

Avoid savings deals at top of best-buy tables - unless you make these checks first

By [Sylvia Morris](#) of the Daily Mail Updated: 14:53, 22 February 2024

When looking for a new savings account, it can be tempting to pick the one at the top of most best-buy tables. But, banks and building societies use all sorts of tricks to get to the top of these tables. That means those that do are not necessarily the ones that will prove the best pick for you.

Behind the shiny facade of top rates can be a host of restrictive terms and conditions.

Hidden fees: Banks and building societies use all sorts of tricks to get to the top of best-buy tables so those that do will not necessarily prove the best pick for you. Each week, I put together my Star Buys table — and to make the cut, savings providers need to do far more than simply offer bumper rates. I also work with the This is Money team to compile our full [independent best buy savings tables](#), where we feature the best rates and detail what you need to know. Other lists of top savings rates can have more simplistic methodologies — and often just list the accounts with the best rates. So, if you use these, make sure to follow my checklist to ensure you get an all-round excellent account that won't prove restrictive later on. And remember, if you opt for an easy-access account, **most rates are variable so the provider can alter them at any time and will not always notify you**. Check rates regularly — at least once a month — to make sure you are still getting a competitive deal.

Watch out for huge minimum balances: Top-paying accounts often have a huge minimum balance. For example, you need at least £10,000 to get a top rate of 5.1 per cent from Close Brothers Savings.

Ask yourself, if you have this much money to put into a savings account, do you really want to keep it in an easy-access account or could you lock it away for longer or even invest it? If you think you may have to take money out for an emergency your rate could plummet — down to a lousy 1 per cent in the case of the Close Brothers Savings account.

Your £10,000 will pay you £510 a year — around £42 a month. But £9,999 in the account for a month, gets just over £8 rather than the full £42 — an expensive mistake. Monument Bank at 5.08 per cent asks for an even higher minimum of £25,000 deposited with the bank across all its savings accounts.

On the other hand, Family Building Society Online Saver, at 5.04 per cent, pays you slightly less but you can open it with just £100.

Check when and how much you can take out: Some accounts that claim to be easy access have minimum withdrawals, like Shawbrook Bank's 5 per cent on £1,000 or more, but withdrawals must be at least £500.

Check how long it takes to get cash: Some providers pay withdrawals into your current account instantly. With others you have to wait a day, or even two.

Beware the disappearing 'bonus': Some providers pay a 'bonus' rate for the first 12 months, but be sure when the bonus disappears or you could end up on a much poorer rate. Post Office Online Saver pays 4.7 per cent in the first year, after which it drops to 1.55 per cent. Others pay a much smaller bonus, so you don't lose much when it disappears.

Watch out for limit on withdrawals: Some accounts limit the number of times you can take money out each year — in some cases as few as two. Providers like to offer these accounts as they cost less to administer.

[Coventry BS now has the best buy easy-access savings deal - and it has a monthly interest pay out option](#)

The best easy-access savings account is now being offered by Coventry Building Society. Savers signing up with Coventry can secure a 5.15% rate. On a £10,000 deposit that would equate to £515 interest over one year. There is one catch however. The account only allows up to three free withdrawals a year.