

Defaqto reaction to the Budget

The general expectation of many before this budget was, that any universally unpopular measures, such as widespread tax increases or massive cuts in Government expenditure, would be deferred until after the election. It seems that this will still be the case. In terms of financial product issues the highlights of the budget are:-

Guaranteed right to a basic bank account for all adults

Brian Brown, Head of Research at Defaqto said: “While the Government’s continued desire to expand financial inclusion is to be applauded, basic bank accounts are already offered by 19 banks and building societies. The real issue is to get this type of account more overtly marketed and visible to prospective customers. There are also the issues of proof of identity and residence which can prove to be a barrier for certain consumers.”

Increase in zero stamp duty threshold to £250,000 for first time buyers

“This will clearly help the majority of first time buyers who can get on to the housing ladder, but, the hardest part of doing so is raising the necessary deposit in the first place. Mortgage rates are very much higher on low deposit mortgages where they are available.

Speedier licensing of new banks by the FSA

“Following all the recent mergers and announcements it will be welcome to see new entrants providing a wave of fresh competition to the retail banking market.

Future ISA allowance limits to be index-linked

“This is a really welcome move as, although, inflation is currently low, it will future proof allowances and will negate the possibility of their annual allowance value being eroded by stealth.”

-Ends-

Notes to Editors:

Brian Brown is Head of Research at Defaqto

Brian joined Defaqto in November 1998 from RSA where for five years he was their market intelligence manager. Prior to that he spent eight years working for both Royal Insurance and British Gas as an IT technical consultant. Brian heads up Defaqto’s Research Centre, comprising a large team that collect and interpret product information, alongside a group of senior consultants who use that information to provide analysis and consultancy services across the financial services market including the pensions, investment, protection, general insurance and banking arenas.

For further information contact our press office:

Brian Brown
01844 295414

David Black
01844 295535

Kevin Bray
01844 295465

mediaenquiries@defaqto.com

24 March 2010

About Defaqto: www.defaqto.com

Defaqto is an independent financial research company specialising in rating, comparing and analysing financial products.

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:

Defaqto Star Ratings

Our Star Ratings reflect the quality of a financial product and help to identify the range of features and benefits in each one. We review and assess every financial product across various categories and award a Star Rating from 1 to 5. The ratings are aimed at helping consumers and advisers decide which product suits their specific needs. Providers also use the ratings to ensure they offer products to meet differing consumer demands.

Aequos Online

An extensive, independent, financial product analysis and comparison database available in the UK. The database contains feature, rate and fees information on more than 30,000 products from nearly 2,000 providers. Our customers include leading insurance and assurance companies, banks and building societies and investment organisations.

Defaqto Engage

An integrated system for independent financial advisers (IFAs) and insurance brokers. The system makes the reporting, analysis, recommendation and review process easy, delivering the perfect product to meet client needs.

Defaqto Compare

An interactive, comparison tool enabling consumers to easily compare product features against each other on a host of key features, using a simple 'traffic light' system.



Defaqto Group owns and operates Defaqto Limited and Defaqto Media Limited. Defaqto Group is backed by FF&P Private Equity Limited, the private equity division of Fleming Family & Partners, and Acuity Capital Management Ltd.