

Best buys 2 Savings guide

We like Abbey's eSaver account

Top savings accounts used to demand three months' notice. But now most of our best buys tie you up in another way. High paying deals may be "no notice" but they are hardly instant.

Withdrawals are generally online and your money moves into another account.

But Abbey's eSaver account breaks this mould.

It offers a combination of a high interest rate and in-

stant cash machine access.

The interest rate is currently a premier league 4.1% from £1 to 4.40% for £200,000-plus. Abbey pays a 0.5% bonus for the first six months but unlike rival savings firms, it is honest enough to feature the lower rate in publicity material. And the cash card access means you can withdraw up to £500 per day when you need to spend.

Tony Levene

We don't like Isa inflexibility

Mini cash Isas were intended as flexible savings vehicles – unlike the Tessas they replaced. But Cheltenham & Gloucester's fixed-rate Isa offering is inflexible. And it is structured so you could lose up to £2,000 of the current £3,000 a year allowance.

The C&G product pays and attractive 5% until July 12, 2005. But if you want earlier access the choice is paying 90 days' interest or giving 30

days' notice. The real nasty, however, is that while you are allowed to add to your initial £1,000 to make up the £3,000 limit, you may not be allowed to do so.

The deal definitely shuts on July 12 but could close at any time without notice before that if the issue is fully subscribed. And that means no Isa home for any further savings.

Tony Levene

What's the right account for you?

1. Instant access branch accounts: Tend to pay low rates of interest, but offer maximum flexibility and access to your cash. Some accounts may require a minimum deposit. Good as emergency-accounts.

2. No notice accounts: Differ from instant access in that they tend to be postal or telephone-operated accounts. Access is "instant", but money may take a couple of days to arrive. Tend to offer better rates than instant access.

3. Notice accounts: Generally pay higher rates of interest. You will have to give notice of withdrawal – typically 30, 60 or 90 days. A minimum investment of more than £100 is normally required. Suitable as a medium-term savings account.

4. Internet-only accounts: All contact with the account is done on the net – you will be charged if you telephone. Most are instant access paying much higher interest rates than their branch equivalents owing to lower overheads. Suitable for low-risk medium-term investments and emergencies.

5. Monthly interest: Suitable for savers who need a regular income and who have significant amounts to deposit.

6. Mini cash Isas: Tax-free, plus they tend to offer a higher than average interest rate. You can invest up to

£3,000 a year in cash, and the interest earned is entirely free from tax. Isas are wrappers which protect your savings from tax. No tax relief on money put in but the growth is free of income and capital gains tax. Good medium-term investment vehicle.

7. Tessa-only Isas: Anyone holding a tax-exempt savings account (Tessa) that matures now can move all of the capital (but not the interest) in to a Tessa-only Isa. This must be done within six months of your Tessa maturing.

8. Guaranteed income bonds: Are contracts that provide a fixed income or rate of capital growth for an agreed term. Normally last one to five years.

9. Fixed-rate bonds: Bonds will pay more competitive rates than the average building society account. Money will be tied up for a specific period and no withdrawals can be made before the maturity date. Interest is often fixed and the minimum investment is generally £1,000.

10. Children's accounts: Simple savings accounts designed by banks to encourage your child to invest his/her pocket money, gift money and any other cash received in an accounts. Higher than average interest rates. The minimum investment is normally £1. Don't forget to ask about the bonus gift, discount pack or other starter offers.

Top accounts

	Phone/Web	Notice or term	Minimum Deposit £	Gross Rate%
Branch Accounts				
Instant Access Top five				
Scarborough BS	0845 458 4458	Easy Saver	1	3.75
Abbey	0800 174 635	Flexible Saver	1	3.55*
Alliance & Leicester	08000 686 699	EasySaver	1	3.35
Lambeth BS	0500 200 020	Premier Save	1,000	4.66*
Manchester BS	0870 990 0810	Premier Access	2,500	4.65
Instant Access (Top five High Street)				
Abbey	0800 174 635	Flexible Saver	1	3.55*
Alliance & Leicester	08000 686 699	EasySaver	1	3.35
Abbey	0800 100 801	Branch Saver	1	3.25
Royal Bank of Scotland	0808 100 9510	Instant Savings Tracker	10,000	3.25*
Barclays Bank	0800 400 100	Tracker Savings	10,000	3.05
No Notice Accounts (not instant)				
Scarborough BS	0845 458 4458	One Plus Saver Issue 7	1	4.95*
Birmingham Midshires	0800 169 1543	Telephone Plus Issue 2	1	4.70*
Lambeth BS	0500 200 020	Premier Save	1,000	4.66*
Manchester BS	0870 990 0810	Premier Access	2,500	4.65
Capital One Bank	0800 085 1211	Tracker Plus Issue 4	5,000	4.65*
Notice Accounts				
Anglo Irish Bank	0845 455 2222	7 Day (B)	500	4.65
Chelsea BS	0800 272 505	80 Day	1,000	4.75
Scarborough BS	0845 458 4489	99 Day	100	5.00*
Universal BS	0800 281 496	120 Day	100	4.75*
Northern Rock	0845 600 6767	120 Day	500	4.65*
Notice Accounts (top five High Street)				
C&G	0800 717 505	30 Day (P)	100	2.40
Royal Bank of Scotland	0808 100 9510	60 Day	10,000	2.95
Alliance & Leicester	0800 068 8210	75 Day (T)	2,500	4.00
Nationwide BS	0800 302 010	90 Day	1	2.65
C&G	0800 717 505	90 Day (P)	100	2.80
Monthly Interest				
Scarborough BS	0845 458 4458	None (B)	1	4.85*
Northern Rock	northernrock.co.uk	None	1	4.76*
Scottish Widows Bank	0845 845 0829	60 Day (B)	10,000	4.62*
Chelsea BS	0800 272 505	80 Day	1,000	4.65
Scarborough BS	0845 458 4489	99 Day	100	4.90*
Monthly Interest (top five High Street)				
Abbey	abbey.com	Instant	500	4.45*
Halifax	0845 726 3646	None (T)	500	3.20
NatWest	natwest.com	None	10,000	3.75
Alliance & Leicester	0800 068 8210	75 Day (T)	2,500	3.95
Halifax	0845 726 3646	90 Day	10,000	3.70
Children's Accounts				
Alliance & Leicester	08000 686 699	Instant	1	4.80
Scarborough BS	0845 458 4522	C	5pm	5.00
Halifax	08457 263 646	A	5pm	5.00
Abbey	0800 100 801	4 Year	1	5.15F
Cheshire BS	0800 243 278	4 Year	500	5.30F

Internet Only Accounts				
Northern Rock	northernrock.co.uk	None	1	5.01*
Alliance & Leicester	alliance-leicester.co.uk	None	1	4.85
Abbey	abbey.com	Instant	1	4.60*
Birmingham Midshires	askbm.co.uk	None	250	4.60*
Yorkshire BS	ybs.co.uk	Instant	1,000	4.60

Cash ISAs				
Mini Cash ISAs				
Abbey	0800 174 635	None (P)	1	4.85
Teachers' BS	0800 783 2367	Instant	1,000	4.65
Lambeth BS	0500 200 020	45 Day (P)	1,000	5.15*
Portman BS	0800 183 0012	45 Day	3,000	5.00*
Leeds & Holbeck BS	0113 225 7777	31.05.09	100	5.50*F
Tessa Only ISAs				
Marks & Spencer Money	08000 282 824	None (B)	10	4.75
Portman BS	0845 605 1000	30 Day	6,000	5.05*
Lambeth BS	0500 200 020	45 Day	1,000	5.00*
Melton Mowbray BS	01664 563 937	90 Day	1,000	4.80
Portman BS	0800 068 0230	30.4.09	500	5.80*F

How much interest?

Basic rate taxpayer (less 20% tax)	Interest rate	Source: www.moneysupermarket.com			
	3%	4%	5%	6%	
£1,000	£24	£32	£40	£48	
£5,000	£120	£160	£200	£240	
£10,000	£240	£320	£400	£480	
£20,000	£480	£640	£800	£960	
£50,000	£1,200	£1,600	£2,000	£2,400	
£100,000	£2,400	£3,200	£4,000	£4,800	

The 10% starting rate of income tax includes savings income. Where an individual has savings income in excess of the starting rate limit they will be taxed at the lower rate of 20% up to the basic rate limit (£29,400 - 2001-02 and £29,900 - 2002-03).

	Phone/Web	Notice or term	Minimum Deposit £	Gross Rate%
Current accounts				
Interest paying				
Lloyds TSB	0800 015 5000	Instant (D)	1	4.65
Cahoot (w.e.f. 3.6.04)	cahoot.com	Instant	1	3.69
Smile	smile.co.uk	Instant	1	3.00
Halifax	08457 203 040	Instant (G)	1	3.00
AMC Bank	01264 334 747	None	5,000	3.65
National Savings				
Accounts & Bonds (gross)				
Investment Account		1 month	20	b
Fixed Rate Bonds		1 year	500	4.05Fd
Income Bonds (w.e.f. 1.7.04)		3 month	500	3.70
Capital Bonds – Series 18		5 year	100	4.80F
Pensioners Bond – Series 24		1 year	500	4.25F
Pensioners Bond – Series 30		2 year	500	4.45F
Pensioners Bond – Series 39		5 year	500	4.70F
Tax Free Products				
Mini Cash ISA		None	10	3.95
TESSA ISA		None	10	3.95
26th Issue Certificates		2 year	100	3.25F
76th Issue Certificates		5 year	100	3.45F
7th Issue Index-linked Certificates		3 year	100	1.05F+H
34th Issue Index-linked Certificates		5 year	100	1.20F+H
Bonds				
Guaranteed Income Bonds				
Countrywide Assured	0800 838 020	1 Year	5,000	3.05FN
Countrywide Assured	0800 838 020	2 Year	5,000	3.80FN
Countrywide Assured	0800 838 020	3 Year	5,000	4.20FN
Countrywide Assured	0800 838 020	4 Year	5,000	4.20FN
Countrywide Assured	0800 838 020	5 Year	5,000	4.20FN
Fixed Rate Bonds				
Birmingham Midshires	0800 169 1543	1 Year	1	5.45F
Capital One Bank	0800 085 1211	2 Year	5,000	5.56F
Capital One Bank	0800 085 1211	3 Year	5,000	5.70F
MBNA Savings	0800 915 0512	4 Year	2,500	5.77F
MBNA Savings	0800 915 0512	5 Year	2,500	5.82F
Offshore Accounts				
No Notice Accounts				
NorthernRock (Guernsey) Ltd	northernrock-guernsey.co.gg	None	5,000	4.40*
Derbyshire (IOM) Ltd	01624 663 432	None	5,000	4.15
Alliance & Leicester Int Ltd	01624 663 566	None	5,000	4.00
First Active Bank CILtd	01481 710 400	None (B)	10,000	4.10
Anglo Irish Bank Isle of Man	01624 698 000	None	25,000	4.20
Notice Accounts				
Portman Channel Islands Ltd	01481 822 747	15 Day	10,000	4.65
Anglo Irish Bank Isle of Man	01624 698 000	30 Day	25,000	4.45
Anglo Irish Bank Isle of Man	01624 698 000	90 Day	25,000	4.50
Bradford & Bingley Int Ltd	01624 695 000	120 Day (P)	25,000	4.40
Irish Nationwide (IOM) Ltd	01624 673 373	180 Day	50,000	4.55
Monthly Interest				
NorthernRock (Guernsey) Ltd	northernrock-guernsey.co.gg	None	5,000	4.15*
Anglo Irish Bank Isle of Man	01624 698 000	7 Day	25,000	4.25
Portman Channel Islands Ltd	01481 822 747	15 Day	10,000	4.55
First Active Bank CILtd	01481 710 400	30 Day (B)	10,000	4.20
Singer & Friedlander IOM Ltd	01624 699 222	90 Day (I)	25,000	4.212
Cheque Accounts				
Bank of Scotland Int Ltd	01534 613 500	None	5,000	3.25
Gerrard Private Bank	01624 645 000	None	5,000	1.75
Schroders (CI) Ltd	01481 703 700	None	10,000	2.625
Royal Bank of Scotland Int Ltd	01534 724 365	None	10,000	1.60
Abbey National Offshore	01534 885 100	None	10,000	1.35
Fixed Rates				
Irish Nationwide (IOM) Ltd	01624 673 373	1 Year	50,000	5.40F
NorthernRock (Guernsey) Ltd	01481 714 600	1.6.05	10,000	5.30F
Anglo Irish Bank Isle of Man	01624 698 000	24 Months	25,000	5.30F
Yorkshire Guernsey Ltd	01481 724 353	30.6.07	5,000	5.20F
Derbyshire (IOM) Ltd	01624 663 432	30.6.09	5,000	5.30F

Key *Introductory var rate for limited period a max holding inc series of Cap Bonds (ex series AllB Rates listed: £20-2.25%, £500-2.30%, £5k-2.4%, £10k-2.6%, £25k-2.8%, £50k-3.15% or limit on reinvesting matured cert'd Rates listed: £20k-3.75%, £50k-3.95%. Other terms & monthly caps available @ Young Saver Ac, min £5 max £5000 pm, 1 withdrawal @ Operated by post or telephone C 3 yr term reg savings ac, min £5 max £150 pm Fixed rate H Operated by internet or telephone Op by internet, post or telephone N Net rate OM Int paid on maturity P Op by post T Operated by telephone Figures correct as of 20/5/04 Source Moneyfacts

On the net

All you need to know about saving, who to save with and how much to invest can be found online at Guardian Unlimited Money. For up-to-date information on savings and banks visit:

www.guardian.co.uk/money/saving
 To compare different accounts and interest rates: **www.guardian.co.uk/money/compareandbuy**
 Others sites designed to help you save money are: **guardian.co.uk/money/cashclinic** and **guardian.co.uk/money/choosinganisa**

Best buys 3 Debt & Insurance

We like Barclaycard's new plastic

Barclaycard has had its fair share of criticism over recent card launches. But its new card, available from Tuesday, sets a standard in interest free credit others will struggle to match.

It will give 0% APR on both balance transfers and new purchases until August 1 2005 – more than a year and the longest introductory offer available.

But there is a second strike

and you're out drawback.

Customers who do not pay their bill on time or exceed their credit limit will lose the 0% promotional offer. The second time the agreement is broken in either way, the 0% balance will revert to the standard purchase APR – currently a typical 13.9%.

There is also a free extended warranty deal. **Tony Levene**

We don't like store cards

Office of Fair Trading figures show one in three adults has a store card. And posh shops can charge just as much as more basic outlets. Harrods is 28.9% APR; B&Q 26.8%; Laura Ashley charges 30.7% while Ikea is 29%.

Now the OFT is so concerned by the store card jungle that it has launched a new awareness campaign packed with hints and tips.

It has designed a new

credit-card sized leaflet. Are you store card smart?, to alert consumers to the serious credit commitment that a store card represents. It also sets out the key questions consumers should be asking.

The leaflet is available from local trading standards, Citizen's Advice, from the OFT website www.of.gov.uk, and from 0870 6060321. **Tony Levene**

The dos and don'ts of debt

1. Don't bury your head in the sand: Your debt will not go away. You must tackle the problem before it escalates out of control.

2. Talk: Debt can be stressful, so it is important to tell someone. If you cannot tell a member of your family, there are a number of charities who can help you cope: from counselling to debt management strategy.

3. Prioritise: Sit down and prioritise your debts. For example, meeting repayments on essential services like your mortgage and utility bills should be your first priority. If you are paying off a range of credit cards and store cards, you should pay off those with the highest rate of interest first.

4. Change: Switch the balance of your credit card to one which charges a lower rate of interest. Check our best buy tables to find the best transfer deals. Avoid "consolidation" companies – you pay more than you expect.

5. Don't panic: Despite what you may think, many companies are sympathetic to people who cannot afford repayments. Recovering debt can be expensive, so they are often willing to work out an agreement. **Help:** There are a number of free advice services to help you manage your debts. *Citizens Advice:* the largest

provider of free, impartial and holistic debt and