

Alvin's money savers

Check out money expert **Alvin Hall** – he's going to save you pounds every week

STORE CARDS – BEWARE!

If you've got a store card in your purse that you don't use, watch out. This month, Santander, which last year took over many of the high street's popular store card names, such as House of Fraser, Debenhams, Dorothy Perkins and Topshop, is changing its terms and conditions. It means that if you overpay on your card to return something and get a refund, so your account's in credit and then stays in credit for three months, you could be charged a fee of up to £10.

Santander says that it would always try to get the credit balance paid back to the cardholder and that it has no plans to impose the charge on any of its customers at the moment. But there are other ways that store cards can be bad for your wealth.

One of the real benefits of using a credit card when you go shopping is that they offer valuable consumer protection that's laid down by law. It means that if the goods don't arrive, are faulty or the firm

supplying them goes bust, you can make a claim against the credit card company as long as the goods you buy cost between £100 and £30,000. The bad news is that if you have a store card, you may not be covered in the same way.

The rules are a bit complicated and depend on where you can use the card for your shopping. Sarah Pennells, founder of a money website for women called savvywoman.co.uk, explains: 'If you're only able to use the store card in one retailer or in a chain owned by the same retailer, you could not make a claim against the store card company. However, if you use a credit card (not a store card) branded by the retailer, then you are covered.'

You also have no claims under the Consumer Credit Act against the card company if you have a card where you must clear the balance in full every

month. But you are always covered by consumer laws against the retailer. These cards may look like credit cards, but they're actually 'charge cards' and they're treated differently in law.

Interest rates on a number of store cards remain dizzyingly high. Store card providers have been criticised in the past for charging high interest rates and some did cut theirs. However, a number of store cards, including those offered by Dorothy Perkins and Wallis, charge interest at 29.9% APR. Yes, they charge you almost 30% for the privilege of borrowing money to shop in their store! If, for example, you were to spend £150 and only pay off the minimum balance of 4% each month, it would take you well over four years to clear your debt and you'd have paid over £102 in extra interest. That's not savvy shopping.

Be financially savvy and cancel these store cards

REAL MONEY-SAVING TIPS - FROM REVEAL READERS



There are plenty of ways to save money on your shopping – we wonder if Paris Hilton knows any?

1 Get the best price for your clothes. Try clothesagency.com, which doesn't charge a final commission, unlike eBay.
Megan Byers, by email

2 Sell your photos through an online agency – pictureation.co.uk and fotolia.com will accept good photos from amateurs and you'll make money every time they're sold. If it gets used in an advert you could make serious money.
Linda Knight, by email

3 Bulk-buy your veg from salebins in supermarkets to make up large batches of soup.
Barbara, by email

4 Get paid to look after other people's homes, plants and pets while they're away. Try

registering for a house or pet-sitting service such as Absentia (home-and-pets.co.uk or 01279 777412).
Mary Hayes, Orkney

5 Bag great bargains at internet auction sites by deliberately misspelling the items you're searching for. People often list goods incorrectly and you could end up the only bidder.
Becky Coleman, Bristol

6 Instore beauty counters often give away mini-samples. It's always worth asking.
Lisa Jones, London

7 Try and avoid shopping at the smaller branches of the bigger supermarkets, because you will often end up paying higher prices on many items in your shopping basket.
Cara Toscani, Scottish borders

8 Never throw your roll-on-deodorant, lotions, etc. away until you've left them unopened – you can get from days or even weeks further use from them.
J.J. Fabers, by email

9 I always pick things up at the supermarket that I don't need. So at the end of a shopping trip, my boyfriend and I go through our trolley, putting things back that can wait until next week or pay day.
Sarah, via email

10 I try to reduce my electricity bill by only filling my kettle to the minimum mark. If there's any surplus boiling water, I put it into a Thermos flask and use it to wash my dishes.
Pauline Stellmacher, via email

Money-saving SPECIAL

Q&A

I don't invest in shares at the moment. Should I use any spare cash to buy shares or put the money into a bond or a pension?

Shelley, Telford, Shropshire
ALVIN SAYS: If you've never invested in shares, it's best to spend time learning about them before you start – look at sites like fool.co.uk or thisismoney.co.uk or buy a book aimed at beginners (I've written one called Winning With Shares).

If you don't have a pension, your money will go further if you invest it there. Make sure you're not missing out if your employer offers one. Many employers contribute on your behalf – giving you free money.

If you're self-employed or your employer doesn't have a scheme, you can still get money for nothing. The government gives you tax relief on money you contribute to a pension and that means if you're a basic rate taxpayer, for every 80p you pay into your pension, you end up with a £1 contribution. The 'tax relief' is a government top-up of 20p. The trick is to start early. If you pay in £100 a month for 35 years, you'll have over £110,000 (assuming it grows at a modest 5% a year). If you don't start saving until you're 40, but save £200 a month for 20 years, you'll only have £83,000.

GOT A HOT MONEY-SAVING TIP? I'D LOVE TO HEAR IT!
Email me at alvin.hall@natmags.co.uk. Or post to: Alvin Hall, Reveal, 33 Broadwick Street, London W1F 0DQ

Team Reveal

Alvin Hall's money savers

Each week in Reveal I'll be sharing my advice with you

I'm thrilled and proud that so many Reveal readers send in their own inspired and inspiring money-saving tips. Financial empowerment begins when you take control of your money and yourself – and stay in control. One of the things I like most about the readers' tips is they show the importance of adapting financial guidance to fit your own situation and money personality. This week I update you on important store card changes and offer some suggestions to a lady who wants to invest money for her financial security. Please continue to send in your wonderful ideas!

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