

4th November 2009

One in ten cut savings rates

Despite no change in bank base rate since the beginning of March, 10.1% of variable rate savings accounts have reduced.

By contrast, only 3.5% of accounts have seen rates increase as providers increasingly look to attract savers deposits

In the last month alone 3.9% of all accounts have cut rates, including:

- Bank of Scotland – Rates reduced by 0.05% and 0.12%
- Clydesdale Bank – Rates reduced by between 0.50% and 0.75%
- Halifax – Rates reduced by 0.05% and 0.12%
- Intelligent Finance – Rates reduced by between 0.26% and 0.36%
- Leeds Building Society – Rates reduced by between 0.10% and 0.25%
- Marsden Building Society – Rates reduced by between 0.10% and 0.45%
- National Counties BS – Direct Access re-tiered and £1 tier reduced by 0.86%
- Yorkshire Bank - Rates reduced by between 0.50% and 0.75%

The reductions mean that 48.8% of all variable rate accounts on the market pay bank rate or less, with 22.8% of accounts paying 0.10% or less.

Michelle Slade, spokesperson from Moneyfacts.co.uk commented:

“Savers are already experiencing some of the lowest rates ever and this will be another bitter blow to take.

“Once again it is savers, such as pensioners, who rely on the income from their savings to supplement their income, who end up worse off.

“Savers will be asking how providers can justify cutting rates further, when bank base rate has remained on hold.

“From the beginning of November, new regulations came into effect from the FSA requiring providers to give two months notice, ahead of disadvantageous interest rate changes.

“It appears that a number of providers have pre-empted these changes and reduced rates before the new rules came into force.

“Savers need to ensure they review the rate they are receiving regularly and switch accounts if it is no longer competitive.”

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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.

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.

Press Office	<p>Darren Cook Head of Press & PR</p> <p>Michelle Slade Press Officer</p> <p>Louise Holmes Press Officer/Administrator</p>	<p>01603 476207 dcook@moneyfacts.co.uk</p> <p>01603 476454 mslade@moneyfacts.co.uk</p> <p>01603 476204 lholmes@moneyfacts.co.uk</p>
	<p>Darren Cook Head of Press & PR</p>	<p>07803 899935</p>
	<p>Follow us at: http://twitter.com/MoneyfactsPress</p> <p>An ISDN line is available for broadcast: 01603 230551</p>	