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## Supermarket price war spills into finance

In recent months the contest between the supermarkets has heated up, as they fight it out to offer lower priced goods to help us all through the recession.

Now the battle has moved from the supermarket shelves into the world of finance as both Tescos and Sainsbury's increase the rates for savers.

Whether its savings, credit cards, loans or life assurance, the supermarkets offer some highly competitive deals.

(See appendix for how supermarket deals compare)

**Michelle Slade**, spokesperson for [Moneyfacts.co.uk](http://Moneyfacts.co.uk), commented:

"Many consumers are disillusioned with traditional banks and instead are looking for an alternative provider for their finances.

"The combination of competitive deals and a strong brand that consumers already know and trust is a real winner for the supermarkets.

"Smaller providers are relying more heavily on their savings books to fund their lending activities and in turn are offering the most attractive savings rates.

"By comparison, many high street banks have a number of alternative ways of raising funding and tend to offer less attractive deals.

"Tesco has already announced its intention to open branches and to move into offering mortgages and possibly current accounts. It will be looking to make its mark in these new areas and is likely to enter the market with highly competitive deals."

## Appendix

### Savings (Internet)

	Provider	Account	Rate	Bonus	Deposit
<b>Top account</b>	Egg	Egg Savings Account	3.25%	Rate includes a 2.00% bonus for 12 months	£1
<b>Supermarket offering</b>	Tesco	Internet Saver	3.00%	Rate includes a 1.75% bonus for 12 months	£1
<b>Supermarket offering</b>	Sainsbury's Finance	Internet Saver	2.90%	Rate includes a variable bonus (currently 2.39%) for 12 months	£1,000

**Source: Moneyfacts.co.uk 25.8.09**

### Credit Cards (Introductory Purchases)

	Card	Introductory Deal	APR
<b>Best Deal</b>	Tesco Personal Finance Clubcard MasterCard	0% for 12 months	16.9%
<b>Supermarket offering</b>	John Lewis and Waitrose Partnership MasterCard	0% for 6 months	16.9%
<b>Supermarket offering</b>	Sainsbury's Finance MasterCard	0% for 3 months	16.9%
<b>Supermarket offering</b>	ASDA MasterCard	0% for 3 months	17.8%

**Source: Moneyfacts.co.uk 25.8.09**

### Credit Cards (Balance Transfers)

	Card	Balance Transfer Deal	APR
<b>Best Deal</b>	Virgin Money Credit Card MasterCard	0% for 16 months	16.6%
<b>Supermarket offering</b>	Sainsbury's Finance MasterCard	0% for 10 months	16.9%
<b>Supermarket offering</b>	ASDA MasterCard	0% for 9 months	17.8%
<b>Supermarket offering</b>	Tesco Personal Finance Clubcard MasterCard	0% for 6 months	16.9%
<b>Supermarket offering</b>	John Lewis and Waitrose Partnership MasterCard	0% for 6 months	16.9%

**Source: Moneyfacts.co.uk 25.8.09**

### Personal Loan (£5,000 loan for new customers)

	Lender	APR	Monthly Repayment
<b>Best Deal</b>	Sainsbury's Finance	7.9%	£155.40
<b>Supermarket offering</b>	Tesco Personal Finance	8.7%	£157.59

**Source: Moneyfacts.co.uk 25.8.09**

### Life Insurance (Male non smoker 30 next birthday, £100,000 sum assured, 25 year term)

	Provider	Monthly Payment
<b>Best Deal</b>	Lutine Assurance	£6.13
<b>Supermarket offering</b>	Tesco Personal Finance	£7.19
<b>Supermarket offering</b>	Sainsbury's Finance	£7.20

**Source: Moneyfacts.co.uk 25.8.09**

## 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](http://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](http://www.moneyfactsgroup.co.uk).

## Contact us...

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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