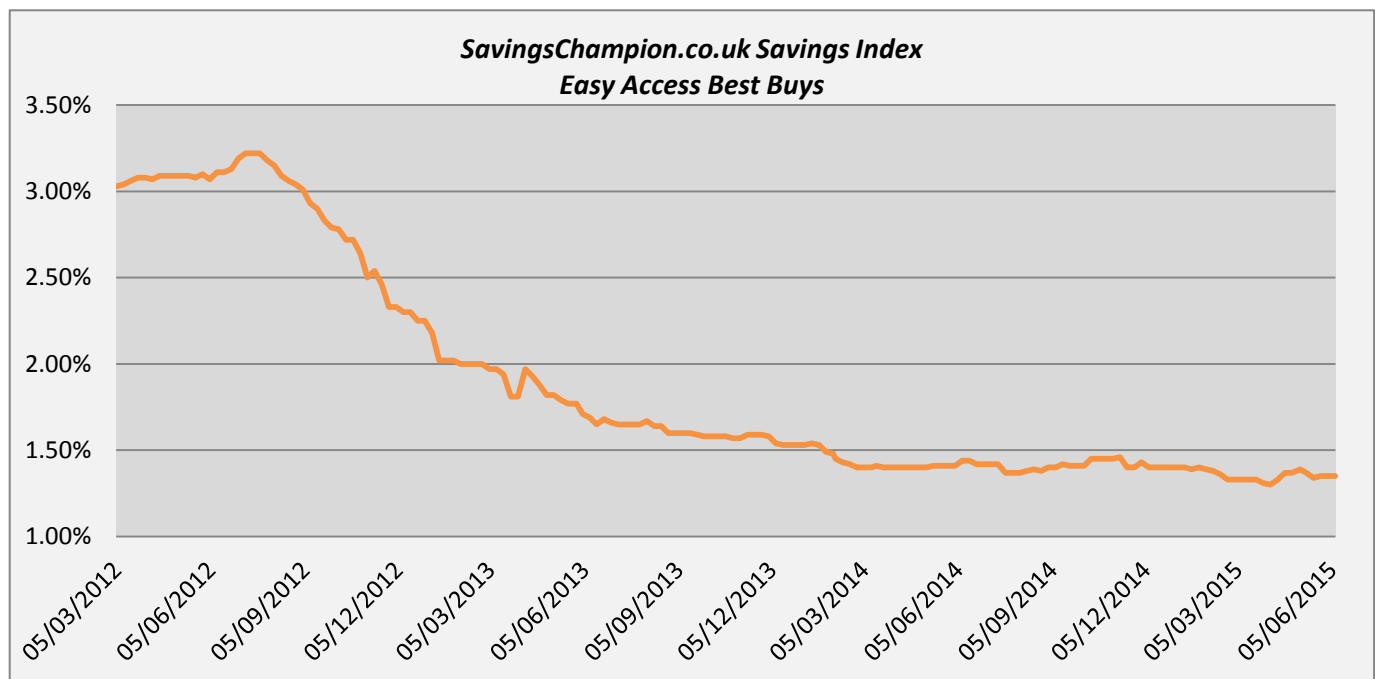


Channel 4's recent Dispatches programme 'Where to Save Your Money' highlighted the crisis facing many of Britain's 40 million savers and with interest rates at their lowest for 300 years, asked where savers should put their money. Research supplied by Savings Champion gave valuable insight into the current state of the savings market and how some savings providers are not only offering record low rates to savers opening accounts, but are also cutting rates on thousands of accounts for existing account holders. This factsheet provides some of the background research used for the programme.

## Savings Champion Index

The Savings Index looks at the average of the top five easy access accounts, as featured on our Best Buy Table. The graph paints a pretty gloomy picture, as rates have crashed down following the introduction of the Government's Funding for Lending Scheme back in July 2012. As you can see, back in 2012, rates in excess of 3% were easily achievable and that figure has more than halved today, with the best easy access account rate on the market just 1.50%.



Average of the SavingsChampion.co.uk Top 5 easy access accounts. Details correct as of 09/06/2015.

## Misleading Account Names

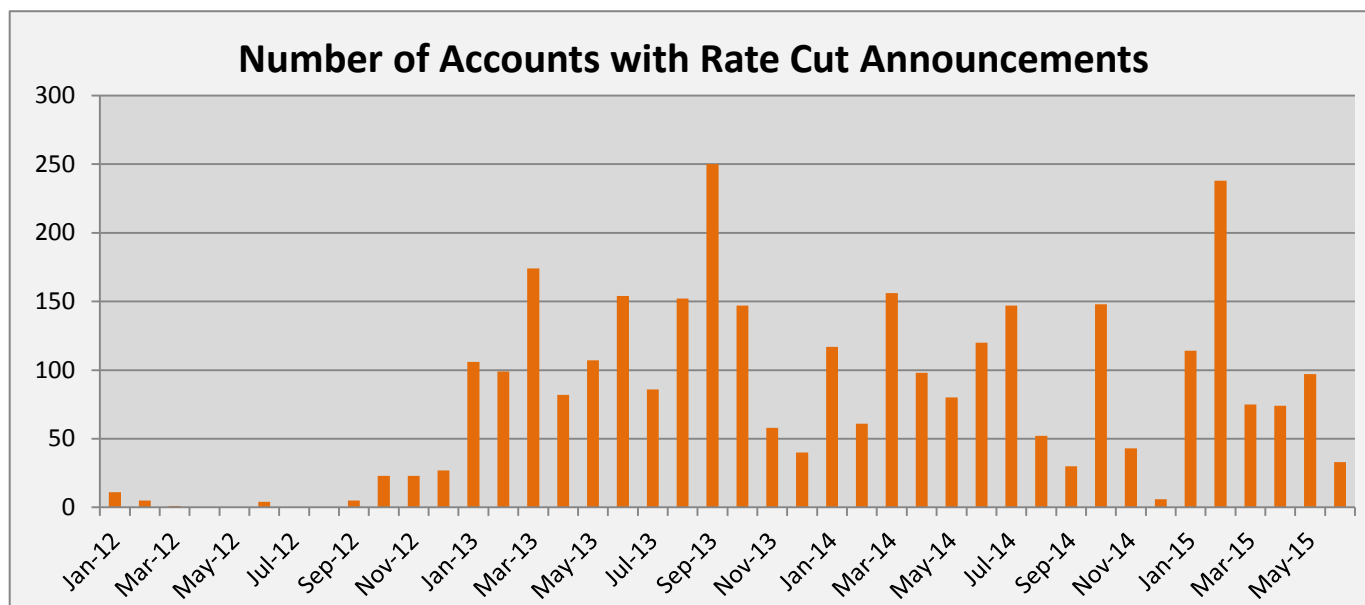
Savers must be aware of accounts that suggest that they pay a higher rate than they actually do. With the examples below, the old saying certainly applies; you cannot judge a book by its cover. Again savers really need to avoid these accounts at all costs and never assume that a fancy title means a better return.

Provider	Account Name	Gross Rate
Allied Irish Bank (GB)	High Interest Investment Account (30 Days' Notice)	0.05%- 0.10%
Barclays	Premier Cash Reserve	0.10%
Co-op Bank	Smart Saver	0.25%
Danske Bank (formerly Northern Bank)	Midas Gold	0.05%
Halifax	Liquid Gold	0.10%

Source: Savingschampion.co.uk, details correct as of 09/06/2015.

## Rate Reductions

Not only have we seen the interest rates available for new savers plummet over the last few years, savings providers have been cutting the rates on existing accounts as well. Whilst this type of change was rare outside of a base rate change, Funding for Lending appeared to change this, as not long after its introduction, rate cuts became the norm and few savers were immune. Every week we see yet more rate cuts and simply put, there is no sign of it abating anytime soon.



The above table shows the number of accounts that have seen a cut in the interest rate. Some accounts have been cut multiple times which has been reflected in the figures. Source: [Savingschampion.co.uk](http://Savingschampion.co.uk), details correct as of 09/06/2015.

## Worst Paying Accounts

The simple fact remains that as a result of rate cuts, simplification and low rates generally, savers still have funds in some shockingly low paying accounts. The table below highlights some of the worst paying live and closed to new business easy access accounts from some well-known providers. Compare this to the second column, which shows some of the alternative accounts that savers can open today and the difference is stark to say the least. Savers must vote with their feet and move funds away from these accounts.

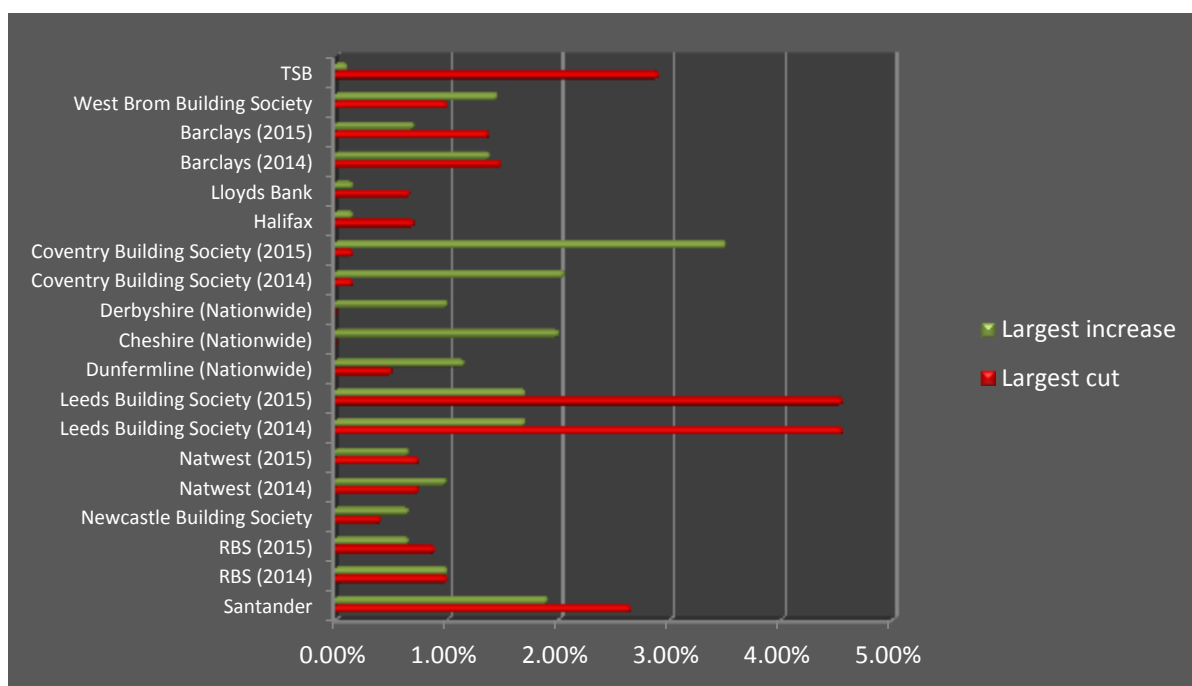
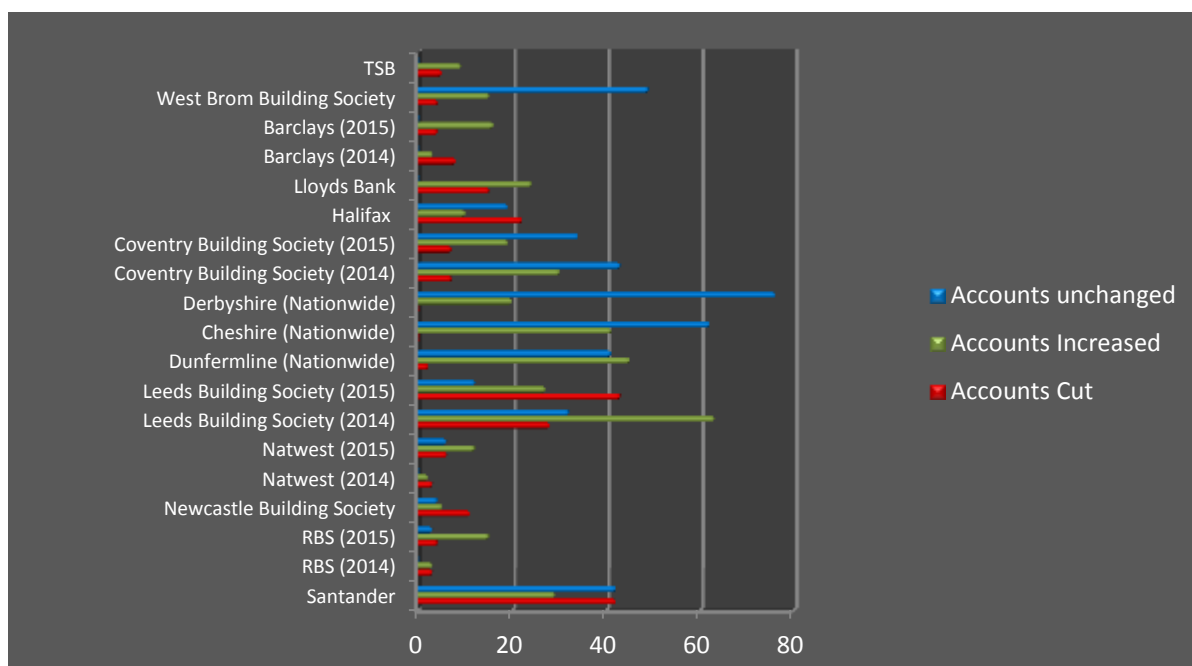
Worst Paying Easy Access Accounts	Rate	Best Paying Easy Access Accounts	Rate
HSBC	0.05%	BM Savings	1.50%
TSB	0.05%	Tesco Bank	1.35%
Co-op Bank	0.06%	SAGA	1.35%
TSB	0.05% - 0.08%	GE Capital Direct	1.30%
Co-op Bank	0.06% to 0.09%	Skipton Building Society	1.25%
Halifax	0.10%	Kent Reliance	1.25%
Post Office	0.10%	Leeds Building Society	1.25%
Santander	0.10%	NS&I	1.25%
Barclays	0.10%	Nottingham Building Society	1.25%
Lloyds Bank	0.10%	AA	1.25%

Source: [Savingschampion.co.uk](http://Savingschampion.co.uk), details correct as of 09/06/2015.

## Savings Simplification

In recent times various savings providers have 'simplified' their range of accounts, transferring closed to new business accounts to alternatives. This has the effect of reducing the number of accounts on providers' back books, to make it easier for account holders to find their interest rates and to make things less confusing. Certainly in principle, this makes sense as many providers have a huge number of closed to new business accounts, often with very similar names. You could also argue that Nationwide needed to move accounts from Cheshire, Dunfermline and Derbyshire Building Societies, as those brands ceased to exist.

However, whilst this process of simplification is meant to be in an account holder's interest, some savers have in effect seen their rate cut as a result of being transferred into a lower paying account. Savers will have seen rates cut, remain the same or in some cases increase, all dependant on which account they hold. The tables below clearly show that the effects of the simplification process vary between providers, with some providers' customers faring better than others.



The tables above show the effects of various providers' simplification process, showing the number of accounts cut, increased or unchanged, as well as highlighting some of the largest individual cuts and increases. Source: [Savingschampion.co.uk](http://Savingschampion.co.uk), details correct as of 09/06/2015.

If you require further details on any of the above information, please do not hesitate to get in touch. We monitor all live accounts on the market and also all closed to new business accounts, allowing us to supply data on the current market and also providers' back book accounts. This amounts to over 5,000 individual accounts and more than 15,000 individual interest rates, from 127 different savings providers.

#### Notes for Editors:

*All rates quoted are gross unless otherwise stated. Taxpayers will be liable to pay tax on these products at their highest marginal rate. All Banks and Building Societies mentioned are members of the Financial Services Compensation Scheme (FSCS) or equivalent. The FSCS has a maximum level of compensation for a deposit claim of £85,000 per person per banking licence. If the firm is authorised by the Financial Conduct Authority (FCA) or the Prudential Regulation Authority (PRA) you will have access to the Financial Ombudsman Service and to the FSCS.*

*Source: [SavingsChampion.co.uk](http://SavingsChampion.co.uk), unless otherwise stated.*

#### For more information:

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Anna and Sue are available for expert comment on a range of savings queries so please feel free to call. We're happy to help where possible and hold a variety of statistics on all types of savings accounts so can run reports on request.

#### About Us:

[SavingsChampion.co.uk](http://SavingsChampion.co.uk) is dedicated to savers and savings accounts with the aim of producing a straight talking and simple to use site that is totally independent, completely unbiased and whole of the market.

[SavingsChampion.co.uk](http://SavingsChampion.co.uk) monitors the whole UK savings market of over 4,000 savings accounts and 9,000 savings interest rates daily and via the unique free Rate Tracker service monitors movements in all registered users' savings accounts.

[SavingsChampion.co.uk](http://SavingsChampion.co.uk) offers a range of data packages for providers, ranging from direct logins to create, edit and export reports, to building bespoke reports to specific requirements

[SavingsChampion.co.uk](http://SavingsChampion.co.uk) provides a free Rate Alert service, which helps savers to keep up with the release of new savings products and interest rate changes as they happen in the whole market.

[SavingsChampion.co.uk](http://SavingsChampion.co.uk) provides a fully managed savings portfolio service, Rate Tracker Concierge for a small fee for savers with £100,000+

Serving savers in three simple ways:

- 1 - [Best Buy Tables](#) - Completely unbiased. Truly independent.
- 2 - [Rate Tracker](#) - Market leading free service. Take the one minute rate check.
- 3 - [Rate Tracker Concierge](#) - Finding the best rates, reducing risk and minimising hassle.

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