

## Consumers Unaware Of Interest Rates On Savings Accounts

*In this continuing time of financial concern, it is important for consumers to avoid placing unnecessary pressure on the money in their pockets.*

June 6, 2008 (FPRC) -- This is the claim of the Post Office which recently unveiled a report showing that People are missing out on billions of pounds by placing cash into poor-performing savings schemes. And during a period of high food costs and inflation, as well as reduced access to credit, it was claimed that it is more imperative than ever to select attractive deals. Findings from the firm identified that by placing money into accounts that offer interest rates lower than the Bank of England's base rate, savers may well be missing out on about 8 billion pounds every year.

Overall, thirty per cent of consumers seem to be unaware as to the rate of interest their savings account provides, with a further 39 per cent reporting to be unaware if their supplier has changed interest rates on such financial products over the last few months. Meantime, people who live in the north-east were shown as having the least understanding about the rate of interest they receive on their account. Here, some 37 per cent claimed not to know what the amount of interest gained on their saving schemes was. On the other hand, just over a fifth (22 per cent) of people from the east Midlands were indicated as being unaware of the interest provided on their savings account.

Following on from saving money inefficiently, it is quite plausible that people discover that their financial position in later life is not as strong as they once believed. This may mean they struggle to meet financial demands such as loan repayments, the cost of property repairs or bills more expensive than previously thought they would be when they are older.

Richard Norman, director of savings at the Post Office, commented: "It's time savers started to take care of their savings by choosing a home for them wisely - especially in the current economic downturn. There are hundreds of poor-paying accounts, so people need to avoid them. If you don't know what interest you are currently earning, contact your provider. If it is paying a low rate and you want it to earn more then move it. Although it might be tough to put money away at the moment, it is more important than ever to make sure your existing savings work as hard as they can for you."

He added that those consumers who are looking to open up a new account spend a little time checking how much interest they will generate on their savings and if they will be able to access their money with ease.

For those consumers who appear to be worried about their capacity to put money away for the future, taking out a debt consolidation loan {may be recommended}. By selecting this kind of loan it is possible that borrowers will be able to merge numerous constraints on their spending into one low cost monthly repayment. By doing so this could leave them with more disposable income, money which could then be invested into a savings scheme.

In May research by Birmingham Midshires shown that 77 per cent of Britons saved some money over the preceding three months. The average amount invested was shown to stand at 938 pounds, a rise from the 910 pounds noted it was in may 2007.

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