



Your guide to beating the recession.

More ideas to help you manage your money & your investments,
pay less tax and cut household bills & travel costs.



How to beat the recession. 50 ways to save money.

The old saying of look after the pennies and the pounds will look after themselves still counts today – although inflation means we now have to look after the £10s and the £100s will look after themselves.

Here are our 50 tips to put you on the road to doing just that.

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Sort out your payme

01. Pay off your debts

Debt repayments are an obvious drain on income. Keeping some savings for emergencies is a good idea, but use the rest to pay off your debts. There is no point in paying double-digit interest on your debts and earning a pittance on your savings. Banks and building societies tend to advertise their savings rates before tax, so you can expect 20 per cent less if you are a basic rate taxpayer and 40 per cent less as a higher rate taxpayer. A return of 4 per cent is actually worth 2.4 per cent to a higher rate taxpayer. The rate you are paying on overdrafts and credit cards is much, much higher.



02. Sort out your payments

Make sure you are not paying more than you need on your mortgage. Even though interest rates are falling, not all lenders are passing on the cuts to their borrowers. Check to see if you have any redemption penalties on your mortgage before you switch and watch out for the set up fees on any new deal.

If you have substantial savings you could look at an 'offset' loan where you effectively use your savings to reduce your mortgage but still have access to your money whenever you need it.

For example if you have a mortgage of £100,000 and savings of £10,000, you can 'offset' your savings against your loan and then you only pay interest on £90,000.

Look around for the cheapest mortgage deal for you and remember that if you go direct to your bank or building society, you will have only a limited range of options to choose from.

Ask a fee-free independent mortgage broker such as London & Country (www.lcplc.co.uk or 0800 953 0304) to help you get the best deal to suit your needs.

03. Pay more than the minimum

If you can afford it make higher repayments on your mortgage than you need to each month. This can save you thousands of pounds in interest and also means you will have repaid your mortgage much earlier than the original term. It will also help you when you come to re-mortgage when your current deal runs out. Lenders tend to offer their best rates to those borrowers with more equity in their home. Before you overpay, make sure there are no early redemption charges hidden in the terms and conditions of your mortgage if you repay it early.

You can work out just how much you can save by using a calculator or independent mortgage advisers Charcol at www.charcol.co.uk (0845 034 2100) or London & Country www.lcplc.co.uk (0800 953 0304). Independent websites such as www.thisismoney.co.uk, www.moneysupermarket.co.uk, www.moneyfacts.co.uk and www.moneysavingexpert.co.uk also have useful calculators. For independent advice you can also visit www.unbiased.co.uk to help find a local financial adviser.

04. Don't impulse buy

If you do, you will waste money. But you can salvage something if you do by selling those disastrous buys along with unwanted presents through online auction sites such as www.eBay.co.uk, or through a car boot sale. Pitches tend to cost between £5 and £20, and you can find sales in your area at www.carbootjunction.com.



05. Pay by direct debit where it saves you money

Paying your utility bills by direct debit often saves you money – and takes away the hassle of remembering to pay the bill. Telephone companies usually add a surcharge if you don't pay by direct debit. Main gas and electricity suppliers give you a discount if you do. But don't pay for car and home insurance by monthly direct debit – it often works out more expensive than paying annually.

06. Sort out direct debits

Go through your bank statements and check out the direct debits already there. Check to see if you are paying for anything that you no longer use or need – and cancel them. Are you really still making the most of your gym membership or the film hiring service you signed up to?

Current accounts and cards.

07. Get more from your current account

There's no excuse for sticking to a poor current account as it is easy to switch, so choose one that will save you money. Which one suits you depends on how you use your account. Don't pay for 'packaged' deals if you don't use the service. Some current accounts come with deals – such as a low overdraft rate up to a certain limit, travel insurance, mobile phone insurance, legal help lines and breakdown cover – but you pay a monthly fee of say £10 a month – that's £120 a year for the services. It's not worth it if you don't use all the benefits. Some of the insurance might already be covered under your house policy and even on the benefits you do want; you could find them cheaper individually elsewhere.

08. Get the best credit card deal

Pay your bill off each month to avoid paying high interest rates on your borrowing. Look for cards which give you a 'cash back' when you spend or those which give you reward points which turn into a discount on future shopping.

If you have a debt on your card that will take you a few months to pay off then transfer to a deal which charges no interest for a certain time. But don't use the card for new purchases – most credit cards arrange it so that you pay off the part on which you are paying the lowest interest rate first.

Use websites such as www.thisismoney.co.uk, www.moneysupermarket.co.uk and www.moneyfacts.co.uk to find the best deals or look in the personal finance sections of newspapers.



09. Seek out discounts

You can also save money by using sites such as www.vouchercodes.com which offer discounts off a wide range of goods. You can also save on theatre tickets and eating out at sites like www.lastminute.com and www.toptable.co.uk,

Check out prices of what you want to buy at price comparison sites such as www.kelkoo.co.uk and www.pricerunner.co.uk – and for good measure www.johnlewis.com



Don't pay too much tax.

10. Check your tax code

Make sure you are not paying too much tax each month.

It is especially important to check your tax code if you have more than one job or when you change jobs as things can go wrong. Also check it when you retire or have pensions from different sources. When you reach 65, and again when you reach 75, you should get a higher tax-free allowance but this can sometimes be overlooked. Or your tax code could be wrong, if for example, you have recently given up your company car.

If your tax code is incorrect, contact your tax office. Remember as a taxpayer, you have a responsibility to keep the HM Revenue & Customs informed of changes to your income, such as any untaxed income or investment income.



11. Pay less tax when you give to charity

Gifts to charity made via the tax-relief scheme Gift Aid can reduce your tax bill. That's because higher-rate taxpayers can claim back the difference between the basic and higher rate on a Gift Aid donation – then you can decide whether to give the reclaimed tax to the charity or keep it.

Basic-rate taxpayers aged over 65 can also benefit from charitable giving through Gift Aid, as charitable gifts reduce your income for the assessment of the age-related allowance.



12. Don't fall for the age allowance trap

Once you reach 65 you are eligible for higher personal allowances, provided your income is not more than £21,800 in 2008/9 tax year rising to £22,900 in the 2009/10 tax year, known as the income limit for age related allowances.

Your higher allowance is £9,030 if you are aged 65 to 74 during the 2008/09 tax year against the normal personal allowance of £6,035. It will rise to £9,180 in the 2009/10 tax year against a basic allowance of £6,475. Once you reach 75 or over your allowance rises to £9,180 and £9,640 respectively.

But once your income reaches the age allowance limit, your extra personal allowance is clawed back by £1 for every £2 of income over this limit until you are back down to the personal allowance. If you fall into this trap, your income is effectively taxed at 30 per cent, so look at ways of reducing it such as transferring money to your partner with a lower income or shift money into investments which provide an income that does not affect your tax allowance, such as an Individual Savings Account (ISA).

13. Transfer assets

If a married couple, or civil partners, pay tax at different rates, they can cut their tax bill by transferring ownership of savings.

If you pay tax on interest at 40 per cent, you can transfer assets to a partner who pays at 20 per cent. This also works effectively if one of you pays tax at 20 per cent and the other doesn't pay tax. But you have to relinquish control of the money, as the gift must be genuine. If a husband transfers savings to his wife (or vice versa), they can use it as they want. A higher rate taxpayer will pay £400 on every £1,000 of interest before tax if it is not wrapped up in an Individual Savings Account (ISA). So by transferring £1,000 to a 20 per cent taxpayer you halve the bill to £200 and it disappears completely if your partner is a non-tax payer.

14. Give money away to save tax

Use your inheritance tax allowance to save tax. There are gifts you can make each year to sidestep this tax. You can give up to £250 a year to as many people as you like, plus a further £3,000 a year to one person. You can also make regular gifts out of income without attracting inheritance tax when you die. You can give away more but the money does not escape the inheritance tax net completely until you have survived for seven years after making the gift. It's a complicated area so seek professional advice.



15. Register for tax free interest

If you are a non-tax payer make sure you fill in form R85, available from banks and building societies, when you open a savings account. This ensures that the interest paid on the account is automatically paid out before any tax is deducted. You need to fill in a form for each account you open, including one that you open for a non-tax paying child. Banks and building societies normally pay out interest after 20 per cent savings tax has been deducted. If you need to claim back tax that has been deducted when you were entitled to tax free interest, then fill out form R40, available from your local tax office.

16. Make use of your capital gains tax exemption

You can make gains of £9,600 this tax year (2008/09) and pay no tax. Your ISA investments are automatically free from capital gains and do not count towards this limit.

17. Rent out a room

If you are finding it tough to cover the mortgage, then you may consider taking a lodger.

Under the HM Customs and Revenue rent-a-room scheme, if you can rent out a furnished room in your home and as long as the rent is less than £4,250 a year, you do not need to declare this income on a tax return.

Make the most of your savings and investments.

18. Use your ISA allowance

You can put up to £7,200 each tax year – or £14,400 per couple – into an Individual Savings Account (ISA) and pay less tax on your savings and investments. Up to half of this can be held in cash saving you up to 40 per cent tax. On each £1,000 of savings income, a higher rate taxpayer saves £400.

You can put the whole £7,200 allowance into a stocks and shares ISA – or split it between cash (maximum £3,600 a year) and stocks and shares. The stocks and shares portion can go into corporate bond or gilt funds where the interest is also tax-free. Holding shares or funds investing in shares in an ISA has no income tax advantage for basic rate tax payers. But for higher rate taxpayers there is a distinct advantage as they are not liable to higher rate tax at 32.5 per cent tax on their dividends income.



FACT:

You can even transfer your existing cash ISAs (Individual Savings Accounts) to our stocks and shares ISA (although you will not be able to make transfers from a stocks and shares ISA to a cash ISA).

FACT:

You can transfer the value of your existing stocks and shares ISAs over to us – without losing their tax-efficient status. It's a simple process.



19. Buy investments cheaply

Make sure you don't pay over the odds when you buy investments. The cheapest way of buying investment trusts is often through the special savings schemes run by the fund management group. By using these you avoid stockbrokers commission. You can invest monthly or make a lump sum investment or a combination of both – with minimums from around £50 a month or £500 lump sum. You can also wrap your investments up in a tax-efficient stocks and shares ISA. With share markets having fallen because of the credit crunch, there are potential gains to be made for long-term savers.

20. Earn top rates on your savings

Search out good deals for your cash among bank and building societies. There is a wide gap between the best and worst deals on offer on accounts you operate through a branch, over the telephone or the internet.

If you are happy to tie some money up for one year or more, you can go for a fixed rate bond. You know exactly what interest you will see even if the general level of interest rates drops. These tend to pay better rates than accounts that give you daily access to your money. Some offer fixed rate cash ISAs where your return is tax-free. If you need regular access to your money, pick a good deal and be prepared to move if the rate becomes less competitive.

21. Make use of Child Trust Funds.

If you transfer money to your children and this earns more than £100 a year in interest, you will be taxed on all the income as if it was your own. You can avoid this by putting the money into a Child Trust Fund (CTF). These funds are open to all children born after 1 September 2002 and the income is then tax-free. You can put in up to £1,200 a year for your child in addition to Government vouchers – but your child cannot take it out until they reach 18. At this point, they have control over it. If you are planning to save for several years, investing in a share-based fund should give a better return than cash, but this is not guaranteed.

If you want to save more than this, then you could put the extra money directly into a fund or savings account and set up a bare trust to benefit from the tax breaks.

For further details ask for the F&C 'Your Guide to Investing for Children' – it's free. Contact details can be found on the back of this guide.

You can add to your child's fund by making use of discounts on offer at KidStart (www.kidstart.co.uk). Companies signed up to the scheme pay the discount into a savings account – including a CTF – of your choice. It's not just for your children who can benefit – you can have the discount paid into a fund for your grandchild, your friend's children, a school or even a children's charity.

F&C:

F&C offers a Child Trust Fund and Children's Investment Plan where you can invest monthly from £25 or invest a lump sum from £250. F&C was voted Best Children's Investment Provider 2007 & 2008 by What Investment magazine readers.

F&C:

Children born after 1 September 2002 qualify for the Governments' Child Trust Fund voucher. You can use the F&C Child Trust Fund to invest your voucher and add to your child's investment as they grow older.



22. Move from poor paying accounts

Avoid accounts where you have to give a notice period, such as 90 days, to get your money out. The bank or building society does not have to give you any notice at all if it cuts the rate and you are stuck in the account for a few months at a low rate.

Check rates on other accounts and make sure you still qualify for the bonus often advertised in top rates. Use websites such as www.thisismoney.co.uk, www.moneysupermarket.co.uk and www.moneyfacts.co.uk to find best deals or look in the personal finance sections of newspapers.

23. Do you have money left lying in old saving or current accounts?

You can check where the money is on www.mylostaccount.org.uk Or call the British Bankers' Association on **020 7216 8909** or the Building Societies Association on **020 7437 0655**

Claim what you are entitled to.

24. Over 60? Make sure you claim your heating allowance

You are entitled to £250 from the Government towards the cost of heating in households where someone is aged 60 or over – or £400 in households for those 80 or over. There are a few exceptions but basically as long as you live in the UK you should qualify. You must have reached your 60th or 80th birthday by 21 September 2008 to qualify for the 2008/09 payment.

You do not usually have to claim this payment as it should come automatically. But men age between 60 and 65 may fall through the net, as they do not qualify for a state pension, one of the payments that trigger the winter fuel allowance. You must claim by 30 March 2009 to ensure the payment of the 2008/09 allowance. More details are available at www.thepensionerservice.gov.uk/winterfuel or call the help line on 0845 915 1515.

25. What about other benefits?

A staggering £4.5bn worth of tax credits and other means-tested benefits goes unclaimed each year by elderly people, says Help the Aged*, and, with the cost of living continuing to rise, it's more important than ever to ensure you aren't missing out on any extra money.

Age Concern has a leaflet "More money in your pocket" (www.ageconcern.org.uk or 0800 00 99 66) to help older people and their carers claim the benefits they are rightly entitled to. Help the Aged (www.helptheaged.org.uk and 0808 800 6565) also provides detailed guidance. The two charities plan to merge in 2009.

Everyone can check out whether they are missing out on benefits at www.entitledto.co.uk.

*Source: www.helptheaged.org.uk



26. Make sure you are not paying too much council tax

If you move home, tell your council so you don't pay too much council tax on your old home and the right amount on your new home. You can also check that your home is in the right band of council tax – some have found they are in too high a band when they have checked.

You are liable for council tax on a second home, but you may be able to get a discount on this bill at the discretion of the local council.

Contact your local council or visit website www.moneysavingexpert.com for more information and advice.

27. Check to see if you are eligible for a grant

There could be grants available to help you pay for things such as draught-proofing and cavity wall insulation. For more information call the Energy Efficiency Advice Centre on 0800 512012.

Sort out your utility bills.

28. Look to switch your gas and electricity supplier

The average household now faces an annual energy bill of £1,293 – up by £381 since the start of 2008 according to Uswitch. Some suppliers offer special dual fuel plans, offering incentives and reduced prices if you take both your electricity and gas from them. There are specialist services which help you work out whether you will save money by switching such as www.uSwitch.com (0800 404 7908), www.energyhelpline.com (0800 074 0745) and www.moneysavingexpert.com.



29. Are you paying too much for your telephone?

There are so many deals on telephones – both landlines and mobiles – that no one deal suits everyone. Which is the best deal for you depends on how you use your phone.

But switching to an “all-in-one” package, where you get your television, phone and broadband from the same provider, could result in significant savings.

www.moneysupermarket.com, a price comparison service, claims that many people could save £450 a year by combining their broadband, television and home phone deals.



Save on phone calls.

30. Avoid premium numbers

Companies with phone numbers prefixed by 0871, 0870 and 0844 cost more than standard charges – the actual cost depends on your phone company. Some companies might also charge higher rates for 0845 numbers. And some companies profit at your expense.

If you have an ‘inclusive landline calls’ phone package, then these numbers are unlikely to be included in any ‘free minutes’ allocation, unlike normal numbers. Many mobile phone packages also exclude freephone 0800 and 0808 numbers from your free minutes. Calls to 087 numbers can cost up to 10p a minute* says the premium line regulator PhonepayPlus, and could cost even more if you call from your mobile. Look at www.saynoto0870.com to find cheaper alternatives. You can also try ringing their head office as a cheaper route or email them. Calls to premium rate services (numbers beginning with 09) can be even more expensive. Your telephone company may be able to bar calls to premium rate services from your home phone. Contact your phone company to find out more.

You can find full details of costs at www.phonepayplus.org.uk or call **0800 500 212**. The telephone regulator Ofcom, at www.ofcom.org.uk or **020 7981 3040**, gives consumer advice on telephones.

*Source: www.phonepayplus.org.uk



31. Get the right package

Cut the cost of your phone bills by making sure you are on the right package with the right provider. Once you have chosen your main phone provider, you can make further savings. Money Saving Expert (www.moneysavingexpert.com) has several useful tips as to how to do this. For example you can save on mobile or international calls by using an “override” company. You dial the override provider’s number to link into its network, and then dial the number you want to call.

32. Talk over the net

You can make calls over the internet using voice over internet protocol (Voip). It can cut your phone bills particularly if you call overseas regularly as calls are free. So you can call friends and relatives in Australia and chat as long as you want.

One of the leaders on talking over the internet is www.skype.com and you can download the software from its site. All you need to get going is a computer, broadband connection and a USB headset. The person you are calling must also have matching software so if you use Skype, then they need to download it onto their computer too.

You can also make calls from your computer to landlines and mobile phones. This can be cheaper than using your telephone. You can choose a fixed monthly rate or a pay-as-you-go scheme. Which at www.which.co.uk/reviews/voip explains how it works and lists the companies you can use.



33. Sell your old mobile phone

Don't throw out your old phone – it may be worth up to £180 if you sell it online – and there are potentially hazardous and environmentally damaging chemicals contained in them. The amount you will get by selling your mobile depends on its make, model and its condition. All you need to do is put in the details about the make and model of your phone on the website and it will tell you how much you can expect to get for it. Even if it's worth nothing, they will still recycle it and some donate them to charity. Some also send you padded envelopes to use for sending the phone, although you may have to pay the postage.

The more sites you try, the better the deal you may find. Try www.envirofone.com, www.mobile2cash.co.uk, www.mopay.co.uk, www.mazumamobile.com, www.cex.co.uk and www.mobilephonebuyer.net.



Don't pay over the odds for protection.

34. Cut the costs of car insurance

Save on the cost of car and home insurance by switching your insurer when your policy comes up for renewal. You can also keep costs down by not paying for extra cover you do not need – for example, do you need a courtesy car if you already have a second car to hand? You can also save money by agreeing to pay a higher 'excess' if you do have to make a claim.

You can bring down the cost of a 17 year old driver's car insurance by adding yourself to the policy, even if you rarely drive the vehicle, says the AA. Make sure you put the insurance in the teenager's name so they qualify for any no claims bonus after a year.

...And home insurance:

Cut the cost of home insurance by beefing up security: fitting burglar alarms, specialist window and door locks, and even joining a neighbourhood watch scheme can reduce your bill. More importantly, they will all substantially reduce the chances of a burglary.

But don't make the mistake of buying this insurance from the bank or building society arranging your mortgage as most bump up the cost of cover knowing they have a captive customer who often just signs on the dotted line when completing the mortgage application.

For good deals on car and home insurance, use websites such as www.moneysupermarket.com, www.uswitch.com and www.gocompare.co.uk.

...and if you insure your mortgage payments

If you want cover for your mortgage payments if you cannot work because you are ill or made redundant, companies such as Britishinsurance.com and Paymentcare.co.uk are typically much cheaper than High Street banks. Watch the terms and conditions. Often you are not covered if you are self employed or over 65.



35. Don't waste money paying for duplicate cover

For example, mobile phone cover can be so expensive in relation to the cost of the phone that it is not worth buying. It is often included on household policies so separate cover is a waste of money. If your child is off to college, look to add their belongings to your home insurance for little or no additional cost. It is much cheaper than taking out an independent policy.

36. Avoid extended warranties

Electrical goods are more reliable than ever. If your new radio won't last three years perhaps it's not worth buying in the first place. And do you really need the hassle of claiming for repairs to a £15 toaster?



Search out top pension deals.

37. Pay more into your pension and get tax relief

A quarter of your savings can normally be taken as a tax-free lump sum when you retire. When you start to draw the rest as a pension, it is taxed as income, so you have effectively deferred tax rather than avoided it.

But higher rate taxpayers can make big savings during their working lives and pay at a lower rate when they retire. If you are a higher rate taxpayer and save outside a pension scheme, you will pay 40 per cent tax on your earnings.

However, if you pay into a pension scheme you will get 40 per cent tax relief on the money you put in and when you come to take those earnings in retirement, if your pension income is below the higher-rate tax threshold, you will only pay tax at 20 per cent.

FACT:

F&C has a pension calculator on its website (www.fandc.co.uk) under Tools & resources to help you work out how much you need to save to retire on the income you want.

38. Salary sacrifice

You can give up part of your salary in exchange for benefits such as pension contributions, childcare vouchers or a bike, under the cycle-to-work scheme. This reduces your income tax liability and your employer saves on National Insurance – ask your employer if they will agree to rebate their savings and boost your pension further.

39. Make use of tax breaks if you are at or near retirement

Make a pension contribution and take the benefits straight away. If you pay a lump sum of £10,000 into a pension, the effective cost after tax relief is £6,000 for a higher rate taxpayer or £8,000 if you pay basic rate tax. After taking the maximum tax-free lump sum of a quarter of the payment – £2,500, the cost is reduced to £3,500 and £5,500 respectively.

40. Get the best income from your private pension pot

Search out the best annuity rates by using specialists such as Hargreaves Lansdown (www.h-l.co.uk or 0117 980 9940), Annuity Direct (www.annuitydirect.co.uk or 0500 50 65 70) or Annuity Bureau (www.annuity-bureau.co.uk or 0845 602 6263).

You do not have to buy an annuity from the same company with which you have built up your pension fund. By searching out the best deal you can increase your income substantially. But check whether you have a guaranteed annuity rate tied to your pension policy first, as some older plans come with very attractive rates.

Getting the best deal depends not only on current market rates but also on your age, sex, the state of your health and the type of annuity you choose. The extra cost of buying a joint annuity for both husband and wife rather than a single-life annuity is small but can bring big benefits. With a single-life annuity, payments stop on the first death. With a joint one they continue until the second person dies.



Cut the cost of travel.

41. Use rail cards

The over-60s can buy a senior railcard for £24 and save a third on standard and first-class rail fares throughout the UK for a year. The only restriction is morning peak-period services Monday to Friday (not including public holidays) for journeys made in London and the south-east. Those age 16-25 can get the same deal while regular travellers in the South East of England can buy a straight-forward Network Card which reduces the cost of off-peak travel. Go to www.railcard.co.uk, your local station or call **08457 48 49 50**.

42. Cut the cost of train fares

You can make substantial savings if you organise the way you buy tickets. You can generally save money if you buy them in advance. Also look at splitting your journey to bring down the fares. For example if you want to go from London to Manchester, buy a ticket from London to Milton Keynes and Milton Keynes to Manchester – although you may have to change trains you can make substantial savings. Low cost websites such as www.megatrain.com can save you a bundle on your tickets too.



43. Save on petrol

The impartial website www.petrolprices.com shows the cheapest place to buy petrol in your area. All you do is type in your postcode or the town where you live. You can save as much as 17p a litre between the most expensive and cheapest petrol prices*.

*Source: The difference between the highest price (105p) and the lowest price (87.9p) for unleaded petrol in the UK.



44. Cycle to work

You save on bus and train fares by cycling to work. But before you splash out on a new bicycle for your daily commute, find out if your employer can help through the Government-backed scheme which could save you tax but not cost your company a penny.

The cost of the bike is deducted from your salary before tax and you pay for it in monthly installments.

You need to insure the bike during the repayment period. Your home contents insurance will often cover the cost of a bike, provided it is locked when left outside. But you may have to pay a premium to add it to your policy. Alternatively, try www.cycleguard.co.uk or **0845 408 1811**.

If you want your company to help, then start with independent firm Cyclescheme (www.cyclescheme.co.uk or **01225 448933**). It has an information pack for your employer detailing the benefits.

Hire rather than buy.

45. You can hire rather than buy a range of life's luxuries – and some necessities – and save money

With the rapidly increasing cost of running a car – now an average £592 per year, excluding fuel says the RAC* – it can make sense to hire one when you need it, especially if you are only going to use it occasionally.

There are two types of car club: those that let you hire a runaround such as a VW Golf for as little as half an hour; or those that will rent a top-end car, such as a Bentley, Aston Martin or Ferrari, for days or weeks at a time. For city-dwellers, car clubs such as City Car Club, Zipcar, WhizzGo and Streetcar offer a low-cost alternative to owning. Typically you pay a membership fee and you then either pay as you drive or pay a monthly fee, giving you a set number of driving hours.

If it's a handbag you want, you can try Fashion hire (www.fashion-hire.co.uk) or www.handbagsfromheaven.co.uk.

You can also look to hire wedding dresses, not just morning suits and top hats for the groom and his entourage. You can also hire evening dresses and jewelry – even a tiara. Use your local library rather than buying books.

*Source: www.rac.co.uk



Holidays.

46. Cut the price of your flight

Look for the best deals when booking your flight to the sun or the ski-slopes. If you can book tickets for a Tuesday, Wednesday or Thursday, you can save money. If you travel outside peak periods you will also save on the cost.

You can often get the best deals by booking on-line. Start by looking at the sites of individual airlines, hotels and tour operators to see their prices. Then search some online travel agencies such as www.expedia.co.uk or www.greenbee.co.uk, the site it runs for John Lewis, along with accommodation sites such as www.venere.com. For short-stay apartments as an alternative to a hotel look at sites such as www.only-apartments.com.

Keep an eye out for special deals from airlines such as Virgin and Easyjet and look at www.flightsdirect.com.

Or you can go for specialist comparison sites such as www.travelsupermarket.com where you can check the prices from hundreds of airlines and online travel agents. But you can't book through this type of site and they might not have the very cheapest deal as going directly to companies, which are currently offering good deals.



47. Cards abroad.

Make your money go further when you use your UK credit and debit cards abroad. You might be relaxing on holiday but you still have to watch out that you do not spend more than is necessary. Most UK credit cards charge an extra 2 to 3 per cent every time you use them to buy abroad so each £100 you spend is costing you £102 or £103. Get one that does not, such as issued by Nationwide, Thomas Cook, Abbey and the Post Office – ask for the version with no 'foreign loading' when you use it abroad.

Watch your debit and credit card spending if you are traveling in Europe. In Euroland, some retailers and restaurants may ask if you want to pay in pounds rather than euros. You can also be asked if you want to convert Euros into pounds against your account at ATM machines. This is known as 'dynamic currency exchange' and you should stick to euros. Often the rate they use to convert the money into pounds is appalling and a much worse deal than you will get from your bank when the bill hits your account.

Do not leave buying your currency at the bureau-de-change at the airport, as exchange rates are usually much poorer than in the High Street.



48. Save money in cities

If you are heading for a city break in Barcelona, Lisbon or other European cities, look to buy a travel card then you can travel for around on public transport for days often for £10 or less. They are usually available from train and metro stations.

49. Cut the cost of phone calls home

Most mobile phone networks offer cheaper calls to and from foreign destinations in return for a small fee, so call your provider before you go. Remember that it is usually cheaper to send texts than to make calls – and that you have to pay to receive calls on your mobile while you are abroad.

50. Find cheap travel cover

Don't just opt for the insurance offered at the time of booking your holiday, as this will usually be more expensive than other cover available. If you go abroad two or more times a year, annual travel insurance is often much better value than buying several single-trip policies. Check whether you have all risks personal possessions cover on your home insurance policy as this could reduce your costs. Which (www.which.co.uk) has handy hints as to where to get good deals.



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F&C has been actively investing to increase the real value of investors' wealth since the launch of Foreign & Colonial Investment Trust in 1868. We are now proud to be one of the largest investment trust managers in the UK and three million people trust us with their money. We are a multi-award winner and have been voted 'Best Investment Trust Group' by Professional Adviser three years in a row.

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Call us **0800 136 420** quoting U109L (8am - 6pm, weekdays, calls may be recorded)



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Please note that we cannot give you any advice on the suitability of investing in our plans.

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