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MONEY BOX LIVE

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DUGGLEBY: The last week has seen extraordinary swings in the UK stock market, reacting to events in Europe as well as political manoeuvring at home. Only the bravest investors will have dared to put money at risk with so much uncertainty about the future. But now we have a new government, headed by David Cameron - one which acknowledges the influence and accepts some of the policies espoused by the Liberal Democrats. And although George Osborne is the new Chancellor, some of the Tory manifesto tax proposals are being set aside, at least for the time being. Exactly which ones and what sort of budget he'll bring forward in the next couple of months remains to be seen. It's always said the markets hate uncertainty and a hung parliament magnified that concern, but it's been overshadowed to an extent by the financial problems within the European Community as a whole: the possibility of a Greek default spreading to other nations such as Portugal, Spain and Ireland; and what's been notable in the last few weeks is how quickly sentiment in the markets can move from optimism to downright pessimism. So far as savers are concerned, safety first is likely to be the watchword in the face of tough economic decisions that were always going to be taken no matter who was in power. Are equities the only sensible home for your money long-term or are they simply too risky for the time being? If the best you can get on your savings barely matches the rate of inflation before tax, are corporate bonds or gilts a better bet than a bank or building society deposit? We're in for a challenging half hour answering your questions, and here in the studio to respond: Graham Hooper, Head Of Marketing at investment advisers Bestinvest; Peter Day, a partner with the stockbrokers Killik & Company; and Andrew Hagger

from the financial website Money.net.co.uk. 03700 100 444 is the number to call. And we'll hear first from John in Wembley.

JOHN: Hello.

DUGGLEBY: Hello John.

JOHN: In an inflationary environment with capital erosion, you've just said safety first. I have six maxi ISAs in high interest unit trusts and I wonder about reallocating them to reduce the risk to capital. And further I have over £100,000 to reinvest in July and I don't know what to do with it.

DUGGLEBY: Okay, well let's just correct you on the maxi ISA. The maxi ISA actually disappeared. It's no longer called that. It's cash ISAs and it is share ISAs. The maxi and mini concept has disappeared. But interesting question for you to start, Peter - this question of reducing risk. What's your line on this?

DAY: It's always difficult to classify exactly what you're meaning by risk. I think traditionally some people would say a gilt is a low risk investment because in absolute terms you can guarantee your capital or indeed the government will guarantee its capital. But I think the point the caller alluded to there was that what happens if we go into an inflationary environment, and I think that's absolutely key. Most people who are saving for the longer term therefore need to protect the purchasing power associated with their savings. And so we would certainly make the point that you need to pick assets which potentially are going to hold up well in an inflationary environment. Traditionally it's physical assets which will do well in that environment, whether it be stocks and shares, which often outperform cash in an inflationary environment; potentially index linked securities, which will at least go up in line with inflation. Again they can be held within the ISA environment. Potentially property may be another real asset which does well in an inflationary environment, but there's a number of other factors there which may affect property to notice.

DUGGLEBY: Graham, this question of you know the risk element. I would have

thought that one of the things people ought to concentrate on is the security of the flow of income - in other words the dividend flow - because that's really what makes shares an attractive proposition.

HOOPER: It is. The dividend flow, as you say Vincent, supports the share price over time, and as you have high income unit trusts within your ISAs at the moment, you're probably pretty well set there, to be honest John. I mean I think the other bit I would look at on your savings would be the £100,000. If you wanted something sort of safe and secure looking forward, you could look at index linked gilts or National Savings Certificates ...

JOHN: Very low return.

HOOPER: Pardon?

JOHN: Very low return.

HOOPER: Well low return, but based on an amount over and above what inflation will do for you. So it may be 1% above, but you know if you're in cash let's say, if you have £100,000 and I don't know if that's the case ...

JOHN: Yes.

HOOPER: ... but high inflation on that will erode that capital faster than it will do in something safe and secure such as National Savings Certificates that are index linked or index linked gilts over time. So you know you couldn't do it all. Well you could do it all - put your £100,000 into the index linked gilt - but I'd certainly sort of look at putting some of my money into there if you didn't want to put it into the stock market.

DUGGLEBY: One of the problems, Andrew, is managing cash that you do *not* want to invest in a risk asset. And of course there's cash and cash and there's access and access, and I think the best rates are available only on people prepared to lock their

money up, which they might think was not a good idea if they're waiting for opportunities to occur.

HAGGER: Absolutely. The trade off is you know if you tie your money up, you will get a better return; and the longer you tie it up, then the more that rate increases. And the problem we've got at the moment is base rate is at a record low ...

DUGGLEBY: And likely to stay there.

HAGGER: And in that case, you know would you really want to be tying your money up for 5 years? You know we may get 18 months, 2 years down the line and actually those rates start to look a bit poor.

DUGGLEBY: So cash on deposit, instant access. What's the best?

HAGGER: Instant access, you can get up to 3% with Coventry Building Society on their postal account. If you want something straightforward online, then Halifax Websaver 2.6%. So nothing to get too excited about, but it gives you an idea of what's there.

DUGGLEBY: Okay, Irene in Dorset, your call now.

IRENE: Hello. I rang in with a question that I have previously always had my savings in ISAs and was given a reasonably good rate and used this as a monthly income to supplement my pension. But quite recently it has dropped to 1.4%, which has you know more than halved my income, and I'm just wondering if there is a better home for my ISA account than the bank.

DUGGLEBY: This is a cash ISA which you've built up over how many years?

IRENE: Oh probably as long as they've been really.

DUGGLEBY: So that's quite a chunky amount of money in there then?

IRENE: Yes it is.

DUGGLEBY: Right. And presumably, by what you say, it's all in the same place?

IRENE: Yes because when they offer a better rate, as this particular bank did about 18 months ago, I've taken it from one bank and put it in another.

DUGGLEBY: Okay, so you haven't been passive; you've been switching it around?

IRENE: Yes I have.

DUGGLEBY: Well good for you. Andrew?

HAGGER: And I think you need to continue doing that. You know if you're just getting ... Did you say 1.4% on your savings?

IRENE: Yes.

HAGGER: You can do a lot better on that. Even just on a variable rate ISA, you know if you're not prepared to tie your money up, you can get 2.75% with Nationwide Building Society.

IRENE: But that's not a monthly income, is it?

HAGGER: Okay.

DUGGLEBY: They do provide monthly income I think on their term ones, don't they?

IRENE: Yeah but not ...

DUGGLEBY: Not on their instant access?

IRENE: Yes.

DUGGLEBY: Right, well the Coventry I think provide instant access with monthly income.

HAGGER: The Coventry unfortunately doesn't take ...

DUGGLEBY: Doesn't take transfers? Yeah, we keep getting caught. We've got various questions about this question of you know transferring. The ones that offer the best rates only offer it to new investors. And new investors unfortunately doesn't mean transfer investors. It means people putting this year's allocation in.

HAGGER: It is a tricky one. I mean are you looking to fix it at all for a year or two, or are you ...?

IRENE: Well I was trying not to, to be honest. I wanted to keep it accessible but still get a reasonable rate each month, which you know helps me to pay my bills.

HAGGER: Okay. I mean I've got a list of other accounts here, but I haven't got the detail as to whether it offers monthly income, unfortunately. I mean there's Cheltenham & Gloucester, 2.7; Birmingham Midshires 2.7. Off the top of my head, I'm not sure if they do provide the monthly income option. A lot of these will give you the annual and the monthly options.

DUGGLEBY: There is a question which has been asked by Izzy in Edinburgh and he or she says 'which company has an ISA transfer and the best rate?' Can you answer that question, which is transfer plus best rate?

HAGGER: I would say for the current tax year Manchester Building Society 3.01% on a Premier ISA. It's 90 days notice, but they do allow transfers in.

DUGGLEBY: Okay - well that's another one for you to perhaps make a phonecall to, Irene. See if they will offer you a monthly interest.

IRENE: Yes. Can I have a telephone number?

DUGGLEBY: Unfortunately no, but I think you wouldn't have too much difficulty in finding a big building society.

IRENE: And we're talking about Manchester?

DUGGLEBY: Well that's one of the ones that Andrew's just mentioned as paying a good rate. But we can't say whether it's got a monthly income option on it.

HAGGER: If you leave me your number, I'll come back to it.

DUGGLEBY: Okay. Right, let's move on now and Sharon in Winchester's calling us.

SHARON: Oh hi there. I've got a range of investments. I have got my state pension and a small personal pension, a tax efficient bond and an ISA wrap plus cash ISAs, two stocks and shares, two Internet accounts, which I've been reviewing recently and taking money out of anything that's producing under 1.25%. And I'm just looking at the index linked bonds offered by the government, which are tax free on a 3 year link to the Retail Price Index, and wondering whether it's worth a punt really for 3 years based on current inflation rates and the uncertainty of markets?

DUGGLEBY: Well you sound to me as though you've got a fairly well spread list of assets. I don't know what the total ... What's the sort of total sum? Have you got a sort of rough valuation of them all overall?

SHARON: Well if you would just count the I suppose building society money, it's about £50,000. I've got about between £15,000 and £20,000 that I ... I've got one 3 year bond with one building society that I've just tucked away, but I'm looking at about £15,000 to £20,000 and I'm seriously considering the NSI one and just wondering what your ...

DUGGLEBY: (*over*) But keeping the risk low, is that right?

SHARON: Well yes, low to medium, because obviously with a small monthly income now after retiring, I need to be slightly cautious. But I'm just wondering whether the panel feel that the RPI will rise because this one is offering 1% *above* RPI, which at the moment gives me over 4%.

DUGGLEBY: Okay, well team we've done almost a little mini fact find on this one.

HOOPER: Well Sharon has a pretty diverse sort of portfolio. I mean I think the key issue here is you know with worries about inflation picking up over a period of time are National Savings Certificates a good idea? Yes, I think they are. It's about 4% at the moment. That may not be there forever and a day. You won't get any income from that over a period of time, but you will get return of your capital plus 1% over RPI over the 3 years tax free. So all in all you know not a bad place to be given the environment we're in at the moment for pretty safe money, to be honest.

DUGGLEBY: Indeed. Well, Peter, I mean I think this has raised a question that has come up in several emails from people who are either in or near retirement, and that is this dilemma of getting a good income now. But of course, as we know, retirement can last a long time and without assets that are capable of producing rising income for which most people would choose some form of share portfolio, is that the way you would try and as it were ... what we call asset allocation in this instance?

DAY: Absolutely, I think you've hit the nail on the head there. The key is to make sure that not only are you receiving an income now, but it's also a good real growing income over an extended period of time. And that's why whilst the stock market is

very much out of favour at the moment traditionally it has offered a very good safe haven for good growing income over an extended period. And I think it's important to realise that the stock market doesn't necessarily reflect exactly what's happening in the economy at the moment. It's looking at what may happen ahead. We find ourselves now with the FTSE 100 still down around 20% from the levels achieved 12 years ago, and so I think it's important not to get too bogged down on the difficulties that we've got at the moment. There are some fantastic companies there providing fantastic income streams which are growing over a period of time and we only have to look at some of the biggest blue chips in the UK index, someone like GlaxoSmithKline, a leading global pharmaceuticals company, offering a net dividend yield of about 5.4% at the moment which is set to grow that over a period of time. I think to put that in some context, we've seen this company double its profits over the last decade but its shares have fallen by about 40%. So if one can lock away in high quality businesses growing their income stream, I think that makes a good bet.

DUGGLEBY: What about the income producing unit trusts and investment trusts, Graham? I mean again what are we talking about in terms of yield - 3, 4%?

HOOPER: 3, 4% from an income unit trust, something like that.

DUGGLEBY: What are the sort of big names in that at the moment?

HOOPER: You could look at Artemis, there's Jupiter, you know Neptune. There's a number of companies out there with decent yields on different funds - Lion Trust, people like that - who will give you hopefully a growing income over a period of time if that's key for you. And although your value may fluctuate over time in terms of capital, if you're in it for the long-term they tend to release, as Peter said - you know given AstraZeneca and companies like that - that's what the fund manager is there to do: to produce you a decent income and capital over the long-term. But you've got to be in it for the long-term. You won't want to sort of like encash if there's another 20% fall in the stock market.

DUGGLEBY: I'll couple an email from Caroline in Bridport. And she says, 'I'm 3

years away from retirement'. I presume that's 57. She's got a portfolio of shares held in an ISA and she's got 50% cash, 50% shares in an ISA. And she says, 'At this time of my life, should I still have any money in equities?'

HOOPER: Well I think that comes back to the long-term value of income really. You know equity income is best long-term. It will outdo inflation, outpace inflation over the longer term. So I think you know it's a long-term decision she's going to make, Caroline, not a short-term one really.

DUGGLEBY: Andrew? 50% in cash? I mean 50-50?

HAGGER: Yeah, I mean I would certainly be sort of tapering towards cash you know if you're only 3 years from retirement.

DUGGLEBY: You mean you'd switch the sort of slight ... tend to rebalance would you?

HAGGER: Yeah, may switch it to ...

DUGGLEBY: (*over*) There is a sort of rule of thumb that you look at your age and that's the amount of money you should have in non-risk investments. So if you're 57, it's 57% in non-risk, 43 ... I don't know, do you subscribe to that one as a rule of thumb? Peter?

DAY: I'd say they're possibly a little bit on the conservative side of things, especially in an environment where we are at the moment where I think inflation is such big threat. You could find yourself if you were 65 years old hoping to live another 30 plus years. If you went into 65% non-risk investments, then you may struggle to produce an income for the rest of your life.

DUGGLEBY: Graham?

HOOPER: I just think it's short-term versus long-term really and you know, without sounding too bland, what you want from your money. And if you want a long-term income, you know do that, make that decision and hold on for the longer term.

DUGGLEBY: Okay, well Tom now is in Wiltshire. Tom, I see you're looking for a regular flow of money to put into something or other. Is that right?

TOM: That's absolutely correct, yes.

DUGGLEBY: So what's the amount that you're thinking about?

TOM: Well I recently paid off a mortgage and I have just over £500 to invest over two and a half years, so I want to maximise my return.

DUGGLEBY: Okay. And you're in fact ... you are too coming up for retirement?

TOM: Well yes, in 18 months I'm due to retire, but I've no intention of retiring.
(laughs)

DUGGLEBY: Alright. Well £500 a month. That means over a couple of years, that's about £12,000?

TOM: Yes.

DUGGLEBY: Good idea, Graham, to drip-feed?

HOOPER: Yes. I'm a bit sort of worried about the 2 year thing. I mean it depends where you're going to put that money. I mean if you definitely need the money in 2 years time to pay off a liability and that sort of thing, I'd be a bit scared of the stock market. I'd be looking for something sort of cash oriented. But definitely you know feeding in over a period of time for the longer term, you know particularly where we are at the moment with the stock market, you know would be a very, very good idea.

TOM: I want to try and coincide it with the paying off of another mortgage, so I want to maximise my return ...

DUGGLEBY: Ah!

TOM: ... for a particular moment in time. *(laughs)*

DUGGLEBY: Well in 2 years, yes I mean you get a reasonable return for a 2 year ...

HAGGER: I mean something that may be worth looking at is some of the banks do regular saver accounts and you can get a fixed rate of 4%. You can't get your money out unfortunately during the period.

TOM: I'm quite happy for the money not to be available.

HAGGER: Okay. I mean if you go for the likes of Principality Building Society, they will let you do that and pay a maximum of £500 a month. Most of the others will be a maximum of £250, so you may have to split. But Norwich and Peterborough Building Society or Santander both offer a similar product, so it might be worth a look.

TOM: Thank you very much indeed.

DUGGLEBY: Okay. And we have another long-term financing question from Duncan in London. And he's wanting to invest a monthly amount for his children's school fees to be ready in 5 to 10 years time. Graham, can you recommend the best type of investment that would yield the highest possible accumulated return over that period? Well I wish we could, but you get the point - saving for children's school fees. With again a set time when it's going to be needed, I think you can probably put a bit of risk into that, can't you?

HOOPER: You could put some risk into that. And if you've not used your ISA allowance to drip-feed into ISAs over that sort of period of time on a regular savings

basis, with certainly some of that money would be a really good thing to do.

DUGGLEBY: He says he's prepared to take risk.

HOOPER: Well that's good. I mean again you know I wouldn't say put it all in there, but I think a high income sort of OEIC, ISA, something like that over a period drip-feeding ...

DUGGLEBY: Open Ended Investment Company?

HOOPER: Sorry, yes. Feeding that in over a period of time, so if the market does ... I think it'd be you know a really good thing to do. Tax free at the end of it. You couldn't rely on it, that's the key thing, so you'd have to monitor it coming up to that known liability of the school fees crystallising. But certainly something in that area would be first port of call.

DUGGLEBY: He also says what is ... He's been told he needs a structured product. What is it?

HOOPER: Oh dear. Well structured products, they've come with ... What can I say - you know there's Key Data, Lehman Brothers. You know structured projects these days come with a very heavy wealth and health warning, to be honest with you. Structured products are fine. They will generally give you a sort of certainty of return plus some upside.

DUGGLEBY: Are they expensive in terms of costs and charges?

HOOPER: Well they give you a defined outcome, which is part of the appeal, so you sort of know what you're getting into when you go in there theoretically. But they are heavily charged and they're not all particularly tax efficient, so you have to you know be pretty wary of that. And people have lost you know tens of millions of pounds through these. So structured products, yes depends who. But you know past

performance, you know they haven't turned out. It's been a really torrid ride for some people.

DUGGLEBY: Peter Day, what line do you take if offered the challenge of a good performing portfolio on a 5 to 10 year view which does require a good return at the end of it? I mean do you play it safe a bit or do you think you need to be with international companies? What do you do?

DAY: I think you should have a balanced portfolio there. I think it would be wrong to be purely geared to one asset class. I would want some equity exposure there to give me a hedge against inflation whilst at the same time protecting my capital through potentially some slightly lower risk, lower volatility securities, maybe having some in a fixed interest base. Or alternatively there are some successful funds in the absolute return space, which potentially reduce the risk associated with the stock market but still aiming to achieve above average returns.

DUGGLEBY: An absolute return is ...?

DAY: A fund that's really designed to try and achieve a positive return irrespective of what's going on in the market. So they may look to hedge out some of the risk associated with the stock market.

DUGGLEBY: Okay, David in Stockport is calling us. David?

DAVID: Hello. Good afternoon.

DUGGLEBY: Good afternoon.

DAVID: Good afternoon. I'm just wondering what the outlook is for shares really. I'm a small shareholder. I do hold some shares in utilities and other fairly safe companies. I wondered what the outlook is in the near term or over long-term for small shareholders really?

DUGGLEBY: Okay. Well on the longer term, Peter, of course it hasn't actually been that good - I mean the index tells us it's gone nowhere. But in the short-term, timing it coming in at what 3,500 a year or two ago, I mean that has been brilliant. So how long is a piece of string?

DAY: It is a very tricky question. I think anyone who said they knew exactly what was going to happen over the next couple of years would probably be lying. But to the same extent, from a longer term perspective I think an investment in shares would be well placed. From a short-term perspective, one's got to be a little cautious. There are huge uncertainties.

DUGGLEBY: Picking up that question though about utilities. I think many investors out there do somehow think that the old boring water companies, electricity companies, that sort of thing, you know they're going to be safe with those. But what's the performance been like over time? I mean has it been ...

DAY: In the recent past it's not been so strong, clearly a number of the utility companies. The primary purpose for making a purchase in that sector may be an income stream, and they have consistently performed in most areas with delivering a very strong income stream. We still think there's some very good value and in actual fact that's an area of the market we're concentrating on at the moment.

DUGGLEBY: But in general terms about the market, the question is whether you think the market has perhaps found a reasonable base at around 5,000? I mean are you comfortable, Graham, with 5,000 as a base?

HOOPER: I think around 5,000 is pretty comfortable. I think the key thing going forward is diversification and sort of you know ... I mean a few years ago we looked at bank shares and said well an absolute bank is Lloyds TSB, it's always going to go up 6% yield, you know everybody's off to the races sort of thing. That's not been the case. So things happen and the job of a fund manager is to manage through diversification really.

DUGGLEBY: And, Andrew, so much depends in investment decisions on the alternatives available - which, as we know, is cash - and of course the possibility that basically cash is not going to produce a very high return as long as base rate is held at what some would regard as an artificially low level.

HAGGER: Yeah, I mean savers have suffered because of you know the strategy used by the MPC.

DUGGLEBY: The Monetary Policy Committee.

HAGGER: Sorry, yeah. And with inflation as well taking a bite out of what's left, then you can see why people are perhaps erring towards equities.

DUGGLEBY: Okay, we'll try a question now from the Isle of Man coming from Brian.

BRIAN: Good afternoon.

DUGGLEBY: Good afternoon.

BRIAN: Money Box, excellent programme. First time I've phoned in, so here goes.

DUGGLEBY: Kind of you.

BRIAN: We have a managed pension fund and the pension adviser takes 1% per annum to manage it. Most of it's invested in equities and unit trusts and gilts, but a small element is held in cash. And I noticed that this attracts interest at .1%. With a management fee of 1% - that means that the management fee, including the cash, is ten times the return of .1% I get on the cash element. I feel there's something wrong somewhere. It appears unethical, and it's probably perfectly legal but is there any way I could change it?

DUGGLEBY: Well let's just start by asking Graham. A 1% fee for a pension fund seems to me a bit on the high side?

HOOPER: Well it's high in terms of cash, but if that's all you're paying overall it's actually not too bad. I mean the average you would pay on a fund would be about 1.5% or above. But I take your point, Brian. I know absolutely what you mean. When you're receiving sort of 0.1% and getting 1% taken off as an annual management fee, you know you're losing .9% in you know more than real terms. What a lot of pension companies do is to invest that cash into something which won't lose you money, but it's cash as far as they're concerned because you're not going to take it out, you're not going to do anything else with it. But you can bet your bottom dollar, they'll be investing it 2, 3 or 4%, making a turn on the money. So they're not only taking your 1%, but making a turn on that money as well. So what you could do depending on the nature of the pension is to have a look at somebody that offers you a more competitive interest rate within that pension, so you know you're not actually paying for dead money in a sense which is what happens. But a lot of the companies do this and a lot of SIPP providers make more money out of the cash, the return they make on the cash, than they do actually operating the SIPP for you. So a lot of people could get caught by this and it's something you need to keep an eye out for.

DUGGLEBY: But I mean there's no regulatory bar to it.

HOOPER: There's no regulatory bar to it. It may be unethical from a moral point of view. There's no you know legal or regulatory issue with the organisation. But you can get round it by looking around, shopping around. And particularly if you're coming up to retirement, Brian, and going to carry a heavy cash balance, it's something you need to look at because it's going to eat into you know the absolute value of your pension fund if you're not careful.

DUGGLEBY: Indeed. An email now from Tim in Stratford. It's a straightforward question: 'I have opened my cash ISA for 2010/11. I also have investments in various shares and I would like to put these into the stocks and shares component of an ISA. Is that possible?' Peter?

DAY: You can certainly do that. The Inland Revenue has a rule which stipulates that it must go in at a fair market price, and the only way that one can do that is to complete what's called a Bed and ISA transaction. Basically that means selling the stock from your personal name and then moving the cash into the ISA environment and buying the stock back within the ISA environment. I think many providers out there will offer a competitive rate to do so, so you're not suffering the full fees associated with a sale and then a repurchase, but it certainly can be done.

DUGGLEBY: Okay and Francesca in Warwick says, 'I've just got £1,000 to invest and I want to make it work really hard. I know all about ISAs and National Savings and bonds, but could you suggest something just a little bit more adventurous such as gold, a racehorse, wine or art?' (*laughs*) What's your tippie, Graham?

HOOPER: Well you've got a fair old spectrum there one way and another. I mean you know if you put it on the horse race, you'll probably ...

DUGGLEBY: (*over*) You can buy a share in a race horse, I think.

HOOPER: You can buy a share in a race horse, but you know it may go lame and which bit of the leg do you get sort of thing for £1,000 because it's quite expensive? I think of those mentioned, I mean you know to be serious, gold is not a bad bet at the moment sort of thing. I would tend to put it in sort of a selection of spicy investments as it were. Wine has actually held up really, really well. I mean it's an old investment, but it's done really, really well. The Liv-ex index has done really well. So you know it's not a stupid thing to do with a small amount of money.

DUGGLEBY: Indeed. And what's your choice, Peter?

DAY: The wine sounds an appealing pick to me, but ...

DUGGLEBY: What a single bottle at £1,000? (*laughter*) Yes, I think probably a case of it. What about you, Andrew?

HAGGER: Yeah, I think I'd go for the wine as well. If things go wrong, you can ...

DUGGLEBY: *(over)* We'll take one more quick question if we may. It's Margaret in Huntingdon. Your call, Margaret?

MARGARET: Yes hello. I took out a 5 year fixed rate bond in 2002 with the Legal & General and I didn't take any income from it whatsoever. About two and a half years ago, I asked for a small amount of money - which I got. And then the following year I asked for another very small amount and the company said "Ooh no, we want ... " I think at that time it was about 14 or 15% of whatever I was taking out, which was only about £2,000. So obviously I didn't agree.

DUGGLEBY: Margaret, I'm going to have to cut you short here because we've literally only got about 45 seconds.

MARGARET: Oh right. My question is I really would like to access this money within the next year, but they're going to charge me now at the moment 10% of the value ...

DUGGLEBY: *(over)* Okay, I've got to stop you there because Graham has the answer.

HOOPER: I think it's a with-profits bond that you're talking about there, and you'll be paying a price to take money out. Leave it there if you don't need it because you know there's no way you're not going to pay that fee even if you deal with the Legal & General directly or the regulator.

DUGGLEBY: Okay, well thanks for that Graham. He's Head of Marketing at investment advisers Bestinvest. And also in the studio with me Peter Day from the stockbrokers Killik; Andrew Hagger from the financial website Money.net.co.uk. And you can get more information on the programme from the website: bbc.co.uk/moneybox. You can have your say, listen again, and sign up for a podcast.

Paul Lewis will be here with the next edition of Money Box on Saturday and I'll be back same time next Wednesday afternoon to take your calls on mortgages.