



7 Steps to
manage cash
savings in
excess of
£100,000

CONCIERGE
Cash savings advice



Introduction

Larger sums of money held on deposit are often realised after a particular life event, such as inheritance, sale of a business, divorce or retirement and for many it may be the first time that they have had to manage such large amounts of money. Alternatively, many people hold cash because they are risk averse and enjoy its lower risk nature.

Unlike other asset classes and investments, it is very difficult to access advice on cash. However, Savings Champion specialises in independent and whole of market advice on cash, which makes Savings Champion truly unique.

The following is a guide that has been created to help savers that have in excess of £100,000 in cash savings.



STEP 1 – Stay Active

The pricing model of banks and building societies is predicated on savers being apathetic and reluctant to move accounts. This means that many savings accounts are designed to attract savers and after a period of time, the rate is reduced, often to a level that is no longer competitive.

In the UK there are over 5,000 savings accounts and 17,000 individual interest rates. The time it takes to monitor accounts, research the market and action changes further exacerbates the apathy of cash investors.

Savings Champion offers a savings account advice service, called Concierge, for clients that hold more than £100,000 in cash savings. Our clients always hold the accounts in their name, we do not ask for any account sensitive information (passwords or pin numbers) and Savings Champion has no access to the accounts.

The Concierge service will identify the best savings accounts, ensure that funds are covered by Financial Services Compensation Scheme (FSCS) protection and help with the administration involved in opening accounts. All advice is accessed by telephone, making it very quick and easy – unlike many of the banks.

Active account management is proven to add value, as highlighted below.

Private Client

- On average, a private client of our Concierge Service has a cash savings portfolio of £345,452 and receives an additional £4,198 of gross annual interest in the first year (£3,162 after deducting our fee).

Data correct as at October 2014.

- On average, a corporate client of our Concierge service has a savings portfolio of £1,067,500 and receives an additional £9,597 of gross annual interest in the first year (£6,942 per annum after deducting our fee).

Data correct as at October 2014.

STEP 2 – Watch out for Best Buy Tables

Best buy tables are often comprised of accounts that pay commission and are designed to look attractive, when in fact they are nowhere near the best rates that can be achieved elsewhere.

Many are often not based on whole of market research something that was highlighted by a Channel 4 Dispatches programme in June 2015.

They are targeted at those with modest savings, which means the same terms may not apply to larger savers. Only 2% of savers have more than £85,000 in cash, which means that identifying the most appropriate accounts for larger savers is very difficult.

Accounts may also be excluded from best buy tables if they have restrictions (e.g. age, postcode, current provider or access only in branch).

Best buy tables don't show you if there are FSCS licence conflicts between the featured providers, which may mean that there is limited protection in place.

Savings Champion offers Best Buy tables that are based on whole of market research that are truly independent and free of any commercial bias. They are compiled on merit and free to access and use.

STEP 3 - FSCS Limits

The credit crisis has highlighted the need for savers to be cautious about where they deposit their money. No longer can savers rely on the old way of thinking – ‘the bigger the bank, the safer they are’.

Taking advantage of the protection offered by the FSCS is the primary way to reduce risk. In the event that a qualifying bank or building society should fail, the maximum pay-out is £85,000* per person, per FSCS licence (or £170,000 for an account held in joint names). *Please note that this will reduce to £75,000 (£150,000 for joint accounts) with effect from 1st January 2016.

Savers should be mindful of the fact that some banks and building societies are covered under the same FSCS licence, which limits protection under the FSCS.

If it is important to you to ensure that your savings are fully protected, then it is imperative that your portfolio does not unwittingly contain exposure to institutions that share a license.

For larger savers, staying within FSCS limits will require extra work because of the need to hold multiple accounts. Savings Champion is experienced in advising clients who wish to maximise their security and minimise risk.



STEP 4 – Liquidity

Some savings accounts have harsh penalties if savers access their money and some fixed rate accounts may not allow access at all within the term.

Some easy access accounts come with withdrawal restrictions, allowing just a few withdrawals per year, so it's wise to check the terms and conditions carefully to make sure they are suitable for you.

If you don't need immediate access to savings, investing in fixed rate bonds or notice accounts could significantly improve the interest you earn.

Our advisers will talk to you about your access needs to ensure you have just the right level of liquidity within your savings portfolio.

STEP 5 – Rate Changes and Bonuses

The last year has seen an unprecedented number of cuts on existing savings accounts, despite no change in the Bank of England Base Rate.

There have been 1318 rate cuts in 2015 (to date), 1066 cuts in 2014 and 3854 rate cuts since January 2013. Often the provider offers no acknowledgement of a change and they are not obliged to do so.

Even if they do write to you, it's not always clear what has happened to your account, what rate you are now being paid and most importantly, it won't tell you if you could improve your rate by looking at the whole market.

Many of the accounts that seem most attractive offer an enhanced rate of interest for a specific period of time, such as 6 or 12 months. At the end of this 'bonus' period, the rate is often significantly reduced, so it's essential to make a note of when the bonus is due to end.

A bonus account is great for those who are ready to switch to another account at the end of the bonus term, but for those who are more likely just to leave the money languishing, even for quite a short period, bonus accounts can be a trap.

Everyone thinks they won't be caught, but ask yourself why the accounts are designed this way. Savings Champion will ensure that you hold your savings in the best accounts and when it is time to make a change, we contact you, explain what action we recommend and help you with the administration.





STEP 6 – Don't Delay

In the last 3 years, we've helped over 400,000 savers and tracked over £600 million in savings, keeping savers fully informed on the whole UK savings market.

People are always surprised by the amount of interest they have missed out on.

The cost of delay for our typical private client is £263.50 per month, which over 5 years amounts to £18,146. (This assumes no change in interest rates. Data correct as at October 2014).

The cost of delay for our typical corporate client is £578.50 per month, which over 5 years amounts to £37,411. (This assumes no change in interest rates. Data correct as at October 2014.).

STEP 7 – Contact Us

If you are interested in learning whether we can help, please call us today on **0800 321 3581** or email **concierge@savingschampion.co.uk**.

We will be happy to have an initial discussion free of any obligation.

Why Savings Champion?

The quality of our research and market data is unsurpassed and this is why Savings Champion is featured regularly in the national media and television.

Where might you have seen us?

- BBC News
- Radio 4 Moneybox
- The Telegraph
- Sunday Times
- Channel 4
- Daily Mail
- The Guardian

Independent, unbiased and whole of market research makes Savings Champion the wise choice for savers.

Concierge Service

The Concierge Service is unique and is available for clients with in excess of £100,000 of cash savings.

The service combines access to our unsurpassed research covering the whole savings market, with the creation of a tailored portfolio of savings accounts for you, based on a proper understanding of your requirements.

Our experience of the savings market is extensive, which means that even the most challenging of scenarios guarantees professional advice and peace of mind.

If you would like to benefit from our expert knowledge of the savings market, please call one of our Advisers for a no obligation initial discussion on **0800 321 3581**.





How it works?

Fact Find

An initial no obligation consultation with an adviser over the telephone

Illustration

Your bespoke portfolio is presented to allow you to see the benefit to you, based on your specific circumstances

Application

Savings Champion will prepopulate all application forms (where possible) and monitor the progress of each until they are open.

Security

Each account is opened in your name and held directly with the provider ensuring that only you can access your money.

Savings Champion does not hold client monies and has no access to your accounts.





How much does it cost?

The initial consultation is FREE and without obligation.

When you are satisfied with the recommendation and happy to proceed Savings Champion will charge a fee in two parts;

Advice Fee – 0.1%

e.g Portfolio Size Fee

£500,000	£500
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Quarterly Management Fee – 0.05% per quarter

e.g Portfolio Size Quarterly Fee

£500,000	£250
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In the event that you decide at some future time that the Concierge Service is no longer appropriate for your needs, then you simply need to give us 14 days' notice of your withdrawal from the service. There would then be no further charges.

Contact Us

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