



Despite cuts there are still some fine deals on offer

WEALTH WORKOUT

By Melanie Wright

THE New Year got off to a gloomy start for most savers, with many banks and building societies imposing rate cuts this week in response to December's base rate reduction. Cahoot, Abbey, Chelsea Building Society, Bradford & Bingley and Yorkshire Building Society were among those to trim rates, in some cases by up to 0.4pc.

Despite this, however, there are still some competitive deals available, and the New Year also saw the introduction of a couple of new accounts. National Counties Building Society, for example, launched the latest issue of its one-year Savings Bond on January 2.

Issue 21 of the bond pays 6.6pc gross interest a year, and can be opened with a minimum investment of £1,000. There is also a monthly interest option, which pays 6.41pc gross interest.

However, savers who choose this option must open the bond with a minimum investment of £5,000.

For more information, telephone 01372 744155, or visit the website www.ncbs.co.uk.

Mansfield introduces new fixed bond

MANSFIELD Building Society has introduced a one-year Fixed Rate Bond paying 6.35pc gross interest a year.

The bond can be opened with a minimum investment of £500 and further additions cannot be made once the term has started. Savers can, however, get earlier access to their funds if they need to, although the bond will be closed and 90 days' interest will be lost.

For more information, visit www.mansfield.co.uk, or telephone 01623 676300.

Beware short-term bonus that disappears

SAVERS looking to switch accounts this New Year to earn higher rates of interest should watch out for short-term bonuses that disappear after the first few months. According to research by Investec Private Bank, the number of savings accounts using bonus rates to draw in customers has increased year-on-year almost 15pc.

The bank's latest Savings Index, which analyses savings accounts for balances of £25,000 or more, found that the

average size of these bonuses is 0.61pc. Around 13pc of savings accounts rely on bonuses that have an average lifespan of 284 days, or just over nine months.

Linda McBain, head of banking, Investec Private Bank, said: "Bonuses can make some headline rates seem very attractive, but

savers need to take a long-term view. It is impractical, and more often than not uneconomical, to continually switch savings accounts to take advantage of introductory bonus rates."

The Investec High 5 account pays 6.5pc gross interest on a minimum investment of £25,000 over its one-year term, without any bonus. For more information, visit www.investecprivatebank.co.uk or telephone 0845 366 6333.

Coventry reduces over-50s portfolio

COVENTRY Building Society this week withdrew Issue 4 of its Sixty-Plus

Notice account paying 6.35pc gross interest a year, and replaced it with a new Issue paying 6.1pc.

Issue 5 of the account

can be opened with a minimum investment of £10,000, and savers must give 60 days' notice if they want to make a withdrawal, or they will lose the equivalent amount of interest on the amount withdrawn.

The building society has also withdrawn its 50 Plus Esave account, which paid 6.4pc gross interest a year.

A spokesman for comparison website moneyfacts.co.uk said: "It is disappointing to see Coventry reducing its over-50s portfolio. The new issue of Sixty-Plus Notice will still be one of the top six accounts specifically aimed at the over-50s market.

"However, it may struggle to compete against some of the mainstream accounts, such as Heritable Bank's 90 Day Notice account that offers 6.51pc. When making their decision to invest, savers also need to bear in mind the £10,000 minimum investment, and also that the rate includes a 0.6pc bonus for the first 12 months."

For more information on the Sixty-Plus Notice account, visit www.coventrybuildingsociety.co.uk, or telephone 0845 7665522.



**Waterhouse waives
Isa admin fee**

DISCOUNT broker TD Waterhouse is no longer charging an administration fee on stocks and shares individual savings accounts (Isas) with a valuation of £3,600 or more.

The offer, which is available indefinitely, is open to both new and existing customers. Investors with Isas valued up to £3,599.99 will still have to pay a standard fee of £30 plus VAT.

Angus Rigby, chief executive officer of TD Waterhouse UK, said: "New regulatory changes for Isas will be coming into effect from April 6, 2008.

"A key part of this change will affect personal equity plans (Peps) which will cease to exist after being around for 20 years as they automatically become stocks and shares Isas.

"In addition, holders of cash Isas will be able to convert stocks and shares Isas to gain access to the highs and lows of the stock market.

"The changes offer the perfect opportunity for savers to review their Isas in order to get the best possible return, and we are helping them on their way with the introduction of the zero administration fee on Isas with a portfolio valuation of £3,600 or more."

For more information, telephone 0845 607 6001 or visit www.tdwaterhouse.co.uk.

**LifeSearch advice on
paying over the odds**

PROTECTION specialists LifeSearch this week advised consumers to make sure they weren't

paying over the odds for life insurance.

According to LifeSearch, the cost of cover has fallen by around 40pc in the last five years, which means now is a good time to buy, or at least check you are getting a good deal on your existing cover.

For more information, visit www.lifesearch.co.uk.



Linda McBain: 'long-term view'



Angus Rigby: 'new changes'