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## **Money: Banking: Peace of the action to satisfy the wary: Savings: Even with safety in mind, real returns can be found, says Huma Qureshi**

*Anonymous. [The Guardian](#). London (UK): [Jan 24, 2009](#). pg. 3*

### **Abstract (Summary)**

Andrew Hagger of the website [Moneynet.co.uk](#) website says: "If you have accounts with Irish banks, your money should be very safe, as it will still be covered by the Irish scheme. But some people will have doubts and, if it is going to cause you sleepless nights, then it's probably worth considering a UK bank covered by the Financial Services Compensation Scheme - although you might have to accept a lower interest rate for the peace of mind."

If you pick an account with a bonus, savings experts say you should note when the bonus ends so that you can switch elsewhere. Bradford & Bingley's online eSavings pays 3.6% on a minimum of pounds 1,000, though this includes a 1% bonus for the first 12 months.

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### **Full Text (416 words)**

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So where can cautious savers - that's probably most of us these days - put money and still get a decent return?

Andrew Hagger of the website [Moneynet.co.uk](#) website says: "If you have accounts with Irish banks, your money should be very safe, as it will still be covered by the Irish scheme. But some people will have doubts and, if it is going to cause you sleepless nights, then it's probably worth considering a UK bank covered by the Financial Services Compensation Scheme - although you might have to accept a lower interest rate for the peace of mind."

Consumer price inflation fell sharply to 3.1% this week and, even at this lower rate, there are few savings accounts able to give a real return to taxpayers. A higher-rate taxpayer now requires a gross return of 5.17% to stop the value of his savings from dropping, while a basic-rate taxpayer requires 3.88% interest.

On Thursday, Marks & Spencer's M&S Money arm launched the Advantage cash Isa, which you can open with pounds 100, or pounds 25 a month. You can opt for a fixed rate, at 2.5% interest for one year or 2.75% for two or three years, or a variable rate at 3.1% (although this includes a 1% bonus until April 2010).

If you pick an account with a bonus, savings experts say you should note when the bonus ends so that you can switch elsewhere. Bradford & Bingley's online eSavings pays 3.6% on a minimum of pounds 1,000, though this includes a 1% bonus for the first 12 months.

For regular savings, Hagger recommends the Barclays Monthly Savings account, which requires a monthly deposit of anything between pounds 20 and pounds 250 for a year. The account pays 5.84% interest, providing you don't make any withdrawals. The rate falls to 2.99% in months when you take money out.

First Direct's Regular Saver Isa offers 7% interest on minimum monthly payments of pounds 25, but the competitive rate does come with a proviso: you must have, or switch to, a First Direct current account before you can take advantage of the high rate.

Abbey's Fixed Rate Monthly Saver pays 5% for a year, as long as you make no withdrawals and pay between pounds 20 and pounds 250 by a monthly standing order.

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Existing savings customers of online bank Egg are being offered a new one-year fixed-rate savings bond paying 3%. Applications and cleared funds must be received by 29 January.

**[Illustration]**

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