



Bank bosses won't budge on bonuses

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DIRECTOR
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It seems that those charged with running our banks are still oblivious to the growing consumer incredulity over the payment of big bonuses.

The latest machination to be employed is the off-balance sheet ruse that substitutes hard cash for shares. This devious but hardly subtle trick fools nobody and reveals the depths to which this once revered profession has sunk.

Can there be any doubt that the banking industry has become the Sodom and Gomorrah of the financial services world? Overpaid bosses are not prepared to answer to anyone – not even shareholders who have seen their capital dwindle and dividends dry up.

In the face of such profligacy – which reveals regulation to be a toothless tiger – these captains of

industry can't wait to feather their nests while simultaneously repossessing the nests of others.

So should we applaud the recently announced Treasury review of banking practices which, it is claimed, will include a penetrating look at pay and bonuses?

Well, don't hold your breath. Heading the review will be a poacher turned gamekeeper so the hot money's on realignment rather than radical reform.

Liberal Democrat leader Nick Clegg for once sums up the nation's view pretty well when he says that "You don't need a review to answer the simple question, should senior bankers receive bonuses? The answer is no".

Such political clarity is rare these days and is refreshing.



Base rate cut starts quest for advice

GRANT STEVENS
MANAGING DIRECTOR
LEADBAY

You'd think that after the number of Bank of England base rate changes we've seen in the past year borrowers would be complacent about them by now, but reaction to the most recent reduction proved this was not the case.

From midday on the Thursday when the announcement of the 0.5% cut was made, the number of requests from our users to speak to advisers began to rocket.

In fact, there was a 150% rise in the number of enquiries compared with the same time the previous week.

The number of consumers asking for mortgage advice alone

exceeded 3,500 – the highest we have seen in our five-year history.

And enquiries stayed high the following day – 30% up on the previous week. Even on the Sunday there were 17% more enquiries than we see on a typical Sunday.

More than half of these were remortgage enquiries, with borrowers looking into how they might capitalise on lower rates.

These numbers emphasise how much demand there still is for advice.

Whatever tactics lenders try, borrowers want to speak to advisers who can help them evaluate their situation, tell them what their options are and find them the best deals.



Healthy clients can be wealthy clients

PETER CURRAN
HEAD OF DISTRIBUTION
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No doubt many of the new year resolutions made by your clients in January to get fit are already well out the window.

But those who are saving should think twice about losing their willpower, as a healthier lifestyle could save them £1,700 in a year.

For example, giving up just one takeaway per week could save them up to £400 in a year.

And staying fit by jogging or cycling rather than paying for a gym membership can save another £500.

Keeping hydrated after all that free exercise by drinking

tap water instead of bottled water could save about £100 a year.

Giving up just two pints of beer per week could leave clients an extra £270 at the end of each year.

And giving up the daily lattes could save £450.

It all adds up to more than £140 per month.

When these savings are combined with an offset mortgage, the benefits can really be seen.

For instance, if an average mortgage holder was to do something as simple as give up one cup of coffee a day they could shave more than a year off the term of their mortgage.



Better than cash under the bed

ROGER EDWARDS
PROPOSITION DIRECTOR
BRIGHT GREY

With the credit crunch tightening its grip, the recession well underway and repossessions on the rise the message from the insurance industry is that consumers need protection products now more than ever.

But with many banks in trouble, some of your clients may be wondering whether they would be better off creating their own catastrophe funds by stashing their cash in boxes under their beds.

The idea of saving for a rainy day is not new, but is it a credible alternative to taking out life assurance or income protection?

At the moment, life assurance is as cheap as it has ever been. Assuming a consumer could buy a policy for £150,000 of cover for

around £15 per month, it would take them more than 10 lifetimes to build up a similar lump sum by stashing those premiums in a box.

In fact, an average person would have to save more than £300 a month during a working life of 40 years to save that much, and most people do not save anything like that as they have bills and expenses to pay.

And even if a consumer could save that amount each month, what if something goes wrong before they have the chance to build up their catastrophe fund?

So yes, in terms of saving for a rainy day, protection can be seen as a wise alternative.

And with the appropriate cover in place, your customers and their hard-earned savings will be protected if things go wrong in their lives.