



Savvy savings

As spring has sprung and the new tax year starts, many of us will be looking at the best ways to free up and save any spare cash we have. Whether you're saving for a rainy day, or that dream holiday – even in these difficult economic times there are steps you can take to ramp up your savings and reach your goals earlier.

We spoke to the Financial Ombudsman Service – the free service with the power to sort out problems between customers and their bank or insurer – for some of their top tips to help you spring clean your finances and speed up your savings:

Insurance – shopping around for the best insurance deals rather than automatically renewing the same policy can save you money on your monthly premiums. It also pays to review what insurance you actually have, and to make sure you're not duplicating cover. For example, you may be able to cover your mobile phone on your contents insurance at a cheaper cost. Check a policy is suitable for your needs and read any exclusions that may apply to you and prevent you from making a claim.

Invest in an ISA – with the new tax year comes a new tax-free savings allowance. The government allows individuals to save up to £11,280 in a tax-free ISA. While interest rates are still quite low at the moment, there are some good deals to be had so it pays to do some research. Different ISA's from different banks vary considerably, so think about whether you can afford to lock your money away or if you would prefer to have instant access.

Clear your cards – while it's nice to have a savings nest egg, it may actually be costing you money if you are saving money away instead of paying it off a credit card or loan debt. Generally, the interest you pay on your borrowing will be higher than the interest you are earning on your savings. So it pays to use any spare cash to overpay on your debt before saving some away.

Perfect pensions – pensions can be confusing and the offer of unlocking your pension early may be tempting. Be sure that you take professional advice before making any changes to your pension plan – particularly if you are planning to retire early. Any change can significantly reduce the amount you may receive from your pension make sure you fully understand the implications of them.

Protect your purchases – if you are buying an item that is more than £100 you can protect yourself and your money by using a credit card to make this purchase. A piece of law called section 75 means that you can claim against the credit provider if you fulfil certain requirements and the goods you purchase are not as described or you don't receive them.

With a bit of planning and savvy shopping, you could be a super saver in no time. But if you hit a financial hurdle – the ombudsman may be able to help you overcome it –
0300 123 9 123 or
www.financial-ombudsman.org.uk