Pink), short-break holidays are the proverbial icing on the cake. I am sure heaven or nirvana is not much better than a few days trail walking in the Tramuntana mountains of Mallorca (pictured right, exquisite in spring) followed by a couple of days submerged in the art galleries of Madrid marvelling at the brilliance of El Greco, Goya, Velasquez, et al. And then eating luscious tapas in the San Miguel market while strangers pour beer or red wine over you.

An extravagant lifestyle, I hear you cry? Not really. In pursuing my pleasures outside of work, I never forget to wear my personal finance hat. Especially when it involves travelling outside of good old Blighty.

So, my most recent trips to Mallorca and Spain have been on dirt cheap easyJet flights from Luton rather than more convenient (but hugely more expensive) British Airways flights from City Airport in London's Docklands (a stone's throw from my abode).

I have been prepared to travel at the crack of dawn (on the way out) and late at night (on the way back), to get rock bottom air fares. And I've learnt the art of travelling light, thereby avoiding the need to pay for baggage to be thrown into the hold – or excess hand baggage charges as a result of a case being too large.

I've also discovered that buying currency at the airport is akin to throwing euros down the drain. Currency is now bought well in advance and at the best rate I can find (usually online).

I believe I am getting overseas travel off to a fine personal finance art

Yet it's when I am overseas that I become ultra personal-finance savvy. Not only do I prefer to walk everywhere but if I need to get somewhere in a hurry I will always try and seek out public transport – a train in Madrid, a bus in Mallorca – rather than flag down a taxi.

Dining out – or withdrawing cash from an overseas ATM – also requires a little bit of personal finance nous. Like many tourists, I had not heard of 'dynamic currency conversion' until recently. It's a trick played upon unsuspecting Brits when they're using their debit or credit cards overseas.

In a nutshell, we are encouraged by the ATM provider, the shop assistant or restaurant staff to pay for our cash or settle our bill in sterling rather than the local currency (typically euros).

In opting for the familiarity and comfort of dealing in sterling, we end up adding some 7% to the cost of our transactions.

One in five travellers, say the experts, get stung by this conversion 'charge', costing them a combined £1.7 million a day between now and the end of the main holiday season at the beginning of October.

While I was in Madrid and Mallorca, I did my utmost to avoid the temptation to 'go' sterling when paying by plastic – even though occasionally a little too much Rioja caused my brain cells to demand that I malfunction and trust in pounds.

I also watched like a hawk anyone processing one of my payments via a hand-held machine to ensure they did not trick me into opting for pounds rather than euros. Thankfully, I seemed to avoid falling victim to the 'dynamic currency conversion trick'.

With travel insurance bought on an annual rather than a single trip basis (saving me a small fortune) and by declaring all existing medical conditions before signing on the dotted line (honesty pays), I do believe I am beginning to get overseas travel off to a fine personal finance art.

Of course, you can't legislate for the odd hiccup along the way – a delayed flight back to Luton from Madrid tested my patience as did a subsequent tedious wait at passport control at one o'clock in the morning. Sadly, from a personal finance point of view, the flight wasn't sufficiently delayed (three hours or more) for me to claim compensation.

But that's by the by. Enjoy your forthcoming holidays, whenever you take them and wherever you go to. But don't forget to pack your financial savviness along with the obligatory bucket and spade. mw

JEFF PRESTRIDGE is the personal finance editor of *The Mail on Sunday*. Email him at **columnists@moneywise.co.uk**.

YOUR SHOUT

THIS MONTH'S STAR LETTER

No-nonsense advice on direct cremations

Thank you so much for your article on direct cremations (May 2019 issue).

I sadly lost my grandmother last year – she had planned ahead and paid for her own funeral in advance as she did not want any of us to worry about the expense of paying for it. However, we didn't know until after she had died that she had struggled with monthly payments for her funeral plan and went without other things she needed as her only income was the state pension.

Had my grandmother known about direct cremations, I am sure she would have opted for one as she wanted a non-religious ceremony with no fuss – this type of funeral would have been ideal and significantly cheaper than the funeral she paid for.

Your article gave a very balanced view of the costs involved and a comprehensive guide to some of the services available. It will be an invaluable tool at a difficult time for those planning a loved one's funeral, as well as being helpful for readers deciding what they would like for their own in the future.

Your articles are so often thought-provoking as well as practical and this was no exception.

RH/VIA EMAIL

"My grandma struggled to pay for a funeral plan"

Mixed response to ban on no-fault tenant evictions

In April, Moneywise reported on the news that 'no-fault' evictions were to be banned in a shake-up of housing rental sector. Several readers wrote in.

If tenants are decent, landlords would not use Section 21 to remove them. It is disgusting that landlords are unable to have control over their own property.

This will drastically reduce the amount of private property put on to the market. It seems that every obstacle possible is being put in the way of the decent landlord.

PA/ VIA SITE COMMENTS

About time. Same control needed for rent levels and increase. It's hard to believe what youngsters have to pay in rent and the subsequent increases.

BB/VIA SITE COMMENTS

Dubious about Amazon 'five-star' reviews

Shoppers were warned in April that Amazon was being flooded by 'fake' five-star reviews. Two readers commented on this:

Read the one- and two-star reviews. They will usually be better than the five-star reviews as they will report issues. I am very dubious of five-star reviews as most of them say things I don't believe.

I have bought products with brilliant five-star ratings and found them poor. I have bought things with low ratings and found them good. It

Blog of the month: Confused about your pension? You're not the

BY BEN STANWAY

The pensions industry has been confusing customers for decades.

Do you receive statements written in jargon that you need specialist experience to understand? Do you have no idea what your money is invested in or what fees you're paying?

How did we end up here?

The truth is that the workplace pensions industry was built to serve businesses rather than people like you and me. Individual customers can't voluntarily switch from their workplace pension scheme and switching from prior workplace schemes has been rare.

The result? A very low customer churn for providers and, some argue, a lack of drive for them to improve their offering.

This issue has been compounded by the success of the government's auto-enrolment scheme. While more people are paying more money into their pensions than ever before, the low level of engagement and pervasive confusion is a serious cause for concern.

Investment app Moneybox's own research highlights the scale of the problem: 60% don't know how to access their old pension pots; 87% don't know what their money is being invested in; and 89% do not know what fees are being charged. Is there another industry where customers know so little about what they should be getting and have so little awareness of what they're paying and to who?

But the next generation are calling for change. Almost 87% of young people would like to be able to bring together all their old pension pots into one place and use their smartphone to manage their pension and see where it will get them over time. Almost three quarters (72%) would like to find out what fees they are being charged on old pension pots, and two thirds would like to know where their money is invested.

It's my view that customers will soon begin to demand pensions designed for the way we live today and simply transfer away if it's not provided for them.

The rise of investment and banking apps is changing the relationship people have with their money. We increasingly expect services to be delivered in a clear, transparent and personalised way via smartphone apps by companies that make their customers their number one priority.

Pensions will not be left behind

I am betting that customers will demand more from their pension providers or simply switch to a better proposition – one that as a minimum makes it easy to check your account balance, see what you're paying and where your money's invested, all from your smartphone.

Preferably it will let you see how pension savings made today can increase your income in retirement. Ideally, it will help you manage your pension alongside your other savings and investments.

WRITE TO US

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

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Alternatively, you can air your views at Moneywise.co.uk using the comment facility at the bottom of articles.

For all the latest news and updates from the Moneywise team, follow us on Twitter: @moneywiseonline
Find us on Facebook at facebook.com/moneywiseonline

all depends what you want and how you perceive it.

HS/VIA SITE COMMENTS

I have had reviews rejected by Amazon on the basis I've not followed its rules. Yet they are perfectly honest and truthful accounts of my experiences and not that contentious. There is no obvious means to challenge their decision or a real explanation about why they are rejected, but I guess Amazon doesn't want any negative reviews about itself or its merchants.

Oddly though, I've just had a review accepted that reported my criticism of a seller who wouldn't refund an item, but Amazon upheld my complaint and is reimbursing me and taking action against the merchant. That one it allowed – go figure!

"I always read the one- and two-star reviews"

YB/VIA SITE COMMENTS

Bank closures 'disastrous' for older people

Our feature (May issue) Help! The last bank in town has struck a chord with at least one reader:

We live in a small country town, where high street shops have suffered from the closure of our two banks, as shoppers don't come here now.

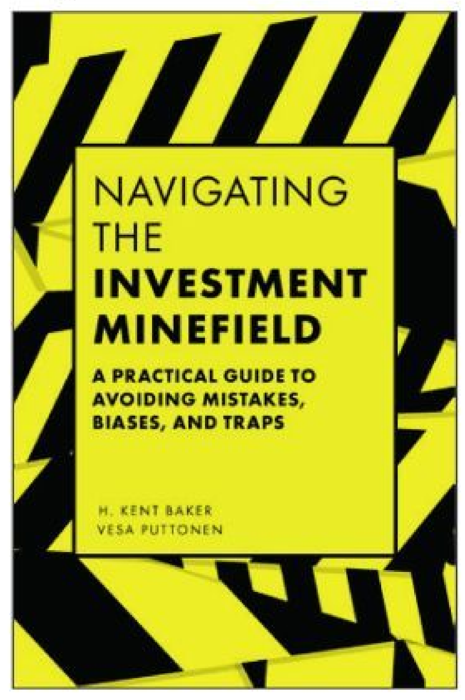
Our nearest banks are almost 17 miles away, which is disastrous, particularly for the elderly. I am 76 and use a computer, but I won't bank online as I don't consider it safe.

Many elderly or disabled people are not computer savvy and are unable to travel to banks miles away.

RS/VIA SITE COMMENTS

20-second book review

Navigating the investment minefield By H. Kent Baker and Vesa Puttonen



Emerald Publishing £14.99, paperback

When you think about investing, do you find it overwhelming and scary? Investors face a vast array of providers vying for their business, but they need to recognise the pitfalls along the way.

This book looks at how to avoid rash financial decisions and investing sins so that investors can avoid common investing mistakes, behavioural biases and traps that can reduce your wealth.

The authors explain how to separate investment fads from well-tested principles. *Navigating the Investment Minefield* is useful reading for novice investors and seasoned investors seeking a refresher course.

To win one of 10 copies go to Moneywise.co.uk/competitions and enter your name and address by 30 June 2019.

only one...

At Moneybox, we're building what we think could be a good solution and we'd love to see existing providers raise their game.

We also want to see the government put more power back in the hands of the people. Employees should have more choice over which provider receives their workplace pension contributions, based on the price and quality of service.

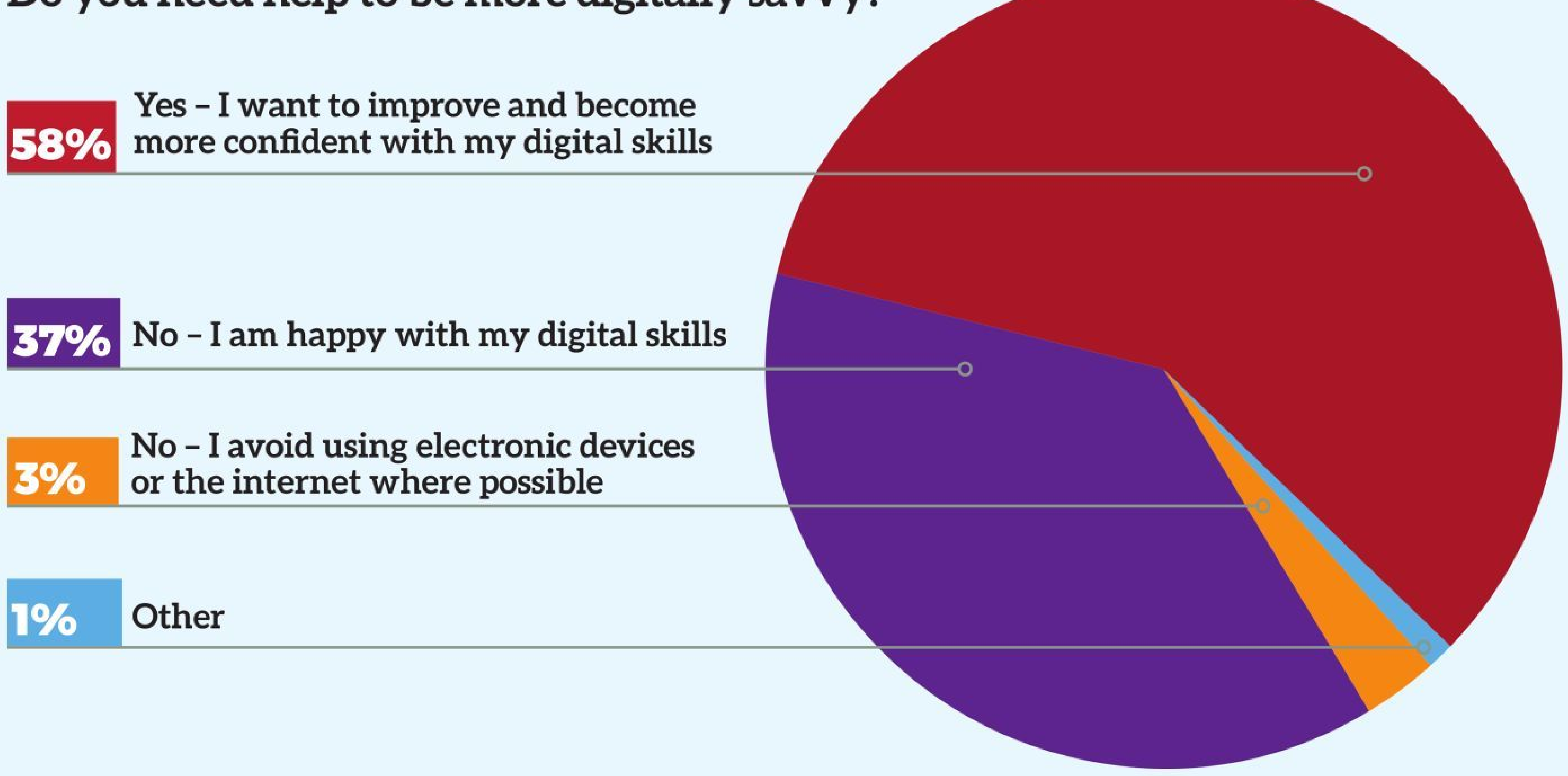
The Australian 'superannuation' system is a great example of this. It has been well received by the public and has introduced some much-needed competition into an old-fashioned industry. Why not mirror this in the UK and give people the power to choose the best available provider?

With your pension likely to be one of your largest and most important assets, it is only right that you demand more from the industry controlling it. Your financial future depends on it.

Ben Stanway is co-founder of digital investment app Moneybox

WEB POLL:

Do you need help to be more digitally savvy?



Based on 965 votes between 24 April and 13 May 2019. Figures don't add up to 100% due to rounding.

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moneywise fights for your rights

WITH SIMON READ

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Or email us at **fightback@moneywise.co.uk.** Due to the high volume of emails Fight for your Rights receives, we cannot guarantee to answer every query personally.

Be wary of ticking any boxes!

OUTCOME: Vistaprint agrees to improve its procedures

Buying online often requires vigilance to ensure you don't buy extra things you don't need.

Reader MB of London got in touch about his experience when he used international company Vistaprint to order some posters online to be printed.

He takes up the story: "All seemed well. But I was struck by an odd email I received from Vistaprint, which said 'We're sorry you're leaving us'."

MB was confused because in fact he had last used the company some 18 months previously to buy some T-shirts. So what was going on?

After some investigation and checking his bank statements, he noticed a regular £11 payment to the firm.

"It turned out that in my previous order I appeared to have been defaulted into some sort of website consultancy club," he told me. "I don't need and wouldn't want such services as I have a website already."

He worked out that he had been charged £164 for the service that he did not use.

MB contacted the company to complain and it instantly refunded his cash.

Its quick response made him wonder whether it had happened before. He asked: "Could you please look into this for me and my fellow consumers?"

I was glad to and I put MB's story to Vistaprint. Its response was interesting.

> "Read carefully boxes you're asked to tick"

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*

The company said that MB had selected its website builder "in a cross-sell placement" when he bought his T-shirts.

In other words, there had presumably been a box, which MB is likely to have ticked.

It can be easy to tick boxes or not untick boxes and end up signing up for things you don't want.

Vistaprint denies that's the case in this instance.

It said: "Customers are not defaulted into purchasing a website builder and need to expressly select to have it added to their basket."

So how MB ended up subscribing we may never know, but it's clear he ticked a box by mistake.

However, the company has promised to act positively after we shared this story.

It said: "We are exploring a new process whereby customers that try our website builder will not be charged until they publish it. Additionally, we've engaged our website team to test our checkout procedures and improve the customer experience during the ordering process."

Two points rise out of this. First, read and re-read any boxes you're asked to tick – or untick when buying online. Second, check bank or credit card statements, so you don't get hit by months of rogue payments. It's easy to miss small regular payments, so look at the destination of the payment as well as the amount. mw

WE NEED YOU!

The Great British Retirement Survey 2019

Take part now for your chance to win £1,000 or one of five runner-up prizes

BY RACHEL LACEY

The days of retiring on your 65th birthday and receiving a carriage clock from the colleagues you've spent the past 40 years with are long gone. Retirement in the 21st century is a much more flexible concept.

While many retirees will enjoy putting their feet up and spending more time with family and friends, others will carry on doing work in some shape or form. Retirement may just mean embracing a new type of work, cutting back on your hours, exploring new opportunities or working for yourself. You may well still need to keep earning, but it might be that you simply enjoy the intellectual challenge and social interaction that work provides.

Many retirees choose to get involved with volunteering, while others may have pressing calls from family – whether it is mucking in with childcare or looking after a dependant or older relative.

It is not just retirement lifestyles that differ. Fewer of us are retiring wholly on final salary schemes that pay a guaranteed income for life, while pension freedoms – which were introduced in April 2015 – mean over-55s with defined contribution schemes can do what they want with their retirement savings. No longer are they herded into annuities, which may not offer the value or flexibility they need. The options are numerous and it is down to retirees to build a financial plan that not only meets their income requirements but provides flexibility and peace of mind.

We want to paint a realistic picture of retirement in modern Britain but we need your help

For some, retirement could be a very gradual transition or wind-down. Without any sudden shocks to your lifestyle or finances, it could be an easier adjustment. However, there will always be retirees who crave a more traditional retirement. After a long career your health, stress levels or the simple feeling that 'you're done' may make you long to put work behind you and retire as soon as you can.

This can make retirement an exciting time, whether it's the thought of spending more time with family and friends or the opportunity to travel.

Yet, however tempting a prospect this new way of life might be, it can also be daunting – both emotionally and financially. Do you know how you will fill your time or are you worried you and your partner will get under each other's feet? You will invariably have a smaller income but will it be enough to live the life you want?

Retirement dreams and retirement realities will be different for each and every one of us, and this is why *Moneywise* is launching The Great British Retirement Survey.

To better help you plan and prepare, we want to know the hopes and aspirations of those who are yet to retire and we also want to know how those who have already retired are faring.

Without resorting to hackneyed stereotypes (golf, anyone?), we want to paint a realistic picture of retirement in modern Britain. But we need your help and the participation of as many people as possible.

Whether you are in the run-up to retirement or have already retired, please make yourself a cuppa and complete our survey (see box for details). You can also help spread the word by telling friends and family, and sharing on social media. mw

TAKE PART NOW:
To take part The Great British Retirement Survey, please visit Moneywise.co.uk/retirement-survey.

WIN £1,000!
Everyone who completes our survey will be entered into our free prize draw for a chance to win £1,000 in cash. Also in the prize pot are five £100 shopping vouchers for our lucky runners-up to spend in their choice of John Lewis, Marks & Spencer or Amazon.

TERMS AND CONDITIONS: The promotion is open to all except for employees of Interactive Investor PLC or Coredata and members of their immediate family. For the purpose of this promotion, respondents must be residents of the United Kingdom and aged 18 or over at the time of entering the promotion. Each respondent will be eligible to be entered into each draw once.

Ask the experts

Illustration: Gary Neill

THIS MONTH'S STAR QUESTION

Can I still claim my late husband's contributions to top up my pension?

Q My husband died in September 2009 aged 66. I am now 73 and have been told that I could have a higher pension if I had claimed a top-up from my husband's contributions. Is that true and if so, is it too late to make a claim?
DF/Cornwall


HELEN MORRISSEY
Corporate PR specialist at Royal London

When you talk about your pension, I am assuming that you are referring to your state pension.

As you both reached state pension age before 2016 then you are covered by the basic state pension regime, which does allow for the state pension to be inherited by spouses.

When your husband died, any top-up should have been made automatically. This can take two forms – if you did have an incomplete basic state pension then HMRC could have used your late husband's national insurance record to give you a larger amount. Also, if he had any SERPs pension, you should have automatically inherited at least half of that – and possibly more – on your husband's death.

If it hasn't done this then you may be entitled to backdated payments. You don't provide details of how much state pension you are receiving but if you are currently getting less than the full basic state pension (currently £129.20 a week) then this could be a sign that top-ups have not been made.

I would urge you to contact the Pension Service (0800 731 7898) as soon as possible with the details of how much state pension you are currently receiving. They should be able to tell you if top-ups have been made.

If you're not on a full state pension, top-ups may not have been made

My wife is seriously ill. Can I access her Isa if she dies before April 2020?

Q Our lives have been turned upside down as a result of my wife being diagnosed with serious cancer. Our financial plans for our retirement are no longer valid. If we each take a £20,000 cash Isa, could I access hers, should the worst happen before April 2020? Sadly it's a very real possibility.
BP/West Sussex


RAY BLACK
Independent financial adviser at Money Minder

Firstly, I'm really sorry to hear about your awful situation.

If you are planning to keep this money in cash rather than in a stocks and shares Isa, you may find that some current or savings accounts provide a good alternative to a cash Isa. However, one longer term advantage of an Isa is that on death they can be transferred to a spouse or civil partner and they

Do you have a question for our experts? Write to: Moneywise, 8 Devonshire Square, Office O3W112, London EC2M 4PL or drop us an email at advice@moneywise.co.uk (please include your address)

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will retain their tax-free status.

A basic rate taxpayer can now earn up to £1,000 in interest each year, tax-free, lessening the need for a specific tax-free product like a cash Isa. This is worth bearing in mind if the total amount of interest you and your wife are likely to earn from investments outside tax-free products this year is less than £1,000 each.

If that is the case, a straightforward non-Isa based joint savings or current account will mean you won't pay any tax on the interest and it will be easy for you both to access. Accounts such as the Santander 123 account or the Marcus account from Goldman Sachs, which is paying 1.5% AER (including a bonus rate of 0.15% gross for the first 12 months), are worth considering.

The only cash Isas paying reasonable interest tend to be fixed-term offers. Some may charge a penalty for early withdrawal that could negate most of the benefits of tying the money up in the first place. At the time of writing the highest interest rate on a one-year fixed rate cash Isa is 1.85% AER with Kent Reliance.

If your wife does take out an Isa, to access her account you would need to have a lasting power of attorney in place. If you have not done this, apply at the government's website: gov.uk/power-of-attorney. There are two powers of attorney relevant to you: 'property and financial affairs' and 'health and welfare', which each cost £82 to set up.

Isas can transfer to a spouse on death and retain tax-free status

I'm a zero-rate taxpayer, so what is my personal savings allowance?

Q When it comes to the personal savings allowance, everyone seems to talk about basic and higher rate taxpayers. But what about a zero-tax rated pensioner with only state pension income (circa £8,000 a year) and a very small savings interest income? Would any further savings interest income be tax-free up to the current annual personal allowance? If so, would the £1,000 tax-free savings allowance be available to be added to the personal allowance, as is suggested happens with lower rate taxpayers?

And as a zero-rated taxpayer what savings interest tax would an individual be liable for and where would it start while under the personal allowance?

PY/Aberdeen

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

An extra tax break already helps those on a low income either pay no tax or reduced tax on their savings. This £5,000 'starting rate for savings' means anyone with total taxable income under their personal income tax allowance plus £5,000 will not pay any tax on their savings.

So if your total taxable income is less than £18,500 in 2019-20, you won't pay any tax on your savings.

It helps to think of these allowances sitting on top of each other: first the personal allowance (£12,500 for 2019-20); then the £5,000 starting savings rate at 0%; finally the personal savings allowance worth up to £1,000.

When HMRC calculates the tax you owe, they first look at your income from other sources, then your savings income. For example, if you earn £8,000 a year from a pension and £9,850 interest from savings, you won't pay any tax.

If I sell a house that I inherited, how much tax will I have to pay?

Q In 2009 my mother passed away leaving her house to my sister and me. We had the house valued at that time with a view to selling it.

Best Isa rates

Type	Provider	Account	Interest Rate	Notes	Access
Instant access	Coventry Building Society	Easy Access Isa Online 2	1.5%	£1 minimum deposit. Rate includes 0.35% bonus until 31 August 2020	Online
One-year fixed rate	Al Rayan Bank	Fixed-term deposit cash Isa	1.61%	£1,000 minimum deposit. Expected profit rate	Online, postal, branch, telephone
Two-year fixed rate	Shawbrook Bank	Two-year fixed-rate cash Isa	1.81%	£1,000 minimum deposit. Allows Isa transfers	Online
Five-year fixed rate	Shawbrook Bank	Five-year cash Isa fixed-rate bond – Issue 16	2.3%	£1,000 minimum deposit. Allows Isa transfers	Online

Source: Moneyfacts 17 May 2019

Ask the experts

The valuation then was £100,000. Shortly afterwards I bought my sister's share for £50,000. Since 2009 I have rented the house out and allowed my son to live there on and off. I have always paid tax on any earnings made from the rental income.

My question concerns the capital gain tax (CGT) liabilities if I sell the property. The house is now worth around £115,000. Would I be liable for capital gains tax at £15,000, the amount of profit made since 2009?

Or is the figure based on £65,000, which is the value of my inheritance plus £15,000?
GW/Telford

PATRICK CONNOLLY
Certified financial planner at Chase de Vere

As the property isn't, and has never been, your main home, any gains when you sell it are potentially liable to CGT.

The CGT rates for residential property are 18% for basic rate and non-taxpayers and 28% for higher and additional rate taxpayers.

When your mother passed away the property was valued at £100,000. There is no CGT to pay on death, and beneficiaries inherit assets at the probate value. This means that you inherited half of the property for £50,000. You then bought your sister's share for £50,000 meaning from a CGT perspective you are deemed to have acquired the property for £100,000.

If you sell the property for £115,000 you will make a gain of £15,000, which is potentially liable to CGT.

However, you can deduct the costs of buying, selling or improving the property from this gain. That can include estate agents' and solicitors' fees and the costs of any improvements that you've made to the property, but not normal maintenance such as decorating.

You can also utilise the annual exempt amount. This is a tax-free allowance that permits you to make capital gains of £12,000 for the 2019/20 tax year without paying any tax. As a result, your total tax bill should be significantly reduced or even wiped out entirely.

I'd like to give a big sum of money to my family while I'm still alive – is this ok?

Q I am 71, retired and do not pay income tax. I am financially secure and own my own home. I'd like to give fairly large sums of money to my family now, rather than wait until I die. Is there any reason I cannot do this?
LP/Hertfordshire

PATRICK CONNOLLY
Certified financial planner at Chase de Vere

In theory this is fine. But there are pitfalls you need to be aware of. The first is that you shouldn't give away money you may need yourself in the future. While I'm sure your family would appreciate any gifts, they also wouldn't like to see your standard of living affected because you have less money. So you should only gift money that you're confident you won't need.

The second is to understand any potential inheritance tax (IHT) consequences (see table below for current IHT thresholds). There are several gift allowances you can take up in your lifetime that aren't subject

Tax allowances explained

Every tax year we are all allocated allowances that let us earn, sell, receive and give away assets without paying tax. Below is a rundown of your allowances and what they mean for the 2019/20 tax year.

Tax Allowance	How much	What it means
Personal allowance	£12,500	How much you can earn before you start paying income tax
Personal savings allowance	£1,000 for basic rate taxpayers, £500 for higher rate taxpayers and £0 for additional rate taxpayers	How much interest you can earn on your savings before income tax is payable
Capital gains tax allowance	£12,000	How much you can make from selling CGT-liable assets before the tax is due
Dividend allowance	£2,000	The amount of dividends you can receive before tax is due
Inheritance tax nil-rate band	£325,000	The value of your estate that can be handed on after your death without paying inheritance tax
Inheritance tax residence nil-rate band	£150,000	The value of your main residence that can be handed to your children without inheritance tax being paid

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

to IHT, such as the annual exemption, where you can gift up to £3,000 a year and which is immediately exempt from IHT, or £6,000 if you did not make such a gift in the previous tax year.

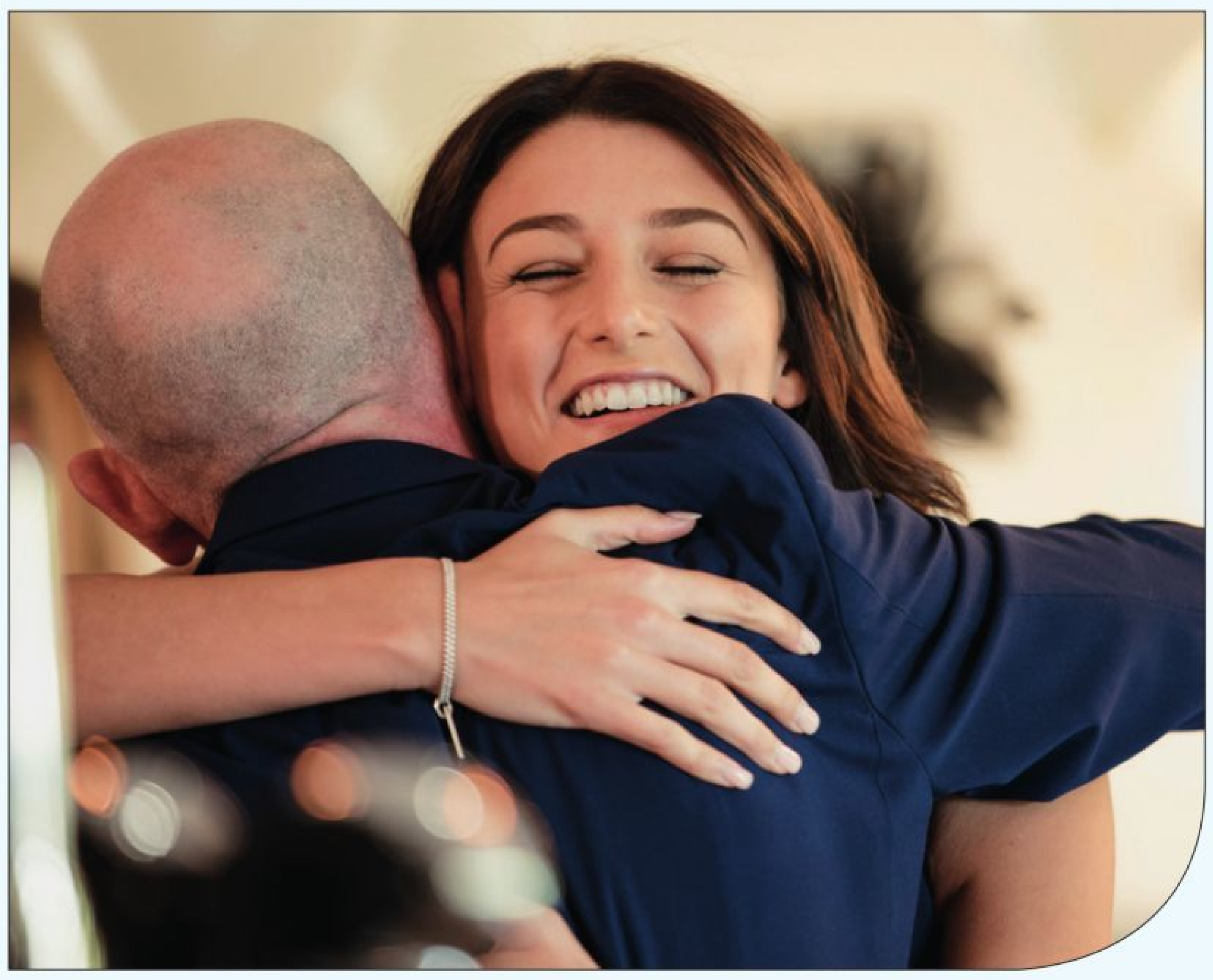
If gifts are intended to be made on a regular basis, come out of income, and do not affect your standard of living, they can be ignored for IHT purposes regardless of size. For those with larger incomes this can make a significant difference to their potential tax liability, though it may not be so relevant to you as a non-taxpayer.

You can make further gifts in excess of the tax-free exemptions; these are known as potentially exempt transfers (PETs). For these to be excluded from IHT calculations you need to survive for seven years after making the gift.

The third consideration is with regard to long-term care. If you need long-term care and your local authority decides that you gave away assets in order to qualify for increased financial support, they can still take this money into account as if you owned it or attempt to recover it from your family. This is called 'deliberate deprivation of assets'. However, this is only likely to apply if you are in bad health now and need care in the reasonably near future.

If I give my daughter £500,000 to buy a property, what's my tax liability?

Q How much tax would I have to pay if I gift £500,000 to my daughter so she can buy her first property?
PQ/London




FRANCIS KLONOWSKI
is principal of Klonowski & Co in Leeds

I assume you mean inheritance tax. I would not want to provide a tax calculation in a letters column, but I can offer general principles to show how the proposed gift may be taxed. In any case, a tax calculation would not be possible without knowing the value of your estate and any other gifts that you may have made previously.

First of all, you would not have to pay any tax yourself when making the gift. The first £3,000 would be exempt under the annual gift allowance. If you did not use this allowance in the last tax year, you can bring it forward and give £6,000 free of inheritance tax.

The remainder of the gift would be classified as a 'potentially exempt transfer' – or PET for short – because inheritance tax might be payable on it. If you survive for seven years after making the gift, no inheritance tax is due. However, if you die within this time, the gift will be added to your estate, and reassessed alongside the other assets that you are leaving.

The first £325,000 of your estate is not subject to inheritance tax: this is known as the 'nil-rate band'. Anything above this is subject to 40% tax. However, the tax may be reduced because of 'taper relief' on the PET: from years four to seven after you have made the gift, the tax gradually reduces until the end of year seven when the gift falls outside your estate altogether.

If you are concerned about the potential tax liability, you could always consider taking out life insurance to cover the estimated sum – but make sure it is written in trust for your daughter, otherwise the proceeds would go into your estate and compound the problem.

Can I transfer part of my buy-to-let property to my daughter to reduce my tax bill?

Q I wish to sell my buy-to-let property in the next few years. Can I transfer part of the property to my daughter each year to minimise capital gains tax by using my yearly allowance? While it would take about six tax years to transfer all of the property, it is likely we would do this for the next two years and sell up in year three.
TM/Chester


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

In law, you can dispose of your property in the way you envisage. However, a piecemeal transfer in the way you suggest is likely to be deemed a tax avoidance scheme under the 'Ramsey' principle. This says one should look at not only a transaction but the series of steps around it and their effect.

Clearly, this series of transactions would be to avoid tax and, in this way, the scheme would be disallowed under the anti-avoidance legislation and potentially taxed as if you had transferred the property to your daughter on the first transfer.

There is further anti-avoidance legislation that taxes in full on the initial transfer in a piecemeal transaction, where there is a commitment to transfer all the property from seller to buyer. In a similar fashion, the transaction would be taxed if you had transferred the property to your daughter on the first transfer.

In any event, a transaction that involves a related party would be valued at an arm's length basis and therefore the disposal value for tax purposes would be the value of the property on the open market.

For inheritance tax purposes, the transaction would be deemed to be a potentially exempt transfer and would be free of tax seven years from the last transfer from you to your daughter, or taxed at up to 40% if you don't survive seven years from the last transaction. mw

WHEN LOVE IS IN THE AIR

DON'T LET MONEY COME BETWEEN YOU

If you meet your soulmate when you're in your 50s or 60s, then it's likely that you will both come with some financial baggage. Here's our guide to the six things to think about to enjoy those golden times together without future woes

BY SAM BARRETT

More of us are finding love in later life, with the number of over-65s tying the knot up by nearly 50% over the past decade, according to the Office for National Statistics (ONS). But while romance can bring happiness and security, a new partner at this stage can also bring its fair share of financial headaches.

With decades of adulthood under your belt, it's highly likely that you and your partner will have different wealth, health and family situations.

"Merging two different financial situations can be complex, both technically and emotionally," says Joe Roxborough, chartered financial planner at Ascot Lloyd.

"As well as different financial situations, each party might have commitments to children and ex-spouses that all need to be taken into consideration."

On the rosy side, marriage offers some significant tax breaks. Being able to transfer assets between you can save on income, capital gains and inheritance tax.

Ken Dodd's decision to marry his partner of 40 years, Anne Jones, just two days before he died in 2018 meant that he saved her having to pay an inheritance tax bill of up to £11 million on the £27.5 million estate he left her.

While many people marry because of the tax breaks, Julie-Ann Harris, partner and head of family law at legal firm Coffin Mew, points out that savings can be outweighed by other financial issues.

"On one hand, being married gives you security, but it also opens you up to financial claims. Your new husband or wife will have a legal right to your assets," she says.

"It's not legally binding, but a prenup can offer some protection. With a bit of planning you can also put the right legal and financial framework in place to protect your interests."

1. Estate planning

Unless both parties agree where their wealth will ultimately go, there can be all sorts of legal wrangling if other family members feel they have been overlooked. So estate planning is key.

While it's possible to use a will to divvy up assets on death, the home can cause major issues. Ms Harris recommends checking how it's registered.

"If you own your home as joint tenants, your share will automatically go to your spouse when you die. When they die, as it's in their estate it could all go to their kids," she explains.

If you would rather it went to your own children, or even to the local donkey sanctuary, this can be arranged without forcing some bizarre home-sharing experiment.

Julia Rosenbloom, partner at tax adviser Smith & Williamson, explains: “By setting up an interest in possession trust in your will, your spouse will be able to stay in the home until death, when your share will pass on to your kids or whoever you want.”

You will also need to change the way the property is registered, from joint tenancy to tenancy in common, adding a declaration of trust form to confirm the details.

Emily Deane, technical counsel at the Society of Trust and Estate Practitioners, says: “This allows you to stipulate what percentage of the property you own, and what happens on death.”

2. Minimising inheritance tax

The ONS says 92% of people getting married over 65 are divorcees, widows or widowers. So if you are on your second or third marriage, it’s quite possible you or your spouse have already inherited a transferable nil rate band (NRB) when a former partner died (where an unused IHT allowance is passed on to a surviving spouse). However, while this is useful, it’s important to note that you can only have a maximum of two NRBs, so up to £650,000 of assets can be passed on IHT-free.

“If your spouse already has two NRBs, don’t waste yours by leaving it to him or her,” says Ms Rosenbloom. “If you have a spare £325,000 of assets, leave these to other people to use your NRB. Where this isn’t possible, set up a discretionary trust in your will, diverting £325,000 of assets to this on death.”

Having a discretionary trust allows more control over when, how and to whom assets are distributed. As the trustees decide when the assets are distributed, this can work well if you don’t feel comfortable leaving large amounts to children or you’d like to provide for future grandchildren, as well as those already on the scene.

By ensuring you use all the NRBS available, you can save a significant IHT bill. For instance, say both parties have two NRBs – their own, plus a transferable one from a former spouse who died. Assuming the £325,000 allowance is still in force, leaving the full £650,000 of assets to beneficiaries other than the spouse on first death would save an IHT bill of £260,000 (40% of £650,000) on second death.

3. Life insurance and pensions

Ms Deane recommends reviewing any life insurance

Consider what might happen if one of you needs care

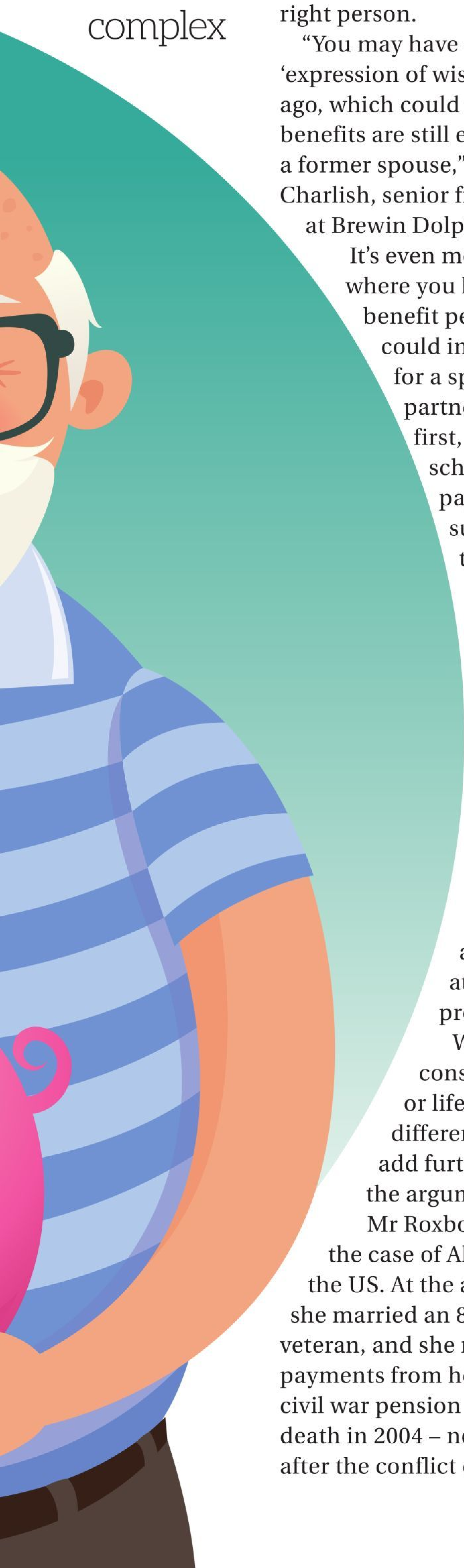
> Wills are a must – and even more so when lives are more complex

arrangements that you have in place.

"Some policies will automatically allocate the proceeds to the spouse, so make sure the insurer knows your wishes, especially where this isn't the case."

Pensions may also need to be reviewed to ensure that any death benefits are paid to the right person.

"You may have completed the 'expression of wishes' form years ago, which could mean the death benefits are still earmarked for a former spouse," says Scott Charlish, senior financial planner at Brewin Dolphin.



It's even more important where you have a defined benefit pension. This could include a pension for a spouse or civil partner if you die first, with some schemes also paying out a lump sum if you die in the first flush of retirement.

"Many schemes will pay 50% to 66% of your pension to a surviving spouse," says Mr Roxborough.

"This might make marriage a particularly attractive proposition."

Where there's a considerable age or life expectancy difference, this can add further weight to the argument.

Mr Roxborough points to the case of Alberta Martin in the US. At the age of 21, she married an 81-year-old veteran, and she received payments from her husband's civil war pension right up to her death in 2004 – nearly 140 years after the conflict ended.

4. DON'T FORGET ABOUT THE LASTING POWER OF ATTORNEY

It's also prudent to be prepared for the future, with a lasting power of attorney. This ensures that someone you trust can make decisions on your behalf if you become unwell and are unable to do so yourself.

There are two types, one for property and financial affairs and another for health and welfare.

Ms Deane says that everyone should consider these, regardless of age or relationship status.

"It doesn't matter whether you're married or not, if you're not named on a power of attorney, it will be difficult to make decisions on someone else's behalf, or access their finances unless it's a joint account," she says. "Without this, you'd need to apply for a deputyship order, which is more complicated and can take around six months to arrange." It's also considerably more expensive.

• Find out more about making and registering a lasting power of attorney at Gov.uk/power-of-attorney.

5. Wills

Wills are a must and are even more important when circumstances are a little more complicated.

"As families get less 'vanilla', having a will becomes even more significant," says Ms Rosenbloom. "Also note that if you marry, any existing wills will be revoked."

Without a legal will, your estate will be divided according to the rules of intestacy. This isn't such an issue if you're married. In this case, your spouse will receive as a minimum £250,000 of the estate and half the remainder, plus all your personal possessions.

However, if you're cohabiting, all you're legally entitled to is the deceased's half of any property you held as joint tenants, which may come with the added sting of an IHT liability.

"The rules of intestacy rarely deliver what people wanted," says Ms Deane. "If your wishes change, update your will – and if you remarry, then make a new one."

6. Care fees

As well as being able to look after a loved one's affairs if they're unable to do so themselves, it's also sensible to think about what might happen if one of you needs care.

"Local authorities look at an individual's wealth when they assess care fees," says Mr Charlish. "Rules vary between authorities, but although they'll disregard the property if you both live there, half of any other joint assets will usually be taken into account."

If you have a joint account, switching money into your own name to avoid it being spent on care fees won't necessarily wash. Where a local authority believes you have deliberately removed some funds from the care pot – a practice known as 'deprivation of assets' – they will treat it as if it was still available to cover care fees.

One option for those who have their finances more entwined than they might want at this point is to purchase a care annuity. This takes into account the individual's life expectancy and, in exchange for a lump sum, will pay a guaranteed amount for the rest of their life.

But whether deciding who benefits from your pension or where you leave your share of your home, talking about finances from the outset is key to avoiding hefty bills and considerable heartache later.

"Being upfront with your financial obligations and objectives is best to ensure you aren't misleading, or being misled," says Mr Roxborough. "Getting married isn't always the best option financially. While it should always be a personal choice, make sure it's an informed one." mw

SAM BARRETT is a freelance financial journalist writing for *FTAdviser.com*, *Insurance Post* and *Money Observer*.

FINDING TRAVEL INSURANCE AFTER A CANCER DIAGNOSIS

For people suffering from cancer and other serious conditions, finding adequate travel insurance can be tricky. But help is at hand from specialist companies providing great cover at reasonable cost

BY JO THORNHILL

Finding suitable travel insurance after a cancer diagnosis can be fraught with problems. The premiums quoted online often cost more than the holiday or else any claim relating to the cancer is excluded.

Action is underway that should lead to better levels of insurance and more reasonable prices for those with medical conditions. But in the meantime consumers must know where to look to avoid buying inadequate cover.

All insurers and comparison websites will soon be required to signpost consumers with pre-existing conditions to specialist travel insurers, whether they have offered them a quote for cover or not. It follows an investigation into this market by the regulator – the Financial Conduct Authority.

Andrew Williams, business development manager for specialist travel insurer Free Spirit, says: "The FCA is in discussions with insurers, and changes should be coming soon, which is great news for anyone with cancer or any other serious condition who has struggled to find insurance. Cover is out there for people in this situation but it can be difficult to know how to get it."

A recent survey by consumer group Which? found that when consumers with pre-existing medical conditions apply for travel insurance, around one in five are only offered cover that excludes claims arising from their condition and one in four faced inflated premiums.

"Research by Which? highlights the importance of speaking to a specialist broker or insurer when you have cancer or other medical condition," says Sarah Page, brand manager for specialist insurer Insurancewith. "Not everyone's situation is going to fit neatly into the tick boxes on a screen when applying for cover."

Ms Page adds: "At Insurancewith we can offer one-to-one medical underwriting and policies tailored to your specific needs so the price more accurately reflects the risk. This usually makes it much more affordable, particularly for someone with cancer."

The type of cancer you have, its stage, your treatment and your medication will all affect the premium, as will your age – with older consumers typically having to pay more, as statistically they are more likely to claim.

Your choice of destination and the duration of the trip will also have a bearing on the cost. This is because the cost of healthcare in different countries varies widely. In Spain, for example, tourists will often be directed to private clinics

"Not everyone fits neatly into the tick boxes on screen"

Author Fi Munro found affordable travel cover with Insurancewith

HOW TO KEEP PREMIUMS DOWN

Shop around: Do your research and speak to different specialist insurers. A broker should be able to scour the market to find different policies to suit your needs at a reasonable price.

Opt for a larger excess: By agreeing to pay a higher excess – the first part of any insurance claim that you must pay – it may be possible to lower the premium.

Book holidays closer to the time of travel: If you can reduce the risk of cancellation due to ill health and can exclude cancellation cover from your insurance this should bring the premium down.

Consider changing destination and reduce length of trip: Insurance for travel to some countries will be much more expensive, so if you have not yet booked your trip talk to insurers and find out where might be cheapest. Shorter trips mean a lower risk of a claim and will bring insurance costs down.

Most insurers will ask about any treatment or prescribed medication you have taken within the last two years, or if you have been an in- or outpatient at a hospital, clinic or GP in the same time frame. It means if you had cancer three years ago, for example, but you can answer 'no' to these questions you will not need to declare the cancer and your premium should be much lower.

when they need medical attention – this can vastly inflate the cost of a claim, compared to state-funded healthcare. Healthcare in the US and Australia, for example, can also be expensive.

The delay to Brexit means holidaymakers to European Union countries can continue to use the European Health Insurance Card (known as EHIC) for now – although future arrangements are unclear. EHIC entitles you to emergency state healthcare in EU countries. But consumers should not rely on this as an alternative to travel insurance. The standards of care may be much lower than with the NHS. It also won't cover the costs of repatriation.

Declare all your medical conditions to get the right cover

The majority of insurers in the market use medical screening software called Healix, although a number use a different package called Protectif. The screening will ask questions about your condition and treatment to arrive at a 'medical score' before offering a premium cost for the travel insurance. As the two screening methods are slightly different it can be worthwhile getting quotes from a range of insurers that use different screening software.

Chris Rolland, chief executive at specialist insurer AllClear, says: "Declare everything. You will be asked to provide answers to set questions relating to each medical condition to ensure the insurer gets the information it needs to offer appropriate cover."

Using a broker can be helpful as it will look across a broad spectrum of providers to find you the best cover and price for your needs. The British Insurance Brokers' Association (BIBA) website at biba.org.uk can help you find one.

For most people with cancer and serious pre-existing conditions, and even those with a terminal diagnosis, it should be possible to find cover at a reasonable cost, although in some circumstances specific and tailored underwriting may be necessary.

Fi Munro, 33, from Errol, Perthshire, was diagnosed with stage-4b ovarian cancer in January 2016. She has since written a book *How Long Have I Got?*, set up an award-winning blog – *Live Like You are Dying* – and started her own businesses teaching yoga and meditation.

Fi says: "After the diagnosis I just wanted to live my life in the way I wanted and without barriers. I love to travel, but looking around for insurance that would cover me and my cancer was so difficult.

"A medical professional recommended that I speak to Insurancewith," she adds. "I just couldn't believe the difference in its approach – and also the cost. It was so much cheaper than the mainstream brands that I'd previously been looking at."

Fi takes out single-trip cover for each holiday. Cover for her and her husband, Ewan, for a two-week trip to France in April cost £85, for example. It is a stark contrast to the hundreds of pounds she could be charged with less specialist insurers.

According to experts, it is a good idea to take out joint cover with the same insurer, even where one person in a couple does not have any pre-existing medical conditions. The cost should not be any higher.

Mr Williams at Free Spirit says: "There could be complications if you need to cancel your trip due to illness, but your partner's separate insurance won't cover the cancellation."

Insurer AllClear offers 'Travelling companion' cover for travellers who are insured with a different provider for cancellation or curtailment as a result of the pre-existing condition of their travelling companion under AllClear.

Think about purchasing travel insurance even for trips booked in the UK – because cancellation is among the main reasons for claiming on a policy for those with medical conditions. mw

John Carpenter and his wife, Linda, who 'love to travel'

"It's best to take out joint cover with the same insurer"

COST WAS GREATER 'BUT REASONABLE'

Many holidaymakers with pre-existing conditions decide to take a gamble and travel without insurance because they feel the premium cost is unaffordable. But this is a high-risk strategy.

John Carpenter was extremely glad he had taken out annual travel insurance when he was forced to cancel a cruise he had booked for his wife Linda's birthday last year, after a lump appeared in his neck and he needed urgent chemotherapy.

John, in his early-60s, had been diagnosed with lymphoma in 2016. At that time doctors advised him to wait and see because his symptoms did not warrant immediate treatment. John and Linda, who love to travel, continued to take many holidays each year – although, due to his cancer, John now took out cover with specialist insurer AllClear, rather than buying cover through his travel agent as he always had done in the past.

"At £500 for annual worldwide cover my condition did mean a significant increase to the cost of cover," says John. "But I felt it was reasonable considering the cruise I had planned and that it included the US, renowned for its high medical costs."

The couple received a 25% refund on the cost of their £3,000 holiday from the cruise company and luckily, the terms of AllClear's cover meant that they could reclaim the remainder on their insurance, minus the £250 excess.

"We were sent an email confirming our claim had been successful within two days," says John, "and the payment was in my bank account within seven days of making the claim."

John responded well to treatment and has stem cell therapy planned. He has been advised he is well enough to go on holiday before this treatment starts and AllClear has provided a new policy, taking into account his current medical situation. He has taken out a single trip policy for £200 for a seven-night break to Turkey.

11th Moneywise Customer Service

moneywise CUSTOMER SERVICE AWARDS 2019

First Direct, the most trusted financial provider winner in 2018, receives its awards

We can now reveal the companies that have been shortlisted in the Moneywise Customer Services Awards 2019

BY EDMUND GREAVES

The winners will be announced on 13 June at a black-tie gala dinner in London's West End. The results will also be published in the August issue of *Moneywise* and at Moneywise.co.uk.

Now in its 11th 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 32,000 people completed our questionnaire, making it one of the largest surveys of financial consumers in the UK.

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

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

Here's the 2019 shortlist:

CURRENT ACCOUNTS AND BANKING

BEST CURRENT ACCOUNT PROVIDER FOR BRANCH SERVICE
Halifax
Nationwide Building Society
Santander
The Co-operative Bank
TSB
Yorkshire Bank

BEST CURRENT ACCOUNT PROVIDER FOR CALL CENTRE SERVICE
First Direct
Halifax
Nationwide Building Society
Santander
The Co-operative Bank
Yorkshire Bank

BEST BANKING APP
Bank of Scotland
Barclays
First Direct
Halifax
Nationwide Building Society
NatWest

MOST TRUSTED SMALL BUSINESS BANKING PROVIDER
Barclays
HSBC
Lloyds Bank
NatWest
Santander

MOST TRUSTED CURRENT ACCOUNT PROVIDER
First Direct
Halifax
Nationwide Building Society
Santander
The Co-operative Bank
Yorkshire Bank

SAVINGS

BEST PROVIDER FOR CHILDREN'S SAVINGS
Barclays
Halifax
HSBC
Lloyds Bank
Nationwide Building Society
Santander

MOST TRUSTED SAVINGS AND CASH ISA PROVIDER
Coventry Building Society
Ford Money
Lloyds Bank
National Savings & Investments
Nationwide Building Society
Virgin Money

BEST PROVIDER FOR REGULAR SAVERS
First Direct
HSBC
Nationwide Building Society
NatWest
Santander
TSB

BEST SAVINGS PROVIDER FOR LARGE DEPOSITS
Coventry Building Society
First Direct
Ford Money
Marcus by Goldman Sachs
Nationwide Building Society
Santander

Awards 2019: shortlists revealed

£1,000 SURVEY PRIZE DRAW WINNER

Every reader who entered *Moneywise's* Customer Service Awards 2019 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.

CREDIT CARDS

MOST TRUSTED CREDIT CARD PROVIDER
First Direct
HSBC
John Lewis
Lloyds Bank
M&S Bank
Santander

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

BORROWING AND LENDING

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

MOST TRUSTED LOANS PROVIDER
Barclays
First Direct
RateSetter
Sainsbury's Bank
Tesco Bank
Zopa

MOST TRUSTED MORTGAGE PROVIDER
First Direct
Halifax
HSBC
Nationwide Building Society
NatWest
Santander

MOST TRUSTED BUY-TO-LET MORTGAGE PROVIDER
Coventry Building Society
Halifax
NatWest
Santander
The Mortgage Works (TMW)
Virgin Money

INSURANCE

MOST TRUSTED HEALTH INSURANCE PROVIDER
Aviva
AXA PPP
Benenden Health
Bupa
CS Healthcare
Legal & General

MOST TRUSTED HEALTH INSURANCE PROVIDER VIA EMPLOYER
Aviva
AXA PPP
Benenden Health
Bupa
Cigna
Vitality

Ours is one of the largest surveys of financial consumers in the UK

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

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

MOST TRUSTED LIFE INSURANCE PROVIDER
AIG Life
Aviva
AXA
LV=
Royal London
Scottish Widows

MOST TRUSTED HOME INSURANCE PROVIDER
Co-op insurance
CSIS
LV=
Nationwide Building Society
NFU Mutual
Zurich

MOST TRUSTED TRAVEL INSURANCE PROVIDER
Cover Wise
CSIS
Holidaysafe
LV=
Post Office
Staysure

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

MOST TRUSTED PET INSURANCE PROVIDER
Animal Friends
Bought by Many
Direct Line
Lifetime Pet Cover
Petplan
Tesco Bank

MOST TRUSTED INSURANCE COMPARISON SITE
Comparethemarket
Confused
MoneySuperMarket
Quidco
TopCashback
uSwitch

mw

LONG-TERM CARE: HOW WILL YOU FUND IT?

Moneywise reviews the ways that you can pay for care in old age and the recently proposed national insurance increase for the over-50s, which is intended to help fund a fairer system

BY STEPHEN LITTLE

The care system is currently in crisis, with many people forced to sell their homes to pay for care in later life.

As the population ages, more of us will need care support when we are older.

Even though many people save into a pension to cover the cost of living in retirement, many are not prepared for the expensive fees they may face if they need care.

There are currently more than 400,000 people in care homes in the UK and this is expected to rise to 1.2 million by 2040.

Most people who need care will end up paying something toward the costs, but this will largely depend on individual circumstances.

Paying for residential care can be expensive, especially for those who have to sell their property in order to fund it.

Fees are around £600 a week for a care-home place and more than £800 a week for a place in a nursing home, depending on where you live.

According to charity Age UK, in 2016/17 London was the most expensive area to fund a care-home place, at £741 a week, while the North West was the least expensive, at £511 a week.

Funding for care is means-tested by local authorities and could be the biggest cost you face in retirement if your capital and income exceeds the threshold.

When assessing your finances, the council will look at your assets such as your property, savings and income.

Currently, if your assets are more than £23,250 (£28,000 in Scotland and £50,000 in Wales), you will have to pay for your own care, which may not leave you with much left in the pot to pass on to family members.

If your assets are below this figure, you will be eligible for help from your council.

However, your house will not be included in the assessment if you arrange care and support at home or if you live with a partner, child, or a relative who is disabled or over the age of 60.

While it may be tempting to sell, or even give, your house to a relative in order to avoid the full cost of care, this might not be such a good idea.

It could be seen as a deliberate deprivation of assets, and the council could calculate your fees as if you still owned the home, reclaiming the care costs from the person to whom you transferred the property.

Lucy Harmer, director of services at the charity Independent Age, says: "We hear a lot from older people who find it hard to understand the care funding system.

"Combined with the chronic underfunding from government, you can see how people find it difficult to navigate. Investment in

"It is very difficult to plan ahead when you don't know how much you will need"

the care system is not high enough to provide the quality of care for the number of people that need it, and therefore a radical solution is necessary.

"That is why we are calling for free personal care to eliminate the costs people face, as it will allow them to plan ahead."

OTHER OPTIONS FOR FUNDING CARE

Equity release

If you plan to receive care at home and do not qualify for local authority support, you can use an equity release scheme to fund your care.

A lifetime mortgage allows you to take out a loan that is secured against your property.

You can extract cash in a single lump sum or in smaller amounts over time through what is known as drawdown.

Unlike conventional mortgages, you don't make monthly repayments – instead, interest rolls up and the loan plus interest is repaid when the property is eventually sold.

Downsizing

Many pensioners are asset-rich but cash poor, and because of this downsizing provides another way to raise funds.

While you may not be able to raise as much this way as with equity release, it is sometimes more cost effective because you won't have to pay interest. You may also want to live in a smaller home more suited to your needs.

Deferred payment

If you don't want to sell your home immediately, another option is a deferred payment scheme that allows you to delay paying the costs of your care.

Your local authority will pay for your care, which you can repay when you sell your home.

To be eligible the value of your savings and capital – not including your home – must be less than £23,250.

Annuity

A care annuity, which is also known as an immediate needs annuity, is an insurance policy that provides a regular income to pay for care in exchange for an upfront lump sum.

It is bought at the point of need and designed to cover the shortfall between your income and the cost of care. It is paid tax free directly to the care provider.

The amount you pay is based on your health and life expectancy, and annuities provide an income for life.

However, your heirs won't be able to claim back any of the money you spent on the annuity.

Start saving young

With no guarantee as to what social-care funding will look like in the future, it makes sense for

SOCIAL CARE GREEN PAPER

The government is expected to propose a cap to prevent rising care costs in its upcoming green paper. This would limit how much people pay for social care.

Policy ideas it will consult on include more means-testing for care charges, an insurance contribution model, a 'Care Isa' and tax-free withdrawals from pension pots.

Rachael Griffin, tax and financial planning expert at Quilter, comments: "One of the many problems with the current social care system is the complexity and uncertainty around the provision from the state.

"Worryingly, people sometimes bank on the public purse to pay for their care or at least part of it. Even those who don't are left scratching their heads as to how much they need to pay in before state funding kicks in. The whole thing leaves people confused and vulnerable.

"This is nothing new and is something the government has committed to tackling for years. However, to shift the current structure we need the social care green paper, which continues to be talked about as some sort of mythical being that never reveals itself."

The social care green paper was originally due to be published last year but it has faced numerous delays and remains unpublished at the time of writing.

younger people to start planning for their care early.

Boosting pension contributions can help you to build a savings pot you may need for care later on.

However, the minimum auto-enrolment rate of 8% is unlikely to be enough, warns Steve Cameron, pensions director at Aegon.

He says: "It is very difficult to plan ahead when you just don't know how much you will need.

"By saving into your pension, once you get near to retirement age and you understand your needs, you can then allocate any savings accordingly."

"It may be simpler to have savings and a pension for your needs later on"

Care funding alternatives

With adult social care in the UK currently at crisis point, radical solutions are needed to fund the system sustainably.

Former Conservative cabinet minister Damian Green MP recently proposed a 1% national insurance (NI) hike for the over-50s costing around £300 a year to help fund social care. The winter fuel allowance would also be taxed.

Mr Green argues that the care system should adopt a similar model to the state pension system. Everyone would be entitled to a similar level of support, but individuals would be encouraged to top this up from their own savings or housing wealth.

This would be boosted by the care supplement – a new form of insurance that would pay for "larger rooms, better food and more trips".

Mr Cameron says: "A 1% increase in NI would be palatable for most people if they thought that in return for that their core care costs would be paid for.

"With the increasing number of people facing social care in later life, the government needs to put in place a stable and sustainable way of sharing costs between the state and individuals, based on their wealth.

"The government's share needs to be adequately funded, ensuring good quality care across the country, with an end to the current geographical lottery. As our society increasingly enjoys longer lives, this inevitably comes at a cost."

He says that individuals need to have a clear understanding of what they will be expected to pay if they need care, with a cap on care costs.

"Under the plan, it would effectively be setting a cap on care costs without having to pay anything unless you want to upgrade.

"There needs to be incentives for people to plan ahead for an event that could be 20 or more years into the future."

Joel Lewis, policy manager at Age UK, says: "It is an opt-in system, so it does not require you to pay in, but will members of the public be willing to pay for care they may or may not need in the future? It is a tough one to predict whether people will do it.

"It is a bit of a strange one to plan for if you are in good health. It would probably be simpler to have savings and a pension pot built up to pay for eventualities later in life." MW

Which mortgage providers have shone brightest, been truly innovative and given outstanding service in the face of ever challenging market conditions? The competition was fierce, as always, but the results are finally in – here are the winning lenders in the Moneywise Mortgage Awards 2019

BY RACHEL LACEY

Brits are property obsessed. We watch people buy, sell and renovate their homes on TV, and check out what our neighbours' properties have sold for online. And when the conversation runs dry after we've exhausted the state of the weather, there's always the state of the property market to fall back on.

But for many people the reality of buying and financing property can be pretty stressful. From difficult buyers to tardy solicitors or problematic surveys there is often something that throws a spanner in the works.

However, with the right mortgage from the right lender, financing your property purchase shouldn't be an additional headache.

Whether you are buying your first home or your last home, purchasing an investment or want to get a better deal on your current loan, the *Moneywise* Mortgage Awards are here to help you find the right lender for you.

Across 12 categories, our awards go to lenders who don't just offer excellent rates, they also provide top-notch customer service and strive to come up with the solutions to better tackle your borrowing needs.

BEST LENDER FOR FIXED RATES
WINNER:

HSBC

- Contact: Hsbc.co.uk
- Top deal: 1.84% five-year fix
- Max LTV: 60%
- Fee: £999

HIGHLY COMMENDED:

BARCLAYS

Best lender for fixed rates

Fixed rate mortgages offer you the certainty that your mortgage payments will not rise during the specified period, irrespective of what happens to interest rates. Deals are typically for two or five years, but longer term 10-year deals are also available.

With interest rates remaining low since the 2008 financial crisis, borrowers have become used to cheap mortgages and are wary of rates rising. With this in mind, it's not surprising that the vast majority of borrowers now take out this type of mortgage and competition between lenders is fierce.

Our winner for the third consecutive year is HSBC. David Hollingworth, judge and associate director, communications at London & Country says: "The consistency of its pricing is hard to ignore and puts it at or near the top of the best buy charts, week in week out. It's not just at low LTV [loan-to-value] bandings either; it also adds to the strength of its offering with free valuation and free basic legal work for remortgages as standard."

For the second year in a row, our runner-up is Barclays. Judge Andrew Montlake, director at mortgage broker Coreco says: "It has been consistent all year with good rates."

Judge Cassie Stephenson, vice president operations at Habito meanwhile noted that it is particularly competitive in the help to buy market.

Best lender for discount mortgages

Fixed rates might be the preferred choice of most borrowers, but there is still a market among some borrowers for discounted rates. These offer a discount from the lender's standard variable rate but as the rate is not fixed it may change if interest rates rise or fall.

Our winner this year is Accord – the broker-only subsidiary of Yorkshire Building Society, which won the same category in 2018. Judge Aaron Strutt, product and communications manager at Trinity Financial Services says: "Accord has offered some incredibly cheap discounted mortgage rates over the past year, undercutting the price of many fixed deals. They have been available to a wide range of borrowers, and these mortgages complement the overall suite of products. Most borrowers do not think about discounted rates because they typically take a fixed rate but they can be an attractive option."

He adds: "Accord's discounted mortgages have also been designed so borrowers can lock into a fixed rate at any point without paying an exit fee." Coming in a close second place is Leeds Building Society. Mr Hollingworth says: "A thorough range of competitively priced discounted rates on offer in the core areas. It typically offers a range of fee options to broaden the suitability to a wider audience."

BEST LENDER FOR DISCOUNT MORTGAGES

WINNER:

ACCORD MORTGAGES

- Contact: Accordmortgages.com

HIGHLY COMMENDED:

Leeds Building Society

BEST LENDER FOR OFFSET MORTGAGES

WINNER:

SCOTTISH WIDOWS BANK

- Contact: Scottishwidows.co.uk/bank
- Top deal: 1.99% five-year fix
- Max LTV: 60%
- Fee: £1,499

HIGHLY COMMENDED:

ACCORD MORTGAGES

Best lender for offset mortgages

Offset mortgages enable you to use any savings you might have to reduce the level of interest you pay on your home loan. So, for example, if you had a £100,000 mortgage, linked to £25,000 in savings, you would only pay interest on the difference – £75,000. This can save borrowers thousands of pounds, either by reducing monthly repayments or by repaying their mortgage early. Mr Strutt says: "If more people were aware of the benefits of offset mortgages they would be tempted to take them rather than leaving cash in savings accounts generating small returns. There are lots of calculators online that can demonstrate how they work and how much you could save."

Not only does Scottish Widows Bank take the award for an impressive fifth year in a row, it was also the unanimous choice of our judges. Mr Montlake says: "They have been brilliant all year with low rates and a good offset offering, especially on remortgages. So good I remortgaged to them myself!"

Mr Hollingworth adds: "It's unique in making offset standard across the entire range and has been highly competitive at times. Famously flexible for higher earners, Scottish Widows' proposition is very well structured for their target market."

"Barclays is a great example of what can be achieved by looking beyond conventional wisdom"
David Hollingworth

BEST LENDER FOR BUY TO LET
WINNER:

BARCLAYS

- Contact: Barclays.co.uk
- Top deal: 1.47% two-year fixed rate
- Max LTV: 65%
- Fee: £1,795

HIGHLY COMMENDED:

the mortgage works

BEST LENDER FOR FIRST-TIME BUYERS
WINNER:

Nationwide

- Contact: nationwide.co.uk
- Top deal: 1.99% two-year fixed rate
- Max LTV: 90%
- Fee: £999

HIGHLY COMMENDED:

HALIFAX

Our runner-up is Accord Mortgages. Mr Strutt says: "Accord has had a real push on its offset proposition, making it more widely available to borrowers including first-time buyers. Brokers are turning to the lender because it consistently offers mortgages when other banks or building societies have refused applications."

Best lender buy to let

As rules and regulations become increasingly punitive for landlords, it's becoming even more important for landlords and property investors to make sure they are on the most competitive rate possible and working with a lender that can help them navigate the market.

For the second year on the bounce the award goes to Barclays. Mr Hollingworth says: "Barclays is a great example of what can be achieved by looking beyond conventional wisdom. Its full affordability assessment underwrites the borrower rather than the property, which makes them particularly good for smaller-scale landlords in high-value areas who might otherwise struggle to meet pure rental tests. Good product pricing and incentives add up to a compelling offer."

This year the runner up is The Mortgage Works (TMW) – the specialist lending arm of Nationwide Building Society. Mr Hollingworth says: "TMW is a major buy-to-let player but has not rested on its laurels and continues to develop and enhance its proposition. TMW's launch into the limited company buy-to-let market has helped to shake that market up but it continues to look after the smaller landlords too. Higher 80% LTV options, strong incentives, a wide range of fee options and competitive rates make for an excellent overall package."

"Scottish Widows has been brilliant all year with low rates and a good offset offering"
Andrew Montlake

Best lender first-time buyers

Getting on to the property ladder can feel like something of a Herculean feat, and it helps when lenders can take a practical, sensible approach. This award is for those lenders that go above and beyond to help people buy their first home.

Once again it was very much a two-horse race, with high street giants Nationwide and Halifax taking first and second place as they did in our 2018 awards.

Commenting on our winner, Nationwide, Mr Strutt says: "Nationwide has made a strong commitment to first-time buyers to help them on to the property ladder. The lender has higher loan-to-value mortgages and provides terms of up to 40 years. At the moment it is taking an average of 10 days to produce mortgage offers and does not charge a valuation fee if you are purchasing a property and require a basic inspection."

He adds: "Last year the lender increased its 95% loan-to-value loan size twice from £350,000 to £500,000 to make it easier to purchase property typically in London and the South East. It had already raised this limit from £250,000 to £350,000."

Ms Stephenson says our runner-up, Halifax, is "good on affordability and offers a very quick turnaround time from application to offer". Mr Montlake says it's "always consistent, always reliable, the first-time buyer's dream".

Best lender first-time buyers with family support

With increasing numbers of first-time buyers turning to parents and other family members for help in buying their first home, this award is for those lenders that have developed products to specifically target this market and incorporate financial support from a third party in its affordability calculations.

The award this year goes to Barclays – last year's runner-up. Mr Hollingworth says: "Barclays has supported the Family Springboard product approach consistently, now offering deals all the way up to 100% LTV when a parent is able to support their child moneywise MORTGAGE AWARDS 2019

BEST LENDER FOR FIRST-TIME BUYERS WITH FAMILY SUPPORT

WINNER:

BARCLAYS

- Contact: Barclays.co.uk
- Top deal: 2.75% three-year fix (Family Springboard, which requires a family member to pay 10% of the purchase price into a linked savings account for three years)
- Max LTV: 95%
- Fee: £0

HIGHLY COMMENDED:

Bath Building Society

BEST LENDER FOR LIFETIME TRACKERS

WINNER:

first direct

- Contact: firstdirect.com
- Top deal: 2.74% (1.99% over BoE base rate)
- Max LTV: 75%
- Fee: £490

HIGHLY COMMENDED:

Santander

with 10% in cash as additional security. From the parents' point of view it offers interest on the cash and access to their savings after three years."

Runner-up this year is Bath Building Society, which has been offering its Parent Assisted Buying Scheme since 2008. It also offers loans to help university students purchase property. Mr Montlake describes the lender's approach as "original and innovative".

"First Direct is one of a few lenders happy to provide Bank of England trackers. And it has great customer service" **Aaron Strutt**

Best lender lifetime trackers

If you don't want the hassle of remortgaging every few years and can cope with your mortgage repayments changing, it may make sense to go for a lifetime tracker. Rather than offering a fixed or discounted rate for a set period of time, these mortgages are set at a certain margin above the Bank of England base rate and move up and down when it does.

Unlike fixed and discount deals that tie you in for a certain period of time, there are not usually any penalties for switching.

For the second year in a row, the award goes to First Direct. Mr Strutt says: "First Direct is one of a limited number of lenders happy to provide Bank of England base rate tracker mortgages that are competitively priced with very low arrangement fees.

"The bank still has a great reputation for customer service and its products are available providing you have a 10% deposit. There are also a few offset rates."

Taking the runner-up position is Santander. Mr Hollingworth says: "Santander is very good at targeting its products well and with good incentive packages to bolster the rates on offer."

Best lender for remortgages

When you come to the end of the fixed or discounted rate on your mortgage, you'll be switched to your lender's standard variable rate and your monthly repayments will skyrocket.

However, you can avoid this by remortgaging to a better deal. Once you have come off your special rate there aren't usually any penalties for switching. There will be arrangement fees on your new loan but these will be more than outweighed by the savings you make on lower repayments.

Taking the award once again is Barclays – the same winner as last year. Mr Strutt says: "Barclays is extremely active in the remortgage market and has an attractive proposition to tempt borrowers away from their existing lenders and avoid expensive standard variable rates.

"The bank has some great rates, low arrangement fees and generous affordability calculations, and even contributes to the valuation and legal costs of remortgaging. It can also provide a super-fast mortgage if you have a large deposit."

Coming a very close second is HSBC, which was also runner-up last year.

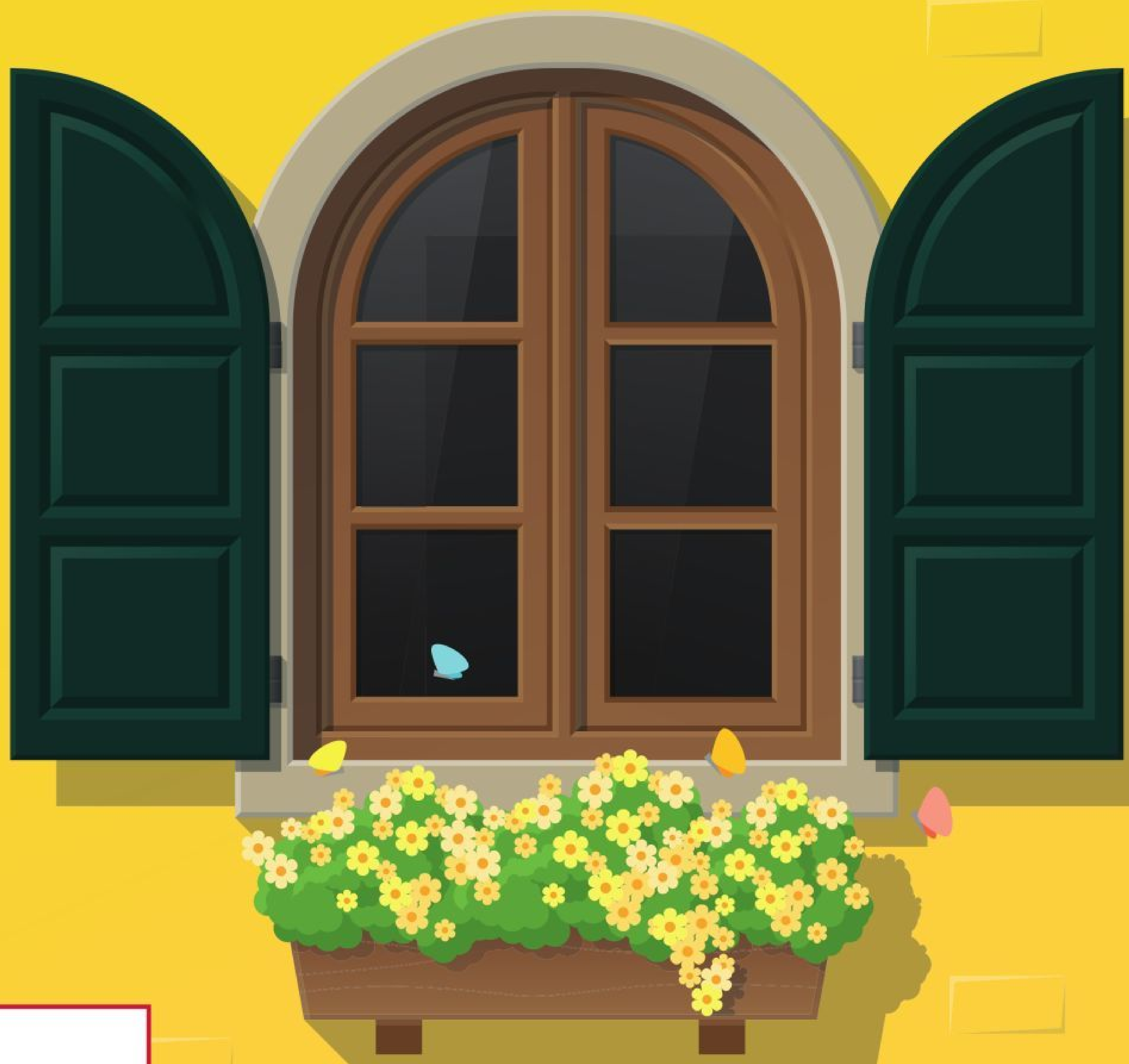
Mr Hollingworth says: "HSBC is impossible to ignore, with consistent market-leading rates on offer and remortgage incentives across the board.

"The key areas of two and five-year fixes as well as two-year trackers have all been covered, making for a great remortgage option."

Best lender for larger loans

It's crazy to think that wealth can hinder your ability to borrow, but the reality is borrowers in need of larger loans could see their options limited. It may be that they exceed the maximum loan size for the most competitive deals, or find that income from multiple sources complicates affordability assessments.

Our winner this year is HSBC, which was highly commended in this category last year.



> "When people want larger loans they want a lender to make it easy. HSBC does that"
> **Aaron Strutt**

BEST LENDER FOR REMORTGAGES
WINNER:

BARCLAYS

- Contact: Barclays.co.uk
- Top deal: 1.85% five-year fix including free valuation and legals
- Max LTV: 60%
- Fee: £999

HIGHLY COMMENDED:

HSBC

BEST LENDER FOR LARGER LOANS
WINNER:

HSBC

- Contact: Hsbc.com
- Top deal: 1.49% two-year tracker (0.74% over base rate)
- Max LTV: 75%
- Fee: £999

HIGHLY COMMENDED:

NatWest

BEST LENDER FOR NEW-BUILD
WINNER:

BARCLAYS

- Contact: Barclays.co.uk
- Top deal: 2.54% two-year fix with £1,000 cashback
- Max LTV: 90%
- Fee: £0

HIGHLY COMMENDED:

HALIFAX

Mr Strutt says: "HSBC has a wide selection of rates available to wealthier clients living in the UK and overseas. It also has a decent interest-only policy enabling clients to minimise their monthly payments.

"When people require larger loans they also often want a lender to make it as easy as possible to get agreed and the ability to be flexible when required. HSBC provides larger loans on its cheapest fixed and tracker rates and even has no early repayment charge trackers."

NatWest is runner-up this year. Mr Strutt says: "NatWest offers multi-million-pound mortgages on its cheapest fixed rates as standard and has teams dedicated to producing fast mortgage offers. It can help a wide range of wealthy clients with unusual properties or complex financial situations. The bank has established itself as one of the go-to lenders for larger loans and is keen to help more people."

Best lenders for new build

If you are buying a new-build home, it can help to have a sympathetic lender. The property may not be fully built at the point you apply for your mortgage, or you might find that your developer imposes tight deadlines that require speedy action from your lender.

Our winner this year is Barclays. Mr Hollingworth says: "Barclays has been really strong in the new-build market and notably developed its Green Home mortgage – specifically designed to recognise the fact that new homes often offer better energy efficiency."

Last year's winner, Halifax, is runner-up this year. Mr Strutt says: "Halifax is good on affordability and regularly provides fast mortgage offers to help with tight exchange deadlines set by developers. Having a soft credit footprint at the initial dip stage is a comfort as many buyers are very concerned about their credit scores."

Best lender for older borrowers

Strict lending criteria and maximum age caps can make it difficult for older borrowers to take out a mortgage.

However, with more lenders increasing age caps, and taking a more pragmatic approach to underwriting and developing loans specifically for this market, the picture is improving.

BEST LENDER FOR OLDER BORROWERS
WINNER:

THE FAMILY BUILDING SOCIETY

- Contact: Familybuildingsociety.co.uk
- Top deal: 2.69% two-year fix
- Max LTV: 80%
- Fee: £999

HIGHLY COMMENDED:

HODGE LIFETIME

INNOVATOR OF THE YEAR
WINNER:

BARCLAYS

- Contact: Barclays.co.uk
- Top deal: Green Home Mortgage 2.13% two-year fix
- Max LTV: 90%
- Fee: £0

For the second year in a row, the award goes to the Family Building Society.

Mr Strutt comments: “Family Building Society helps a lot of older borrowers and has acceptance criteria that is designed to make it easier to qualify for a mortgage if you have pension or investment income.”

Mr Hollingworth also points to the society’s Retirement Lifestyle Booster – a loan linked to your home that enables you to boost your income over a 10-year period – as an indication of its ability to innovate and respond to the needs of its target market.

Coming a very close second is Hodge Lifetime.

Mr Hollingworth says: “Hodge is a specialist in the equity release market and the company has brought that experience to bear well in the mortgage market. It already offered a mortgage product for those who are aged 55-plus but it has been quick to add a retirement interest-only option following the regulatory change.”

Innovator of the year

Lenders continually develop new products and services to improve their customer proposition. However, it’s often difficult to distinguish between marketing gimmicks and genuine innovation. This award rewards those lenders that are genuinely responding to the needs of their target market.

This year our winner is Barclays, which is helping the ever growing new-build market with its Green Home Mortgage.

“It rewards buyers of energy efficient homes with a keener rate,” explains Mr Hollingworth. “A nice idea to put the focus on energy efficiency, something that will be a strength of new-build.”

The mortgage is open to people buying a new-build from a range of developers with an energy efficiency rating of 81 or above or which is in an A or B band with discounts on its fixed rate mortgages. mw

THE JUDGES

Moneywise Mortgage Awards 2019 were judged by:
David Hollingworth, associate director, communications at London & Country
Andrew Montlake, director, Coreco
Aaron Strutt, product and communications manager at Trinity Financial
Cassie Stephenson, vice president operations, Habito

Methodology

trinity FINANCIAL

Trinity Financial compiled our shortlists, based on best buy data over 12 months (supplied April 2019). 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.

SELLING UP? DON'T LET KNOTWEED RUIN YOUR CHANCES

It's all very well cleaning the windows and painting the walls, but if you have Japanese knotweed in your garden, you'll find buyers could run a mile. Here's how to beat this fast-growing weed

BY ESTHER SHAW

The presence of this invasive plant can threaten a property's foundations, impact on its value – and in some cases make it almost impossible to sell.

It is not unusual for lenders to refuse to lend on a property if the weed has been found, while others will put strict conditions in place and force you to agree to a treatment plan and insurance.

Here we take a closer look at what the presence of Japanese knotweed means when you're trying to sell up – and what you can do to improve the chances of your sale going through.

What is Japanese knotweed?

Japanese knotweed is a notorious non-native species that has been thriving in the UK since its introduction in the 1820s as an ornamental plant.

A fast-growing weed that chokes out other greenery, it has a root system considered to be strong enough to grow through asphalt, cracks in concrete, drains and cavity walls. If left to spread, it can potentially threaten the foundations of buildings.

Eradicating this troublesome weed is a far from simple task because cutting it down can simply cause it to grow back fast.

'My management plan saved the sale process'

Liz Betteridge was able to successfully sell her home despite having Japanese knotweed in the garden after she put a management plan in place that kept both her buyers – and their lender – happy.

The 53-year-old had lived in her three-bedroom property in Torquay, South Devon, for around 17 years before putting her home on the market in 2016.

"Japanese knotweed had been present in the garden the whole time I lived there, and gardeners who had come to do work for me had warned me about it," says Liz. "But I wasn't too worried as there were only a few shoots on one site located further down the garden and the plant wasn't affecting my home in any way."

When Liz was preparing to sell her home, she started doing a lot of research into Japanese knotweed on the internet.

"I read all the horror stories, but I was determined not to get sucked into all the panic and hype," she says. "I'd read about the importance of having a management plan in place to make a property sellable, and got in touch with the Japanese knotweed removal specialist Environet."

Liz instructed the firm to treat the knotweed using herbicide. "The first application happened that summer, and a second application took place the following year," she says. "A third 'check' visit was scheduled for the third year to make sure there had been no regrowth."

The site visit and treatment cost Liz around £5,000 in total and included a guarantee.

"This was quite expensive, but I saw it as a 'treatable nuisance' and a cost that I just had to pay as part of my moving costs," she says. "Things went well, and I was able to market my home and find a buyer."

Liz asked her estate agent to be upfront to the buyers about the Japanese knotweed in her garden, as she didn't want the issue rearing its head further down the sale process – possibly causing the buyers to pull out.

"But I also asked my estate agent to explain to the buyers that I was dealing with the problem," she adds. "And, with a management plan in place, the buyers weren't deterred – and neither was their lender – and the sale went through without a problem. It was a big relief."

Issues if you are trying to sell

In the UK, Japanese knotweed is widely believed to pose a significant risk of damage to buildings that are within seven metres of the parts of the plant that are above ground.

Paula Higgins, chief executive of the HomeOwners Alliance, says: "Japanese knotweed is a huge headache for homeowners, and the impact it can have on your ability to sell can be much more serious than you might have thought.

"This invasive weed has a root system that can spread wide and, if it reaches a property, it can cause damage to the foundations."

Lenders may refuse to lend

If your buyers carry out a survey that finds that the plant is less than seven metres from your home, their lenders may get jumpy.

Many lenders have policies that restrict their ability to lend against a property that has the weed growing in the garden. And those that are willing to lend will usually insist on seeing evidence that a full treatment plan from a knotweed contractor has been put in place, together with a 10-year insurance-backed guarantee against its return.

Lenders may stipulate that you use a contractor that is registered with an organisation such as the Property Care Association (PCA) or the Invasive Non-Native Specialists Association (INNSA).

Peter Mugleston, managing director of Onlinemortgageadvisor.co.uk, says: "Some lenders will refuse point blank to lend if a property has a knotweed issue.

"At the very least, most will want to know that treatment is being undertaken to control the knotweed before they'll agree to lend."

Take note, however, that while professional removal programmes may offer a solution, the treatment does not come cheap.

Findings from the Crop Protection Association (CPA) show the average cost for homeowners after knotweed appeared is £1,880, while one in 10 faced costs of more than £4,000.

Risk that buyers will pull out

In some cases, buyers will pull out at the mere mention of Japanese knotweed, while others will withdraw their offer further down the line owing to difficulties in getting a mortgage. Not only this, but the

Cutting down this invasive weed can simply cause it to grow back fast weed's presence can knock tens of thousands of pounds off the value of a property.

Further findings from the CPA show that one in seven people with knotweed saw a property deal fall through as a result, while one in five saw the value of their house drop.

In the worst cases, Japanese knotweed can render a property almost unsaleable.

Is the problem overhyped?

While this may make for gloomy reading, a recent study from global infrastructure services firm Aecom and the University of Leeds raised doubts over just how damaging Japanese knotweed is – and suggested that it may pose no more of a threat to property than many other plants.

Dr Mark Fennell, principal ecologist at Aecom, says: "We found nothing to suggest that Japanese knotweed causes significant damage to buildings – even when it is growing in close proximity – and certainly no more damage than other species that are not subject to such strict lending policies."

The research goes on to say that automatically refusing mortgages on properties where the plant is found is "out of proportion to the risk posed by this invasive species".

According to the findings, knotweed only causes problems where a property already has existing structural faults. In response to this, lenders are being encouraged to reassess their stance on knotweed.

However, you shouldn't expect lenders to change their approach to knotweed any time soon.

Jane Erskine, deputy property ombudsman at The Property Ombudsman, says: "Despite this new report suggesting knotweed is relatively harmless to properties, its presence has – and probably still will – affect residential property sales."

What action should you take?

If you do find the dreaded weed on your property, you need to take action to tackle the problem before marketing your property. Nic Seal,

CASES AT THE COURT OF APPEAL

In a recent landmark case, the Court of Appeal ruled in favour of two householders whose properties had suffered from Japanese knotweed encroaching on their gardens from neighbouring land that is owned by Network Rail.

This court ruling has stimulated discussion as to whether landowners can claim damages if the plant has spread to their property.

Paula Higgins, chief executive of HomeOwners Alliance, says: "In future, homeowners may be able to sue their neighbours to cover the costs of removal and loss of value."

managing director of Japanese knotweed removal specialist Environet, says: "Sellers have a legal obligation to disclose if their property is – or even has been – affected by knotweed, as a direct question is now part of the TA6 property information form.

"Those who are dishonest are leaving themselves wide open to legal action from the purchaser once they come to realise that the property is blighted by the weed."

Crucially, you should never try to remove knotweed yourself, as you may inadvertently cause it to spread. Instead, you should instruct a professional firm to treat the plant, remove it, and dispose of it safely.

You should check that your chosen firm offers an insurance-backed guarantee lasting for at least 10 years, which transfers with the ownership of the property.

Japanese knotweed removal specialists include Environet (https://environetuk.com) and The Knotweed Experts

> "If you do find the weed, take action before marketing your property"

(theknotweedexperts.co.uk); the latter recently launched a 35-year guarantee, which ensures that homeowners are now covered for the entire length of their mortgage.

Treatment options for knotweed include 'excavation', which is an instant fix, removing the plant within a matter of days; this involves the whole area being dug out. The alternative is herbicide, which is cheaper, but can take up to three years to complete.

Provided there is a planned eradication programme in place, lenders should be happy to proceed – and nervous buyers should be reassured.

Mr Seal adds: "While the knotweed will still need to be declared, this will keep most buyers and lenders happy – and will give you the best chance of a smooth, successful sale." mw

ESTHER SHAW is a freelance journalist who writes about money and property for *The Guardian*, *Observer* and the *Sunday Sun* aic The Association of Investment Companies

CELEBRATING 150 YEARS

150

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Investment companies are the oldest type of collective investment and this year is a special year, as 2018 marks 150 years since the launch of the first investment company in 1868.

Investment companies are pioneers of investment. They have consistently delivered strong long-term performance, navigating their way through the ups and downs in markets and seeking out the best investment opportunities around the world.

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The AIC is the trade body for investment companies and publishes industry data, information on our member companies and a monthly insight into the industry called Compass, all of which is available on our website: **www.theaic.co.uk**

OUR BIG BUILD: PART 1 WATCH IT COME DOWN

We've been talking about what we'd like to do to our three-bedroom semi in St Albans since we first viewed it 10 years ago, writes Rachel Lacey. Progress has been slow, but this year we finally began work on our big building project...

Unsurprisingly, money has been the chief hurdle – builders' quotes, it seems, rise even faster than St Albans house prices. But it's not just the worry about the cost. I've also been daunted by the enormity of the job. As one builder put it, it would be cheaper to knock the house down and start again.

Although our house wasn't small the layout of it wasn't great. Both my husband and I regularly work from home so we each need a decent work space.

Our two boys, aged seven and 10, are also getting to the point where they need their own rooms (our third bedroom is an office). So, as well as redesigning the downstairs to create an open-plan kitchen and dining space and adding a utility room (is it a sign of middle age the latter is one of the bits I'm most excited about?), we're adding a new office and another bedroom upstairs.

It means we will have ample space to work, the boys will have their own rooms and we'll be able to offer guests a proper bed rather than pulling out the saggy sofa bed in the lounge.

Having witnessed the stresses of friends doing similar jobs we did consider moving but the money we'd need to get a similar spec house, in the same area, was just too much (and I really didn't fancy paying that much stamp duty).

So, after lots of talk and no action we finally decided to bite the bullet last January. But irritatingly, after having spent so much time dawdling, I wasn't prepared for how long it would take to get our project going.

First base: find an architect

Job one was to find an architect. I had a handful of recommendations – frustratingly, though, many didn't return my calls. This, it seems, was a warning sign of things to come. Literally nothing was going to happen fast.

We ended up seeing two, both of whom weren't able to meet us for a few weeks and who warned us that it could be as long as two months before they could actually crack on with the work.

> "Many architects didn't return my call – a warning sign of things to come"

I wasn't entirely sure what to expect when we finally met. Grand plans? Creative inspiration? Maybe I've been watching too many property shows, but the reality was much more mundane.

I quickly realised they weren't going to suggest any real ideas until they were hired and had completed the survey.

And you can't hire them based on their drawings (unless you have a bottomless budget) so we just had to go on our hunch of which we thought would do the best job. It ended up being the one that pointed out all the potential problems (like the one posed by the roots of the huge

PARTY WALL AGREEMENTS

If you are building along a party wall or digging foundations within a certain distance of your neighbours you will need a party wall agreement to protect you both in case of any disputes. To do this you need to serve notice on your neighbours (one or two months ahead of the work, depending on the situation). You can download helpful template letters from the government at **https://www.gov.uk/guidance/party-wall-etc-act-1996-guidance**. Your neighbours have the choice of either accepting your agreement informally or instructing a surveyor to carry out a full schedule of the condition of the property and issue an 'award'. We had to do this with one neighbour at a cost of £1,200 – it's an expense we didn't need but given we are building on their boundary I think we would have done the same if the shoe was on the other foot.

leylandii running down the length of our garden). Everything he said made sense and we figured that, in theory, meant fewer surprises later.

A few weeks after this he came back with four or five options. It was a tough balancing act creating enough space for a workable office upstairs along with a third bedroom that was big enough to fit in a double bed (for visiting grandparents) but didn't leave a fourth bedroom so small one of the boys felt they were sleeping in a shoe box. With a bit of tinkering our architect made it work.

Stage two was planning permission, which needed to be obtained from our local council. Our architect submitted the plan and then it was just a waiting game. A very long waiting game. By now it was already the end of May, and although we'd been advised planning decisions should be made within eight weeks, staffing issues meant we didn't actually get ours until mid-August. (I'll always remember taking the call from a planning officer while sitting in a pedalo with the kids in torrential rain.) On the plus side, it was at least passed first time.

I was itching to get on the phone to builders but our architect told us there was no point – until we had detailed construction plans (including the structural design for steels and foundations) they just wouldn't quote, he said.

Thankfully, the next stage wasn't nearly as long and a few weeks later, with the summer holidays behind us we had everything we needed, and the building regulation application was put in.

Above: Brickwork finally begins. Above right: Digging the foundations and clearing out the rubble

"I needed a big glass of wine to cope with some of the quotes"

Quotes start trickling in

Nine months after we had embarked on this journey, we could finally start having proper conversations with builders.

Some came to our house to talk through the plans, others just asked for email copies of our drawings. Some did quotes themselves, others sent them off to 'estimators' to do the job for them. Some got back to us, others didn't.

We'd been warned we'd need to go out to a lot of builders – whether it was due to timescales or workloads, many just weren't interested in the job. In the end we spoke to around 10 and got quotes from five. I would also argue that some of those that did quote didn't really want the job, either that or their pricing was very optimistic. I really did need a big glass of wine in hand to cope with the shock of some of them.

Unfortunately the builder we had in mind gave us our highest quote. He had done an amazing job for our friends, had been a pleasure to deal with but was also their cheapest quote.

Given another local friend got a pretty steep quote from him at the same time too, I now wonder whether friends' recommendations can be something of a false economy with builders. Obviously you want to know they will do the job well, but once a builder has done a few jobs in the same neighbourhood and knows customers are singing their praises, its perhaps only human nature to increase their prices. Another time I might tell the builder I found them on Google.

Right builder for the job

Even among our remaining quotes it was difficult working out which would offer best value. Some quotes were fully itemised and ran to pages while others were much more scant. One was literally just a number. Some included doors, estimations for windows, and decorating. No single quote included everything and that was before we even considered open-ended costs like kitchens, bathroom and flooring.

Then there was the sheer horror of VAT – 20% on top of everything. EVERYTHING.

It meant lots of calls clarifying details among our contenders and a detailed spreadsheet. Eventually we settled on a firm that we had come across when they were doing an almost identical job further down our road.

After the house was finished I had door-stepped the owners and had a good nose at the work and grilled them on their builders. Did they stick to budget? Did they finish on time? Were they happy with the work? What were they like to deal with? And, a big one for us, how did they manage relations with neighbours?

The owners were very happy and given the similarities between the

Above: Edward Lacey, 7, checks progress on the new extension. Right: Two days after moving out, our kitchen is empty and the ceiling has come down

projects, they seemed like the best team for the job.

After hearing scare stories about some people waiting a year for a builder, I was relieved that they could start in February. OK, it meant more waiting, but the fact they were in demand provided another level of reassurance.

Stumping up the money

As much as I wanted to crack on with the work, I was also conscious there was a lot to do and I'm glad we had those three months to get ourselves into gear. Now we had a firmer idea of costs it was time to work out how we'd stump up the money. Although we had some savings we didn't have nearly enough and we needed to raise some money by remortgaging.

"As much as we wanted to live through the work, the builders said we were bonkers"

The thought filled me with dread. Affordability rules have changed since we last took out a mortgage and I knew our spending would come under the microscope.

But I contacted a broker and the process was relatively painless. He suggested we move off the Santander tracker we've been on for years and remortgage onto a five-year fix with Halifax. Our tracker has been brilliant for us during a time of rock-bottom interest rates, but given the outlook is anything but certain, fixing and for a lengthy period seemed a more comfortable option.

During those months there was no end of sorting out to do as well. The aforementioned leylandii

THINGS I'VE LEARNT SO FAR...

1 My local Facebook renovations page has been a godsend. Aside from nosing at what other people are doing it's been fantastic for getting help, ideas and recommendations for tradespeople. If there isn't one in your area, set one up!

2 Keep an eye out for builders doing similar jobs locally.

3 If a builder has been recommended by friends, think twice before telling them someone has been singing their praises. Let them fight to win your job with a great quote.

4 Make a spreadsheet to compare quotes and make sure you know exactly what is and isn't included. Builders won't include costs like kitchens, bathrooms and flooring. Decorating will only be included if you specifically ask them to factor it in.

5 If you have to remortgage, consider borrowing more than you need as a contingency. It will be much harder to go back and borrow more if you need to. Of course, only do this if you can afford repayments and you'll need to have the discipline to pay any surplus back (and, note to self, not blow the lot on a designer sofa).

6 Even if you're not borrowing much, remortgage before work starts. If your home doesn't have a fully functional kitchen or bathroom when it is valued you may struggle, even if the money you are borrowing is paying for new ones.

needed to be removed and there was our imminent move.

As much as I would have liked to live in the house during the works, every builder we mentioned it to looked at us like we were bonkers, and we begrudgingly decided to move out. (Five weeks into our build I'm writing this from a rental house round the corner; judging by the current state of our house – no kitchen, no bathroom and just one working loo for the builders – it was definitely the right call.)

This meant the house had to be virtually emptied: our local charity shops are stuffed to bursting and we made countless tip runs.

The one big chore that we very nearly missed, however, was sorting out party wall agreements. Christmas was now just around the corner and it was the last thing I wanted to do, but it was a good job I got on to it before it was too late. A party wall agreement (see box on page 59) is essentially a document agreeing certain things with your neighbours before the building work begins, covering aspects like builders' working hours and a schedule of condition for their property.

But time limits apply and in some cases you do need to give your neighbours as much as two months' notice before work starts.

Blessed with good neighbours ours was relatively straightforward: the owners of the house we're adjoined to exercised their right to get a surveyor to do the work (a bill we had to pay), but our other neighbours signed a document we prepared informally.

We still cut it close to the bone though – only getting our second agreement through within days of the builders arriving.

The relief was enormous. At last, after 13 months, we were finally ready to get going. mw

Above: Edward and his big brother William, 10, inspect the gaping hole where half their home used to be

How to make money in falling markets

When we think about making money from our investments, most of us imagine investing in the shares of companies that we like and that we expect will do well in the future – a natural assumption

We're investing our money today, in the hope that the price of the shares will rise over time and, in doing so, will increase the value of our savings over the long term.

But it's also possible to make money when the price of a share falls, by 'shorting' it.

In its simplest form, shorting is a way of expressing a negative view, rather than a positive one – for example, if you don't like the outlook for a company or an industry, and think it will struggle in the future. A real-life example of this recently has been the high street; the outlook for shops has been poor as they have struggled to compete with online shopping businesses.

Shorting made simple

Let's take a simple example: apples cost £1 each this week. I think the price will fall next week, but my brother thinks it will rise. So I borrow five apples from my mum's fruit bowl and sell them to my brother for £5. The following week the price falls to 90p, so I buy five new apples for £4.50, put them back in my mum's fruit bowl, and pocket the 50p profit.

The trouble is, you have to be right. If the price of apples had risen to £1.10, then I would have made a loss of 50p instead.

As there is no upper limit on how far a stock price may rise, losses can be very painful. This is why shorting has typically been the preserve of skilled professional investors and hedge-fund managers, who will also use a 'stop loss' to limit potential losses they could make.

I'd never suggest shorting is something an individual investor should consider doing themselves.

Shorting is also not limited to the shares of companies. Bonds, commodities or even whole stock markets can be shorted, for example.

Most professional investors will use specialist financial instruments, such as 'contracts for difference' (CFDs), to create 'synthetic' short positions, rather than borrowing physical assets (as we used in our example). It's a similar process in that they enter a contract to sell a share and then buy it back on a specific date.

"Shorting expresses a negative view of a stock instead of a positive one"

Finding short funds

A number of professional investors combine conventional long positions (investing in companies or assets they think will do well in the future) and short positions in their portfolios, with the aim of generating positive returns, regardless of market or economic conditions. The extent to which they do this differs from fund to fund.

Two funds that have shorting at the heart of their process are BlackRock UK Absolute Alpha and Jupiter Absolute Return. The BlackRock fund is a UK equity long/short fund, investing in UK businesses of all shapes and sizes, while the Jupiter fund invests globally. Jupiter's manager, James Clunie, is something of a short selling specialist, having completed his PhD on the subject. The fund has a very low correlation to other assets – it doesn't move in the same direction, so it can make a good diversification tool in a wider portfolio.

Investec Cautious Managed is an example where shorting is used to a lesser extent and on a more tactical basis. Manager Alastair Mundy has a distinctive contrarian equity investment process, and combines it primarily with bonds, but also gold and cash. The intention is for the equity portion to drive the long-term performance, while the fixed income portion reduces volatility. Mr Mundy currently has a 'short' on the US stock market, which he believes to be overvalued.

BMO European Real Estate Securities fund is my final example. It invests mainly in property-related shares in the UK and Europe. The managers also short unfavoured stocks, which is a big positive given the small size of their investment universe, and it enables them to express a wider range of views.

Most funds of this ilk will charge a performance fee – but not all – and they are all very different. So if you are considering investing in one, it is important to research it very carefully and to make sure you understand what it is trying to do, before adding to your portfolio.

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. Darius's views are his own and do not constitute financial advice. The mention of specific securities is for illustration purposes only and not a recommendation to buy or sell.

DARIUS McDERMOTT is managing director at Chelsea Financial Services and FundCalibre

moneywise FIRST 50 FUNDS THE Q&A

Henderson Smaller Companies
Neil Hermon

Neil Hermon is manager of Henderson Smaller Companies. **Edmund Greaves** talks to him about exciting acquisitions, the upside of Brexit, and his top tips for experienced and new investors

What is Henderson Smaller Companies?

It's a 130-year-old investment trust, which focuses on investing in UK mid-size and small companies. That is, companies in the bottom 10% of the UK market by market capitalisation [total value of a company's listed shares], and ones valued below around £1.5billion.

For us it's all about finding quality companies to invest in over the longer term.

What's your top holding?

A company called Bellway, a UK housebuilder. It's not your typical growth investor story, but I think it fits well with the Growth at a Reasonable Price (GARP) idea.

Bellway has had several very good years. It's a very successful builder, certainly helped by the robust nature of the UK housing market. Help to Buy is a key driver as well as the government's push to increase the housing supply.

We like Bellway because it has seen good growth in the past, and it's building and expanding across the UK. It has a good management team, very consistent, very steady. The strategy is very well defined and worked out. The balance sheet is strong and has typically met and beat expectations on momentum.

What have you recently bought?

The most recent is Savills, a well-known property business. We've taken advantage of weakness in the share price around Brexit. As you look closer beneath the bonnet it's quite a diverse business. People think of it very much as UK domestic-centric stock, but it's got good diversification. It's a business we've admired for a long time.

Franklin UK Rising Dividends key stats:

Launched: 1887

Fund size: £683 million

Ongoing charge (OCF):

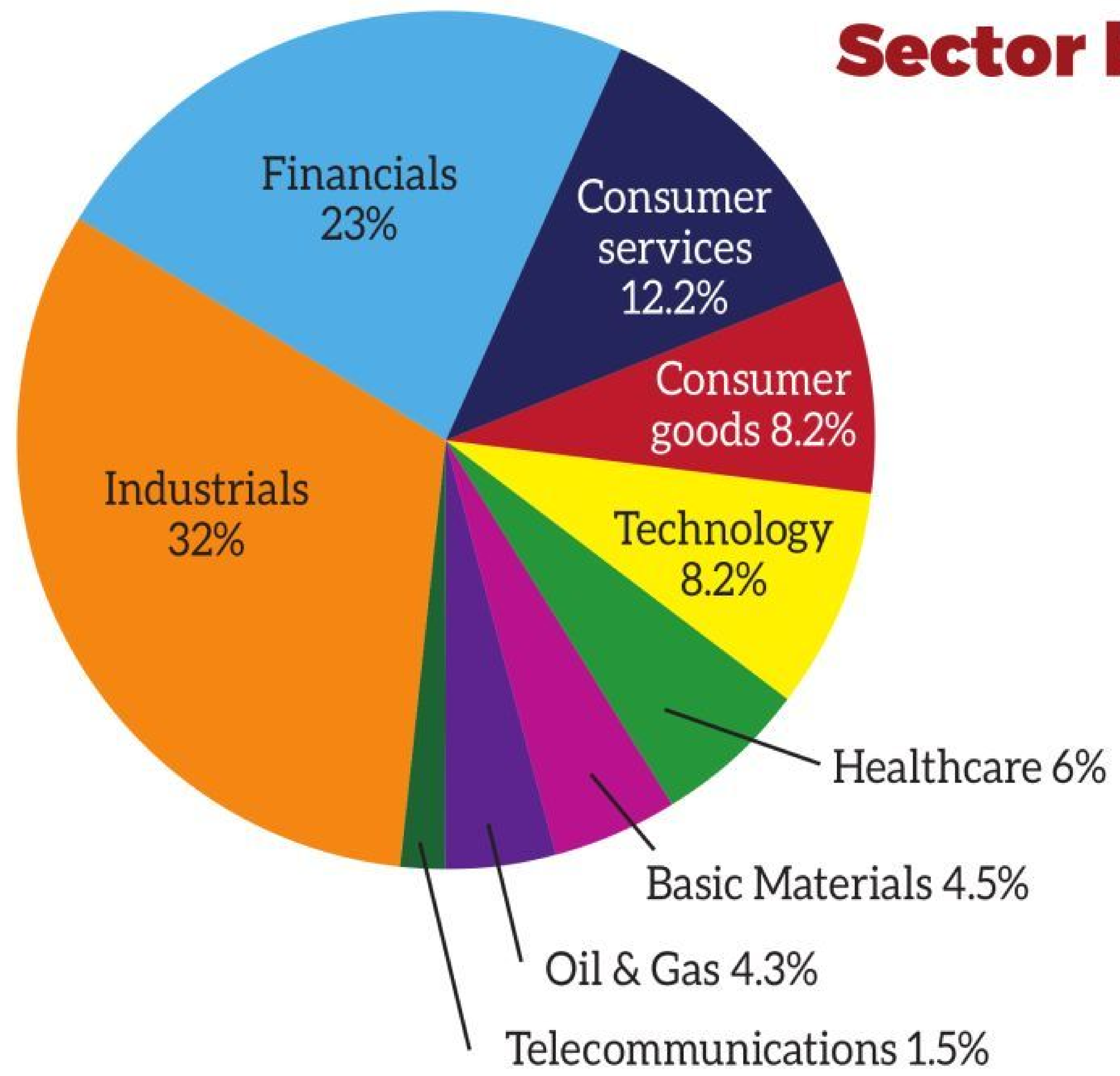
Yield: 2.38%

Source: Janus Henderson Investors, March 31 2019

The manager behind the fund

Neil Hermon is director of UK Equities and a fund manager at Janus Henderson Investors, a position he has held since 2013. He joined Henderson in 2002 as head of UK smaller companies. Prior to this, he served as head of UK smaller companies for General Accident Investment Management (later to become CGU plc). He began his career at Ernst & Young as a chartered accountant. Neil received an MA (Hons) in mathematics from Cambridge University. He is an associate member of the Society of Investment Professionals (ASIP) and has 30 years of financial industry experience.

Sector breakdown



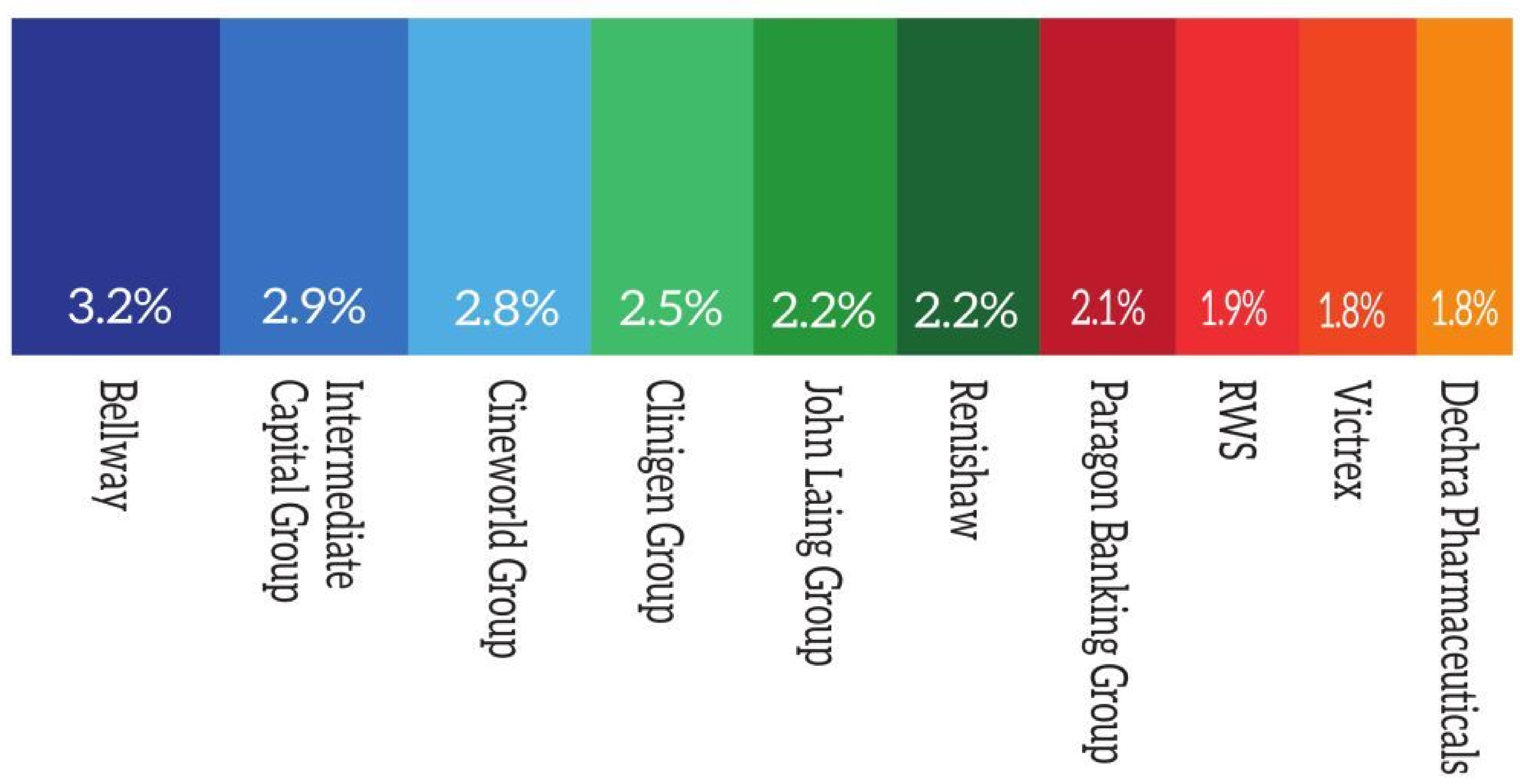
Source: Janus Henderson Investors, 30 April 2019

Five-year discrete performance of Henderson Smaller Companies investment trust plc (HSL)

Year	0-12 months	12-24 months	24-36 months	36-48 months	48-60 months
HSL share price (total return %)	1.8	25.11	22.96	3.9	11.19
Benchmark: Numis Smaller Cos Ex Invmt Cos (total return %)	-3.42	7.14	22	1.82	6

Source: Janus Henderson Investors, 30 April 2019

Top 10 holdings



Source: Janus Henderson Investors, 30 April 2019

How has Brexit affected the UK stock market?

Brexit has been front and centre for the past three years now. But the UK stock market is very international by nature. Over 70% of the earnings of FTSE companies come from overseas. Even in our portfolio around half of the sales of our companies come from overseas.

We've got some balance in the portfolio regarding international versus UK domestic exposure. Even if the UK economy isn't growing particularly quickly, there are some great UK businesses to invest in.

What's your best investment decision?

The poster child of the portfolio in the last few years has been NMC Health. We invested in 2012 when it IPO'd [offered shares to the public for the first time in an Initial Public Offering] around £2 per share. We sold it last year at £36, an 18-fold return over the course of six years.

NMC is a Middle Eastern healthcare operation, but it's listed in the UK. We liked the market, it was fast growing in an undeveloped area with the lack of government healthcare, and a growing and ageing population.

And the worst?

I've never had a company go bust on me (Neil taps the wooden table at this point). But we've had several companies that have fallen substantially.

One example would be London Mining. This is kind of a case in point of not straying too far from areas you understand. It was essentially a greenfield/brownfield start-up of an iron ore mine in Sierra Leone.

I mean, why did I do that? I don't really know. The management team had done very well with a similar project in Brazil, so there was a degree of credibility there.

But it was too far away from our comfort zone. We didn't really understand the dynamics of the market it was operating in. Mining ventures tend to cost twice as much [as projected] three years too late.

We haven't invested in any greenfield start-up mining companies since that happened.

> "I've never had a company go bust on me [taps on wood]"

Watch Moneywise editor Rachel Rickard Straus interview Neil Hermon at Moneywise.co.uk/Neil-Hermon-interview

Did you go to Sierra Leone?

No, but it would have been a good idea wouldn't it? On paper, it looked like an attractive investment, but with hindsight you reflect on that and think: "Actually that was a mistake I made, let's not repeat those mistakes."

Since then we've never invested in any other mining small-cap company. Frankly it's a verboten for me going forward because the risks are too high for the reward you might get.

What's the first thing you ever invested in?

What got me interested in this job was that I inherited a couple of shares from my grandmother when I was in my mid-teens, a long time ago.

That really piqued my interest in the stock market and fund management and I got addicted to reading the business section of the paper and looking at Teletext.

Quite sad, really – I should have been out dating girls! It gave me a real interest and from that I realised it's what I wanted to do for a career.

What's your top tip for a beginner investor?

First: if it's too good to be true, it usually is. If the returns allegedly on offer are exceptional they usually carry excessive risk. Those stocks or investments that look like they're going to make you 10 times your money usually lose you 90%.

Second: run your winners. Good companies tend to remain good companies. Always reflect on your investments – but taking a long-term approach to investing and trying to find buy-and-hold-forever stocks is the best thing you can do. mw

Fund Briefing

Your guide to investing in stocks and shares

THIS MONTH: BONDS

Billions of pounds are invested in bonds. They are a core holding in many people's portfolios and are relied upon to deliver stable income. However, they are also one of the most misunderstood assets and remain something of a mystery to many investors

QUICK GUIDE: Are bond funds right for me?

Consider investing if...

- You are looking to diversify your overall portfolio
- You want a manager deciding what bonds to buy
- You are looking for less volatile investments

BY ROB GRIFFIN

Perhaps the simplest way to describe a bond is as an IOU that's issued by either governments or public companies that need to raise money.

Buying one means you're lending money to an issuer in exchange for a fixed rate of interest over an agreed period – and the return of your original investment.

Bonds are assessed on the likelihood of the company or government meeting its repayments by specialist agencies such as Standard & Poor's, which awards the most trusted ones with AAA ratings.

According to Adrian Lowcock, head of personal investing at Willis Owen, bonds don't behave like shares, and this means they can help diversify your portfolio.

"The price of bonds is generally less volatile, so investors get a more stable income, with less risk to their capital," says Mr Lowcock.

However, investing in fixed income can seem more complicated than equities as companies generally issue one type of share but many different bonds.

"These will have different interest rates attached to them, different maturity dates (when the loan needs to be repaid) and different terms," he explains.

A proper assessment of a bond requires an understanding of how it sits in relation to a company's liabilities – and how sensitive it is to interest rates and inflation.

"Bonds are very technical and complex, so buying a bond issued by Tesco is not the same as buying shares in the retailer," he adds.

According to Patrick Connolly, a chartered financial planner at Chase de Vere, buying individual bonds can be risky. "We've seen supposedly strong and secure companies, such as high street banks, get into financial difficulties – and these risks are greater with smaller companies," he says.

Being heavily invested in one company that ends up getting into trouble, therefore, could hit your finances hard.

"This is especially so with individual bonds as they aren't protected by the Financial Services Compensation Scheme," he adds.

A less risky option is bond funds, whose managers will make the call on which bonds to buy and sell.

Such products, suggests Connolly, should feature in most investment portfolios.

"Investors should spread the risks by investing in bond funds, so if one of their underlying holdings has problems, then this won't have a huge effect on their overall returns," he says.

> "Smaller companies are more volatile when markets go down"

Bond funds are particularly well suited to cautious investors, such as those near or in retirement, or those who want protection against stock market falls.

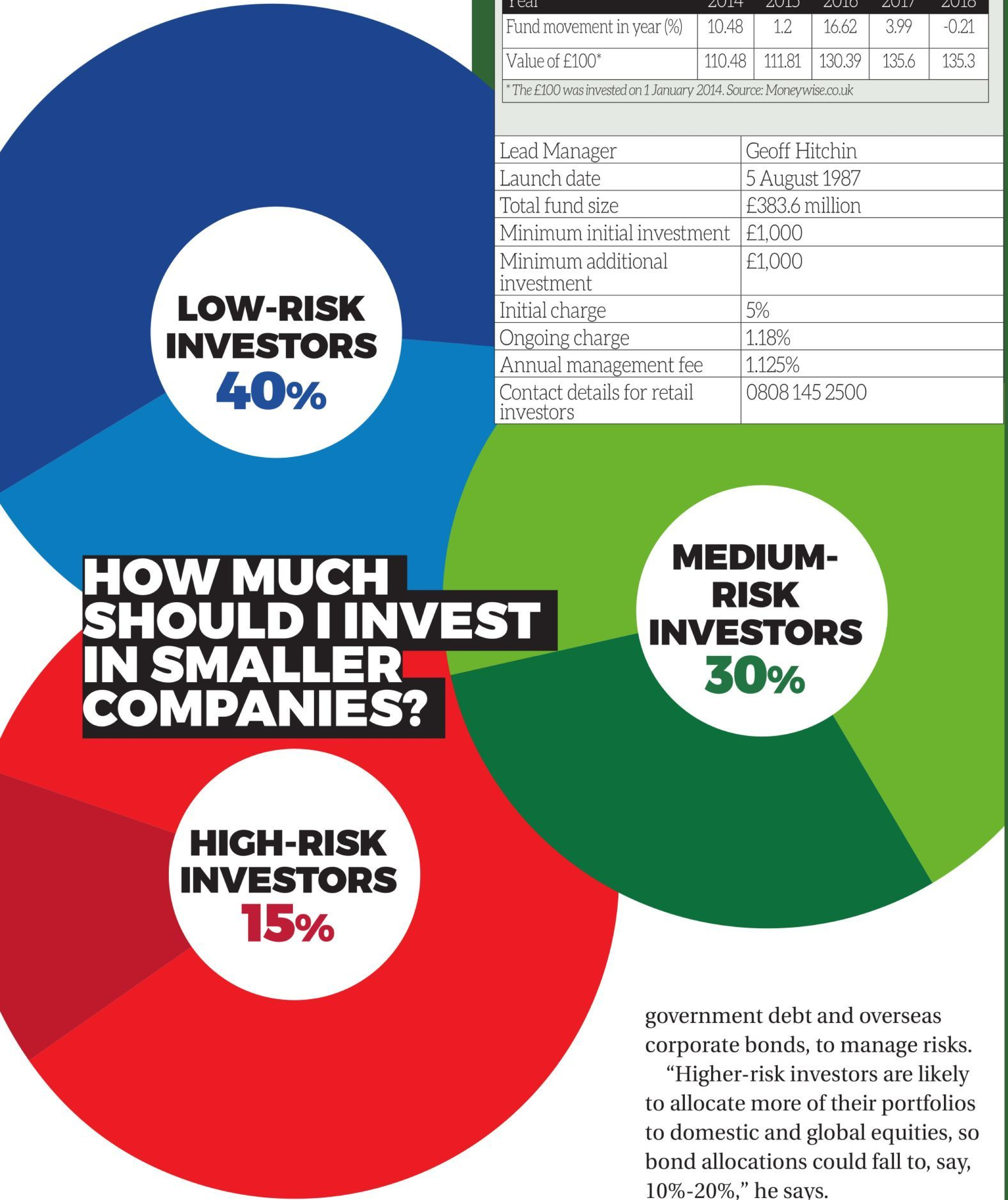
"Fixed interest has historically paid a steady level of income and isn't usually subject to significant falls in value, meaning that investors' capital should be well protected," he says.

The good news is there's a wide range of such funds available – but they are likely to differ enormously, so investors need to do their homework before committing their cash.

"Bond funds can vary in terms of the amount of freedom given to the fund manager, the types of bonds they invest in, where they invest geographically, the number of holdings they have, and the term remaining on individual holdings (duration)," explains Mr Connolly.

He suggests it's worth holding a range of bond types in order to spread your risk.

"Diversification can be achieved by investing in a number of specialist bond funds or alternatively selecting funds with a broad investment remit," he adds.



HOW MUCH SHOULD I INVEST IN SMALLER COMPANIES?

As bond funds obviously can't promise you a fixed rate of interest, they will usually state the target return they are aiming at, although the actual figure may vary.

The level of bond exposure you should go for depends on your attitude and capacity for risk, as well as your financial goals, according to financial adviser Martin Bamford, managing director of Informed Choice.

"More cautious investors have typically opted for higher bond allocations, as high as, say, 60% of the portfolio," he says.

Mr Bamford also insists any bond allocation should be spread across different bond sectors, such as government debt and overseas corporate bonds, to manage risks.

"Higher-risk investors are likely to allocate more of their portfolios to domestic and global equities, so bond allocations could fall to, say, 10%-20%," he says.

> Bond funds are well suited to cautious investors

Mr Bamford's current preference, taking into account rising interest rates, is for higher yielding and overseas bond instruments.

"There's still a place for UK government debt, including index linked gilts, but these have become a smaller part of portfolios in the past few years," he adds.

However, whether or not putting your money into smaller businesses is a sensible option will largely depend on your investment goals and attitude to risk. mw

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

MARLBOROUGH GLOBAL BOND

Value of £100 invested in the fund over five years

Year	2014	2015	2016	2017	2018
Fund movement in year (%)	10.48	1.2	16.62	3.99	-0.21
Value of £100*	110.48	111.81	130.39	135.6	135.3

** The £100 was invested on 1 January 2014. Source: Moneywise.co.uk*

Lead Manager	Geoff Hitchin
Launch date	5 August 1987
Total fund size	£383.6 million
Minimum initial investment	£1,000
Minimum additional investment	£1,000
Initial charge	5%
Ongoing charge	1.18%
Annual management fee	1.125%
Contact details for retail investors	0808 145 2500


Geoff Hitchin

Fund to watch: Marlborough Global Bond

The aim of the fund is to provide income and capital growth by investing in mainly fixed interest securities.

The managers are free to invest in bonds issued by governments and companies around the world as the fund is genuinely unconstrained in its allocations to countries and regions.

It has a cautious approach that combines a macro view with bottom-up company research and is designed to capture upside while limiting the effect of falling markets.

The portfolio has more than 470 holdings, which helps to spread risk.

International bonds account for 57.9% of the fund, with 28% in UK bonds and less than 1% each in UK equity, UK gilts and alternative trading strategies.

In addition to this, around 12% is currently held in cash/equivalents, according to the most recent fund fact sheet.

Company bond holdings include household names such as Sainsbury's, McDonald's, Barclays, Beazley and BHP Billiton.

As far as the credit quality is concerned, 42.4% of the fund is in bonds rated BBB, with 12.6% in BB and 12.5% in non-rated bonds.

It's a fund that's currently recommended to clients for their portfolios by financial adviser Martin Bamford, managing director of Informed Choice.

"This fund invests in a mix of investment and sub-investment grade bonds, with around a third in the UK and the rest overseas," he says.

"It yields a respectable 3.74% and has a low ongoing charge of 0.43%."

MONEYWISE GUIDE TO THE BEST INVESTMENT PLATFORMS FOR BEGINNERS

Working out which investing platform is right for you needn't be complicated. Here's the lowdown on everything you need to consider when you're getting started

BY EDMUND GREAVES

Investing platforms have transformed the way we buy and sell investments. While once you may have had to pick up the phone and ask a broker to trade for you – and pay them a hefty commission to do so – now you can buy or sell shares, bonds, funds and investment trusts online at the click of a mouse.

Collectively, platforms have opened up DIY investing to a whole new group of ordinary investors. Individually, they vary considerably.

Pick the right one, and you could enjoy a great way to hold your investments and receive the information you need to make the best investment choices.

Pick a dud, and you could see your investment savings eaten away by administrative fees, trading charges and exit penalties.

Here's our guide to picking the right platform for you whether you plan to invest for the long term or trade stocks and shares more frequently.

"Platform fees can differ by tens of £1000s over time"

What is a platform?

A platform is an online service that helps investors to:

- choose what to invest in;
- buy, hold and sell investments – this includes funds and some offer shares and investment trusts as well; and
- monitor the performance of your investments.

Each platform 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 offers varying depths of information and different tools and features. This means you do need to do your homework to find the best one for your needs.

What charges will I pay?

Platforms can charge a number of fees using different pricing structures.

Some charge an ongoing administrative fee as a percentage of your total investment. Others charge a flat fee on a monthly or annual basis. The size of your portfolio will largely determine which of these will result in a lower fee for you.

However, this is not the only cost levied. Some providers will charge you up to £10 every time you make a trade, while others have no ongoing fund-dealing charges at all. Therefore the frequency with which you trade will also help determine which platform offers the best value.

Most platforms charge an exit fee when you switch to another provider. This is typically around £25 per fund, but some, such as Fidelity and interactive investor (*Moneywise*'s parent company), do not have any exit charges.

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

Over time, the amount you pay in fees can differ by tens of thousands of pounds depending on which platform you choose. For example, research by the lang cat found that investors could save more than £30,000 in charges over 30 years using interactive investor's new pricing model, when compared to its largest competitor, assuming an average Stocks and Shares Isa balance and annual top-ups.

See the table (right) 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 to red, which is the priciest.

What else should I consider?

It is not just price you need to consider when picking an investment platform.

Great customer service is key so that you have the support you need

to manage your account and help on hand if something goes wrong.

There is also huge variation in the user experience offered. Some platforms offer rafts of information about the basics of investing and lists of recommended funds to help you get started. Others have a more limited offering.

Some platforms are easier to accesss on a desktop computer, while others have smartphone apps and are easier to use on a tablet or mobile phone.

If you 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 if you have a larger portfolio. 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 Chris Bredin, analyst at platform research firm the lang cat, and Holly

Stocks and Shares Isa annual fee by portfolio size

Portfolio size	£5,000	£15,000	£25,000	£50,000	£100,000	£250,000	£500,000	£1,000,000
AJ Bell Youinvest	£19	£44	£69	£131	£256	£631	£881	£1,381
Alliance Trust Savings	£120	£120	£120	£120	£120	£120	£120	£120
Aviva Consumer Platform	£20	£60	£100	£200	£375	£900	£1,525	£1,525
Barclays	£60	£60	£62	£112	£212	£512	£1,012	£1,512
Bestinvest	£20	£60	£100	£200	£400	£1,000	£1,500	£2,500
Cavendish Online	£13	£38	£63	£125	£250	£500	£1,000	£2,000
Charles Stanley Direct	£18	£53	£88	£175	£350	£875	£1,375	£2,125
Close Brothers A.M. Self Directed Service	£13	£38	£63	£125	£250	£625	£1,250	£2,500
Fidelity Personal Investing	£45	£53	£88	£175	£350	£500	£1,000	£2,000
Halifax Share Dealing	£63	£63	£63	£63	£63	£63	£63	£63
Hargreaves Lansdown	£23	£68	£113	£225	£450	£1,125	£1,750	£3,000
Interactive Investor	£120	£120	£120	£120	£120	£120	£120	£120
iWeb	£45	£45	£45	£45	£45	£45	£45	£45
Santander	£18	£53	£88	£175	£275	£575	£1,075	£1,575
Selftrade	£39	£69	£99	£174	£299	£674	£1,023	£1,023
Strawberry	£40	£63	£98	£185	£310	£685	£1,310	£2,560
The Share Centre	£88	£88	£88	£88	£184	£184	£184	£184
Willis Owen	£20	£60	£100	£200	£350	£650	£1,025	£1,775

Note: Assumes four deals a year within an Isa, no investment growth. Figures rounded up to the nearest £1. Additional fees, e.g. fund fees, may apply. Source: the lang cat, May 2019

Mackay, chief executive of platform comparison site Boring Money, for their views on the best platforms for investors with small portfolios, larger portfolios, those holding shares as well as funds, and those investing regularly.

Best for smaller portfolios (£5,000-£50,000)

If you have a small lump sum to invest, you will want to ensure a chunk of it does not disappear in fees.

Mr Bredin says: "Those with smaller portfolios will be better going with a provider that charges a percentage fee.

"AJ Bell and Fidelity Personal Investing both offer lots of ideas, as well as a wide range of investments at a reasonable price. We like Fidelity's recent redesign, which makes it much easier to navigate with useful guidance and tools."

Ms Mackay is a fan of Hargreaves Lansdown's customer service for beginners with small portfolios, although "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," she adds.

Best for larger portfolios (£50,000+) and frequent traders

Larger portfolios can benefit best from platforms that offer a fixed fee, as increasing your investments doesn't increase the cost. Both Mr Bredin and Ms Mackay favour interactive investor.

Ms Mackay says of interactive investor: "ii is updating its pricing from 1 June 2019 to a subscription model with a choice of three different price plans. Customers on its core plan will pay a flat fee of £120 a year (£9.99 a month). This also gives them 12 free trades a year of funds or shares at the standard rate of £7.99 a trade."

Mr Bredin agrees: "interactive investor is good for share trading and those looking for a broad range of investments and although the site isn't the best for beginners, it is definitely improving with more information and the new Super 60 recommended fund list which includes investment trusts and ETFs [exchange-traded funds],as well as unit trusts."

Best for holding a mixture of shares and funds

If you're thinking about buying and selling both shares and investment funds, then the cost of trading becomes a key consideration.

interactive investor offers two monthly service plans for those who trade more often: its 'funds fan' and 'super-investor' packages. Share dealing is as low as £3.99 with a flat fee of up to £19.99 a month.

Mr Bredin recommends AJ Bell Youinvest as it "offers a wide range of shares, ETFs and investment trusts at a good price, alongside a wide range of funds and ready-made portfolios for those looking for an off the shelf solution as well as some share dealing on the side".

He adds: "Share dealing is well priced at £9.95 and platform fees at 0.25% (capped at £7.50 per quarter). Share dealing is half that price at £4.95 for those trading 10 or more times the previous month. There is lots of help available for investors looking to invest in funds or in shares."

> "ii is good for share trading and those looking for a broad range of funds"

Ms Mackay adds that Charles Stanley Direct is a solid choice too: "It has a fixed platform fee of 0.35% for funds, with no fund-dealing charges. For shares, it has a trading fee of £11.50 and a platform fee of 0.35% which is waived for any month when you make one or more chargeable trades. Customer service and a decent app are continually improving."

Best for regular investors (£1,000 plus £100 regular deposits)

If you are starting out investing and don't have a large savings, but would like to build up a portfolio over time with regular small investments, then a platform's regular investment fee will be an important consideration.

A percentage rather than a flat fee tends to be better value for those without an existing large pot who start to invest regularly.

Mr Bredin says: "Although Hargreaves is one of the more expensive percentage fee platforms, it does offers good value for those with small pots and the service and information it provides is excellent, especially for beginners."

Meanwhile, Ms Mackay also likes AJ Bell and Hargreaves Lansdown, but adds Fidelity as an alternative.

"The minimum regular investment is £50 a month and trading funds are free. Fees start at 0.35% for those with a regular savings plan, regular share trades are £1.50 and standard share trades are £10," she says. mw

WHICH HOME IMPROVEMENTS WILL BOOST YOUR PROPERTY'S VALUE?

Garden landscaping adds the most value to a home, according to research from the Post Office. Other improvements, such as a fitting a new kitchen or adding a swimming pool, will add less value

Building a **HOME GYM** could boost your house price by up to **44%**, but is likely to cost you around **£10,000**.

A **NEW KITCHEN** is likely to cost in excess of **£7,500**, but would boost your property by just **26%**.

Adding a **WALK-IN-WARDROBE** costs around **£3,400** and could add **34%** to your house's worth.

Putting a **SWIMMING POOL** in your garden is likely to cost **£30,000** but would only boost your home's value by **22%**.

Properties with a landscaped garden tend to be valued **77% HIGHER** than other similar homes for an estimated cost of around **£2,750**.

2,001 online interviews with UK homeowners on behalf of Post Office Money between 18 and 24 January 2019. Source: Research conducted by Opinium

Fancy a free Money Makeover? Get advice worth over £2,000

Are your finances in need of an overhaul? Then our Money Makeover is here to help

Each month we help to transform the finances of one *Moneywise* reader. We arrange a one-to-one meeting for you with an FCA-regulated independent financial adviser, who will discuss your financial concerns and goals for the future and draw up a bespoke financial plan for you. From the basics of shedding debts, budgeting and saving to pension saving, building an investment portfolio and inheritance tax planning, financial advisers are qualified to provide strategic advice and specific product recommendations for all areas of financial planning.

You will receive a copy of the adviser's report and it is completely your choice whether to follow through with their advice. The Money Makeover is totally free – all we ask is that you are comfortable for your personal financial details and photo to be published in *Moneywise*, so our readers can also learn from the advice you receive.

To apply for your makeover, please go to Moneywise.co.uk/money-makeover and complete the short form, or write to the editor at Moneywise, 8 Devonshire Square, Office 03W112, London EC2M 4PL with your name, contact details and a brief outline of your financial situation and goals.

HOW TO BAG A BUDGET BED FOR THE NIGHT

Budget hotels can fit the bill if you want a cheap bed for the night before an early flight, work meeting or seeing friends

BY SUE HAYWARD

Premier Inn, Travelodge, ibis budget and easyHotel all offer no-frills style accommodation. But if you want rock-bottom room rates, you may have to downsize, which can mean staying in a room without windows.

So, what can you get for your money when it comes to creature comforts on a budget?

PREMIER INN

It promises a 'Good Night Guarantee', which means you can get your money back if you don't enjoy a good night's sleep. But as you might expect, there are a few exclusions, so you won't be entitled to a free night if you're disturbed by thunderstorms or power cuts.

Prices start from £35, according to the website, but room rates vary according to when and where you're staying. Rooms in Aberdeen and Yeovil, seaside towns like Whitley Bay or cathedral cities such as Worcester, for example, are available for £29 midweek and weekends, and on 'flex' rate (so you can pay for the room in full on booking or on arrival).

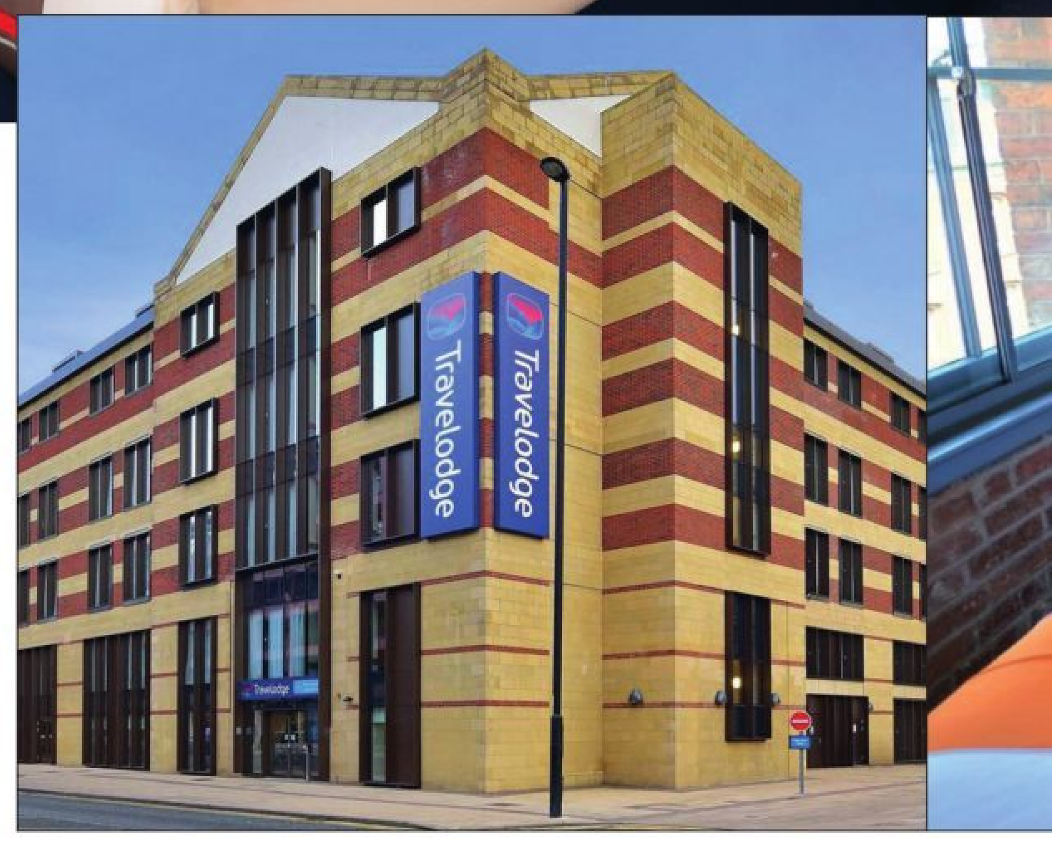
The best value rooms go more quickly, so it can be tricky to find rooms for the advertised £35 rate, especially in city centre locations, therefore early booking is advisable.

When checking recently I found a room in Wigan for £36 for a midweek overnight stay, and one for £34.50 at Dover Central, but that meant booking for a midweek stay in October.

Staying in the city centre is usually more expensive than the town outskirts – so with Premier Inn's 'hub' locations, in Edinburgh and London, you can opt for a room a size smaller, which can save you money compared with standard room rates.

Standard rooms come with a king-size Hypnos bed, free wi-fi, tea-and-coffee-making facilities and Freeview

Travelodge



"I JUST WANT TO BE ABLE TO TURN UP AND GET FREE PARKING AND A DECENT NIGHT'S SLEEP WHEN I'M WORKING THE NEXT DAY"

Nick Davies, 50, is owner and director of the Warwickshire School of Hypnotherapy. He regularly uses Premier Inns across the country from York to Kent.

"I'm self-employed so value for money is very important to me along with a good night's sleep. With a Premier Inn, I know what I'm going to get. I like the familiarity, I know how the room's laid out and I find the beds more comfy than at Travelodge. I usually book out-of-town locations rather than city centre ones, because they're cheaper – I once paid more than £100 to stay in the centre of York."

Some hotels operate 'dynamic pricing' – the price can go up even in a few hours

TV. At hub outlets, you'll only get a double bed, though a 40-inch smart TV and wi-fi are included. Hub rooms are usually half the size of standard rooms, but what you sacrifice in size, you can save in price. The Kings Cross hub, for example, costs £47 for a room midweek in May but its standard Premier Inn, also in Kings Cross, costs more than double the price at £100 for the same night.

Smaller still is its new Zip hotel, opening in Cardiff in March, with more in the pipeline. These pod-style rooms start from £19 – but while you'll get a bed, there's no guarantee you'll get a window. Rooms are allocated randomly on booking and if there's no window, you'll have a lightbox. When it comes to crash-pad potential, expect twin singles that can be pushed together to make a double.

TRAVELODGE

Rooms start at £29, depending on location. In addition to standard rooms there are also PLUS, and SuperRooms, which are typically £10 to £15 more per night than the standard option.

At the booking stage, you can choose between a cheaper 'saver' rate or the more expensive 'flex' rate, which typically costs around £25 more than the Saver rate and offers free cancellation up to noon on the day of arrival.

A king-size bed, en-suite shower, TV and tea-and-coffee-making facilities are all standard. But while Premier Inn offers smaller rooms with its hub and Zip locations, Travelodge has gone the other way, claiming to offer more for your money.

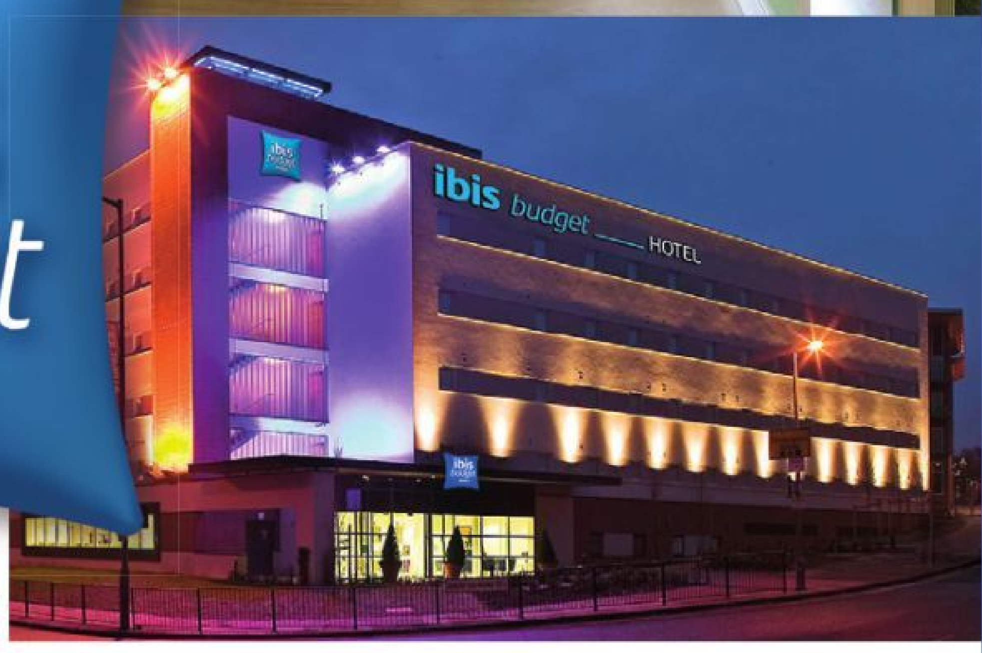
Its PLUS hotels – in London, Edinburgh, York, Gatwick and Brighton – include blackout curtains, LED lighting and bedside charging points. Top of the range is the SuperRoom with a coffee machine, adjustable 3jet shower, 32-inch Freeview TV, hairdryer, iron and ironing board. While the Plus and SuperRoom versions aren't the cheapest, in some cases forking out less than £20 for the upgraded room can be worth it.

Breakfast costs extra with all bookings and starts from £8.75 for an unlimited buffet breakfast.

IBIS BUDGET

ibis offers its 'blue' budget range of hotels in locations including London, Manchester and Edinburgh, with rooms starting at £29. With the budget end of the ibis chain you get a room with a double bed, flat-screen TV and free wi-fi. Unlike the traditional red branded ibis outlets, with ibis budget breakfast isn't included, although for £5.80 you can enjoy a continental buffet breakfast.

I checked out both London and Manchester for a midweek budget stay in May and the cheapest price I could find in central London was £82 at ibis budget London Whitechapel. By comparison, the same midweek stay in May in Manchester comes in at a very pocket-



"I'M NOT LOOKING FOR LUXURY IF I'M ONLY GOING TO BE IN A ROOM FOR A FEW HOURS BEFORE A 4.30AM START"

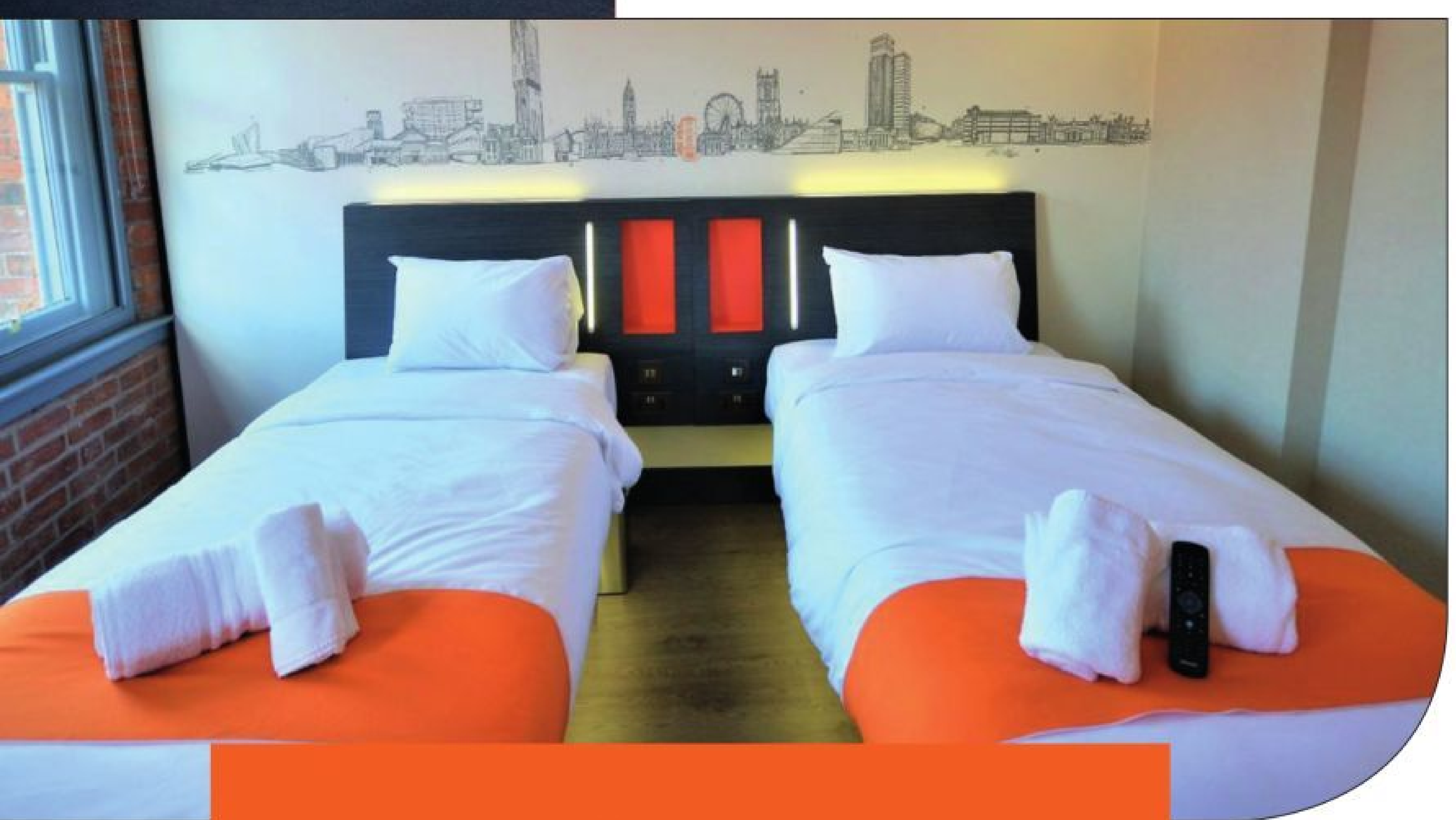
Retail area manager Barry Compton, 52, opts for an ibis budget or Premier Inn if he's got an early flight for work or when going on holiday.

"If I fly from Luton I stay at the ibis budget as it's just minutes from departures, and for Gatwick or Heathrow I use a Premier Inn. They're easy to book, you know what you're going to get, and it saves hunting around for a decent hotel or checking how easy it is to get from the hotel to the airport in the early hours."

For nights out, Barry usually looks for budget options. He booked a room at the local Travelodge after a friend's wedding in Norwich. "It was cheap and clean and I was only in the room for about eight hours anyway," he says.

friendly £23 for the budget option at Salford Quays, which saves more than £20 on the £44 rate you would pay for a room at its standard ibis budget in Manchester city centre.

ibis also offers a cheaper Advance Saver rate across ibis, ibis Styles and ibis budget, if you book at least 15 days in advance; or a more expensive 'flexible' rate.



EASYHOTEL

There are 11 'owned' easyHotels in the UK, including London, Croydon, Glasgow, Birmingham and Manchester, and a further 25 'franchised' hotels in locations including Luton, Edinburgh, Reading and Belfast. Prices start at £15.59 a night, according to the website, and you can choose from twin, double, triple or a family room that sleeps four.

All rooms have air-conditioning but not all have windows. However, you do get the chance to book a room with a window at the booking stage, but this will cost an extra £5.

Expect the basics here – there is no free wi-fi, tea or coffee making, or bar or restaurant, although there may be vending machines on-site and some hotels offer a breakfast box for around £5.

You can check in from 3pm and check out by10am. Earlier and later options may be available at an extra cost.

The option to cancel your booking can boost the price

How can you find the best overnight deal?

This is a tricky one because room rates vary according to location and date, even within the same chain.

Additionally, some hotels, including the Premier Inn and easyHotel chains, operate a 'dynamic pricing' system. This means prices are flexible and based on demand so if lots of people are booking the date you want, the price can go up, even within just a few hours.

I discovered this to my cost when trying to book a room at the Gatwick Airport Premier Inn before an early flight. The date I wanted produced a 'saver' rate of £45, and after checking my flight times and airport parking, I went back to book – to find the rate had jumped up nearly 25% in 24 hours, to £55.50. After booking, I found the rate had dropped slightly to £53.50.

Any extras?

If you are driving, check parking options before booking – some locations have free parking. However, none of the Premier Inn hub locations have car parks, and with some city centre locations, you'll have to fork out yourself.

Stay at the Norwich Central Travelodge, for example, and you'll have to pay for parking at the NCP multistorey carpark next door, although you can claim back half of the overnight rate by showing your ticket at reception.

Flexible cancellation

The option to cancel your booking can boost the price.

Travelodge has a flexible, but more expensive, rate that allows you to cancel up to noon on the day of arrival; ibis budget also offers a cheaper Advance Saver rate or a more expensive Flexible rate.

Premier Inn has both a Saver and a Flex rate, where the flexible option typically costs around £20 more, but means you can pay on arrival and change or cancel your booking up to 1pm on the day of arrival.

Luggage storage

This is an important point if you don't have a car and want to avoid dragging your suitcase to meetings after checkout.

With Travelodge, luggage facilities are ultimately at the hotel's discretion and subject to the space available, so is not guaranteed. With other chains, such as easyHotel, a luggage storage option is only available at some locations, and there is typically a £5 additional charge. mw

SUE HAYWARD is a personal finance journalist who writes for publications including *The Guardian* and LoveMoney.com

Stephen Little has hunted through the mass of financial products and data to bring you this month's best inflation-beating accounts, plus top deals for home movers and credit cards for cashback. For more best buys, updated weekly, go to **Moneywise.co.uk/best-buys**

Best accounts to beat inflation

Inflation can be a huge problem for savers: if it is higher than the interest rate on your savings account, the real value of your savings will be reduced over time. In recent years, the combination of low savings rates and above-target inflation has meant that savers have had a raw deal. However, while savings rates still remain low, the good news is that inflation has started to fall and has now dipped below 2%.

The consumer prices index (CPI) rate of inflation was 1.8% in April, according to the Office for National Statistics. This is lower than April 2017 when it was 2.3% and in April 2018 when inflation was 2.5%.

This means savvy savers can now get a better return on their cash than at any time over the past two years, but they may need to lock up their money to do so.

Bonds

Long-term fixed-rate bonds, which require you to lock your money away for five years, offer the best rates and can help you hedge against inflation.

The best rate on the market is from Gatehouse Bank at 2.75%. This is a Shariah-compliant account and therefore the rate is an expected profit rate (EPR). [Islamic banks, such as Gatehouse Bank, pay profit to their savers rather than interest, which is forbidden under Shariah law].

The next best paying five-year bond is from Hampshire Trust Bank and ICICI Bank, both at 2.5%.

There are even one-year bonds, which are higher than the inflation rate. Al Rayan Bank is offering 2.17% for its one-year bond which can be opened online, in branch or by phone with a deposit of £1,000. This is also a Shariah-compliant account with an EPR.

Meanwhile, Atom Bank has an account paying 2.03%.

Regular savers

There are several regular savings accounts that pay above the level of inflation.

FEATURED PRODUCT

First Direct Regular Saver at 5%

With the First Direct Regular Saver you can between £25 and £300 a month, up to a maximum of £3,600 a year.

The rate is fixed for 12 months and to open it you will need to have a First Direct current account. It can be opened online or by phone.

Savvy savers can now get a better return on their cash

First Direct, HSBC and M&S Bank all pay 5% interest, while Santander 123 Regular Saver and HSBC both pay 3%.

Unlike other accounts you must put something away each month, usually between £10 and £250, otherwise you can be penalised.

While regular savings accounts have some of the best rates on the market, you do have to be careful as some only offer the headline rate for a year or require you to be an existing customer.

Current accounts

Some current accounts also pay higher interest rates than inflation.

The best high interest current account out there is the Nationwide FlexDirect, which pays 5% interest on balances up to £2,500 for the first year, but this then drops to 1%. There are no monthly fees, but you have to pay in a minimum of £1,000 a month.

Another option is the TSB Classic Plus, which offers 5% interest on balances up to £1,500, provided you pay in £500 a month. Tesco Bank Current Account offers an attractive interest rate of 3% on balances up to £3,000, but you must pay in at least £750 a month.

Cash Isas

With Cash Isas, you are going to have to take out a five-year account if you want a higher rate than inflation.

Shawbrook is offering a five-year fixed rate cash Isa at 2.3%, which can be opened online with £1,000.

WITH **STEPHEN LITTLE**

moneywise BEST BUYS

SAVINGS: Moneywise.co.uk/best-savings-rates

Product and provider	Type	Headline rate	Minimum and maximum balance	Open account	Notes	Change
Marcus by Goldman Sachs	Easy access	1.5%	£1 upwards	Online only	Rate includes 0.15% bonus for 12 months	=
Hampshire Trust Bank 90 Day Notice	Notice account	1.91%	£1,000 to £250,000	Online only	90 days' notice required	↑
Al Rayan Bank One Year Fixed Term Deposit	One-year fixed rate	2.17%	£1,000 upwards	Branch, online, phone, post	Offers EPR, not interest	=
Al Rayan Bank Two Year Fixed Term Deposit	Two-year fixed rate	2.42%	£1,000 upwards	Branch, online, phone, post	Offers EPR, not interest	=
Gatehouse Bank Three Year Fixed Term Deposit	Three-year fixed rate	2.55%	£1,000 upwards	Online only	Offers EPR, not interest	↑
Gatehouse Bank Five Year Fixed Deposit	Five-year fixed rate	2.75%	£1,000 to £1 million	Online only	Offers EPR, not interest	=
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 17 May 2019

FEATURED PRODUCT
Savings
Marcus by Goldman Sachs Online Saver offering 1.5% for 12 months. Note this rate includes a 0.15% bonus in the first year.

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
Coventry BS Easy Access Cash Isa	Easy access	1.5%	£1 upwards	Online only		↑
Kent Reliance Cash Isa - 60 Day Notice - Issue 7	Notice account	1.5%	£1,000 upwards	Online only	60 days' notice to withdraw cash	↑
Al Rayan Bank One Year Fixed Term Deposit Cash Isa	One-year fixed rate	1.61%	£1,000 upwards	Branch, online, phone, post	Offers EPR, not interest	↓
Al Rayan Bank Two Year Fixed Term Deposit Cash Isa	Two-year fixed rate	1.81%	£1,000 upwards	Branch, online, phone, post	Offers EPR, not interest	↓
Shawbrook Bank Three Year Fixed Rate Cash Isa	Three-year fixed rate	1.96%	£1,000 upwards	Online only	Withdrawals are subject to 270 days' loss of interest on the amount withdrawn	=
Shawbrook Bank Five Year Fixed Rate Cash Isa	Five-year fixed rate	2.30%	£1,000 upwards	Online only	Withdrawals are subject to 360 days' loss of interest on the amount withdrawn	=
Coventry Building Society Junior Isa	Junior Isa	3.6%	£1 upwards	Branch, online, phone or post	Yearly Junior Isa limit of £4,128, must be under 18	=
Newcastle Building Society Cash Lifetime Isa	Lifetime Isa	1.1%	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	2.58%	Deposit up to £1,000 and regular savings of up to £200 a month	Branch, online or phone	Open to first-time buyers only	=

Rates correct as of 17 May 2019

FEATURED PRODUCT
Cash Isa
Shawbrook Bank Five Year Fixed Rate Cash Isa. Open this account online for a rate of 2.3%.

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 issue, 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.

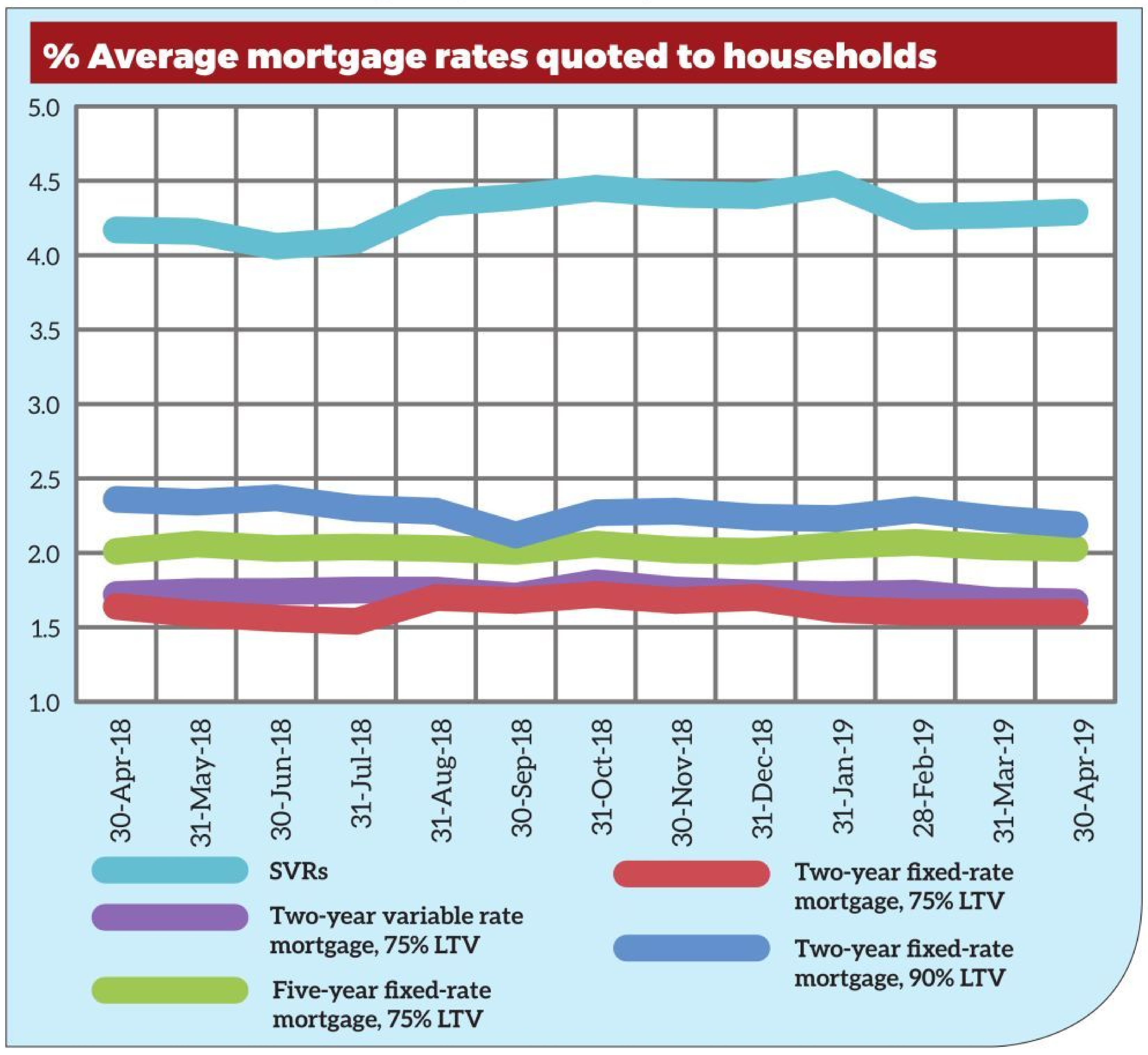
If you're an additional-rate taxpayer, then you do not receive a personal allowance and you should consider a Cash Isa. All the interest earned in these accounts is tax free and you can save up to £20,000 in the 2019/2020 tax year.

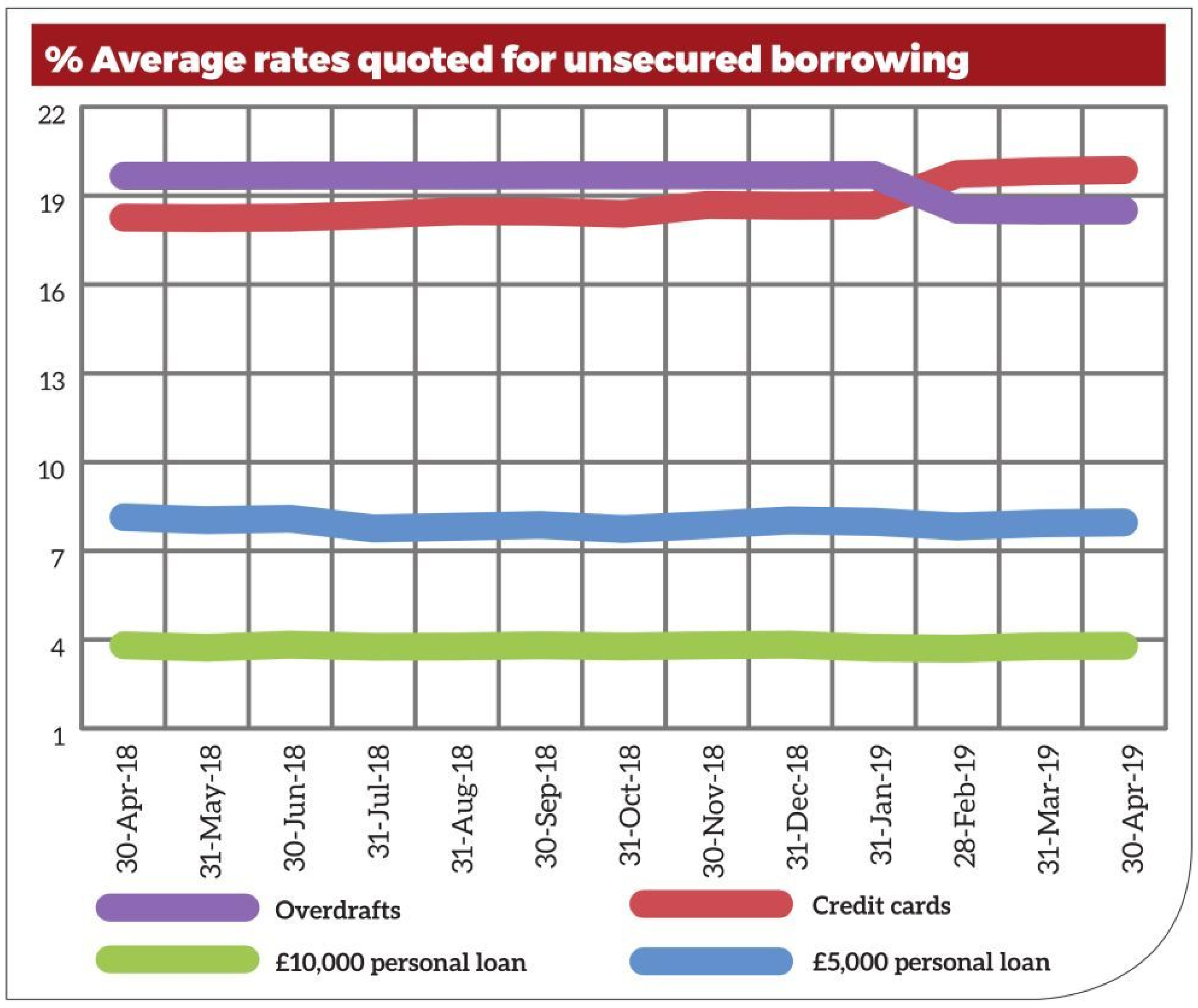
Unless otherwise specified, all these providers are individually licensed by the Financial Conduct Authority, so your savings will be covered by the Financial Services Compensation Scheme (FSCS) up to £85,000. All interest rates are AER – the annual equivalent rate.

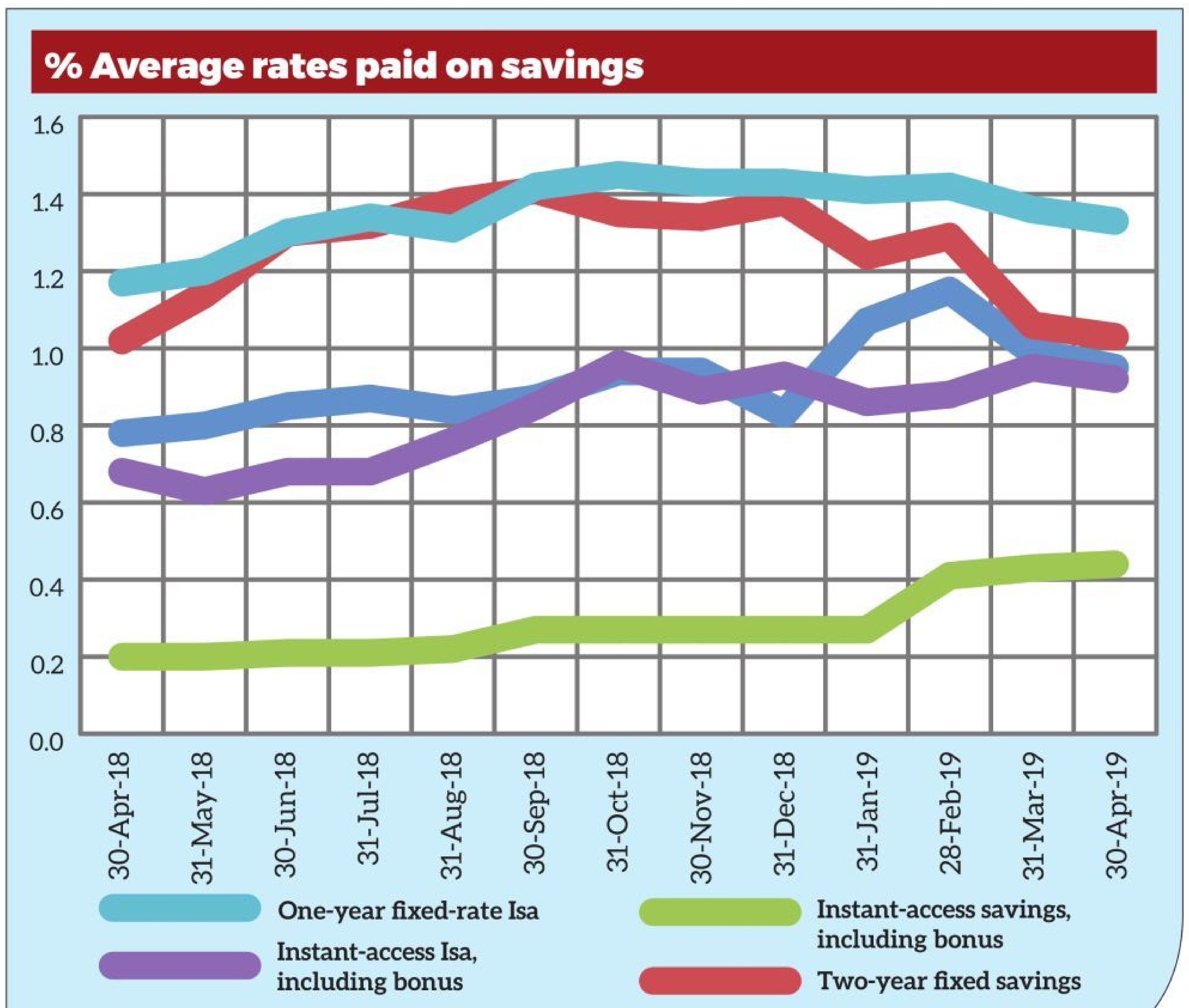
We update our Best Buys every week online and you can find the best deals at **Moneywise.co.uk/best-buys**.

moneywise
BEST BUYS

Use these charts to compare your rates against the rest of the market







Source: Bank of England

BEST BUY HOME MOVERS

Brexit uncertainty and the worry that house prices might fall are currently weighing on the housing market, with fewer people moving as they wait to see what happens. In the meantime, mortgage rates have remained steady over the past few months.

Our example buyer is considering a £300,000 property purchase. They are borrowing at 60% loan to value (LTV) as the buyer has £120,000 from the sale of their previous home. They have chosen a 25-year mortgage term.

The best rate for a two-year fixed mortgage deal is from Santander. You can get this with a 40% deposit and an interest rate of 1.39%, fixed until 31 December 2020. The monthly payment is £711, while the total annual cost is £9,277. Once the deal is over, it reverts to an SVR of 4.00%.

It is possible to fix your mortgage for longer to ensure you know exactly what your repayments will be. While these deals are cheaper than ever before, they are still more expensive than the short-term options.

For buyers with a 40% deposit, Skipton Building Society offers a deal at 1.78% which is fixed until 31 July 2024. This mortgage comes in at £744 a month or £9,325 a year. The scheme fees are £1,995 and once the deal is up it reverts to an SVR of 4.24%.

Another option is TSB's 2.29% rate, fixed until 31 August 2029. This mortgage costs £789 a month – equal to £9,533 a year over the fixed period – with fees of £695. After the fixed period ends, the rate reverts to the SVR – currently 4.24%.

BEST BUY BEST CREDIT CARDS FOR CASHBACK

Cashback credit cards provide a great way for you to make money while you spend, possiblysaving you hundreds each year.

The current *Moneywise* best buy is the American Express Platinum Cashback Everyday credit card which has 22.9% APR variable. It offers 1% cashback on spending over £5,001 a year and 0.5% on spending below this amount.

This card has no annual fee and has an introductory offer of 5% cashback on spending for the first three months, up to a £100 limit. Bear in mind that American Express is less widely accepted than other types of credit card. You will also need to spend a minimum of £3,000 a year to get any cashback.

The Tandem Cashback credit card offers 0.5% cashback on all spending. You can also use it abroad, and it has no limit on how much cashback you can earn.

While you won't pay cash machine fees for withdrawals or spending around the world, you will be charged interest from the day of the transaction. The Tandem Cashback credit card has an 18.9% APR on spending or cash withdrawals.

An alternative is the Aqua Reward credit card, which gives you 0.5% cashback on all spending up to a limit of £100 a year. As this card is designed for those with a poor credit history (although anyone can apply), it comes with a higher APR of 34.9%. Make sure you pay this card off in full every month to avoid paying a high rate of interest on your balance. 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 issue, 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. See the 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 14 May 2019)

	ISIN Acc	ISIN Inc	Ongoing charges %	Yield %	One-year return %	Quartile	Three years %	Quartile	Five years %	Quartile
Vanguard US Equity Index A Acc	GB00B5B71Q71	GB00B5B74S01	0.1	1.43	10.75	2	62.77	2	109.38	2
HSBC American Index C Acc	GB00B80QG615	GB00B80QG490	0.06	1.4	12.3	1	62.35	2	112.73	1
Fidelity Index World P Acc	GB00BJS8SJ34	GB00BP8RYB62	0.12	2	5.25	2	50.79	2	77.58	2
Fidelity Index Emerging Markets P Acc	GB00BHZK8D21	GB00BP8RYT47	0.2	2.28	-6.61	3	50.59	2	42.25	3
L&G International Index Trust I Acc	GB00B2Q6HW61	GB00B2Q6HX78	0.13	1.8	3.58	2	50.03	2	77.38	2
Vanguard LifeStrategy 100% Equity A Acc	GB00B41XG308	GB00B545NX97	0.22	1.7	2.63	3	47.62	2	66.1	3
Vanguard Global Small-Cap Index Acc	IE00B3X1NT05	IE00B3X1LS57	0.38	1.49	-2.34	4	46.26	3	72.55	2
Vanguard FTSE Developed Europe ex-UK Equity Index A	GB00B5B71H80	GB00B5B74N55	0.12	2.57	-4.28	2	36.3	2	38.24	2
HSBC Japan Index C Acc	GB00B80QGN87	GB00B80QGM70	0.18	1.65	-8.04	2	36.28	2	70.54	2
iShares 100 UK Equity Index (UK) D Acc	GB00B7W4GQ69	N/A	0.07	4.35	-2.51	2	33.68	1	27.46	3
L&G UK Index Trust I Acc	GB00B0CNGN12	GB00BG0QPH16	0.1	3.73	-2.22	2	33	2	30.31	2
Vanguard LifeStrategy 60% Equity A Acc	GB00B3TYHH97	GB00B4R2F348	0.22	1.41	3.26	1	30.21	1	46.43	1
LSE ETFs Vanguard FTSE 250 UCITS	IE00BKX55Q28	N/A	0.1	3.69	-5.53	N/A	24.45	N/A	N/A	N/A
iShares Overseas Corporate Bond Index (UK) D Acc	GB00B58YKH53	GB00BNB74B95	0.16	2.9	8.19	1	19.89	2	40.39	1
Vanguard FTSE UK Equity Income Index A	GB00B59G4H82	GB00B5B74684	0.22	5.16	-7	4	18.38	3	13.76	4
Vanguard LifeStrategy 20% Equity A Gross Acc	GB00B4NXY349	GB00B4620290	0.22	1.38	3.94	1	14.55	1	27.87	1
Vanguard UK Government Bond Index Acc	IE00B1S75374	IE00B1S75820	0.15	1.28	4.41	1	9.93	1	29.8	1
L&G Short Dated Sterling Corporate Bond Index I Acc	GB00BKGR3H21	GB00BKGR3G14	0.14	2.12	2.27	4	7.39	4	N/A	N/A
Vanguard Global Bond Index Hedged Acc	IE00B50W2R13	IE00B2RHVP93	0.15	1.81	3.76	2	4.25	4	14.75	3
LSE ETFs iShares Physical Gold ETC	IE00B4ND3602	N/A	0.25	N/A	2.41	N/A	-0.34	N/A	-0.35	N/A

ACTIVES (ranked in order of three-year returns, as at 14 May 2019)

	ISIN Acc	ISIN Inc	Ongoing charges %	Yield %	One-year return %	Quartile	Three years %	Quartile	Five years %	Quartile
Lindsell Train Global Equity B Inc	N/A	IE00B3NS4D25	0.74	0.86	20.65	1	91.79	1	165.44	1
Baillie Gifford Emerging Markets	GB0006020647	GB0006020530	0.78	0.54	0.03	1	80.88	1	76.25	1
Fundsmith Equity I Acc	GB00B41YBW71	GB00B4MR8G82	0.95	0.72	16.92	N/A	72.2	N/A	157.22	N/A
Baillie Gifford Japanese B Acc	GB0006011133	GB0006010945	0.63	0.91	-8.49	2	60.29	1	101.19	1
Royal London Sustainable World Trust C Acc	GB00B882H241	GB00B8GG6326	0.77	1.02	8.07	1	54.26	1	83.09	1
Marlborough UK Micro Cap Growth P Acc	GB00B8F8YX59	N/A	0.78	0.54	-3.69	2	49.94	1	65.03	2
Liontrust Special Situations I Inc	GB00B57H4F11	N/A	0.87	1.8	4.6	1	47.72	1	65.99	1
Stewart Investors Asia Pacific Leaders B Inc or Acc	GB0033874768	GB00B57S0V20	0.88	1.12	3.81	N/A	41.38	N/A	67.18	N/A
Man GLG Continental European Growth C Professional Acc	GB00B0119487	N/A	0.9	0.61	-5.58	2	41.05	1	93.44	1

ACTIVES (continued)

	ISIN Acc	ISIN Inc	Ongoing charges %	Yield %	One-year return %	Quartile	Three years %	Quartile	Five years %	Quartile
Fidelity American Special Situations W Acc	GB00B89ST706	N/A	0.92	0.7	7.1	3	39.25	4	89.97	3
Merian UK Mid Cap R Acc	GB00B1XG9482	GB00B8FC6L92	0.85	1.32	-10.98	4	35.76	1	70.19	1
Fidelity Global Property	GB00B7K2NZ09	GB00BJ629381	0.95	1.82	11.44	N/A	32.44	N/A	71.19	N/A
Franklin UK Rising Dividends	GB00B5MJ5601	GB00BT6STC53	0.55	3.78	1.36	1	31.14	2	43.54	1
MI Chelverton UK Equity Income B Acc	GB00B1Y9J570	GB00B1FD6467	0.87	4.92	-6	3	29.68	1	41.63	1
Artemis Global Income I Acc	GB00B5ZX1M70	GB00B5N99561	0.83	3.37	-8.9	N/A	29.38	N/A	46.8	N/A
Royal London Global Bond Opportunities	IE00BD0NHJ71	IE00BYTYX230	0.5	5.95	4.68	N/A	21.77	N/A	N/A	N/A
Rathbone Ethical Bond Inst Acc	GB00B77DQT14	GB00B7FQJT36	0.67	4.22	3.66	2	18.59	1	30.19	1
Marlborough Global Bond P Acc	GB00B6ZDFJ91	GB00B8H7D001	0.43	3.22	4.62	N/A	17.37	N/A	32.54	N/A
Blackrock Corporate Bond	GB00B4QC3311	GB00B4T5JV79	0.57	3.02	4.33	1	15.91	1	28.73	1
Jupiter Strategic Bond I Acc	GB00B4T6SD53	GB00B544HM32	0.74	3.97	4.56	1	13.02	2	18.02	2

INVESTMENT TRUSTS (ranked in order of three-year returns, as at 14 May 2019)

	Discount/ Premium %	Gearing %	Ongoing charges %	Yield %	One-year return %	Quartile	Three years %	Quartile	Five years %	Quartile
Scottish Mortgage Investment Trust (SMT)	0.22	8.58	0.37	0.63	-0.09	3	101.63	1	170.52	1
Finsbury Growth & Income Trust (FGT)	-0.45	1.41	0.67	1.91	11.5	1	56.19	1	87.87	1
Henderson Smaller Companies (HSL)	-9.53	6.13	0.42	2.62	-6.04	3	54.24	2	74.93	2
Jupiter European Opportunities (JEO)	-1.58	6.94	0.91	0.88	0.88	2	51.24	1	76.37	1
Witan Investment Trust (WTAN)	-3.63	10.19	0.75	2.31	-2.45	3	50	3	64.06	3
Picton Property Income (PCTN)	0.97	35.55	1.2	3.74	9.09	N/A	45.23	N/A	94.05	N/A
Murray International Trust (MYI)	1.09	11.66	0.69	4.39	-1.02	3	37.22	4	31.42	4
BMO Global Smaller Companies (BGSC)	-6.02	5.02	0.83	1.23	-4.94	4	32.98	4	61.09	3
The City of London Investment Trust (CTY)	1.07	11.94	0.41	4.36	-1.81	2	24.28	2	30.52	2
F&C Commercial Property (FCPT)	-14.58	27.78	1.18	5.04	-14.25	4	7.17	4	23.56	4

(i) Source: Morningstar, 14 May 2019 (ii) All other information provided by FE Analytics, 14 May 2019

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 2019)

Data supplied by JLT Pension Decision

CONVENTIONAL ANNUITIES (GROSS ANNUAL INCOME)

Age	Level		RPI-linked	
60	£2,404.80	Legal & General	£1,266.96	Legal & General
	£2,225.04	JUST	£1,205.88	Aviva
	£2,195.79	Hodge Lifetime	£1,158.60	JUST
65	£2,759.88	Legal & General	£1,629.00	Legal & General
	£2,655.00	Aviva	£1,599.00	Aviva
	£2,617.92	JUST	£1,522.80	JUST
70	£3,161.76	Legal & General	£2,005.68	Legal & General
	£3,028.32	JUST	£1,939.32	Aviva
	£2,963.76	Aviva	£1,922.28	JUST
75	£3,666.72	Legal & General	£2,537.40	Aviva
	£3,608.88	JUST	£2,495.28	Legal & General
	£3,579.96	Aviva	£2,493.60	JUST

ENHANCED ANNUITIES (GROSS ANNUAL INCOME)

Age	Level		RPI-linked	
60	£2,466.60	Legal & General	£1,325.40	JUST
	£2,445.96	JUST	£1,324.08	Aviva
	£2,314.08	Aviva	£1,277.64	Legal & General
65	£2,878.44	JUST	£1,732.08	JUST
	£2,814.96	Legal & General	£1,698.72	Aviva
	£2,723.52	Aviva	£1,634.28	Legal & General
70	£3,223.32	Legal & General	£2,090.76	Aviva
	£3,194.28	JUST	£2,063.16	JUST
	£3,122.64	Aviva	£2,016.96	Legal & General
75	£3,853.92	Scottish Widows	£2,697.84	JUST
	£3,846.48	JUST	£2,603.16	Scottish Widows
	£3,746.52	Legal & General	£2,575.68	Aviva

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: JLT Pension Decision.

Give obeisance to the titans of business

Hush, bow down, obey and give obeisance. There are gods walking among us and we did not know! Yes, gods of business – titans whose merest touch can build or destroy whole economic worlds – these beings are living with us and we have been blind to them.

I speak of those higher creatures, those shining residents of Mount Olympus who, for the benefit of mankind (plus a go in the company Learjet), deign to work as chief executives of mundane corporations among us mortals.

Yay verily, I speak (in hushed tones) of colossi such as Iain Conn, CEO of Centrica (owner of British Gas). The most holy and revered Conn received a total remuneration of £2.42 million last year – while Centrica's shares fell to a 20-year low as it reduced its profits forecast and cut jobs for lesser employees. By the end of 2019 it will have shed almost 10,000 employees over four years. Not for Mr Conn, of course (currently papering his guest loo with £5 notes). His pay is 72 times that of a typical employee in the lower quartile of Centrica's salary range. All hail the God of Gas!

Bow in awe, too, to AstraZeneca CEO, the divine Pascal Soriot, who garnered £11.36 million in total pay last year, a 9% jump from 2017. Soriot (currently trying to book Taylor Swift to come and sing his children to sleep) made 160 times the average AZ employee's salary.

Then there's demigod and former CEO of housebuilder Persimmon, Jeff Fairburn (now playing Monopoly, using real buildings, with Jeff Bezos). He had an £85 million pay package over two years plus stratospheric bonuses before leaving his position because of all the money he was paid.

Ah, and I spy a couple of lesser gods, wafting through the food halls at Harrods, wondering where to spend their bounty. Debbie White, chief executive of government contractor Interserve, and Mark Whiteling, its finance director, were both awarded bonuses last month that accounted for more than half their final salary just before the group collapsed. The two denizens of the C-suite (think job titles CEO, CFO, CIO, COO, etc) earned a combined £1.99 million in the year to March while earth-dwelling shareholders were wiped out.

Yes, there are more of these great ones living among us. In 2018 the typical UK CEO earned the average worker's annual salary in under three days, according to the High Pay Centre. In the past decade, CEOs' earnings in the FTSE 100 have increased by four times the national average earnings.

In Europe, there have been heavenly sightings too. Tidjane Thiam, CEO of Credit Suisse, received a 30% pay rise in 2018, pocketing a total of 12.7 million Swiss francs (£9.64 million). This divinity (agonising over whether to have gold or platinum bath taps in his holiday mansion) was given the sort of remuneration one would expect for someone of his super-human abilities, once the bank returned to profit after a three-year loss-making streak (a mere nothing).

But all these divine beings are still on the planetary level of executive pay compared to America where a CEO's average salary is $11 million (£8.53 million) per annum. Americans clearly have a special pipeline to the nectar that bestows divinity on the chosen few.

One baby-faced CEO, Patrick Smith, of Axon (the stun-gun and body-camera company formerly known as Taser), languishes on a microscopic salary of $70,000. He is sitting on a more celestial package of $246 million over the next 10 years if he meets certain targets, however. Smith will have to do some actual work to get his payout, including overseeing a tripling of the company's value. Do they not know who he is?!

The Zeus of them all is Disney's Bob Iger, on £50.5 million a year

But on Mount Olympus, the Zeus of them all is Disney's chief executive, Bob Iger. He's paid a starry $65.6 million (£50.5 million) a year – 1,424 times more than the average pay for a Disney employee. He had his 2018 pay deal increased by 80% from $36.3 million in 2017. Abigail Disney, whose grandfather, Roy, was co-founder of Disney with his brother, Walt, said: "I figured that he [Bob] could have given personally... a 15% raise to everyone who worked at Disneyland, and still walked away with $10 million." But why would he? Have some respect!

Some religious sceptics, such as MP Rachel Reeves, insist these gods' pay packets are too mythical to be good for the economy. Other god-deniers say their remuneration should be closer to that of lesser mortals doing the work. Sacrilege!

But you and I are happy to continue our votive offerings to these deities in their temples. Who needs decent salaries when you can bow down to their shining wonder and astronomical remuneration packages? Not us! mw

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