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Providers helping savers to resist temptation

With rates at record lows, savers are seeing little reward. Research, conducted by Moneyfacts, has seen a rise in the number of accounts designed to deter savers from the temptation of dipping into funds for frivolous purchases, particularly during the mid season sales.

This month Bank of Scotland, Coventry BS, Halifax, Lloyds TSB, NatWest, Royal Bank of Scotland and West Bromwich Building Society all launched accounts, which restrict how many withdrawals the saver can make. If the permitted number of withdrawals is exceeded, the saver will incur a drop in the rate of interest.

Lloyds TSB Incentive Saver, which is a 12 month fixed term variable rate account, pays a rate of 3.00% monthly from £1. However, for each month where there is a withdrawal, interest will be lost on the full balance for that month.

West Bromwich Building Society's Branch Easy Access Saver and No Notice Saver Direct deals offer rates of 2.85% and 2.80% respectively. Withdrawals are limited to 2 and 3 per year without penalty.

Halifax's Guaranteed Saver Reward pays a guaranteed rate of 2.60%, and includes a bonus of 2.10%, for twelve months. Savers with a qualifying current account from £2.5K will receive a higher rate of 2.80%. Four withdrawals are permitted during the 12 months reward period.

Samantha Owens, Principal Consultant - Banking and Economic Insight, commented:

"Customers should consider carefully whether the funds are needed. If they really wish to save and can limit their withdrawals there are many new options on the market. Whilst many of these accounts are lower than the current competitive fixed rate market, these accounts have the option of allowing further additions and notice does not necessarily need to be given, although sometimes at a penalty, which should give the consumer peace of mind should the funds be required or if a more competitive deal appears on the market".

About Moneyfacts.co.uk

Moneyfacts.co.uk is the UK's leading **independent** provider of personal finance information. For the last 21 years, Moneyfacts' information has been the key driver behind many personal finance decisions, from the Treasury and the Bank of England to the high street.

Our increasingly popular consumer website www.moneyfacts.co.uk **helps customers make better financial decisions** and gives them the ability to check the latest best buy products and to search the **whole market** for products that suit their individual circumstances.

Moneyfacts.co.uk also supplies best buy charts to many of the UK national and regional newspapers, with a total weekly readership in excess of 22,000,000. Moneyfacts.co.uk also provides the personal finance data that powers many UK online comparison websites.

Our dedicated research experts produce three monthly publications as well as providing real time news and data services to the majority of banks and building societies. Additional information can be found at www.moneyfactsgroup.co.uk.

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Looking for extra comment, a chart or more information, then please give us a call. We are always more than happy to help.

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