

MONEY

Best Buys

CURRENT ACCOUNTS

CREDIT INTEREST

Provider	Account name	Account fee	Interest rate ¹	Balance	Contact
TSB	Classic Plus	None	5% + £10 a month ²	£1-£1,500	0345 975 8758
Nationwide	FlexDirect	None	5% ³	£0.01-£2,500	0800 302 010
Halifax	Reward	None	£3 a month	£1+	0345 720 3040

OVERDRAFTS*

Provider	Account name	Account fee	Interest rate ⁴	0% overdraft limit	Contact
First Direct	1st Account	£10 a month ⁵	15.9%	£250	0800 242 424
M&S Bank	M&S Current Account	None	15.9%	£100	0345 900 0900
Post Office Money	Standard Account	None	14.9%	£0	0345 266 8977

¹ Based on funding of £1,000 a month. ² To receive £10 you must have two direct debits and make 20 card payments a month. ³ Introductory rate for one year, then 1%. ⁴ Equivalent annual rate. ⁵ Fee waived if minimum funding of £1,000 is met. * Based on overdraft of £500 for 15 days a month. Some accounts require minimum funding/direct debits to open or receive rates shown. Source: Moneyfacts.co.uk

CREDIT CARDS

INTRODUCTORY RATES

Provider	Card type	Introductory purchase	APR ¹	Reward	Contact
MBNA	All Round 30/30 Visa	0% for 30 months	19.9%	No	0345 606 2062
Sainsbury's Bank	Purchase Mastercard	0% for 28 months	18.9%	Yes	0808 540 5060
Post Office Money	Platinum Mastercard	0% for 28 months	18.9%	No	0345 607 6500

BALANCE TRANSFERS

Provider	Card type	Introductory purchase	Transfer fee ²	APR	Contact
MBNA	Platinum 36-month Visa	0% for 36 months	1.99%	19.9%	0345 606 2062
Halifax	Online 36-month Mastercard	0% for 36 months	2.68% ³	19.9%	0345 944 4555
Tesco Bank	Clubcard Mastercard	0% for 36 months	2.69%	18.9%	0345 300 4278

CASHBACK CARDS

Provider	Card type	APR ¹	Cashback	Contact
American Express	Platinum Cashback	28.2%	1%-1.25%. Intro 5% for 3 months	0800 917 8047
American Express	Platinum Cashback Everyday	22.9%	0.5%-1%. Intro 5% for 3 months	0800 917 8047
Santander	All in One Mastercard	21.7%	0.5%	0800 389 9905

¹ APR = annual percentage rate, dependent on credit rating. ² Fee charged on the amount of each balance transfer during the introductory period. ³ Partially refunded. Source: Moneyfacts.co.uk

SAVINGS ACCOUNTS

INSTANT ACCESS

Provider	Account name	Min deposit	Interest rate	Contact
Shawbrook Bank	Easy Access — Issue 12	£1,000	1.3%	shawbrook.co.uk
RCI Bank	Freedom Savings Account	£100	1.3%	rcibank.co.uk
Tesco Bank ¹	Internet Saver	£1	1.3%	tescobank.com

NOTICE ACCOUNTS

Provider	Account name	Notice period	Min deposit	Interest rate	Contact
Secure Trust Bank ²	180-day Notice Account	180 days	£1,000	1.77%	securetrustbank.com
Secure Trust Bank ²	120-day Notice Account	120 days	£1,000	1.72%	securetrustbank.com
Secure Trust Bank ²	90-day Notice Account	90 days	£1,000	1.67%	securetrustbank.com

FIXED-RATE BONDS

Provider	Account name	Term	Min deposit	Interest rate	Contact
Atom Bank ³	Fixed Saver	1 year	£50	2.05%	atombank.co.uk
Atom Bank ³	Fixed Saver	2 years	£50	2.15%	atombank.co.uk
RCI Bank	Fixed Term Savings	3 years	£1,000	2.31%	rcibank.co.uk

¹ Rate includes 0.75% bonus for first 12 months. ² Maximum of three capital withdrawals a year, subject to required notice. ³ Atom Bank accounts are available only via an app, which can be downloaded from the Apple App Store or Google Play Store. DEALS ARE LISTED ONLY IF THEY ARE COVERED BY THE UK FINANCIAL SERVICES COMPENSATION SCHEME (FSCS) OR A EUROPEAN EQUIVALENT. Source: Savingschampion.co.uk — 0808 178 5354

ENERGY DEALS

Table shows the cheapest tariff from the 3 cheapest suppliers. Excludes fixed tariffs of less than 12 months' duration. Excludes tariffs that do not have national coverage. Excludes tariffs where payments are taken in advance of the customer coming on supply. F=Fixed rate V=Variable rate

Supplier	Average annual bill	Rate	Contact
People's Energy	£864	V	0131 285 5510
Together	£872	F	0333 150 1699
Nabuh Energy	£883	F	0330 041 4902

Source: TheEnergyShop.com — 01259 220 270

FOREIGN CURRENCY

These are the interbank rates at 5pm on Friday, which show where the market is trading. They are not indicative of the rate you will be able to get.

EURO

GBP>EUR
1.14

AMERICA

GBP>USD
1.33

SWITZERLAND

GBP>CHF
1.32

AUSTRALIA

GBP>AUD
1.78

Source: timescurrencyservices.co.uk 020 7294 7970

MORTGAGES

2-YEAR FIXED RATES

Lender	Rate	Scheme	Deposit	Fee	Notes	Contact
Yorkshire BS	1.39%	Fixed to 30.9.20	40%	£495	CV	0345 166 9510
First Direct	1.64%	Fixed for 2 years	20%	£490	LV	0800 482 448
Yorkshire BS	1.82%	Fixed to 30.9.20	10%	£495	V	0345 166 9510

3-YEAR FIXED RATES

Lender	Rate	Scheme	Deposit	Fee	Notes	Contact
Yorkshire BS	1.63%	Fixed to 30.9.21	25%	£995	CV	0345 166 9510
HSBC	1.89%	Fixed to 31.8.21	15%	£999	LV	0800 494 999
Virgin Money	2.18%	Fixed to 1.9.21	10%	£995	BR	0345 605 0500

LONG-TERM FIXED RATES

Lender	Rate	Scheme	Deposit	Fee	Notes	Contact
Sainsbury's	1.89%	Fixed to 30.9.23	40%	£995	LV	0345 111 8010
HSBC	2.04%	Fixed to 31.8.23	20%	£999	LV	0800 494 999
First Direct	2.19%	Fixed for 5 years	10%	£490	LV	0800 482 448
Coventry	2.19%	Fixed to 30.9.25	35%	£999	LV	0800 121 8899

TRACKERS* / DISCOUNTS

Lender	Rate	Scheme	Deposit	Fee	Notes	Contact
Yorkshire Bank	0.99%	SVR -3.96% to 31.8.20	40%	£1,449	LV	0800 202 122
HSBC	1.69%	Tracker +1.19% for 2 years	10%	£999	ELV	0800 494 999
Nationwide	1.89%	Tracker +1.39% for 5 years	40%	£999	AELV	0800 302 010
Coventry	1.74%	Variable for term	35%	£999	ELV	0800 121 8899

FIRST-TIME BUYER / LOW DEPOSIT

Lender	Rate	Scheme	Deposit	Fee	Notes	Contact
Marsden	2.89%	Fixed to 31.7.20	5%	0.5%	LMV	0800 801 645
Sainsbury's	3.59%	Fixed to 30.9.23	5%	£0	CD	0345 111 8010
Barclays	2.75%	Fixed to 31.7.21	0%	£0	FP	0333 202 7580

BUY TO LET

Lender	Rate	Scheme	Deposit	Fee	Notes	Contact
Coventry	2.05%	Variable for term	35%	£1,999	LV	0800 121 8899
Ipswich	3.15%	Fixed to 31.7.20	20%	£1,149	R	0330 123 0773
Virgin Money	2.17%	Fixed to 1.9.23	40%	£1,995	D	0345 605 0500

Early repayment charge applies unless otherwise stated. * Most deals track Bank of England base rate. Notes: SVR = Standard variable rate; A = £500 cashback for first-time buyers; B = £300 cashback for purchases; C = £250 cashback; D = £300 cashback; E = No early repayment charge; F = Family Springboard, 10% deposit must be in a Barclays Help2Buy Start account; L = Free legal work for remortgages; M = £299 booking fee; P = Purchases only; R = Free valuation and legal work for remortgages; V = Free valuation. Source: landc.co.uk — 0800 373 300

CASH ISAs

INSTANT ACCESS

Provider	Account name	Min deposit	Interest	Transfers in	Contact
Shawbrook Bank	Easy Access — Issue 4	£1,000	1.3%	Yes	shawbrook.co.uk
Virgin Money	Double Take E-Isa Issue 1	£1	1.3%	Yes	uk.virginmoney.com

FIXED RATE

Provider	Account name	Term	Min deposit	Rate	Transfers in	Contact
Charter Savings Bank	Cash Isa	1 year	£1,000	1.52%	Y	chartersavingsbank.co.uk
Shawbrook Bank	Cash Isa Issue 23	2 years	£5,000	1.7%	Y	shawbrook.co.uk

Source: Savingschampion.co.uk — 0808 178 5354

CHILDREN'S ACCOUNTS

Provider	Account name	Account type	Min deposit	Interest rate	Contact
Halifax	Kids' Monthly Saver	Regular saver	£10	4.5%	halifax.co.uk
Santander ¹	123 Mini Current Account	Current account	£300	2.96%	santander.co.uk
Cambridge	3-year Fixed Rate Bond	Fixed-rate bond	£1,000	2%	cambridgebs.co.uk

¹ Interest rates are tiered: 1% on balances of £100-£199; 1.98% on £200-£299; 2.96% on £300-£2,000.

JUNIOR ISAs

Provider	Account name	Min deposit	Interest rate	Rate	Contact
Coventry	Junior Cash Isa (I)	£1	3.5%	V	coventrybuildingsociety.co.uk
Nationwide	Smart Junior Isa	£1	3.25%	V	nationwide.co.uk
Tesco Bank	Junior Cash Isa	£1	3.15%	V	tescobank.com

V = variable rate. Source: Savingschampion.co.uk — 0808 178 5354

The loan was my lifeline — then it dragged me down

Guarantor lenders exact a high price from desperate borrowers, as I found to my cost

EUGENE COSTELLO



In May 2014, I was in a dark place. Post-divorce, I had sunk into a spiral of debt and depression, and made a string of poor decisions. Since leaving a secure job at a national newspaper, the world of freelance journalism had proved unpredictable.

I had managed to buy a house in east London, not far from where my ex-wife was living with our daughter. Then I made one of my worst decisions. After checking with my lender, Halifax, that my mortgage was portable, I opted to sell the house and buy a two-bedroom flat. This, I reckoned, would let me clear my debts and still leave me with a place to live and a room for my daughter.

The house sold quickly, but then I hit the rocks. It turned out my mortgage was not as portable as I thought: Halifax told me I would have to make a new mortgage application — which I would fail because I was self-employed and it had tightened its lending criteria. I fell off the housing ladder with a sickening thud.

I moved to the south coast of England, where rents were

half those in London. I went into a severe depression and was prescribed medication.

Then things started to look up. I was contacted by a publisher planning to set up a new magazine; it held out the prospect of a job paying £40,000 a year, with a company car allowance.

In the meantime, I had rent, bills and child maintenance to pay. I calculated I would need a loan of £5,500 to keep going.

With a poor credit rating, my options were limited. Amigo Loans seemed a quick and easy solution — all I needed was a family member or friend who would act as guarantor and the money would be in my account the next day.

The main point for me was that the monthly repayments were manageable — at £217 per month over 60 months.

The high APR of 49.9% did not register; nor did I take time to work out how much interest I would be charged over the five years, as I felt I would be able to pay back the loan or refinance it once I had started my job. My behaviour, I suspect, was typical of many in my position.

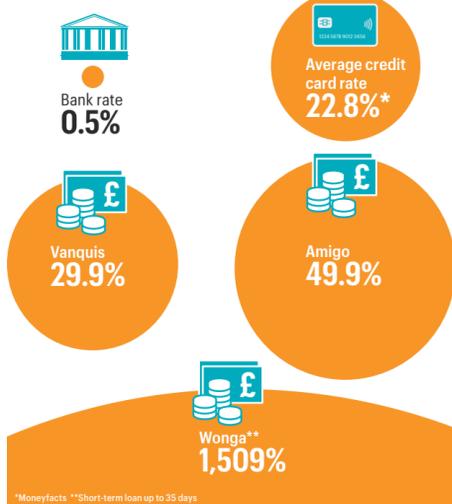
A friend agreed to be a guarantor and I was in business.

Then things turned upside down again. There was no job. The publisher did not go ahead with the project. So I remained freelance.

Fast-forward four years and I am back in London, keeping my head above water but earning barely enough to pay my rent and bills. And I still have my Amigo loan like a millstone around my neck.

On several occasions over

HOW LOAN RATES COMPARE



the years, when I was on sickness benefit for my health problems and I had no money, Amigo obliged my friend to step in and make the payments on my behalf, so as not to affect his credit rating.

He was justifiably angered at being dragged into my chaotic finances — and, to my shame and sadness, we are no longer in touch. It is a situation I hope one day to remedy.

When the Financial Conduct Authority (FCA) announced plans last month for tighter regulation of rent-to-own companies such as BrightHouse that sell items on credit, I heard my own MP, Labour's Stella Creasy, on BBC Radio 4's Today programme. She said the

proposals did not go far enough and did nothing to curb high-cost credit companies and guarantor lenders such as Amigo.

This prompted me to ask an Amigo adviser how much interest I will have paid by the end of the five-year term. The adviser was reluctant to give me a straight answer, but when pressed put the figure at £13,043.42 — well on the way to three times the original £5,500 borrowed.

Back in November 2014, announcing price-cap rules, the FCA said: "People using payday lenders and other providers of high-cost short-term credit will see the cost of borrowing fall and will never have to pay back more than double what they originally

borrowed" — including fees. However, that does not apply to Amigo, which is a "guarantor lender" and not a payday one.

Those in reduced circumstances and with poor credit records who feel obliged to resort to such high-cost credit have certainly provided a rich seam for Amigo to mine.

Its founder, James Benamor, who set up his first loan brokerage in 1999 at the age of 21, is worth £380m, according to The Sunday Times Rich List. He is set to become considerably richer if he goes ahead with a planned stock market listing announced this month.

Amigo has an estimated 360,000 borrowers on its books and a share of close to 90% of the guarantor loan market.

Many will say that I should have read the small print. I might have said the same when I was in a well-paid job with a good credit rating and owned a house in a fashionable part of London.

Nevertheless, I believe that the FCA should act to regulate guarantor lenders, as it has regulated payday ones.

Amigo has a lucrative market, with little risk and high returns. It has a chance to show it is a responsible player by voluntarily adapting the guidelines aimed at payday lenders.

In my own case, that would mean I would now be clear of my debt and Amigo would still have made a £5,500 profit on an investment of £5,500 — a 100% return most companies would love.

Vanquis, for instance, which also lends to people

with bad credit histories, charges 39.9% on its credit card and 29.9% on its personal loans. Unlike Amigo, it does not insist on a credit-checked guarantor.

Miss a payment by a single day with Amigo and it will notify your guarantor. Within a week, in my experience, it will be piling on the pressure, warning them that their credit rating will be adversely affected if they do not settle that month's sum.

Despite this, the FCA seems prepared, for now, to accept the status quo. It told me it would "continue to ensure that guarantor lending firms treat customers fairly" but was not proposing any further policy work.

Amigo, meanwhile, has defended its lending model. A spokeswoman told Money that upwards of 19,000 of its customers have rated it "excellent" on Trustpilot, the independent review website. Only 80 complaints were referred to the Financial Ombudsman Service in the second half of last year.

"We could 'cap' by insisting that all loans are paid over a shorter term, two to three years, but that would reduce choice for customers and increase monthly repayments," said the spokeswoman. She noted that less than 8% of repayments have had to be made by guarantors.

She added: "For the most part, we believe we are supplying a responsible product to a sector of the market that allows borrowers to get back on their feet, restore their credit and rebuild their lives."

Watchdog demands no-glitch switches

Energy suppliers will have to pay up if customers don't get a good service, writes Ali Hussain

Energy suppliers will have to compensate customers automatically if a switch goes wrong, under proposals announced by the regulator Ofgem last week.

Customers will receive at least £30 in compensation for each problem they experience, such as being mistakenly switched to another supplier — known as an