MONEY BOX LIVE

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DUGGLEBY: With less than a month left to the end of the financial year and an election in the offing, advisers are busy telling their clients to make use of tax breaks on savings before it's too late. The message is even more pointed because most people believe tax rises are inevitable to cut the country's huge debts, of which we will hear more in Alistair Darling's budget later this month; and, if the Conservatives gain power, from George Osborne. Looking back, investing in a share ISA last March would have been perfectly timed, and those who took the risk could have enjoyed a gain of 50% or more measured by the FTSE index. Conventional wisdom says you should take a long-term view, but the fact is the 100 share index is no higher than it was 5 years ago and it's 25% lower than it was at the peak in 2000. Meanwhile, those looking for income have turned to corporate bonds, but with so much debt around that looks a bit risky and even gilts have lost their shine. As for cash ISAs in the past 12 months, they've barely managed a real return after the spike in inflation and you can expect banks and building societies to ratchet up rates in the next few weeks in what is sure to be the busiest selling period. Remember that the over-50s can put in £10,200, of which half can be held in cash, and everyone gets the higher limit after 5th April. Which means a couple could in the next month invest more than £40,000 - not just saving income tax but also avoiding the income limit where the personal allowance is lost. So this Money Box Live is concentrating on ISAs and other forms of tax efficient savings - from National Savings certificates for the cautious to venture capital trusts for the adventurous, not forgetting pension contributions where tax relief kicks in straightaway - so a payment of £100 is worth £125 at the basic rate and £166 for higher rate taxpayers. 03700 100 444 is the number for your calls to Money Box Live. And with me in the studio I have Mark Dampier, Head of Research at Hargreaves Lansdown; Rachel Thrussell from Money Box [correction: Moneyfacts] is in Norwich; and John Douglas, Senior Consultant at Finesco Financial Services joins us from our Glasgow studio. And our first call comes from John in Macclesfield. John?

JOHN: Yes, my question is about transferring previous years cash ISAs. When I bought them, they were all very good buys, and now they've got a miserable return of interest. My question is can I just transfer them to any cash ISA provider or do I have to already have a cash ISA with them - that provider? And, secondly, if I can go to any one, can I transfer some to one and some to another?

DUGGLEBY: Indeed. A very common question, John. And I mislabelled you, Rachel. I said you were from Money Box. You're actually from Moneyfacts. Sorry about that. Slip of the tongue. Okay, the question, as I say, common to many e-mailers and callers. Tell us about the flexibility of ISAs, both new money - which I shall call new money, that's this year's money - and old money?

THRUSSELL: If you've built up a pot in your ISA, you can transfer it to any provider that accepts transfers in and you can do partial or full withdrawals. The only restriction is if you have an ISA that you've opened this year, you have to transfer the full amount. Providing that your existing provider will allow full or partial transfers out, then you can transfer it to anyone. You don't have to have a ISA with one provider to transfer it in. You can go anywhere.

DUGGLEBY: The question of course John being is will the new provider, who may be offering a very attractive rate, let you in because sometimes they have this restriction saying okay we'll take the new money but we won't take transfers and this is really very irritating. John?

JOHN: Yes, I checked with my new provider and they said yes they do permit transfers in. And in fact their rate of interest is really quite good.

DUGGLEBY: Okay, well …

JOHN: Am I allowed to say who they are?

DUGGLEBY: Well I mean we've got of course a list of the ones who are paying the higher rates of interest, but it's important to remember that it's not just the highest rate of interest that matters. I mean this is the question, isn't it Rachel? You've got to look at the other terms.

THRUSSELL: Yeah, you need to check the provider you're with already doesn't charge you a penalty to transfer out because obviously you could find that any extra interest you earn has been wiped out by paying a penalty. And typically if you're in a notice account, you have to give the equivalent days notice or you lose that amount of interest. Some of them can charge up to £100 to do the transfer, so you do need to look carefully to make sure that you're not going to be out of pocket.

DUGGLEBY: And of course none of this applies if you're in share ISAs, does it Mark?

DAMPIER: No.

DUGGLEBY: These restrictions. I mean money moves around much more freely.

DAMPIER: It's extremely easy. You can move your money. In fact most people put their money now on a platform anyway, so you've got it in one block, and you can put it to any provider you want to, you know, because it's just a wrap and you can move it to any investment you want to, or several different investments as well at the same time.

DUGGLEBY: Indeed.

DOUGLAS: The ISA allowance in fact becomes simply a conduit to receive the contributions.

DAMPIER: Exactly.

DUGGLEBY: Yeah, yeah. One wonders why the banks and building societies are so restrictive on these things. I mean one knows they want to raise a lot of money at this stage in the proceedings because perhaps wholesale money's becoming a little harder to get, but they don't seem to have a great deal of feeling of loyalty towards their customers, do they?

DOUGLAS: I don't think there is any loyalty, and I suspect that it's part of the banks' strategy to try and retain as much cash for as long as possible.

DUGGLEBY: Okay. Well John, your original question was about the best rates. So, Rachel, give us two or three best rates as you see them. I know there's going to be differences between instant access and tying the money up.

THRUSSELL: Yeah, I mean the best rate at the moment on the market is the new one from Santander and Alliance & Leicester called Flexible ISA. That's paying 3.5%. Although the rate is guaranteed to be 3.5% for 12 months, after that 12 months it does actually reduce to half percent.

DUGGLEBY: They don't take transfers though, do they?

THRUSSELL: No, they don't on the flexible one. If you want to invest an equal amount in one of their qualifying products, you can get 5.5%, but obviously you need to think about, you know, your attitude to risk and whether you can afford to put …

DUGGLEBY: And the other …

THRUSSELL: Nationwide have also launched a couple of goods. Champion ISA, which isn't paying the best buy rate, but it's linked to a basket of their competitors and it guarantees to pay the average of five of their competitors. And it's set every month, so you know you're going to get a fairly decent rate. Not a best buy rate.

DUGGLEBY: And if you're going to go for 3 or 4 years, of course, then you do get quite high rates at the risk of possibly economic circumstances changing?

THRUSSELL: The long-term fixed ISA rates are a lot higher at the moment. But if you're looking at 1 year, then you're looking round about sort of 3/3.25. But you can get well over 4% for a long-term fixed ISA.

DUGGLEBY: And the best rate where you *can* transfer in is a question that's come up on email.

THRUSSELL: That's …

DUGGLEBY: Has that flawed you? Come back later.

THRUSSELL: No, I'm just looking. Leeds 5 year fixed ISA paying 4.6% takes transfers in. If you're looking at a variable rate, Newcastle have got 120 day notice paying 3%. Or Nationwide's new Internet ISA if you want to bank on the Internet. That's paying 2.75.

DUGGLEBY: Right. Okay, well I'm going to bring John in because one of the things that strikes me about all these rates is you've got bonuses added and being taken away and you've got basic rates that are actually quite low, and I just wonder why we have all this complication?

DOUGLAS: Well I actually think that there is a problem developing in the banking sector at the moment through misleading information being produced in marketing literature. For example, I had a client last week who phoned me to say, "I can get an 8% return on an HSBC account", which at a headline rate sounds fantastic, but in fact it's impossible to do that in the current market. But when you drill down to the detail, this is a monthly feeder, a monthly saver account. The maximum is £250 per month. And, yes, you may get 8% on the first month's contribution, but it's only an annual plan and then it's on a sliding scale all the way down. So that at the end of the day when you sort of backward engineer the numbers, which of course every good financial adviser should do, the running rate is around about 4%. Which, you know, is still not a bad return, but it's nowhere near 8%, the headline rate. And I really don't like the way these things are packaged up in products.

DUGGLEBY: And if you do go into a product that say lasts for a year and in some cases you've got a sort of half percent base rate mark and then 3% bonus, you've got to be pretty sharp to spot when you can give notice to get it out and go somewhere else.

DAMPIER: Well it's not just ISAs, of course. It's just cash accounts that you have anyway. Instant access accounts. You've really got to be really on top of it and actually start diarising when your bonus goes. I might add that when I rang the bank on one of my things and threatened to withdraw, they kept me on hold for a minute and came back and said, "We'll reinstate the bonus for you", so it's actually worth negotiating with the bank directly too.

DOUGLAS: You must have a healthy deposit there, Mark. *(Mark laughs)*

DUGGLEBY: We must move on. Thank you for that call, John. Now Christiana in Manchester.

CHRISTIANA: Hello.

DUGGLEBY: Hello.

CHRISTIANA: Right, my question is I've recently inherited some Treasury stock and I'm wondering if I could put that into a stocks and shares ISA.

DUGGLEBY: Right. Now Treasury stock is normally known as a gilt. So Mark?

DAMPIER: Well you can put gilts into an ISA, in which case, obviously, that would be tax free in terms of the income. Although of course a slight waste of the capital gains tax allowance because there's no capital gains tax on gilts if you hold them directly. So …

DUGGLEBY: And they're pretty low yielding.

DAMPIER: And they're pretty low yielding as well because 10 year gilts yielding about 4%, I guess. So I don't think it's the best use of your ISA allowance would be what I would say.

DUGGLEBY: And isn't there a rule that you can't put in gilts, short dated ones, up to 5 years?

DAMPIER: I think they have to be 5 years and older.

DUGGLEBY: They've got to be mediums.

CHRISTIANA: Ah!

DUGGLEBY: Yeah, you can't put short dated gilts in.

CHRISTIANA: Right because mine are 2012, 2014 and 2015.

DUGGLEBY: Is that right, John? Am I right on that one?

DOUGLAS: Yes, there is a restriction there in the length of the term. But I think it's interesting just to talk about gilts, if I may, because …

CHRISTIANA: Yes, please.

DOUGLAS: … the comfort of gilts for many investors is the fact that you lend - in this case let's use the UK government - the UK government your money. You effectively give them capital. They return - around 3.8 is the running return on a 10 year gilt yield and you have the comfort of knowing that you can get your capital back. However, there is a huge inflationary risk at the moment priced into these investments because whilst there is no question you'll get your capital back - because we're talking here about the UK government after all, not Greece - then you have to think about what will the value of that capital be in 10 years. And if inflation rises, what will happen is that the value of the bond will sell off. The monetary value, the 3.8% when purchased, will remain constant; but the yield to a new investor will rise correspondingly, making those bonds more attractive. So it's important that a investor and our listeners here understand that yields and values work in inverse proportion. But if you were forced to sell that bond, that gilt in a period between now and the maturity, there is a possibility that you may actually have to take a capital loss …

DUGGLEBY: Because it's not allowable within an ISA because you can't … the loss is …

DOUGLAS: And you can't plan your finances effectively. And you hit on a very, very good point, Vincent. Capital loss planning is another little trick and technique that we use pre 5th April because notwithstanding your earlier comments in the introduction about the market having risen 50%, there are many clients still nursing capital losses either in their portfolios of collective investments or in their stocks and share portfolios. And 5th April is an ideal time to think about what we would call bed and ISA. You may remember in the old days, we had bed and breakfast rules.

DUGGLEBY: That's selling an existing share and then re-buying it with the ISA wrapper round it, which crystallises the loss.

DOUGLAS: Exactly, and the loss can be carried forward. Now it doesn't affect the position in Christiana's case because of gilts, but perhaps she should use the inheritance as an opportunity to sort of think more broadly about what her requirements are. Does she need income? Does she need sustainable and increasable income or is she looking at the risk of inflation further out and perhaps needs some form of investment, which gives an element of protection?

DUGGLEBY: Well those are the questions, Christiana. We could probably go on for the rest of the programme. I'm going to leave those in the air because I must move on now to Valerie who's held on patiently for us from Oldham.

VALERIE: Hello.

DUGGLEBY: Hello Valerie.

VALERIE: The question I've got is that my husband has a TESSA only ISA and he was wanting to transfer it into his ISA, his cash ISA, and he was told that he couldn't do that because this year's ISA was already fully subscribed - you know he'd put the maximum amount in. So can you tell me what can he do with his TESSA only ISA? What are the rules?

DUGGLEBY: Yeah, the TOISA was a sort of hybrid that occurred it must have been nearly 10 years ago now. But, Rachel, as far as I was aware, TESSA only ISAs - well they're all called ISAs now - but that's just now merged with the ISAs generally.

THRUSSELL: Yeah, if you had a maturing TESSA, it went into *(coughs)* excuse me, TESSA ISA and that was completely separate from your current tax year's allowance, so it didn't count towards it. So the information her husband's been given is incorrect.

DUGGLEBY: It's wrong. You can transfer into any provider who will accept the lump sum. And, as I said, the word TOISA doesn't really exist anymore.

THRUSSELL: No, they were all reclassified. They got rid of TESSA only ISA, mini and maxi ISA a couple of years ago …

DUGGLEBY: That's right.

THRUSSELL: … and they're now all called cash ISA. And any provider that accepts a transfer in should accept his TOISA money.

DOUGLAS: And I think it's worth mentioning that you can, dependent on the appetite of the investor because obviously looking for that quest for yield that we all have at the moment, you can move from a cash environment into a non-cash environment.

DUGGLEBY: You took the words right out of my mouth. I was just about to put that very question - that you can transfer of course into what some would regard as a higher risk, but of course not the other way round.

DOUGLAS: You can't go back, that's right.

DUGGLEBY: But if you had a lump sum, if you'd been building up an ISA over the years and you've got this lump of money in a TOISA, you could possibly consider … say okay well I'll take a bit more risk. But the issue of course of risk Mark, I know that this time last year we were sort of saying well corporate bonds aren't a bad bet. Have they lost their shine now?

DAMPIER: I wouldn't say they've lost their shine. But there was a once in a generational valuation level last year and they've risen about 40%, which is quite extraordinary for an investment that you wouldn't expect that.

DUGGLEBY: I know we were quite enthusiastic about them.

DAMPIER: We were and they've done that. But given the state of the economy, I think corporate bonds are still worth investing in, but you won't get the same sort of capital gain. 5 or 6% running yield is what you might expect. You might get 1 or 2% on the capital side of that, but nothing like we had last year. So if you're looking at past performance, please be extremely careful when you look at corporate bonds.

DUGGLEBY: Okay. A common question we get asked I think on every programme, but I'll put it nonetheless because there are many new listeners who may not know this. Tom in Cambridge: 'Is there any real benefits for a basic rate taxpayer of investing your stocks and shares ISA?' John?

DOUGLAS: Tom, I think … You know the question that Tom's raised is a very good one. I think it's questionable - and I'm talking here about looking at stocks and shares ISA or the non-cash element - because if you invest in the stock market, there's two things classically you're looking for: either an income through a dividend or a gain through a capital growth, the market rises. Now let's just think about the income. If you receive a dividend, then within an ISA the 10% tax on a dividend is withheld and cannot be reclaimed - so even if you are a non-taxpayer or a basic rate taxpayer, the effect is neutral. And if you make a gain, a profit, then you will be able to use your capital gains tax exemption. Now it's an astonishing fact that 95% of people in the UK do not use their annual CGT allowance, which in the current tax year - 2009/10 - is £10,100. In other words, if you're a higher rate taxpayer and you're making capital gains in excess of the exemption, the ISA becomes highly attractive. But I think it's all to do with the hierarchy of planning, which is look at the probability of returns and good management through the use of your CTG exemption and then move into the ISA environment.

DAMPIER: I think it rather depends as well on whether you an do an ISA ever year because I think you're looking at an ISA in isolation. If you accumulate year after year, if you're fortunate enough to be able to put those sorts of levels of money in, you will have a capital gains tax problem, so the ISA starts to score very well even to a basic rate taxpayer in a few years time.

DUGGLEBY: I'm struck by the fact that this huge limit now, well relatively high limit - I mean £10,200 each, husband and wife doing that, a couple doing that. You're talking about a very big fund building up over 5 or 10 years and I'm just wondering whether in fact this is now the gateway to pension replacement. What do you think, panel?

DAMPIER: Well I think that’s a huge topic in itself, but for many people and certainly for some of the higher rate taxpayers now, the answer is the ISA looks a lot more favourable.

DUGGLEBY: Because you can put these large amounts of money in.

DAMPIER: And it has a lot more flexibility at the other end. Unless a new government comes in and changes it, you don’t have to buy an annuity with the money. You can actually go and spend it all if you want to as well.

DUGGLEBY: John?

DOUGLAS: Pension certainly swings in favour of something that you can get your hands on your capital. Of course a pension still remains attractive because it has tax relief. We still have big challenges at the other end with age 75 and compulsory purchase annuity, and hopefully through the passage of time, whatever government is in power we’ll see some sense and begin to remove that either by pushing it back to 80, 85 or abolishing annuity purchase altogether. It’s also worth just commenting that there are some inheritance tax features of pension funds that can be attractive because whilst you accumulate your fund and you obtain income tax relief from the contributions, the capital value of that’s held out with your estate for inheritance tax purposes; whereas an ISA by comparison does not get tax relief on the way in, gets tax exemption on the way up in terms of any gains that it may make, but it still has to be, per force, held within your chargeable estate for inheritance tax. So it’s not a like for like comparison.

DUGGLEBY: Indeed. Okay I’ve got a couple of emails here, slightly contrasting. First of all Nesta says she has had a UK growth and income fund in an ISA since 2001 and its performance has been disappointing. So, team, please comment. And now we have a new investor, Barry in London. He says, ‘I’m going to go into ISAs for the first time and I’ve seen that this China business seems to be pretty good, so

I’m wondering whether I should try China for my first investment?’ That’s a neat contrast. I mean UK growth and income 10 years ago, I guess Mark, would have been thought to be a pretty kind of standard, reliable core holding.

DAMPIER: *(over)* Pretty much a core holding.

DUGGLEBY: What’s gone wrong?

DAMPIER: Unfortunately, of course, the stock market has flattened. Well in fact 10 years ago, the market was almost at 7000 if you measure it on the FTSE and it’s 5300 today. So that’s your very short answer.

DUGGLEBY: So Nesta couldn’t have done better if she’d perhaps got a different provider?

DAMPIER: Well you could if you’d chosen a different fund. I mean my favourite, one of my favourite fund managers - Neil Woodford, Perpetual’s High Income Fund - would have almost doubled your money over that time.

DUGGLEBY: But when you’re plunging in first time, do you really look to a place like China, John?

DOUGLAS: No. You might go for a Chinese and think about it. *(laughter)* I’m hoping that I might get through a day without talking about the new Chinese fund. I think it’s all about risk and balance. And certainly when we create an investment strategy - we’ve already mentioned some fund managers - it’s useful just to perhaps throw in a couple of other names. I like, at the moment, the Standard Life Global Absolute Return strategy fund. It’s a different type of …

DUGGLEBY: I don’t like the title very much. It’s a bit of a gobful, isn’t it?

DOUGLAS: Yeah. Basically what it’s saying is that we want to step out of being long only and as a fund manager we want to look at different ways to invest in the market both in the long and the short side - to control the risk, to look at markets in a more global way. I think UK investors and perhaps listeners to Money Box tend to think of the market as being only the FTSE. Well it's a big world out there. And this fund has got a target of 5% above interest rates and it's doing very well. I also like the Newton High Income Fund. If you're looking for something a bit spicier with a track record, I'm still not tempted to China. I would look at something like the MG Recovery Fund, which has grown by excess of 40% in the last 10 months. But where we are at the moment, indeed if we refer to your discussion last year about time to buy in the market and markets do work contra-cyclically, I think we're in a space at the moment where commercial property funds become attractive because it's a yield that we're trying to purchase and particularly for clients who are retired.

DAMPIER: *(over)* The trouble is, John, they don't yield anything. They all sound very good, but when you actually come down to it, you're lucky to get a yield of about 3%.

DUGGLEBY: We've also had an email I can't lay my hands on immediately, but it did raise the old question of charges. And some of the more esoteric funds do have quite high charges, don't they Mark?

DAMPIER: Well some of the sort of emerging market funds, indeed the new China fund's got …

DUGGLEBY: *(over)* I mean China is not an emerging market, but I suppose in some people's eyes it's …

DAMPIER: I think it is. I think most people would still define it as an emerging market.

DUGGLEBY: Would you? Really?

DAMPIER: Most definitely, yes.

DUGGLEBY: Oh right.

DAMPIER: It's in most of the global emerging market funds. And I mean that would be another way to access it anyway - would be a global emerging markets fund and let the fund manager decide where the best place is to go.

DUGGLEBY: Going back to what I call the general UK funds - I mean, because the UK is made up of many companies that have big international interests, is it correct really to compartmentalise these funds in the way that we have done in the past?

DAMPIER: Well we all like to pigeonhole things, but of course most of the FTSE are huge overseas earners, so actually the FTSE is an international index effectively. Glaxo gets most of its money for overseas. So does in fact Vodafone. So when you buy the FTSE, you are buying into global markets, so bear that in mind. And in fact some of these big companies do look very cheap right now, and those equity income funds that we've been talking about - the Newton Higher Income and Perpetuals or whatever - are full of those sorts of companies with yields of in excess of 5%, and on very low ratings too despite the stock market rise.

DUGGLEBY: Right.

DOUGLAS: I think it's important to recognise the currency exposure because that can be a market in itself. It can provide an opportunity. And some of the more detailed strategies that we run, we're using exchange traded funds, ETFs, within wider portfolios to try and protect and capitalise.

DUGGLEBY: As a matter of principle, there used to be a lot of restrictions on ISA investment, but am I right in saying there's virtually no restriction on ISA investments, John?

DOUGLAS: Apart from AIM.

DUGGLEBY: AIM - the Alternative Investment Market?

DOUGLAS: Yes. You can still do an AIM. If you had an appetite for AIM, you could buy it within a Self Invested Personal Pension plan or of course you could just buy it outright.

DUGGLEBY: We must go onto the calls again now. Alex in Shropshire, your call?

ALEX: I started buying under an ISA wrapper some shares last March and they've made a handsome profit. Now I want to sell those and buy some different shares. How frequently can I go up and down taking profit?

DUGGLEBY: You can do it as much as you like. That's the whole benefit of the ISA.

DAMPIER: Exactly, you've just illustrated the whole benefit of having an ISA. You've got some nice big gains and you can take it all tax free.

DOUGLAS: But I think Alex may be thinking about the 30 day rule, which came in a number of years ago.

DUGGLEBY: Ah yes, that's the one where …

DUGGLEBY: You can't buy and hold.

ALEX: I've got to hold it for 30 days before I sell?

DOUGLAS: No, not within the ISA.

DUGGLEBY: Not within the ISA.

DOUGLAS: Because the ISA has its own legal entity. And that in fact goes back to my other point about bed and ISAing. So one of the techniques you use to get round selling the share and simultaneously purchasing it back is to use an ISA vehicle, so that you're not out of the market for too long.

DUGGLEBY: I mean in theory you could be a day trader in an ISA, although I've never met one.

DAMPIER: Yeah you can.

DUGGLEBY: Do you know one?

DAMPIER: I do know one or two.

ALEX: So I don't have to declare this for capital gains tax?

DUGGLEBY: No, it doesn't have to go on your tax return.

DAMPIER: That's the other beauty: you don't have to put it on a tax return form, which is marvellous, I think.

ALEX: Thank you.

DUGGLEBY: Thanks for that call. Jeanette in London, your call now?

JEANETTE: Hello. My husband and I have got £1,000 to invest once a month. I want to have easy access to it, but also to get as much interest as possible.

DUGGLEBY: Okay, well that's a question for Rachel.

THRUSSELL: Yeah, if you want to save regularly, there are a few regular savings ISAs on the market, but they are quite restrictive. You have to meet certain conditions to get the higher rate. So if you're wanting easy access, then perhaps it's not really ideal for you. I mean the highest rate at the moment is 3.75 from Stroud & Swindon, and you can only put, well, £3,000 a month if you're under 50 now, and obviously in the new tax year the maximum per month you can put in is £425. So if they're wanting easy access, they'd probably be better off with, you know, a straightforward cash ISA. And it depends what your attitude to bonus accounts. Obviously if you make a diary note and watch when the bonus expires and shop around again in a year's time to make sure you're getting a competitive rate, obviously the Santander one is 3.5%. Or if you don't want to worry about bonuses, we're looking …

JEANETTE: If we've got £1,000, then the ISA's not really much use to us, is it?

DAMPIER: Oh I think it is. Yes.

THRUSSELL: If you're a taxpayer, obviously …

DOUGLAS: Obviously we're looking just at a snapshot of the question Jeanette that you have, but you could invest from the beginning of the next tax year £850 each into a full … that would be cash and non-cash, or £425 just in the cash element. But if you're going to invest regularly, you perhaps should be thinking about moving away from cash and looking to buy the market. One of the great techniques, and I'm sure Mark will agree with me here, is to not try and cherry pick the timing because we're all doing that before 5th April; to actually disconnect both things and say I'm only doing this because it is 5th April. We shouldn't be having this discussion. We should be talking on 6th April about how to invest the *new* year's allowance.

DUGGLEBY: Pound cost averaging is the word usually referred to it.

DOUGLAS: You've got it. Or dollar cost averaging.

DUGGLEBY: That's right. Or drip feeding.

DAMPIER: Just drip feeds the money in, so you're not worried about the stock market turning.

DUGGLEBY: *(over)* So you're not buying at the top or the bottom. You're just buying over a period of time.

DOUGLAS: It's just to get an average price of the market, so that you can be less concerned about your timing.

JEANETTE: Right.

DUGGLEBY: Indeed. One final quick question from Susie in Swansea. She says, 'Is there any ISA fund that I can have which has no initial charges and no annual charges?' They'll have charges of some sort because they've got to make money, but any comment?

DOUGLAS: Well perhaps what Susie's looking for is a self invested approach where she's not taking any advice and she's not wanting to pay a fund manager, and in that case, there are some platforms that you could look at. But you would never avoid any charge because, of course, if you buy your own shares, Susie, then obviously there's an element of risk attached to that. Probably a greater risk with a single share. And you'll have to pay …

DAMPIER: *(over)* There are hundreds with no initial charge on platforms if you want, but there's normally some kind of spread. It's very hard to avoid any charges at all.

DOUGLAS: No such thing as a free lunch, I think.

DAMPIER: Indeed.

DUGGLEBY: Or a free tea. We've run out of time. And thank you for listening to us and thank you to Rachel Thrussell from Moneyfacts; Mark Dampier, Head of Research at Hargreaves Lansdown; and John Douglas, Senior Consultant at Finesco Financial Services who's been in our Glasgow studio. Now you can get more information on the points we've raised during the programme by ringing 0800 044 044 or logging onto the website, bbc.co.uk/moneybox, where there are contacts and links to other related financial websites. Paul Lewis will be here with Money Box on Saturday. I'll be back with Money Box Live same time next Monday afternoon taking your calls on end of year tax planning. And let's hope by that stage, we get the date of the Budget because that's going to be a big day for us when Budget Call will be on air immediately after Budget Day. Goodbye for now.