

SAVING MONEY BY

We understand cash can be very tight after the busy Christmas and hectic start to the year so it's time you took a look at the best ways you can save, spend and protect your money... in 2011.

Bag a better bank account



If you've been with the same bank for years, it's time to switch. Whether you're always in credit or tend to go overdrawn, there's an account out there to suit you. And if good customer service is important to you, tell the bank that you expect good customer service but not at any cost to you!

Current account reviews:



It's no longer necessary to choose a bank based on the location of its branches

When to switch

Current accounts are a necessary part of everyday life, but which account you end up choosing will largely depend on how you like to do your banking; by branch, telephone or online.

Some cheaper accounts are run exclusively over the internet, but plenty of good-value current accounts aren't internet-based.

Switching is hassle free

Don't let the hassle of switching put you off - you wouldn't accept 0.1% interest on your savings, so why do our high-street banks think you will on your current account?

If you tend to go overdraw regularly, an account that doesn't charge fees and has a low interest rate on authorised overdrafts would probably suit you. But if you're always in credit, look for one that pays a good rate of interest on credit balances.

Phone and internet banking plus free access to nearly all cash machines mean it's no longer necessary to choose a current account on the basis of which branch is nearest and most convenient.

That's not to say switching will be completely hassle free - a recent survey in the UK found that some 46% of people experienced some inconvenience during the switching process, **the biggest issue being problems**

with the companies their direct debits were set up with.

How to switch



Contact your old bank for a list of direct debits and standing orders

Find an account

Have a look at the best rates available (either through a web search or newspaper lists) current accounts to pick the account that will be the best fit for your needs and then contact the bank to get the ball rolling and the account opened.

Tie up loose ends

Pick a date for moving your money from your old account to your new one. Ask your new bank to contact your old bank for a list of your direct debits and standing orders - your old bank has to send over this list within three days of it being requested. You'll need to confirm which payments you want to be moved.

All you have to do now is give your new account details to your employer, pension provider and anyone else who regularly pays money into your account. Your new bank will provide standard forms for this, so there shouldn't be any hiccups.

Transfer time

The transfer takes place. It can take up to four weeks to move all of your standing orders and direct debits so it's wise to keep some money in both accounts until the transfer is complete. Alternatively, some banks offer a special overdraft facility to cover this intermediary period, so don't be afraid to ask your new bank to facilitate this.

Complete the switch

Once all your regular payments have been switched, your new bank will ask the old bank to cancel obsolete direct debits and standing orders. Your new bank will then tell you when the switch has been completed.

Reap the benefits

All that remains now is for you to enjoy receiving better service, higher interest rates and lower charges from your new bank or building society account.

Banking tips

Avoid bank fees and charges



Banks may be able to help you sort out your financial difficulties

The banking tips below will help you avoid unnecessary bank and credit card charges, as well as managing your money effectively.

Plan ahead.

If you think you are going to exceed your overdraft limit, contact your bank to arrange a temporary overdraft

or a permanent extension.

Keep on top of your money.

Set up a direct debit from your current account to pay at least the minimum repayment, but preferably the full balance, owed on your credit cards.

Check your charges.

Currently, all banks have similarly high charges, but you need to know what they are and when they will be applied.

View your statements.

Go through your bank statements carefully on a regular basis and query any suspicious transactions or penalty charges as soon as you see them. Banks may agree to refund one-off charges immediately as a gesture of goodwill, especially if you are usually a good customer.

Communication is key.

Speak to your bank if you find yourself getting into financial difficulties. Banks have to deal with you sympathetically and they may be able to help you sort out your financial problems.

Get clever with credit cards

The New Year is a great time to clear out your wallet and make your plastic work harder for you. If you're planning a major purchase in the sales, a 0%-on-purchases credit card will let you spread the cost over the year without paying any interest.

If you'd prefer to pay off your bill in full, a cash-back card will pay you up to 1.25%, while a retailer-branded reward card could earn you up to 5% in gift vouchers.

If you already owe money on your credit card, don't despair - a 0% balance transfer period of up to 16 months could slash the cost of borrowing, helping you to clear your debts much quicker. Search around for the best offers. (...and read the small print!)

Don't pay over the odds for insurance

The New Year is a great time to assess all your insurance needs - car, travel and home. As well as protection, it's important to reassess your requirements as with each New Year your circumstances will change.

For some this might be as simple as driving fewer miles or something more significant such as changing your job or retiring. By reviewing your needs you could make significant savings.

Is it time to start investing?

The most common way for people to invest is through a mutual fund, a collective investment run by an expert fund manager who decides on where to invest in different sectors and geographies. A fund is a good way to invest - it allows you to spread risk and invest in assets that you might not be able to alone. But with this comes high fees, which have been rapidly increasing over the past decade and are the quickest way to erode any good performance your investment might achieve. Don't be afraid to negotiate on the fees, some providers will share their benefits with you

Before choosing an actively managed fund, look at tracker funds and exchange traded funds (ETFs) - they are much cheaper, meaning more money comes back to you, the investor. And if you decide on an active fund, investment trusts can be a cheaper option too.

Consider moving your mortgage

If your mortgage is less than 80% of your property's value and you are currently paying your lender's standard variable interest rate, check whether you could save money by switching to a new deal.

Play safe when it comes to your property

If you are planning any renovations or repairs to your home in 2011, make sure you choose a reliable tradesperson who will give you value for money

Prepare properly for retirement

If you are approaching retirement, it's a good time to get a pension forecast to make sure you'll get a full state pension. You can take stock of your private pension saving too. Do you know what you might get as retirement income? Will you need to buy an annuity? Has your partner got an independent pension, or do you need to make joint plans?

If you are younger, you might look at how much you are saving. Do you need to put away more? Is your company scheme defined benefit or defined contribution? Are you on track for sort of pension you want?

Get a better return on your savings

Now is a good time to check whether you're getting the most from your savings. Some accounts are paying dismal rates - check what rate you're getting.

Don't pay over the odds for your telephone calls

Check out Callcost.ie a service provided by the communication regulator.

Check out the cost of your electricity and gas

Some providers give discount if you have both utilities with them. Don't forget that you can have your gas account with your electricity provider and vice versa.

Get tips on bills and budgeting

Learn to love online shopping in 2011. Use websites to compare the cost of everything from CDs and DVDs to books and groceries before buying, track down discount codes and use cash-back websites to maximise your savings.

You could end up hundreds of pounds better off over the course of the year.