



Ten Money Saving Tips

1) Focus on the biggest items first

For most households, rent or mortgage is the largest monthly outgoing. If you have a mortgage, make sure it is the best available. For example, if you are paying your lender's full standard variable rate (SVR) you are probably paying much more than you need to. Loyalty to your mortgage lender is likely to benefit them, not you. If you swap, it is vital to check the small print. Benefits are in big type, potential penalties are in much smaller type! Every one per cent reduction in the rate you pay would save £1,000 each year on a £100,000 mortgage.

2) Regularly check utility deals

If you've not got the best deal, you can cut your energy bills in minutes. It's the same gas, the same electricity, and only the price and billing processes which change. Likewise, check your home phone and broadband costs to see if they are still competitive.

3) Cancel a monthly Direct Debit

Check your monthly Direct Debits. If there's one you don't really need, cancelling it will save that amount month in, month out, probably saving at least £100 each year. Also check your annual Direct Debits.

4) Prioritise your debts

Holding both debts and savings can cost a fortune, especially if the debt is on credit or store cards. Check your interest rates, and consider using some of your savings to pay off your debts. However, this can only be done once, and you should hang on to some reserves.

5) Bank costs and interest rates

Check your bank costs and interest. Offers vary hugely between banks and accounts. Often an account that has been in place for a while pays you lower interest than newer accounts. It's much simpler to switch than it was, and it could gain you significant extra interest, or lower the charges that you have to pay. If you have some savings, make sure you use your ISA allowance so your interest is paid tax-free.

6) Use the internet to shop around

Whatever you buy, from train tickets, to music, holidays or insurance, the internet is a great tool to help you shop around quickly. Make sure that you check the small print for restrictions, and only buy from reputable suppliers.

7) Buy less food

Estimates of the amount of food that Britons throw away are staggering - up to 6.7 million tons a year*. Most of this is because we serve portions which are too large, or let food go off in either the fridge or the cupboard. Buying fewer ready meals and using cooking skills instead is another way to slash the weekly supermarket bill.

8) Claim your benefits and tax credits

Anyone with a family income under £66,000 may be entitled to get benefits. Make sure you're not missing out what you're entitled to. That includes Child Benefit, Working Tax Credit, Child Tax Credit and other employee-related tax benefits.

9) Does it have to be new?

For some items, buying second-hand can give very good value. A one-year-old car is thousands of pounds cheaper than it was when it was new. Buying a book from a second-hand bookshop can save pounds, compared to the cost of buying new. It would be even cheaper to borrow it from the library. Sometimes it doesn't make sense to buy second-hand. A used child's car-seat, for example, would probably not be a wise buy, as it may have been in an accident.

10) Use a water meter

Count the bedrooms in your house. If you've got more or the same number as people living there, you may well be better off with a water meter. You could save £50 or more a year.

* Statistic from the government-funded Waste and Resources Action Programme (WRAP)

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