



# Beginners Guide to Savings



Whether saving for something specific, or putting money aside for a rainy day, this guide will help you get started and work towards your saving goals.

Saving may seem like a luxury, or something that can be put off for another time but planning ahead and putting something aside can pay off in the future. This doesn't have to be £££s every month – starting a small savings habit can go a long way and really help you get the most out of your money. Helping you to be prepared for any unexpected bills without your budget being thrown off balance.

Before thinking about saving, it's important to give a bit of thought to your overall finances. Having a good grasp on your budget and ensuring any debts are on track is essential. Check out our resources on budgeting and managing your debts, available via [www.uws.ac.uk/money-fees-funding/money-debt-advice/](http://www.uws.ac.uk/money-fees-funding/money-debt-advice/)

## GET STARTED...

When you are ready to get into the savings habit, this simple guide will get you started.

Whether you are planning on setting some pennies aside or have a more sizeable chunk of change to deposit, we will help you make sense of how to get the most from your savings.

Read on to find out more about:

**Emergency Savings**

**Page 3**

**Saving for Life Events or Big-Ticket Items**

**Page 4**

**How to Save**

**Page 8**

**Jargon Busting**

**Page 12**

**Choosing Savings Products**

**Page 13**

**Digital Savings Solutions**

**Page 18**

# Emergency Savings

When you are on a tight budget, thinking about saving money can be the last thing on your mind. However, if you can start to put even a small amount away each week or month, this will help you to weather any future bumps in the road. This will stop your budget spiralling out of control when everyday financial issues occur.

## Types of emergency:

- Car breaks down, or needs work to pass MOT
- Loss of part time job
- That summer job you planned to get didn't happen
- A washing machine/fridge/cooker breaks down and needs repaired or replaced

All of these things are everyday annoying occurrences which will, unfortunately, happen when it's the least convenient for you.

If you aren't sure where to start Money Helper have a great webpage on Managing Your Money that will help you work out your financial health and help you get started - <https://www.moneyhelper.org.uk/en/everyday-money/budgeting/beginners-guide-to-managing-your-money>

Once you have a sense of your overall financial health you can start to piece together an action plan to build some savings.

01	Make a note of the types of emergency expenses that might arise, and where a savings pot could help, e.g. new tyres, a failed MOT, broken appliances, losing your part time job.
02	Work out a rough figure that will help. This gives you a figure to aim for. For example, how much is a new washing machine, or new tyres for your car?
03	Make sure you don't spend money unnecessarily by checking whether you have insurance or product warranties already in place.
04	Review your budget and work out what you might have available to save. Remember to be realistic and use all the hints and tricks' we have available online to cut out any unnecessary spending. You can check this out at <a href="http://www.uws.ac.uk/money-fees-funding/money-debt-advice/">www.uws.ac.uk/money-fees-funding/money-debt-advice/</a>
05	Decide what you can afford to save and do this whichever way feels most comfortable. This can be putting cash in a jar, setting up a standing order so money goes into a separate account or using a fancy app to build up your savings pot.

Before you know it, you will have a comforting pot of money building up so that when life happens, you are ready and can at least buffer some of the strain by already having funds available.



# Saving for Life Events or Big-Ticket Items

Even while you study you may be thinking ahead to bigger events in life, such as your first property, a new baby or a wedding. Or you may be thinking about a big holiday, some home improvements or a new car. Unlike the emergency savings, these events tend to be planned for and so, in theory, shouldn't be derailing your finances.

The key to having enough for these big life events is planning, planning and more planning. These are certainly all very exciting, but it's really important to stay on track and make sure your ambition doesn't outweigh your capabilities.

## Planning, planning and more planning...

01	Do your research to identify your savings goal.
02	Identify a realistic timescale, being careful not to bite off more than you can chew.
03	Based on your savings goal amount and the time available, work out the monthly amount you need to save. Money Helper have a useful calculator to help you do this at <a href="https://www.moneyhelper.org.uk/en/savings/how-to-save/savings-calculator">https://www.moneyhelper.org.uk/en/savings/how-to-save/savings-calculator</a>
04	Review your budget and work out whether this is realistic and achievable. Remember to use all the hints and tricks we have available online to cut out any unnecessary spending. You can check this out at <a href="http://www.uws.ac.uk/money-fees-funding/money-debt-advice/">www.uws.ac.uk/money-fees-funding/money-debt-advice/</a>
05	Put this money aside in whichever way feels most comfortable. You can set up a standing order, so money goes into a separate account or use a fancy app to build up your savings pot.

This type of saving usually means you are setting aside larger amounts of money than you would for an emergency fund, so it is important to make sure you keep this somewhere secure. You should also think about how to get the most out of your savings by considering the types of saving accounts available to you, and the different interest rates that are on offer. You can read more about this later in this guide.



# Top Tips

## Tips when saving for a baby

Money Helper Baby Costs Calculator: [www.moneyhelper.org.uk/en/family-and-care/becoming-a-parent/baby-costs-calculator](http://www.moneyhelper.org.uk/en/family-and-care/becoming-a-parent/baby-costs-calculator)

NHS – What you'll need for your baby: [www.nhs.uk/conditions/baby/caring-for-a-newborn/what-you-will-need-for-your-baby/](http://www.nhs.uk/conditions/baby/caring-for-a-newborn/what-you-will-need-for-your-baby/)

Babycentre – Buying for baby: what you really need: [www.babycentre.co.uk/a559809/buying-for-baby-what-you-really-need](http://www.babycentre.co.uk/a559809/buying-for-baby-what-you-really-need)

Talk to family and friends for advice on what they recommend and find out if they can provide any second-hand items that they no longer need.

Research larger items such as car seats and prams, utilising sites such as [www.which.co.uk/](http://www.which.co.uk/) or Baby Centre.

## Tips when saving for a wedding

Google is your friend. A quick search for 'wedding on a budget' will provide lots of ideas and tips. Stick to reputable information sources – any organisation that actually sells wedding stuff probably isn't that impartial! A great place to start is [www.moneysavingexpert.com/family/cheaper-weddings/](http://www.moneysavingexpert.com/family/cheaper-weddings/)

Shop around and haggle. Not only do you want the best deal, but you also want to get everything you can for your money.

Really think about what you and your partner want, rather than feeling pressure to please others. Consider what is important to you, and what you are happy to compromise on.

## Tips when saving to get on the property ladder

Saving for the deposit is the key goal, but you should also carefully consider the other costs associated with owning a home, and ensure you can afford this.

You also shouldn't forget the one-off costs associated with setting up a new home which may include furniture, decorating or even bigger building or renovation works. Research how much you might be able to borrow, and how much you need for a deposit:

[www.moneysavingexpert.com/mortgages/how-much-can-i-borrow/](http://www.moneysavingexpert.com/mortgages/how-much-can-i-borrow/)

**Check out the following webpages for more advice:**

Money Helper – First-time home buyer guide – [www.moneyhelper.org.uk/en/homes/buying-a-home/first-time-buyer-money-tips](http://www.moneyhelper.org.uk/en/homes/buying-a-home/first-time-buyer-money-tips)

Shelter Scotland – Buying a home: [https://scotland.shelter.org.uk/get\\_advice/advice\\_topics/finding\\_a\\_place\\_to\\_live/buying\\_a\\_home](https://scotland.shelter.org.uk/get_advice/advice_topics/finding_a_place_to_live/buying_a_home)

Shelter England – Buying a home: [https://england.shelter.org.uk/legal/home\\_ownership](https://england.shelter.org.uk/legal/home_ownership)

Money Helper – Government schemes for first-time home buyers and existing homeowners: [www.moneyhelper.org.uk/en/homes/buying-a-home/government-schemes-for-first-time-home-buyers-and-existing-homeowners](http://www.moneyhelper.org.uk/en/homes/buying-a-home/government-schemes-for-first-time-home-buyers-and-existing-homeowners)

# Saving Tracker

**Saving for:**.....

**Target: £**.....

When do you want to reach your target: .....

How far away is this in months?.....

Your target amount .....

divided by number of months ..... =

Your monthly savings aim: £.....

**Tick off your progress:**

JAN / FEB / MAR / APR / MAY / JUN / JUL /AUG /SEP / OCT / NOV / DEC

**Saving for:**.....

**Target: £**.....

When do you want to reach your target: .....

How far away is this in months?.....

Your target amount .....

divided by number of months ..... =

Your monthly savings aim: £.....

**Tick off your progress:**

JAN / FEB / MAR / APR / MAY / JUN / JUL /AUG /SEP / OCT / NOV / DEC

# Saving Tracker

**Saving for:**.....

**Target: £**.....

When do you want to reach your target: .....

How far away is this in months?.....

Your target amount .....

divided by number of months ..... =

Your monthly savings aim: £.....

**Tick off your progress:**

JAN / FEB / MAR / APR / MAY / JUN / JUL /AUG /SEP / OCT / NOV / DEC

**Saving for:**.....

**Target: £**.....

When do you want to reach your target: .....

How far away is this in months?.....

Your target amount .....

divided by number of months ..... =

Your monthly savings aim: £.....

**Tick off your progress:**

JAN / FEB / MAR / APR / MAY / JUN / JUL /AUG /SEP / OCT / NOV / DEC



# How to Save

## Budget, budget, budget...

You must budget before you can save, otherwise you won't know what is affordable and your plan won't be realistic. Check out our resources on budgeting, available via [www.uws.ac.uk/money-fees-funding/mon-ey-debt-advice/](http://www.uws.ac.uk/money-fees-funding/mon-ey-debt-advice/)

This will not only help you better understand your finances, but you can also consider what you might be willing to give up in order to reach your savings goal more quickly. Would you be willing to cut back on eating out or takeaways, or would you be only be setting yourself up to fail if you made this unrealistic goal? These are the questions you need to ask yourself and you can use tools like -

Money Saving Expert Demotivator: [www.moneysavingexpert.com/shopping/demotivator/](http://www.moneysavingexpert.com/shopping/demotivator/)

## I can't afford any savings!

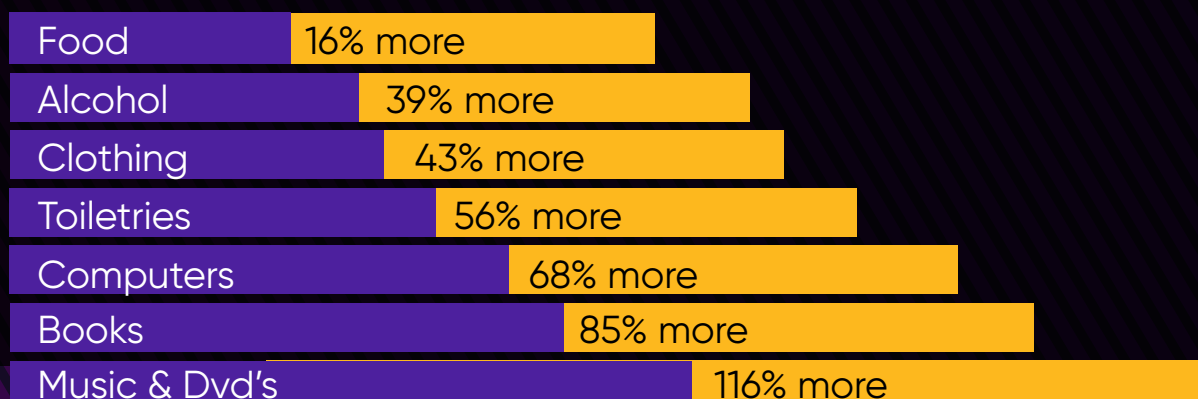
You may feel that you can't afford to save but it's important to think about this carefully rather than get trapped in a false economy. Many people will fall into the habit of buying things with credit with the best intentions of repaying this quickly, only for life to get in the way and the debt hang around for longer than planned.

The cost of Christmas is an excellent example of this. Many people don't have the cash to cover the additional cost of the festive season so end up using credit. Christmas comes at the same time every year, so why not plan ahead and save instead?

Something like a Credit Union Christmas Account can be a great tool in these circumstances. You deposit a fixed amount all year but cannot access this until November, meaning you have funds available to foot those additional bills. Even just saving up your loose change in a jar will really add up and help you manage better when larger expenses arise.

How much more do we spend in December compared to a typical month.

(% Source Bank of England)





# Balancing Debt Repayments and Savings...

Traditional money advice would be to always have some savings to hand, either for an emergency or for longer term stability. However, you don't want to be putting your heart and soul into saving if the benefits are outweighed by the cost of your debt.

A good rule of thumb is to look at how much your debt is costing you, including interest, and compare this to what you get from your savings. If the debt cost is higher, it's not good maths! (source Money Saving Expert)

**IF YOU  
HAD:**

£1,000 debt  
on a credit card at 18%

The interest cost is:

**£180**

£1,000 saving  
in a savings account at 1%

The interest earned is:

**£10**

Pay off the debt with the savings and you are **£170 a year better off.**

## When is it not a good idea to pay debt first?

- **If you can rejig your borrowing, i.e. balance transfer deals** – Utilise low or 0% interest products to keep your debt cheap until you have paid it off. If you can pay the debt off completely during the interest free period and still have some funds to spare, paying debts and saving can make sense.
- **If your debt is fixed, like a loan or a mortgage** – Penalties for paying it off early may completely outweigh the benefits of doing so.
- **If you aren't very disciplined** – If you can't trust yourself not to keep spending on credit cards, having some savings for emergencies can be a good strategy to avoid falling any further into debt.
- **If your debt is cheaper than the savings rate** – We won't lie, this won't happen often but if you are a disciplined person who can take advantage of cheap or 0% credit, then saving up will be making you money while the debt isn't costing you.

# Stay motivated and stick to the plan...

Like many things in life, there is no one size fits all approach to saving. In an ideal world we would all have 3 months' worth of emergency savings, be debt free and be putting money away for our retirement. Unfortunately, for many this simply isn't realistic, especially as a student when you are likely to be on a tight budget.

Ask yourself these questions to start to identify the best saving strategy for you:

- **What is your attitude and approach to money? Are you disciplined or a disaster?**

If you are on top of your finances then you are on your way to mastering the art of saving, but if you don't have a good grip on your money, you might need a different approach. Don't bite off more than you can manage, only to be overwhelmed and demotivated. A change jar is better than nothing and you can work up to other approaches when your confidence grows. If you are disciplined, you might prefer to have a regular standing order set up to move money out of your main account. That way it comes off like a bill and you soon don't start to miss it. This also reduces the tendency to dip back in when it's out of sight, out of mind.

- **What would motivate you and keep you on track?**

Maybe you are the type of person that would like to keep a close eye on your savings and see them grow, or maybe you prefer to keep them out of sight and out of mind and be pleasantly surprised when you check the balance every so often.

Maybe you like to visualise your goals. If you are saving for a holiday you could put a picture in your wallet or on the screensaver of your phone to remind you what you are saving for.

- **What are your priorities? Are you committed to a longer-term goal, or starting out small?**

Inevitably, a longer term goal takes more planning and commitment, and you'll need to give more thought to the method of saving that is best for you, which is detailed later in this guide. But if money is a bit tighter and you are starting out small, you may want more flexibility. Start with a coin jar or by putting aside any funds you have left at the end of the week or month.

## By now you:

- have an idea of why it might be helpful to have savings
- might have an idea of your savings goal
- have weighed this up against your budget and debt repayments
- understand how to stay motivated and find tactics that work for you

Now we need to look at the different options available to you, and where you can keep your savings so you can make the most of your money.

### NOTE:

Saving something is better than nothing, so if you are overwhelmed by the thought of opening new accounts and comparing interest rates, don't worry!

## What Motivates You

Everyone is different, so take a bit of time to reflect and think about what would motivate you to stay on target with your savings goal.



# Jargon Busting

Before we start to delve into the murky waters of products and how to rate them, let's look at translating some key financial terms.

**Interest** - When you save with a bank, you are effectively lending them your money. Interest is the amount they pay to you in return. It is usually expressed as a percentage, using some of the terms we explain below.

**Fixed Rate Interest** - Nice and easy. If you open a savings account or financial product with a fixed interest rate, the rate won't change.

**Variable Rate Interest** - Straight forward. The rate of interest can fluctuate over the life of the agreement or time held in savings. Usually, this is linked with a measure of inflation such as the Retail Price Index (RPI).

**Compound Interest** - A tricky one to get your head around. Most people will fully understand the basic concept of interest. This is a % of money either paid to you (on savings) or charged to you (on debt). Where it gets confusing is when we put the word 'compound' in front of it. A simple example is probably the best way to explain it:

- You have £1000 saved in an account which pays 10% annual interest.
- At the end of the year, you would have £1100, which is your original deposit plus the 10% earned from interest (£100).
- As you are a keen saver, you keep your £1100 saved up and by the end of year 2 you get 10% interest on the original £1000 that's still in there plus 10% on the £100 you earned last year (£10). So, you end the year with £1210 in your savings (£1100 plus £110 new interest payments).
- As each year goes by, you will continue to earn interest on both your original deposit (and any subsequent ones) and the interest earned each year. So essentially your savings are growing as you are getting interest on the interest.
- This snowball effect is super for savers, especially if you are in the position to leave your funds in the account over the longer term and not dip in and out.
- Not so great if you are borrowing in this way. Interest is added in this same compounding way, costing the borrower more, so do pay attention to any debts and address these as quickly as possible.

## **Annual Equivalent Rate (AER)**

This is the official or advertised rate of interest for savings and takes into account the compound interest effect. This makes it ideal when trying to understand the deal you are being offered, and comparing the savings products available to you.

You will likely see other rates advertised, but these might not take everything into account. The best rule of thumb is to make sure you always compare AER with AER when looking at savings accounts.

# Choosing Saving Products

Now that you understand the terminology involved you will be able to properly compare savings products. The next few pages will help you to do this. As well as comparing rates, you will also be able to weigh up the pros and cons of what each type of account offers against your needs.

## Important things to consider:

- **Safety:**

UK regulated financial organisations offer protection on your money up to £120k for single accounts and £240k for joint accounts. So, if you find a super rate from an overseas company, you do need to be mindful that this protection is not available.

- **Income tax:**

When you earn interest on savings, it counts as income so the Government may want their cut. Basic rate taxpayers can earn up to £1K interest per year before having to pay any tax to the government on these earnings.

Most students, even those with additional income from employment, don't earn enough to pay tax on their savings. It takes a lot of savings to start earning the £1k of interest, so this is likely something you do not need to worry about, but do be mindful and find out more via Money Saving Expert: [www.moneysavingexpert.com/banking/interest-rates/](https://www.moneysavingexpert.com/banking/interest-rates/)

- **Flexibility:**

What type of saver will you be?

If you might need access to your funds, don't lock them away in an account that you can't easily withdraw from. Or, if you have funds that you absolutely won't need to access, be sure to look out for longer term plans that give you the most favourable rates for stashing your cash without dipping in.

Think about your willingness to shop around or keep changing. Are you the sort of person who is motivated to do this to secure the best deals? Getting high introductory bonus rates for your savings, then switching when they run out, can make you money.

If you are too busy, lazy or just plain forgetful, doing this won't be helpful and you should look for products that have a steadier rate that will benefit you in the long run.

- **Savvy:**

Don't fall for gimmicks! Like all products, many savings accounts will wave shiny things in your face to get your business. Don't fall for this! Make sure you read the small print to make the most of your efforts. Free travel insurance (especially if you don't travel) or a 6-month Netflix subscription when you already have this aren't the makings of a good deal.

# Types of Saving Accounts

Account Type	Features	Good For...	Guides & Info
<b>Current Account</b>	Some current accounts offer higher rates than their savings equivalent - usually only available if you pay in a set amount to your account each month.	Those who have the required amount of money to pay in each month, or the discipline to manage this along with their main current account.  Those who need access to their funds.	Save the Student: Best Savings Accounts - <a href="http://www.savethestudent.org/money/student-banking/best-student-savings-accounts.html">www.savethestudent.org/money/student-banking/best-student-savings-accounts.html</a>  Money Saving Expert: Top Savings Accounts - <a href="http://www.moneysavingexpert.com/savings/savings-accounts-best-interest">www.moneysavingexpert.com/savings/savings-accounts-best-interest</a>
<b>Easy Access</b>	These accounts allow easy access to your funds. You won't get the best rate but if you are saving an emergency pot, these are a good option.	Those who need access to their funds either regularly or with short notice. Some accounts will limit withdrawals, so be mindful of this, but it will usually not be too difficult to get access to your cash.  These are the accounts that may be worth switching frequently to access good introductory rates.	Save the Student: Best Savings Accounts - <a href="http://www.savethestudent.org/money/student-banking/best-student-savings-accounts.html">www.savethestudent.org/money/student-banking/best-student-savings-accounts.html</a>  Money Saving Expert: Top Savings Accounts - <a href="https://www.moneysavingexpert.com/savings/savings-accounts-best-interest/#easyaccess">https://www.moneysavingexpert.com/savings/savings-accounts-best-interest/#easyaccess</a>
<b>Regular Saver</b>	Require you to save regular amounts, usually monthly.  Will offer higher interest rates but may have withdrawal limits as well as rules on how much to deposit.  Another product whose rate will end and may be best for switchers.	Those who can commit to saving a regular amount each month and might not need access to the funds regularly.  Usually requires a deposit per month so best for those who have a good budget and can commit to their savings.	Money Saving Expert: Regular Savings Accounts - <a href="http://www.moneysavingexpert.com/savings/best-regular-savings-accounts/">www.moneysavingexpert.com/savings/best-regular-savings-accounts/</a>



Account Type	Features	Good For...	Guides & Info
<b>Fixed Rate</b>	Products which fix the rate of interest for a specified time. Usually, at a more favourable interest rate than the more flexible options.	These products are for savers who can leave their funds be for the specified timescale. There will likely be penalties for withdrawing the funds any earlier. You may also need to consider if there are minimum deposit amounts, and whether these are affordable. Great for medium to long term savings.	<p>Save the Student: Best Savings Accounts - <a href="http://www.savethestudent.org/money/student-banking/best-student-savings-accounts.html">www.savethestudent.org/money/student-banking/best-student-savings-accounts.html</a></p> <p>Money Saving Expert: Top Savings Accounts - <a href="https://www.moneysavingexpert.com/savings/savings-accounts-best-interest/#fixedsavings">https://www.moneysavingexpert.com/savings/savings-accounts-best-interest/#fixedsavings</a></p>
<b>Notice Accounts</b>	<p>These have a mixture of the features of fixed and easy access accounts.</p> <p>You can get access to your funds but usually with a specified notice period required.</p>	Great for saving for something like a house or a wedding when you know you will need your funds but might not yet have an exact date. Also good for people who think they will be ok to leave their savings untouched but aren't confident enough to commit to a fixed product.	<p>Save the Student: Best Savings Accounts - <a href="http://www.savethestudent.org/money/student-banking/best-student-savings-accounts.html">www.savethestudent.org/money/student-banking/best-student-savings-accounts.html</a></p> <p>Money Saving Expert: Top Savings Accounts - <a href="http://www.moneysavingexpert.com/savings/savings-accounts-best-interest/#notice">www.moneysavingexpert.com/savings/savings-accounts-best-interest/#notice</a></p>
<b>Help to Save</b>	A government backed scheme to help those on low incomes in receipt of Universal Credit to be able to save.	You can save between £1 and £50 per month but don't need to deposit every month. At the end of years 2 & 4, the government will pay a 50% bonus on what you have saved up to a max of £1200. This will be based on the max amount you had in the account over the 2 year periods. This is an instant access account so it is a brilliant way to save for the longer term.	Gov UK: Help to Save - <a href="http://www.gov.uk/get-help-savings-low-income">www.gov.uk/get-help-savings-low-income</a>

Account Type	Features	Good For...	Guides & Info
<b>Credit Union</b>	<p>A credit union is a mutual organisation. This means that it is owned by its members, who reap the benefits of the business and keep the money in the local community.</p> <p>Essentially, it is a community-based savings and loans provider.</p>	<p>Great for those who prefer a more community friendly option.</p> <p>They allow you to save, whilst still having access to your funds, although some will ask you to limit your withdrawals to a set amount throughout the year.</p> <p>They also are more likely to give accounts to people who don't already have a banking history or have a poorer credit history.</p>	<p>Money Saving Expert: Credit Unions - <a href="http://www.moneysavingexpert.com/loans/credit-unions/">www.moneysavingexpert.com/loans/credit-unions/</a></p> <p>Find your Credit Union - <a href="http://www.findyourcreditunion.co.uk/">www.findyourcreditunion.co.uk/</a></p>

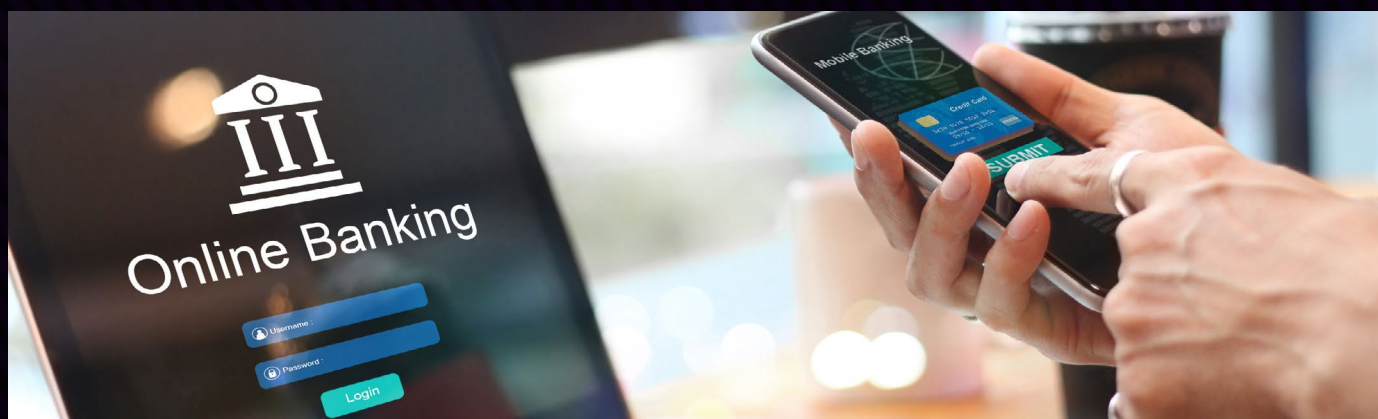


Account Type	Features	Good For...	Guides & Info
<b>ISA</b>	<p>An ISA is a tax-free savings account. There are a few different types of ISA which can be used for different purposes/benefits.</p> <p><b>Cash ISA</b> – a savings ISA for saving up to £20k per year.</p> <p>These can be flexible or fixed but now that everyone can earn £1k interest per year on savings, these are a less relevant product for students than they once were.</p> <p>Often other products will offer better rates. Age 16+.</p> <p><b>Life Time ISA (LISA)</b> – an ISA specific for retirement or first time homebuying.</p> <p>The government will give you a 25% bonus on your savings. So you can save a max of £4k per year and get £1k each time.</p> <p>You can withdraw funds but will be penalised the 25% if you do so for anything other than buying your home or retirement. Age 18–39.</p>	<p><b>Cash ISA's</b> come in easy access or fixed-rate options so check out the sections above to see who these work best for.</p> <p>Changes in the financial sector mean these aren't as good as they used to be, but you can still compare interest rates to other easy access or fixed-rate options to find the account that works for you.</p> <p><b>Life Time ISA's</b> are for getting on the property ladder or planning for retirement only.</p> <p>These will work best for disciplined savers, who are sure they won't need to access these funds in an emergency.</p>	<p>Money Saving Expert: Top Cash ISAs – <a href="http://www.moneysavingexpert.com/savings/best-cash-isa/">www.moneysavingexpert.com/savings/best-cash-isa/</a></p> <p>Money Saving Expert: Lifetime ISAs – <a href="http://www.moneysavingexpert.com/savings/lifetime-isas/">www.moneysavingexpert.com/savings/lifetime-isas/</a></p> <p>Save the Student: Best tax-free cash ISAs – <a href="http://www.savethestudent.org/money/best-tax-free-isas-for-students.html">www.savethestudent.org/money/best-tax-free-isas-for-students.html</a></p> <p>Save the Student: Lifetime ISA guide – <a href="http://www.savethestudent.org/money/the-new-lifetime-isa-everything-you-need-to-know.html">www.savethestudent.org/money/the-new-lifetime-isa-everything-you-need-to-know.html</a></p>



# Digital Saving Solutions

As well as more traditional savings through a piggy bank or savings account, you may also wish to take advantage of more modern ways of managing your money and making savings. With more and more people choosing to manage their money exclusively through online accounts or mobile apps, the features at your fingertips are constantly growing.



## Online Banking Features

With online and mobile banking, it can be really simple to open a savings account or pot with your bank and take advantage of transferring small amounts of money or using save the change schemes, which can round up purchases and put the change into your savings.

While your savings stay separate, you can see your progress at a glance, which is a great way to get started and develop good habits.

So, if you aren't quite ready to open a savings specific product but want to get into the savings habit; check out what features and options might be available via your existing bank.

### What you should know...

You already know your way around your online and mobile banking, so you don't have to learn anything new.

Your bank already knows you, so likely won't need you to complete lengthy applications to open savings accounts or features.

You aren't shopping around for the best interest rates so you might not be taking full advantage of your savings. This might be okay when saving small amounts and developing good habits but isn't ideal for long term savings.

# Challenger Banks

Challenger banks are the newest banks to hit the block and include the likes of Monzo and Starling. Based exclusively online, they have again tapped into the increased need for people to conduct their life fully from a smartphone. They generally work like an ordinary bank account but with a wide range of additional features to help you engage with and make the most of your money.

You can get alerts when you spend, set up savings pots, look at all sorts of graphs and charts, set targets and budgets and get notifications to keep you on track. This can really help to keep you focused on both budgeting and saving.

These banks also usually rate really highly for customer service and ease of access too.

## What you should know...

### **Low cost, flexible & personalised**

Fees are generally low. They will often have really good rates for using abroad. There will also be a raft of personalisation features.

### **Safety**

Many of these banks do offer the same protection as traditional High Street banks but it is important to check and be more wary of new businesses that might be less well established.

### **Read more**

Money Saving Expert Guide to Digital Banking - [www.moneysavingexpert.com/banking/digital-banking/#appbased](https://www.moneysavingexpert.com/banking/digital-banking/#appbased)

Which? Guide to Challenger and Mobile Banks - [www.which.co.uk/money/banking/bank-accounts/challenger-and-mobile-banks-aj0mj7w688r5](https://www.which.co.uk/money/banking/bank-accounts/challenger-and-mobile-banks-aj0mj7w688r5)

# Artificial Intelligence & Saving Bots

No, this isn't a sci-fi film title. This is how these digital savings assistants work. You give the app permission to view your bank accounts and credit accounts and they use algorithms to work out how much you can save and help you to do this. This may be through rounding up purchases to save small amounts, or it may suggest what to save each day based on your spending patterns. They then stash the savings in an affiliated bank account for you.

## What you should know...

### Data Safety

You need to be mindful of what access you are granting to your data, and what the company is going to do with that data. These apps will likely have read only access to your data, reviewing information to make recommendations, and using your information to recommend products or services.

### Safety

Unlike a UK savings account, these apps aren't usually FSCS protected so you need to be cautious. What they are more likely to have is an electronic money licence. This means that they need to hold your savings in a separate bank which often will be protected, which affords you some protection should the app firm go under.

### Value

These Artificial Intelligence bots are designed to get you into the savings habit. The interest rates offered are not the most competitive so, if you are a successful saver, you may be best to move the savings into a more traditional account with better interest.

What they are excellent for is helping you to track and manage your money. So, whilst they may not give you the most bang for your buck, if you are just getting into saving, they offer you lots of help and features to do so.

### Read more

Best automatic savings apps - Save the Student -

[www.savethestudent.org/money/automatic-savings-apps-chatbots.html](http://www.savethestudent.org/money/automatic-savings-apps-chatbots.html)

Money Saving Experts Guide to Automatic Savings Apps -

[www.moneysavingexpert.com/savings/auto-saving-apps/](http://www.moneysavingexpert.com/savings/auto-saving-apps/)

Which? Guide to Apps to help you save and budget -

[www.which.co.uk/news/2019/12/the-best-budgeting-and-savings-apps-to-help-you-save-money-in-2020/](http://www.which.co.uk/news/2019/12/the-best-budgeting-and-savings-apps-to-help-you-save-money-in-2020/)



# Ready, Steady, Get Saving

So now you know your AER from your ISA, you have lots of ideas to get you started and you know why creating a savings pot is a good way to keep on top of your finances...there is nothing left to do but get started!

The internet is full of helpful resources, but we've pulled together what we think is best to give you the know how to keep working towards your savings goals:

Money Saving Experts Banking & Saving Guides -  
[www.moneysavingexpert.com/banking/?tab=sect7](http://www.moneysavingexpert.com/banking/?tab=sect7)

Save the Student: Best Savings Accounts -  
[www.savethestudent.org/money/student-banking/best-student-savings-accounts.html](http://www.savethestudent.org/money/student-banking/best-student-savings-accounts.html)

Which? Compare Savings Accounts -  
[www.which.co.uk/money/savings-and-isas/compare-savings](http://www.which.co.uk/money/savings-and-isas/compare-savings)

Money Helper: Finding the best deals with price comparison websites -  
[www.moneyhelper.org.uk/en/everyday-money/budgeting/price-comparison-sites-guide](http://www.moneyhelper.org.uk/en/everyday-money/budgeting/price-comparison-sites-guide)

Compare the Market: Compare Savings Accounts -  
[www.comparethemarket.com/savings-accounts/](http://www.comparethemarket.com/savings-accounts/)

Money Supermarket: Compare Our Best Saving Accounts Rates -  
[www.moneysupermarket.com/savings/](http://www.moneysupermarket.com/savings/)





# Our Website

If you would like more information to make positive financial changes, or to address any issues that this exercise has identified, we have lots of advice and guidance to support you. Check out our website at [www.uws.ac.uk/money-fees-funding/money-debt-advice/](http://www.uws.ac.uk/money-fees-funding/money-debt-advice/)

You will find in-depth information on topics such as budgeting, lifestyle spending, shopping, travel and banking, with onward signposting to specialist tools and resources to support you to manage your money. Whether you want to cut down on the food shop or start saving for a home, these web resources will help.

## **Our team:**

If you are worried about your situation or feel that you need more comprehensive support, you can book an appointment with an Adviser for one-to-one or contact us for email guidance. Find out more about how we can help you at [www.uws.ac.uk/money-fees-funding/funding-and-advice-team/](http://www.uws.ac.uk/money-fees-funding/funding-and-advice-team/)



## Notes





Student  
Services  
Funding & Advice

