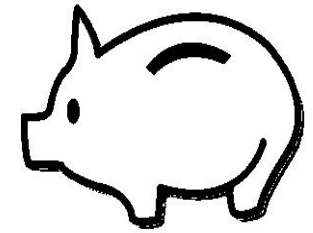


SAVING

TIPS



Your saving or investing goals should be broken down into short, medium and long term, so you work out the best way to save or invest money.

Short term - If you are likely to need to get your hands on your money in a hurry, a deposit account with a bank or building society which pays interest will ensure that your capital sum is not at risk and you will earn a small amount of interest on top.

Medium Term (three to ten years) - This would cover things like saving for a car, a holiday or other major purchase. Depending on your financial position, goals and attitudes towards investments - building an investment portfolio may be an option to look into.

Long term (ten years +) - Investment options become more attractive the longer the timescale you have. Over the long term the risk of market volatility (ie ups and downs) is minimised and you are more likely to obtain a return which beats inflation (after any tax is paid on returns).

With interest rates at such low levels, savers are finding it hard to get a decent return on their money.

Many savers are also concerned about security – the financial strength of savings organisations. Remember that the first £50,000 of a saver’s assets are protected by the UK Government where their savings are with a UK bank, building society or credit union. For savers with larger amounts, spread your money around different organisations for maximum security.

- Which? the independent research service from the consumers association provides helpful guides to cover most areas - www.which.co.uk/

- They also have independent Best Buys for most common financial products www.which.co.uk/

There are many different forms of saving. Selecting the most appropriate one will make a big difference to your results and help you reach your goals more quickly.

[Check out Defaqto](#) - Choosing a savings account .

Individual Savings Accounts (ISAs)

Making your money work hard for you means using all the tax advantages you can get. ISAs have favourable tax treatment, so are a natural place to consider for saving and investing. There are limits to the amount you can subscribe each year, find out more about [ISAs from Money Made Clear](#)

