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MONEY BOX LIVE

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DUGGLEBY: Good afternoon from Money Box Live at the start of the new tax year when you get a fresh set of allowances for pension contributions and ISAs on top of the less well-known schemes such as Enterprise Investment and Venture Capital. These all fall into the category of use it or lose it, and, with the exception of pensions which we'll be talking about next week, you can't carry the allowance forward from one year to the next. That said, it always strikes me as odd that investors tend to leave a decision to the last few weeks rather than get the tax free benefits as soon as possible. This is particularly relevant if you have money available for cash ISAs as the best deals are often launched in March and withdrawn within a couple of weeks - sorry, within a couple of months. Of course no-one can forecast where interest rates will be this time next year or whether stock markets are likely to go up or down. What we do know is the ISA allowance has gone up to £11,280, of which half - that's £5,640 - can be put into cash; the rest into stocks and shares. It's not easy, especially when you're faced with so many different products - some of which carry guarantees but which, needless to say, are only as good as the institution providing the guarantee; one reason why pension funds invest in gilts and small savers choose the safety of National Saving Certificates. Even so, the stock market's made some progress since Christmas despite worries about recession, the budget deficit, higher taxes, and of course the future of the euro. And the overnight jitters, incidentally, on both the London markets and Wall Street seem to have calmed down a bit. Both of them are up quite a bit in the early part of trading today. Well with me for the next half hour to respond to your questions: Kevin Mountford, Head of Banking at

Moneysupermarket.com; Carolyn Black, Investment Manager at stockbrokers Redmayne Bentley; and Justin Modray from Candid Money. Chris in Essex, you've got the first call.

CHRIS: Yes, good afternoon.

DUGGLEBY: Good afternoon.

CHRIS: I was wondering if you could clarify for listeners the actual rules on topping up a 2011-12 ISA, last year's, with a 2012-13 ISA allowance?

DUGGLEBY: When you say "clarify them" - the actual amount has gone up, as you know.

CHRIS: Yes, I know.

DUGGLEBY: It's automatically linked with inflation, isn't it Kevin? It now has to be done according to the September inflation index, which is why it's quite a good rise.

CHRIS: Yes I had a bit of difficulty recently in doing this, and was told originally, well on two occasions, that it wasn't allowed and that you had to open a brand new ISA.

DUGGLEBY: What, for the new year?

CHRIS: Yeah, I opened an ISA on 5th April before the end of the tax year and that went fine.

DUGGLEBY: Yes.

CHRIS: On the 9th April, I rang again to simply top that up with this year's allowance and I was told that that was not possible.

DUGGLEBY: Well it is and it isn’t, Kevin.

MOUNTFORD: Yes, I think it depends, Chris, on what type of product you’ve got. I mean in theory if you’ve got an easy access ISA which allows money to go in and go out, you could just use your existing product and top it up. But …

DUGGLEBY: If they allow it?

MOUNTFORD: If they allow it. And that’s the interesting aspect here - that you know that’s down to the individual institute to set their own rules in that respect. I mean clearly if it was fixed rate, then very often you have one opportunity of investing and you can’t top up. So it depends on the product. The one thing I would say is you know just keep close in terms of the rate you’re getting on last year’s product and if you don’t feel as though it’s competitive any longer, there are a number of well priced products that will allow you to transfer money in. So you know don’t just sit there and think that whatever the advice you’ve been given is the be all and end all. There are options in the market.

DUGGLEBY: The point to emphasise, Justin, is it’s not the actual ISA rules as set by the Government and the Revenue. It is the individual institution which is making the rules about its own products.

MODRAY: It is. I mean you have to open a new account technically, a new 2012-13 account, but some banks and building societies make it far simpler than others to do that.

DUGGLEBY: They’ll merge it with the previous ...

MODRAY: *(over)* Exactly, some will merge it; others require a whole new set of paperwork. It just depends on the bank.

DUGGLEBY: And Carolyn, as far as a stocks and shares ISA's concerned, that really is just adding to the existing pot? There is no distinction between the money you've already got in there and the new money you put in. It's one portfolio?

BLACK: *(over)* No. As long as you've signed an ISA application form within the last 2 or 3 years, it's simply just a new subscription. It goes into the same big pot as your existing ISAs.

DUGGLEBY: Okay. And of course the other thing we have to warn people about is this question of whether they will accept incoming money, existing money - which again, I think Kevin, the rules permit you to shift your money from previous years into a new product with another organisation - but again some of them say we will not take transfers.

MOUNTFORD: Yeah, I mean I'm just looking at the top four or five products. And unusually actually, three of the top five currently in easy access ISAs do allow you to transfer existing portfolios. But the bottom line is on occasions the banks want to limit their exposure, so they know that if they don't take transfers, all you can invest is the £5,600 from last year and equally you know the same plus a bit more this year. So that limits it. But yes, I mean it's worth looking out for because the rules around transferring existing ISAs are a lot clearer now and hopefully you know it's a smooth process.

DUGGLEBY: And once you've got a big block of money into an organisation - say with a bank or building society - is it possible then to re-split it and take it to other ones or not?

MOUNTFORD: Yeah, I mean the rules are changing around this. So effectively if you've got multiple different products - i.e. you can move them individually …

DUGGLEBY: Yeah, that's half a dozen of them.

MOUNTFORD: Yes. But if you've got money in one pot, then you need to roll it over as a complete pot …

DUGGLEBY: *(over)* And that is the government rules, is it?

MOUNTFORD: Yes, from 2011 I think they've changed it.

DUGGLEBY: Right, that's interesting. Okay, we'll move on now to a call from Ann in Manchester. Ann?

ANN: Hi, yes. I was wondering minimising the inheritance tax. Would it be wise for me to pay money into my son's works pension fund; and, if so, what maximum could I pay into it?

DUGGLEBY: Yeah, we're not actually doing a programme on inheritance tax, so I think I'll rephrase the question and say yes you can put money into your son's pension fund or at least you can put money into a pension for your son. I don't think you can actually put it into his works pension fund, but you can set up a self-invested pension and that's perfectly okay, Justin?

MODRAY: It is, Ann. I mean if you go for a pension that you put the money into on your son's behalf, you can get tax relief on that and you're limited to putting in a maximum yourself of £2,880 and the Government gives tax relief to bring that up to £3,600 in total. That's pretty straightforward to do. I mean the most obvious route is what are called stakeholder pensions. They're very straightforward, generally low cost.

ANN: Yes.

MODRAY: The alternative is you can gift money to your son and he can potentially put money into his own pension, perhaps topping up his works pension or taking out another scheme. That's allowable as well. Now obviously gets the money out of your estate for inheritance tax purposes, and, as long as you live 7 years, that money's out of your estate. But you do need to think quite carefully about doing so because if you were to die during that time then it may well be actually there's no benefit at all in doing that.

DUGGLEBY: I mean you've got £3,000 a year under the current inheritance tax rules, which doesn't count at all against any potential inheritance tax liability you might have. So I mean can you afford more than £3,000, I think is the question?

ANN: Three would be probably about right.

DUGGLEBY: Okay, well then I think you're in the clear. I mean it's just a matter of choosing a product or handing it over to some adviser who will make suggestions. Alright?

ANN: Thank you very much indeed.

DUGGLEBY: Alright, okay. And while we're on the subject of going to advisers, an interesting email from Rod in Morpeth. Now he says he's got a zero or extremely low risk approach to investment because he doesn't have any faith in financial advisers. Now he's suggesting that it would be a good idea if financial advisers gave some guarantees on their advice. Well he ain't gonna get that. But he says, 'I'm not very happy also with the financial advisers' professional bodies'. But let's clear it up with Carolyn. You're not exactly unregulated, are you Carolyn?

BLACK: No. And more so there is actually a new scheme being introduced, referred to as the RDR or Retail Distribution Review. And largely that should provide far more confidence for retail investors whether they be high, low, zero risk, and in effect it will make sure the whole financial industry is far more qualified and regulated than it ever has been. That's not to say we still can't give guarantees on the value of investments and profits and losses, but it should certainly ensure that client suitability is being considered and investments shouldn't be recommended without the qualified investment managers giving plenty of advice.

DUGGLEBY: All of you have to do detailed fact finds, don't you?

BLACK: Yeah, I mean it drills down to capacity for loss and all sorts. I mean you've got to give very, very stringent rationale now on why a client should be medium risk as opposed to high risk or why a client really, really requires income as opposed to a balanced objective.

MODRAY: Sure.

DUGGLEBY: Justin?

MODRAY: I think one of the key issues … I mean financial advisers have a fairly rigorous process already that they have to go through. One of the key issues in the past has been a lot of them have just sold things purely for short-term gain for themselves, so to pocket fat commissions. And there is regulation there, but maybe it's been a bit more lax than it should have been and there has been a lot of cases of mis-selling - people being told to transfer pensions, for example, when it really wasn't in their interest to do so.

DUGGLEBY: So this retail review is going to tighten things up then?

MODRAY: It should do. I mean the main thing it's going to achieve hopefully is it means that commissions have to be totally on the tab… Well in effect commissions are outlawed. If the adviser charges a fee, they have to disclose exactly how much it's going to be. And it could well be the same as the commission. Effectively it could have commission in disguise, but it's going to have to be very, very clearly laid out to the customer.

DUGGLEBY: Right. So once you've got the client in, you've got to go through a detailed fact find and decide what their risk profile is; and if their risk profile is zero - as might be implied by Rod - then essentially you have to say well, sorry, you can't take a risk. But while we're on the subject of risk, can we just have a look at the thresholds of risk. I mean I just jotted down say National Savings Certificates as possibly being as low risk as you can get. Is that true, Kevin?

MOUNTFORD: Yeah, I mean I think you know if you take risk in its broadest sense, even with vanilla cash savings there is risk, and that means that over time you don't necessarily get the return you thought you would when you opened the account. Give an example, is you know inflation. So inflation, as we've seen in recent years, you know erodes the interest that you get off cash savings. We've talked about the fact that you could take out an account with a bonus and that drops off and then the rate drops. There's always degrees of risk. I mean, as you rightly say with National Savings, it's government backed, it's going to be safe in terms of your capital. But with many of the products they're not really on track with the leading rate, so I think it's about just taking the balance.

DUGGLEBY: I mean we've also got to be very wary of this word 'guaranteed'. It's a very misused word. But I mean there are guaranteed stock market bonds which in theory should make you some money, but unfortunately they can fail. Carolyn?

BLACK: Yeah, I mean I don't think guaranteed stock market bonds have been sort of the flavour of the month for a long, long time now because when you drill down to it, they simply can't provide the guarantees that they promised in the fine print.

DUGGLEBY: Unfortunately some people bought them on the basis they would and you know they didn't come. And another thing, I mean again looking at the sort of threshold of risk. If somebody says well I will take a small risk, does that, Justin, mean that they could never go into the stock market because the stock market by definition is not a small risk even if, for example, you use something like a tracker because the tracker itself is dependent upon an index which itself can go down?

MODRAY: Sure, I think that's correct. I mean one of the big problems I guess historically is how do you quantify risk? To you low risk may be much higher risk than someone else - i.e. everyone has their own view on how much risk you know a certain investment is. But traditionally you tend to class low risk as being probably cash - so savings accounts, National Savings - and possibly some of the safer gilts and some government corporate bonds and treasuries out there.

DUGGLEBY: And a very quick answer. This is an email from Trevor in Maidstone. He says, 'Should I keep my National Savings Index Linked Certificates, which I bought a year ago or not?' Kevin?

MOUNTFORD: I think National Savings Certificates as part of a wider range of savings are well worth holding onto.

DUGGLEBY: And remember of course, Justin, sometimes National Savings have an irritating habit of not putting them on sale for months on end. Just when you wanted them, you can't get them.

MODRAY: They do. So if you have some, it's often worth actually hoarding them - provided you have some money elsewhere, as Kevin said, to fall back on if you need it.

DUGGLEBY: Alright, back to the calls. And we have now got Stephen in Shropshire. Stephen?

STEPHEN: Good afternoon to you.

DUGGLEBY: Good afternoon.

STEPHEN: I'm due to receive a lump sum from a pension fund and I'm just wondering the best way to invest it really and wondering can the team advise?

DUGGLEBY: Now this is presumably you're taking the lump sum in lieu of the pension which it would otherwise provide?

STEPHEN: That's correct, yes, taking a lump sum.

DUGGLEBY: What 25% of the lump sum?

STEPHEN: Yes, that's right.

DUGGLEBY: Okay. Are you sure you're not giving up valuable rights in the pension itself? I just ask that question because you don't want to lose something which you can't replace - i.e. for example index linked income from it, anything like that?

STEPHEN: No, I've looked at the different outcomes and …

DUGGLEBY: *(over)* So you're perfectly happy with that? Alright, Carolyn, you've got a lump sum from pension money. You've got to do something with it and it better do better than the income that it's replacing.

BLACK: So I would imagine again this is harking back to the suitability capacity for loss. We would need to first of all assess what you are hoping to achieve, whether you are requiring the income. Some people take the lump sums and really need that to work for an income generation. Other times actually we'll put it away; we can afford to let that grow for a little bit. So I would say we need to first of all determine exactly what you're looking to achieve from the income.

DUGGLEBY: Alright, I'm going to stop you there and ask Stephen what he's trying to achieve. Stephen?

STEPHEN: Okay - yeah, fair question. I don't intend to retire at the moment. I intend to carry on working, so the idea would be to withhold that lump sum. And ultimately I suppose that's one of my dilemmas at the moment - a) whether I invest a lump sum to give me an income in the future; or that when I finally do retire that I've got a bit better income than the pension will give me.

DUGGLEBY: Okay, so it's growth for the time being, with an eye to future income?

STEPHEN: Yes.

DUGGLEBY: Well that's probably what we expected you to say.

BLACK: Yes I mean that's perfectly achievable, and quite often you will find that you can structure a portfolio with a selection of collective investments focusing on UK and international equities with a slight growth bias at the beginning. But then when you get the nod, you can switch it and you can just very gradually move it towards more income-generating assets without having to do a whole restructuring; but just very, very gradually, with enough sort of notice, ensure that you are moving it towards an income which suits the needs and is suitable.

DUGGLEBY: How big is the pot of money you've got, Stephen?

STEPHEN: We're only talking about 50k.

DUGGLEBY: That's a pretty reasonable amount for a portfolio.

BLACK: Yeah.

DUGGLEBY: Justin, I'm sure would suggest … What do you say - at least certainly half a dozen or maybe a dozen different investments to put it in?

MODRAY: I think so. I guess, Stephen, at the moment markets are all over the place, so the one thing I wouldn't do is actually rush to make a decision. I mean, as you saw this week, things have been up and down a per cent or two a day. So maybe start by finding a good cash home for the money, go for a decent savings account paying maybe sort of 3% or so if you shop around. And basically just buy a bit of time over the summer and start doing a bit more research perhaps into funds. I mean the simplest answer is to go for a few trackers, for example, that track markets for the stock market part; and then maybe look at having some exposure to some commodities - perhaps a bit of gold and also corporate bonds, for example. But I mean it's not that straightforward. It's very hard to give a one size fits all answer to someone.

DUGGLEBY: I mean nowadays most investments don't necessarily exactly follow what's on the tin. I say this because you look at say the FTSE. The FTSE actually represents companies that trade internationally, so …

MODRAY: It does. And also if you look at the FTSE 100, it's really dominated by 20, 30 big companies, so you're not always getting as much diversity as you think you might be.

DUGGLEBY: And some of these funds, Carolyn. When you look at the actual portfolios that these funds hold, you find they're remarkably similar. They all actually sort of own the same spread of shares.

BLACK: Yeah if you're buying say a FTSE 100 dominated company, you tend to believe that you've got the same top five holdings; so that's why it's a good idea just, as you said before, just to diversify it a little bit. Focus on the UK, but don't forget there's great opportunities you know for a growth portfolio in some of the emerging markets even. It's well worth just having a look there.

DUGGLEBY: Keep reading the weekend press, listening to Money Box, and get used to the words 'asset allocation'. Keep that in mind. *(Stephen laughs)* It's where you say right, I'm happy with having this amount in that and something or other and I don't mind a few emerging markets and maybe a little bit in gold. That's really where you've got to make up your mind what you're comfortable with, whether you've got £5,000 or £50,000. Now what can we do for Guy who's ringing us from Whitchurch?

GUY: Hello there, yes.

DUGGLEBY: Yes, hello Guy.

GUY: Hello there. My father went into a care home in Ut… We're actually from Uttoxeter in Staffordshire. My father went into a care home at the end of October. We lost my mother. And we've just sold father's bungalow during March and basically the question is what do we do with his capital? Now at the moment it's just sitting in a current account in Barclays. We want to know basically what's the best thing to do with it bearing in mind he does need to pay his monthly bill at the care home?

DUGGLEBY: Yeah. Yes, this of course is, as you know, is subject to a government review of whether people should be forced to use the proceeds of their homes to pay for their care fees. Unfortunately we don't have an answer to that, although I believe actually a report is imminent in response to the Dilnot Inquiry. But what do you think, Kevin?

MOUNTFORD: Well first and foremost …

DUGGLEBY: Safety?

MOUNTFORD: Yeah, I mean first and foremost you know it's unlikely your capital's earning any money whatsoever just sitting in a bank account, a current account. So I think you've got to be looking at you know something in the easy access space short-term allows you to get 3% plus, but more importantly allows you to get access to the money. It sounds that you need that on a regular basis. And then, as we just mentioned, see what happens around the legislative process in terms of care rules. But short-term, you know you need to protect the capital and you need to get access to your money on a regular basis.

DUGGLEBY: Again this is probably quite a substantial sum, is it Guy?

GUY: It's around 90k. He had an equity loan on the place …

DUGGLEBY: *(over)* So how much was it?

GUY: About 90k.

DUGGLEBY: 90, 90k, yeah.

GUY: Yes.

DUGGLEBY: Well I mean I'm afraid, Justin, 90k, if home fees are anything to go by even perhaps in that area, you could be talking about £25,000 or £30,000.

MODRAY: It is, it's tough. And even you can't invest … If the money's due to run out in say 3 or 4 years sat in a savings account, investing it's not really going to change things. It's too risky.

DUGGLEBY: I mean the best you can hope for probably is to bundle it up into three or four lumps and get the best rate of interest on the longest one - say a 5 year, 4 or 5 year building society bond …

MODRAY: Yes, so you have maturing sums to pay the fees.

DUGGLEBY: *(over)* Yeah, yeah. But you're still only going to get what, Kevin? What sort of rates?

MOUNTFORD: Yeah, I mean on average 3% to 4% over that short-term period, yes.

DUGGLEBY: And that's taxable as well?

MOUNTFORD: It is, yeah.

DUGGLEBY: Even though you can put some into an ISA, which would be tax free, and that's obviously a sensible thing to do with what allowance you've got.

MOUNTFORD: I mean it's just worth mentioning, I mean £90,000 is only just over the compensation scheme limit, but strictly speaking £85,000 with one institution is as much as you'd want to invest. But I think the wise answer is to maybe look at several products.

DUGGLEBY: Yeah. Now then, we've got an email from Alan in Birmingham and he's looking as a grandparent at managing a fund for his new grand-daughter. And he says he's got some savings already set aside - about £60,000 - which are currently under discretionary management with a well-known bank. What he's upset about is he's being charged 1.5% in terms of the charges and that's on top of commissions and other charges. Now he thinks that's a bit over the top. What does the panel think? Well let's try the stockbroker - Carolyn, Carolyn Black.

BLACK: Yeah I agree, I think that is a fairly hefty charge. I mean if discretionary management wasn't necessarily the order of the day, on that sum I think we would all agree we could probably put a select amount into six, seven, eight different funds. Yes that would incur obviously fund charges, but if you weren't particularly keen on investment management charges, you could simply hold that in a nominee. Quite often there's no nominee charge, or if there is maybe it's a very, very minimal charge. If discretionary management is something that the listener's definitely wanting to pursue, then it's a case of shopping around. And 1.5% is very expensive and I think there's probably more scope if he just shops around and makes a few phonecalls.

DUGGLEBY: Is this, Justin, is this a matter of again finding somebody who will charge the minimum because it is related to the cost of the underlying investments, isn't it, to a certain extent?

MODRAY: It is. I mean what worries me, if you're paying a discretionary manager 1.5% and he or she then puts the money in funds which charge 1.5% …

DUGGLEBY: *(over)* Also charge money, yeah.

MODRAY: … you can end up paying 3% or more a year in fees, and in the current climate that could easily eat away half or more of your potential returns.

DUGGLEBY: Indeed. I mean I suppose we're agreed then that £60,000, you can definitely cut the cost of management considerably …

MODRAY: Oh yes, definitely.

DUGGLEBY: … and if you have an execution only system, then of course it shouldn't be more than just holding fees which are very low. Or indeed if you invest in trackers, we know that's much cheaper than investing in shares.

MODRAY: That's right. I mean if you go for say ten funds, £6,000 each, you could have a very good spread of investment. Or even one or two what are called funds of funds. I'm not a massive fan, but they're a good way to get exposure to maybe twenty, thirty underlying funds quite cheaply versus that service he has.

DUGGLEBY: And what about those people who are starting off and want to put say £1,000 a year in? What would you recommend there for a grandchild?

MODRAY: Again if we assume cash and obviously a good savings account, if we're looking at stock markets probably a monthly saving into a good generalist investment or unit trust - and by that, I mean a fund that invests perhaps globally, so you're not just banking on the UK doing well.

DUGGLEBY: And Carolyn, are there organisations which favour children as a long-term future source of …

BLACK: *(over)* Yeah, I mean certainly. Child Trust Funds are no more, but I would say any grand…

DUGGLEBY: *(over)* No, Junior ISAs of course wouldn't.

BLACK: … certainly grandparents looking to save, bear trusts have sort of become a bit tied up in regulation, so Junior ISAs are definitely the way to go and there are plenty of financial institutions offering a whole manner of different investment wrappers within the Junior ISA realm.

DUGGLEBY: So effectively what we're saying to this listener then, if you're going to put a sum … What's the maximum on a Junior ISA?

MOUNTFORD: £3,600.

BLACK: £3,600, yeah.

DUGGLEBY: £3,600. Okay, so up to that level choose the Junior ISA wrapper.

BLACK: Yeah.

DUGGLEBY: Find an organisation which is offering an attractive range of products …

BLACK: *(over)* Yeah and build up.

DUGGLEBY: … and just stick it away.

BLACK: Yeah.

DUGGLEBY: Okay, thank you for that. And Jill now in Norfolk. Jill, your call?

JILL: Yes, I have an ISA stocks and shares fund of currently about £100,000 with Fidelity FundsNetwork. It's mostly in ethical funds. And looking at the performance of this over the last 5 years, I find with an initial sum of £70,000, plus my contributions of £30,000 over the 5 years, it's grown by barely … well just a little more than £1,000.

DUGGLEBY: Are you surprised?

JILL: Very because …

DUGGLEBY: Well have you looked at the performance of the stock market generally in the last 5 years?

JILL: I have. And I've looked also at the individual performance of a couple of these ethical funds like Kames, for instance, that have done better than my total fund.

DUGGLEBY: Right.

JILL: It's done better say over the last 3 years than my total fund in 5 years. I've also had 2 year bonds that have matured in this time, both of which have done significantly better.

DUGGLEBY: That's cash bonds?

JILL: Yeah.

DUGGLEBY: Yeah. Well I don't think you're saying anything that the panel won't recognise, but I'll start with Justin.

MODRAY: Hi Jill.

JILL: Could I possibly ask my question?

DUGGLEBY: Yes. Sorry, I thought you wanted to comment on the general performance of the market.

JILL: No, it's just is there any point in continuing with Fidelity? And the other one is will I just be losing more money if I try and transfer some or all of the fund elsewhere?

MODRAY: Okay Jill, well to answer the first question, Fidelity's basically fine because what you're invested in is a fund supermarket, not Fidelity's own funds in the main. I mean you can buy Fidelity's funds in that supermarket, but they have about 1500 or so funds from lots and lots of different managers, so you can buy pretty much whatever you want in there. By going into ethical funds, one of the issues of ethical funds is they're restricted obviously in where they invest, and one of the areas they tend to invariably shun is energy, the big oil companies and so forth, and that's one of the areas that generally has done very well over the last 5 years. It's costing a lot more at the fuel pumps at the moment, but that's because the oil companies are making a lot more money from higher oil prices. So one of the problems with ethical funds is they have lagged in recent years, largely because some of the areas they can't invest have actually done quite well. If you move to other funds, it generally won't cost you anything with Fidelity. Depending on how you've gone there - whether it's through an adviser or direct - it may cost you up to a quarter of a per cent per fund, but generally speaking it's free to switch. So it's no problem moving elsewhere. Of course the 6 million dollar question is if you move from one of those funds to another will the new fund do better, and that's obviously going to depend on which fund you choose.

DUGGLEBY: So we have to distinguish here between the actual funds in which the money is invested compared with the platform …

MODRAY: *(over)* The platform …

DUGGLEBY: *(over)* That's right, it's the platform. So the problem is, Jill, that you have got funds that have not done particularly well - although I'll just get Carolyn to confirm that. Ethical funds?

BLACK: I completely agree. You know the resources has been one area which over the last 5 years has done particularly well and a true ethical fund wouldn't touch a resource company. But there are many more ethical funds on the market now than there were 5 years ago, so it's well worth just revisiting the selection and the scope of ethical funds out there.

DUGGLEBY: I think, Jill, you'd be well advised to go for a review with an independent adviser and get a second …

JILL: *(over)* I've been with a financial adviser for the last 5 years.

DUGGLEBY: *(over)* Have you? Well go to another one and ask for a second opinion.

JILL: *(laughs)* Right.

DUGGLEBY: Because you don't have to stick with the same one and if you're not happy, Kevin, you just go and try another one or another two?

MOUNTFORD: Yeah.

JILL: And they will lose me another £1,000 to review everything.

DUGGLEBY: No, they won't. No, I don't think they will for a review. It depends on whether you take action or not.

MODRAY: What tends to happen, Jill, is they take what's called trial commission, which is about 0.5% a year on average.

JILL: Yes.

MODRAY: Now obviously you're probably paying that to whoever sold you the funds in the first place.

JILL: Yes.

MODRAY: If you go to another adviser, they should in theory just give you a review to take on the 0.5% themselves. If you've really had it up to here with financial advisers, you can actually get that 0.5% back by going via what's called a discount broker. You can move the money via them. Simply fill in a form called a 'transfer of agency' and then they'll give you the trial commission back.

JILL: Okay.

DUGGLEBY: One final quick call from John. Sorry to cut you off there, Jill. But John in Eastwood, Essex, your call. Quite quickly, please.

JOHN: Yes, good afternoon. I transferred Friday the maximum £5,640 in my cash ISA online, and then on Sunday I noticed we got 4.25. So I phoned me bank up, Nationwide, see if I can transfer it out, and they said they don't take transfers in, which will cost me probably about £65 at the end of the year.

DUGGLEBY: I'm not sure I'm following this one at all. Can you follow it, Kevin?

MOUNTFORD: Well I think there's two things here. I mean first of all, John, the new Nationwide product of 4.25, which is their Flex Exclusive or Flexclusive, is for existing customers, so that's one thing. But that does actually allow transfers in. The big question is do they allow transfers within their own institution. But you know unfortunately rates will change and occasionally you miss out or you benefit depending on the timing.

DUGGLEBY: Yeah, I'm afraid that is always the case, you know. The product you want closes before you can get it and the profit that you would have liked unfortunately opens up after you've perhaps chosen another one. It's the luck of the draw, but there's still all the rest of the year to keep investing in ISAs or any other products. But my thanks for the moment to Carolyn Black from Redmayne Bentley; Kevin Mountford from Moneysupermarket.com; Justin Modray from Candid Money. Remember you can get more information from our website, listen again and have your say on bbc.co.uk/moneybox. Paul Lewis will be here with the latest finance news and comment in Money Box at 12 noon on Saturday and I'll be back same time next Wednesday afternoon taking your calls on Money Box Live about pensions.