

Recent budget announcements may see an uplift in current account deals but consumers should choose carefully

The recent Budget statement guaranteeing adults the right to open a basic bank account will no doubt lead to an increase in marketing activity by banks and building societies aiming at moving existing customers to their 'added value' options. Defaqto advises consumers to review account components carefully – particularly for these 'packaged' current accounts as there are huge differences.

David Black, Banking Specialist at Defaqto said: "Firstly packaged accounts usually have an associated fee which can range from £5 to £40 per month. Consumers need to weigh this up with the benefits offered and figure out what they actually need and whether the features they do need are suitable for their individual circumstances or could be purchased elsewhere."

Mr Black continued: "Added value accounts clearly suit some people but not others. If you are a keen skier then check that the travel insurance covers winter sports. If you're a regular at gigs and theatres then an account that offers discounted tickets could be an astute move. Similarly some accounts have travel insurance without any maximum age restriction which can be a real find for the more elderly."

Defaqto reviewed 119 current accounts for their 2010 Star Ratings. 91% of accounts were through banks and the remainder through building societies. Between them all, there were 32 different benefits offered – the most common of which were travel related as outlined by the table below about the 61 added value current accounts. Defaqto Star Ratings can provide a guide to the level of features and benefits offered. For more information visit www.defaqto.com/star-ratings

Incentive type	Number of added value current accounts offering incentive	Percentage of added value current accounts offering incentive
Commission free Travellers' cheques / foreign currency	55	90%
Travel insurance	50	82%
Preferential rate/deal for savings account	49	80%
Mobile phone insurance	44	72%
Holiday / travel discount	40	66%
Motor breakdown assistance	36	59%
Card protection cover	30	49%
Miscellaneous discounts (eg. shopping)	30	49%
Identity theft assistance	28	46%
Preferential rate/deal for mortgage	27	44%
Entertainment discounts	26	43%
Preferential rate/deal for unsecured loan	26	43%
Airport lounge access	22	36%

Preferential rate/deal for credit card	22	36%
Home insurance discount	18	30%
Relationship manager	16	26%
Legal helpline	14	23%
Home emergency cover	11	18%
Car insurance discount	10	16%
Extended warranty cover	9	15%
Concierge service	8	13%
Accidental death cover	7	11%
Health related benefit / discount	6	10%

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Notes to Editors:

David Black is a Banking Specialist at Defaqto

David joined Defaqto in May 2004 when Defaqto acquired the financial research company of Blay's Guides where he had 16 years of banking research experience for the majority of which he was a director. Previously he was a political risk underwriter in the City. David is Defaqto's Banking Specialist and specialises in credit cards, current accounts, equity release, mortgages, savings and unsecured loans. He was the Banking Analyst in Defaqto's Insight team until July 2010 when he switched to dealing with the press on all aspects of banking. He is a frequent commentator in both the printed and the broadcast media in his areas of expertise. He is ACII, CeMAP and CeRER qualified, as well as holding an Honours degree from Exeter University.

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About Defaqto: www.defaqto.com

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Since 1994, Defaqto has built the largest, whole of market, financial product database and become one of the leading providers of financial product data in the UK. We now cover over 30,000 products across banking, life, pensions, investments and general insurance.

Our experts validate and analyse the data to provide insight and consultancy to all layers of the financial services sector including IFAs, mortgage and general insurance brokers, providers, web aggregators and the public sector.

Our products and services include the following:

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