

Managing Cash

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2008 changed many things in the financial field including the way people managed their cash holding.

Before 2008, many clients didn't seem to pay much attention to their savings accounts. They just used whichever bank or building society was most convenient for them. Very few could answer questions about what rate of interest they were receiving and what level of their holdings would be covered by the FSCS (Financial Services Compensation Scheme).

Since 2008, with interest rates falling to an all-time low and the realisation that banks and building societies can go bust, awareness levels have changed. We think the majority of our clients with larger cash deposits could now answer these questions.

However, managing your cash holding is time consuming. Not only do you have to know the limit is £85,000* per deposit holder per firm, but you have to be careful because firms can comprise more than one bank/building society. For example, both Halifax and Birmingham Midshires are part of the Bank of Scotland Group, so share one £85,000 limit.

Also, because generally you can enjoy a better interest rate the longer you tie up your funds, many deposits are now tied up for a fixed term. This means you have to keep aware of maturity dates and remember to research the available options once they have matured.

There used to be little that we as Financial Advisers could do to help. Managing cash is such a time-consuming process that the charges we would have to make would probably outweigh the savings.

But all this has changed, because we now have a software system to help manage your cash. It doesn't only help us ensure you get competitive rates, but also makes sure you keep within the FSCS and alerts us when your maturity dates have come up.

It is a vital tool, not just for individuals but also for trustees whose funds have large cash holdings and obligations to the beneficiary to get competitive rates. We often see clients who do not want to tie up all their funds and we can now advise on cash deposits effectively.

*For a no-obligation discussion, please call **01403 288078** or **020 8760 9940** or email care@monetarysolutions.co.uk*

**Temporary High Balances' following life events such as (but not limited to) property sales, inheritance, redundancy and compensation payments are (since 3 July 2015) protected for six months up to a limit of £1 million (unlimited for personal injury claims)*

