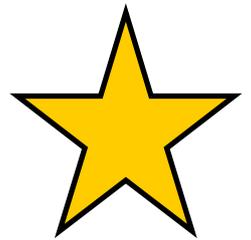


Savings Challenge

As a student, you may not have a lot of spare cash but putting a little aside each day, each week or each month can really add up. What's more if you put this money into bank accounts with a good interest rate, you can increase your savings even further!

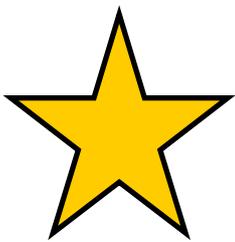
Take the Monthly Challenge to save £78 in a year

In month 1, put £1 into savings. Then each month thereafter, save £1 more than the month before: so in month 2 you would save £2, in month 3, £3 and so on. By the end of the year you will have saved a tidy £78.



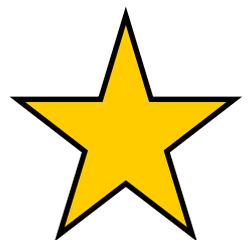
Take the Weekly Challenge and save nearly £140 in a year

In week 1, save 10p. Then each week thereafter, save an extra 10p: so in week 2 you would save 20p, in week 3, 30p and so it goes on. By the end of the year you will have saved nearly £140.



Take the Daily Challenge and save over £650 in a year

On day 1, save 1p. Yes you've guessed it! Each day thereafter, save an extra 1p: so on day 2 you would save 2p, day 3, 3p, all the way up to £3.65 on day 365.



So once you've started saving, what can you do with the cash?

There are different options and you need to choose one that suits your needs. But wherever you choose to put your money, always make sure that your savings are protected by choosing an FSCS (Financial Services Compensation Scheme) backed bank. This means that, if the bank goes bust, your savings are still protected (up to £85,000). There are lots of types of accounts out there but we have highlighted some of the ones that might be of most interest.

Easy-Access Savings Accounts

These accounts allow you to withdraw cash from them as you need to (although some accounts may restrict the number of withdrawals you can make in a year). You can probably get better interest rates from one of the other types of savings accounts, but these easy-access accounts tend to be flexible and open to all.

Regular Savings Accounts

These allow you to pay in money each month (usually for a year) and often have some of the best interest rates around (currently up to 5%). Be careful to read the requirements and rules regarding these, as they vary widely. Make sure you find out the answers to these questions:

- Are you required to have a current account with the bank, in order to open the regular savings account?
- How much can you put in each month?
- What happens if you miss paying in?
- Does the account allow penalty-free withdrawals?

Current Accounts

Recently current accounts have provided some pretty decent interest rates (up to 5%). Other current accounts provide different incentives, for example cash for switching your current account to them or cashback on bills. Some banks require a minimum pay-in each month, but you may be able to get around this – see <https://bit.ly/2ya9xvi> for Martin Lewis's method. If you are likely to go overdrawn, then you will probably want a student bank account with an interest-free overdraft instead.

Fixed-rate Savings Accounts

Fixed-rate accounts usually give you better interest rates than easy-access but you have to lock your money away for a set period of time. Whilst you may be able to get at your money if needed, you will probably have to pay a penalty, so generally fixed-rate savings accounts are not the best option if you think there is even a possibility that you could need access to the money.

Where can I find the best interest-rates?

Interest rates are always changing. If you open a bank account with a variable interest-rate keep an eye on the rate. In the meantime, other accounts may open with better interest rates than you're currently getting, so keep an eye on this also. You may want to move to an account with a higher interest rate if you are able to. There are lots of websites which show the best bank accounts (as well as information about other types of accounts not covered here). Our favourites are: www.moneysavingexpert.com/savings and www.savethestudent.org/money/student-banking

Get Saving and Good Luck!!!