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MONEY BOX LIVE

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LEWIS: Hello. As the end of the year, indeed the end of the decade approaches, Money Box Live is taking your calls on saving and investing. What can we do to get a decent return on our money - if we have any left after Christmas? The price of shares in our biggest 100 companies plunged to a low in March, but then rose strongly and ended the year higher than it began. But it was still well down on where it was 10 years ago at the start of the decade. So what'll happen in 2010? How do you pick the rising stars from the plunging meteors? And how do you stop charges eating away at what returns you *do* make? If you prefer saving to investing, you'll know the high rates you could get just over a year ago have disappeared. So where can you get a decent rate now on cash, and what are the tricks to look out for? You can now put more money into an ISA if you're over 50 and that limit goes up for everyone from April, but what sort of return can you expect? And with savings rates low and share prices so volatile, is now perhaps the time to lock into National Savings or government bonds or perhaps a gamble on premium bonds? Whatever your question about saving and investing in the next year, or indeed the next decade, why not call Money Box Live with your question now: 03700 100 444 With me today to answer your questions are Graham Hooper from independent financial advisers Bestinvest; Clare Francis who's Editor of the comparison site Moneysupermarket.com; and Justin Urquhart Stewart, a Director of the investment management company, Seven Investment Management. First question from Jill in Cornwall. Jill, your question?

JILL: Yes, hello. I'd like to ask the panel to discuss what to do with a small amount of money. People who have a non-renewable income, perhaps a small pension, and only have (instead of the tens of thousands when people play with their money, don't want to play with money, want to invest it safely) perhaps one, two or three thousand, which is the best - a savings account, National Savings, an ISA? To be quite honest, I don't want to play with money.

LEWIS: *(over)* No risk then, Jill? No risk?

JILL: No risk. And accessible.

LEWIS: No risk and accessible. Anything up to between £1,000 and £3,000. Let's start with Clare Francis from Moneysupermarket.

FRANCIS: Well I think that obviously if you don't want to take any risk, then cash is the thing that you're looking at. You said you want to retain access to it, in which case you're really sort of looking at easy access accounts. And at the moment, the best returns available on those are around 3%. Birmingham Midshires has got a Telephone Extra account that's paying 3.15%. The AA's got an Internet Extra account paying 3.15%. Bear in mind though that they're both part of the Lloyds Banking Group. So it won't affect you, given the sums you're talking about, but they share the same banking licence, so you only have £50,000 total protection even if you had accounts with both. So that's the sort of best rates at the moment. Although having said that, with us about to enter a new financial year for many of the banks and building societies, we could see some new accounts and potentially more competitive rates being launched in the coming weeks. So if you don't want to open an account in the next few days, it may be worth holding off for a few weeks just to see if anything better comes available.

LEWIS: Yes. Graham Hooper?

HOOPER: Well if you haven't used your ISA allowance this year, you could always put your money into a cash ISA.

LEWIS: The advantage being that any interest is free of tax.

HOOPER: Any interest is free of tax, and it needn't be tied up. And some of the best rates available are available on a fixed rate basis. For example, Newcastle Building Society at the moment are giving 3% per annum, and on a fixed rate basis Abbey 3.5. So probably first port of call for something nice, sort of safe and secure would be a cash ISA or cash if you want a decent sort of return really.

LEWIS: And just remind us how much you can put into a cash ISA.

HOOPER: Cash ISA is £5,100.

LEWIS: If you're over 50.

HOOPER: If you're over 50. Yeah and £3,600 if you're under 50, and that changes on 6th April 2010.

LEWIS: It's £5,100 for everybody then. Clare?

FRANCIS: Just a warning about a lot of the fixed rate accounts. Often they don't allow withdrawals during the fixed rate period, so do check that before you put your money in because you know you'll be penalised and lose some interest if you do need to take it out.

LEWIS: Jill, I think you said you wanted easy access to this money, so fixed rate maybe not the best thing for you.

JILL: Probably not.

LEWIS: But even at 3%, Justin Urquhart Stewart, you're only going to get £90 a year from £3,000. It's not a great return, £1.75 a week.

URQUHART STEWART: It's not impressive. And certainly with rates as they are at the moment, you're not going to get returns. Even if we see rates go up a little bit more, it's not going to make a tangible difference. There's always going to be this balance between the level of risk you're willing to take and willing to take a little bit more risk to get a higher level of return.

LEWIS: Well to get the *possibility* of a higher return.

URQUHART STEWART: Possibility, exactly.

LEWIS: If it wasn't a possibility, it wouldn't be a risk would it?

URQUHART STEWART: Risk free.

LEWIS: *(laughs)* Okay, well, Jill, you're not going to get very much on that sort of money and that's often why people with that sort of money don't worry about it. But it is worth worrying about. I mean even if you bring in £90 a year, it's £90 you wouldn't have had, isn't it?

JILL: Right.

LEWIS: So worth finding somewhere to bring that money in. And while we're talking of this, before we go to the next call we've had a rather technical email from June I just want to mention. June confesses to not being very good at maths, which puts her in common with most of the population, I think. 'Is there an easy way to work out whether it's better to have interest paid monthly or annually because monthly rates tend to be slightly less than annual rates?' What should you look at, Clare?

FRANCIS: You need to look at the AER because that gives you the effective compound interest. So if you compare accounts on an annual and a monthly basis and look at the AERs, you can then work out whether or not you're going to be better off doing the monthly option or going for the annual. And a lot depends on whether you're going to need to dip into that money during the year; and if you are, then obviously the amount of interest you're earning on the lump sum will decrease, in which case monthly may be a better option.

LEWIS: Yes because the AER takes it into account. So in theory it should be the same AER for monthly or annual?

FRANCIS: Yeah and it stands for Annual Equivalent Rate.

LEWIS: Right, so the AER does the maths for you, June. So that's the way to do it, to compare them - look at the AER. And of course if you want a monthly income, then you do have to consider that. Now we're going onto Jan in Edgware. Jan, your question?

JAN: Hello. Yes, I have £10,000 which I want to put away and I've been looking at fixed rate bonds, which I like the idea of because I know that I don't have to keep checking on how much the interest is going to be. But how long should I tie it in for? Should I leave it for a year, 18 months, and hope that in that time the rate will have gone up? Or should I go for the slightly higher rate, but tie the money up for 4 years?

LEWIS: Yes, that's the big question really, isn't it Jan - what are interest rates going to do?

JAN: Exactly.

LEWIS: Graham Hooper?

HOOPER: Well the consensus view on interest rates by the end of next year - that's 2010 - is they're going to be roughly about 1.25 as opposed to half a percent at the moment. And bearing that in mind, the further you go out, the better return you're going to get from a fixed rate bond and you can get over 5% over 5 years. So it really depends on how long you want to tie your money up and will the effect of interest rates rising and new money being needed in the new year by a lot of institutions mean now, you know right today wouldn't be the best time to invest because you can probably get a better rate just by waiting a few weeks or months. And I'd be tempted to sort of you know hang on. Look at 2 to 3 years. Over 2 years at the moment, you can get 3.75%, but those rates are likely to get better as we get into 2010.

LEWIS: Clare?

FRANCIS: Yeah. And I was going to say that fixed rate bonds at the moment, because obviously with base rate being at just half a percent, easy access accounts are paying significantly less at the moment than the leading fixed rate bonds. So it's a good idea to consider it if you've got money you can afford to lock away. But, as Graham said, you know the key thing with fixed rate bonds is you tend to … you can often get a higher return, but there is a trade off, and that trade off is lack of flexibility. So don't lock your money away for longer than you can comfortably afford, so if you know you're going to potentially need it in 3 years, don't go for a 4 or 5 year option; stick to a sort of shorter term deal. But you will on the flipside get a higher return with the longer term options.

LEWIS: Justin?

URQUHART STEWART: One way round that, subject to the minimums, is that you just split it. Make a decision now with some and tie it up for a period of time; and as those rates change, see if you can find a better one later on. But that will of course be dependent on the minimum levels you have to put into those accounts.

LEWIS: Yes because sometimes the more we put in, the better rate you get.

URQUHART STEWART: Precisely.

LEWIS: But some thought that fixed rates might be higher in a few weeks or a few months time, so maybe worth hanging on if you can for that. Does that help, Jan?

JAN: That's a great help. Thank you very much indeed.

LEWIS: Our pleasure. Thank you for calling. And we're now going to Patrick in Dorset. Patrick, your question?

PATRICK: Good afternoon. I've recently transferred the whole of a postal investment account with Abbey - now Santander of course - amounting to £30,000 to premium bonds. Can you tell me what sort of average return premium bonds work out at for that amount of money?

LEWIS: Right, so you've got the maximum, in fact, £30,000?

PATRICK: That's the maximum, yes.

LEWIS: Graham Hooper?

HOOPER: Well if you were to win the average amount over a 12 month period, you'd be looking at … The prize fund is 1.5%, so I think 1.5 is - without the help of a calculator - about £450 a year tax free, which is on the way to being you know 2% if you're a basic rate taxpayer and nigh on 2% if you're a higher rate taxpayer. So not a bad return as it's tax free. Of course you do keep the £30,000 in your premium bonds, unlike the Lottery, and there's always a chance that you may get a bigger prize, which obviously skews it towards the front end.

LEWIS: Yes, the problem with the interest rate they quote though of 1.5% is by the time you've taken off the big prizes - which let's face it you're almost certainly not going to win for any individual - that rate really comes quite a bit down from 1.5%, doesn't it? Clare?

FRANCIS: And also the gamble is that you might not win anything, so you know you might get zero back. *(laughter)* But I think on average, as Graham was saying, people tend to - especially if you've got the full amount invested - you might get a few of the smaller prizes.

URQUHART STEWART: The minimum level is about £25.

LEWIS: Yeah, the minimum prize is £25. And I suppose on average you would expect to get one of those a month at least - in fact slightly more than one of those a week. The chances of winning for any bond, odds per £1 unit per month, are 24,000 to 1.

HOOPER: So it's one and a bit a month, I think, isn't it - something like that?

LEWIS: That's right, yes.

HOOPER: And I think people … There is a psychological part to this actually. People I've known that have invested, they do like the idea of this cheque popping through the letterbox every now and again …

LEWIS: Yes.

HOOPER: That seems to you know keep them on the hook even when the premium bond sort of prize rate has been very low.

URQUHART STEWART: But it is always very disappointing because you know it's going to be £25.

LEWIS: *(laughs)* Yes because it used to be £50 till they cut the rate. We've had a number of emails about premium bonds. There's one from Christine who says she's got £20,000 which she's inherited. 'Should I put that in premium bonds for a few months until I need it?' And she wants to know how to do it. How simple is it, Clare?

FRANCIS: Well it's a case … I mean it's very simple. National Savings and Investments now have a website …

LEWIS: You can do it online.

FRANCIS: … so you can get all the information you need on there. And I think it's interesting that we've had quite a lot of questions about premium bonds because they certainly seem to have become more popular and got people's interest over the last sort of 12 months or so. And I think that's probably because of you know this perception that they're government backed, so your lump sum investment's safe and potentially safer than the money in the bank.

LEWIS: Yes, it's the safety I think that does attract a lot of people. Graham?

HOOPER: Just a quickie. If only for a few months, premium bonds probably aren't the best place to be because you don't enter the prize draw immediately. I think there's about a 3 month delay, something like that, before …

LEWIS: Yes, at the end of the second month after you've put it in.

HOOPER: Yes. So in fact it can be 3 months. So if it's just for a few months, it's probably not the best place.

URQUHART STEWART: And the notice you have to give to get it out as well, so you don't have that instant access a lot of people actually do want.

LEWIS: Right. So it's more for a long-term investment, forget about it, it's tax free. Particularly good I suppose for higher rate taxpayers, particularly good for 50% tax rate taxpayers after April because the money's tax free. Anyway, thank you very much for your call, Patrick. 1.5% I think is the answer to your question: what's the average return. And Bob from Rochester has a question.

BOB: Oh good afternoon. Yes, my partner died earlier in the year and I inherited well a considerable sum really, most of which she had in an investment bond. Now I've reinvested that in another bond very similar which was paying slightly more on a monthly level, but I've got about £20,000 sitting just more or less in a savings account in the bank which you know is doing nothing really and obviously bringing virtually nil interest. And I'm wondering of you know perhaps playing on the stock market a little bit with it or something. In fact when I left school years ago, I worked in a securities department in a South African bank in London, which was quite good fun - you know South African gold mines and all that kind of thing - and you know it might be a bit of fun to play with it there.

LEWIS: Always fun playing with other people's money, isn't it, Bob? So this £20,000 … Sorry did you say it was £20,000 or …?

BOB: £20,000, yes.

LEWIS: Are you happy to lose some of it? You're happy for it to go down as well as up?

BOB: Well there's not much I can … I mean I've got an ISA which there's as much in there as I can put in unfortunately till April. I've got a current account, which I use just you know regular in and out of money. But this 20 grand is sitting there really idle, you know.

LEWIS: Well, as we've heard, I mean if you put it in the best cash account, you'd probably get £600 a year, 3%, though you'd have to pay tax on that because it couldn't all be in an ISA. Justin, is it sensible to put £20,000 into stocks and shares?

URQUHART STEWART: Oh it can be, but it depends how you're going to go about it. First of all, what's your time frame because if you're investing in stocks and shares frankly anything less than 3 years is far too short a period of time. If you want to invest for a shorter period of time, then we're into the roles of gambling and having a punt on some shares, which is something that obviously a lot of people enjoy doing.

But let's separate that out from investment. It's a different world altogether.

LEWIS: Yes, I mean we've had an email from Simon actually who says, 'I'm interested in investing £500 in high risk shares. Is there something you'd recommend?' He clearly has got £500. He's quite happy to lose it, so he wants to have a bit of fun with it, as Bob was suggesting.

URQUHART STEWART: The trouble with a figure like £500 to have a punt on the stock market is you're liable to find that eaten up in not just commission but all the spread between the difference between the buying and selling price. So that's just about the minimum level I'd ever suggest doing for that. But it really would be … that can only be punting.

LEWIS: And if you wanted to put £20,000 in, as Bob does - I know you're a big believer in asset allocation, where your money is invested, so you wouldn't put £20,000 in one share or even one index - how would you split £20,000 up?

URQUHART STEWART: Well with that sort of sum of money, you can actually spread it across not just different asset classes - by which I mean shares, bonds - but geographical things, property, all sorts of different areas, and of course make sure it's spread across different currencies. Now it can be quite difficult for the individual to do that. However, there are now ways in which you can actually go to fund managers and they can actually provide a range of different asset classes put together in a multi-asset fund. And there are firms like Jupiter and others that will actually provide those sort of facilities for you, but you've got to look at the charges and the costs.

LEWIS: I was going to say the charges are going to be quite high, aren't they?

URQUHART STEWART: Well some of them are now introducing fund structures which now operate with exchange traded funds, let's say passive funds, which are considerably cheaper, and so that can be a very good way of getting that breadth. And they can be available from £1,000 up to well whatever level you want to actually have.

LEWIS: Graham?

HOOPER: An important element here, Bob, I think is the context of your existing investments. And Justin's suggestion you know to get a broad spread is absolutely the right thing to do. And just as you mentioned in the question, you mentioned an investment bond - now the investment bond is probably invested in stocks and shares as well, so you need to give that a good look at for two reasons: a) it's probably invested in stock markets somewhere along the line as well; but also investment bonds generally for most people are the most tax inefficient - i.e. not very tax efficient at all - and certainly carry higher charges. There are a number of other forms of investments, as Justin was talking about, so I think you need to sort of have a good look at what you want from you know the money you've got - £20,000 at the moment - but equally, and probably more important, is the context in which you know your existing investments are there. And just rolling over that money is the easiest thing to do, but it may not be the best thing for you in the longer term.

LEWIS: And Justin mentioned the time you're investing for. I mean I said in my introduction that share prices in London are still not back where they were at the start of the decade. They're still about where they were 12 years ago and that's quite a long time frame to think am I going to make any money.

HOOPER: It's an awfully long time to have your money there lying doing absolutely nothing, and I think this has brought sort of risk back into focus in grand new detail for a lot of people because you know it just might happen again. And people forget there are two protracted sort of periods of time in the last century when we went through nearly 20 years of stock markets going nowhere.

LEWIS: Yes and of course in Japan, Justin, share prices are a quarter of what they were 20 years ago?

URQUHART STEWART: Absolutely.

LEWIS: Sorry, you wanted to say something else.

URQUHART STEWART: In the longer term, shares have gone nowhere. And that's why you need to have this breadth of asset classes because even times when you know shares aren't doing well, they haven't been performing, then of course you've got other asset classes which are quite likely to be doing so. So you're spreading it out over time and giving yourself a reasonable rate of return and also managing the volatility there, so you're not giving yourself nightmares that you could have on say individual shares.

LEWIS: Yes, yes, I do think that's important. But you know you've got to remember that yes you might get a higher return, but, yes, you might lose money. So it's a question of balancing the two. We're going to go to Jill now in Greater London, Sidcup.

JILL: Hello.

LEWIS: Jill, your question?

JILL: Oh yes. I'm thinking about starting a pension for my grandson. What I'd like to know is how I go about it? Is there any protection if the company you choose goes to the wall? And, thirdly, how can I stop my grandson getting his hands on the money?

LEWIS: *(laughs)* Well of course the great thing about a pension is … You're not starting a pension for him. It's your pension money …

JILL: No, no, I want to start a pension for him.

LEWIS: For him. Right, well he can't get hold of it till he's 55 then …

JILL: Oh good. Oh that's alright.

LEWIS: … so hopefully he'll be quite responsible by that age. *(laughter)*

JILL: Yes, that's good then.

LEWIS: Graham?

HOOPER: How old is he now, Jill?

JILL: He's two.

HOOPER: Oh okay, so we've got about … Well you know I mean I don't know how much you were thinking of putting away for him and it's certainly a good thing to do from a long-term perspective, but knowing what children are like you know you might want to think about sort of putting a spread of investments together for him - some long-term stuff in terms of a pension but also some short-term you know child trust account, something that he can get at readily maybe when he needs it if it's university fees, if it's leaving for a house. So it's a question of you know as you go through your life, you will need money at certain times and you can certainly help him prepare for all those events. Of course if you really want to stifle him, you can put it all in the pension up to a certain limit.

LEWIS: Well you can put £3,600 a year in, can't you? £2,800 or something and it's increased by tax. Clare, what about a savings account for a young person because people often get worried, don't they, that the child is going to be able to get their hands on it - if it's a Child Trust Fund at 18 and other things even at 16?

FRANCIS: Yeah and if it is a Children's Savings Account or a Child Trust Fund, then they will be able to do that because it's held in a sort of bare trust. So up until the child reaches that age, then it's the parents name, that you know they retain control. But I mean the other option that you could do is invest the money and keep it in your own name, Jill, and you therefore retain control over when he gets it and can control it that way.

LEWIS: Yes, you'd have to leave it to him in your will or something like that, I suppose. Justin?

URQUHART STEWART: If you can get it … This is where Jill's being very wise here - giving it time - because this is where your investments will actually really come to their fruition. On a 10 year, 20 year cycle, you're liable with a breadth of different asset classes to be getting returns of say 7 to 8%, something like that. 7%, your money will be doubling every 10 years. So if you're giving your child a sort of sum of money which they can then double over those 10 years for four different decades, that turns into a considerable sum of money. So good investing actually is done slowly.

LEWIS: Right. Okay, well is that helpful?

JILL: Yes, it is. Just one thing. If you did invest in a pension in say an insurance company and it went to the wall, are you protected in any way?

LEWIS: Oh I'm sure no major financial institution would go to the wall. Oh sorry, they already have. Graham, what is the protection with a pension? It's much better than other things, isn't it?

HOOPER: It is much better. I think it's covered under the Policyholders Protection Act, which is sort of you know at least 90% of the original investment back. So, yes, even if it's a life insurance company that ends up in trouble, you should be okay for the vast majority of the money that you put in.

LEWIS: Okay, well thanks very much for your call, Jill. Lucky grandson, I say. We're going over to Heather now in Somerset. Heather, your question?

HEATHER: Hello. Would the team think it's worth selling some of my investments and putting it into gold? And I wonder if you could please explain about the value of the dollar to gold and how you would decide when to buy?

LEWIS: Right, well if we all knew when to buy gold, I don't think we'd be sitting here in this room. Justin - gold, is it still a good investment? It's gone up. It's come down a bit.

URQUHART STEWART: Well I can tell you when not to sell it and that was when our Prime Minister sold it for $270.

LEWIS: When he was Chancellor. Let's not go into that.

URQUHART STEWART: Leave that aside. No, gold actually - there's been a lot written up recently saying what a good investment it's been. Actually over the years, it's actually been an awful investment. It hasn't kept up with inflation and it can be a rather unreliable friend because it doesn't produce anything, there's no yield to it. You can stroke it, look at it, and that's about it really. However, what you will find - and as Heather was saying there is this relationship with the dollar because it's priced in dollars - so if the dollar's been going down, you've actually found gold going up. Now the issue on gold is if there's going to be a lot of fear in the global economy, then you'll find the gold price rising. If you think the global economy is settling down again and then those fears are going away, then gold may ease off. So it's become so popular now that actually I would say no now is not the time to be going wholeheartedly into gold. Maybe a small proportion of a balanced portfolio, but not a lot.

LEWIS: Yeah, it's $1088 a troy ounce at this moment, as we speak. It has been 1200, hasn't it, in the last few weeks?

URQUHART STEWART: Yes. Had it kept up with inflation, then you should be talking about something which is *well* over $2000.

LEWIS: Yeah, so it's maybe not the safest thing. Though people like gold. They like actually having a bar of gold because they can actually hold it in their hand. £20,000 for a kilo is what I held in my hand not very long ago, I remember.

URQUHART STEWART: Physical investment. After what's happened over the past 2 years people - you can really understand - I want something I can hold and see. Hence the fixation with property.

LEWIS: And I suppose you need gold at times when you want to run away, Graham, because it's good stuff. You can have £20,000 in your pocket for a kilo. You can run away with it. It doesn't depend on the banking system at all.

HOOPER: No, not at all. You know Justin talked earlier on about diversifying your assets and that's one beauty of gold. You know it is an asset almost in its own right sort of thing. But I'd be nervous about selling you know all of your investments and bringing them into gold. It's not a question of being in or out of any one particular market at any one particular time.

LEWIS: No.

HOOPER: It is this balance. But if you have no gold, you know you could head towards that over a period of time.

LEWIS: And Heather raised the question of dollars. And of course that's the other problem with gold. You're buying something that's varying in price in a currency that's also varying in value against the pound, so you have a double risk really.

URQUHART STEWART: Yes and also you don't necessarily have to actually buy a lump of gold. You can do that. There are now these exchange traded funds or exchange traded commodities in gold where they will actually track physical gold. You need to be careful which one you're going into first, but that's an easier way of investing in gold if you want to.

HEATHER: Into a fund?

LEWIS: Yes, into a fund.

HEATHER: Yes.

LEWIS: Okay, Heather, thank you very much for your call.

HEATHER: Thank you, thank you.

LEWIS: I'm sure gold is of interest to all of us one way or another. Gerald from Stanmore has a question now. Gerald?

GERALD: Hello, good afternoon. I've just retired and for some time I've had some money sitting in building society accounts, which, as you probably gather, attract very little interest. I've been thinking about investing some money into I believe they're called insurance company bonds because it would give me I believe on the sort of brochure thing an income of 5% tax free. But a) I believe I have to leave it in for 5 years; and I'm also worried that I would be eating into the actual capital. I wonder if you would advise me?

LEWIS: Okay, Graham?

HOOPER: I mean that is a key point. Investment bonds don't necessarily … In fact the vast majority just don't spin off sort of 5% income like that and most of them reinvest the income internally, so you can in effect in volatile times be eating into your own capital. And obviously just 2 years at 5% you know instead of a sort of £20,000 investment, you know you can be looking at £16,000 over … £18,000 over a couple of years. So you can diminish your capital very, very quickly. The other thing about insurance, they tend to be sold quite heavily and quite widely, but, as we said earlier on, you know they're tax inefficient for a lot of people. There are a lot of better alternatives for you. They don't naturally give off a dividend, so you might like to look at other forms of investment. And the charges are notoriously high on them, so there's a good reason to look at them very, very carefully.

LEWIS: Justin, briefly?

URQUHART STEWART: Just on charges here. It is a key issue for everybody's investments, particularly at these period of low rates of return that people have been seeing. You have to look at not just the annual management charge, but the total expense ratio, and only in perfidious albion would you have a total expense ratio which isn't the total expenses and isn't a ratio. So please be very careful of the overall charges you're expected to pay.

LEWIS: Yes. We did a story a couple of weeks ago about a Standard Life cash pension fund that was actually losing money because the charges were more than the half percent return on the cash, so you do have to be careful. Gerald, thanks very much for your call. And we've just I think got time to go to Peter in Hurstpierpoint. Peter, your question?

PETER: Oh I'm just interested in PIBs. That's Permanent Interest Bearing Shares. They seem to give a return of about 6% plus and I just wondered how safe they were.

URQUHART STEWART: You've got to be careful. They do pay a very good return. However some of them, as we've seen with the demise of some of the mortgage banks, people found that they lost out completely there. So you've got to be extremely careful with some of these. The returns are good, but you've got to look at the underlying company that you're actually operating with.

LEWIS: As with everything, indeed. And just time I think for one final email. Bob wants to know - and this is a fairly common question, I think - is it best to drip feed savings into shares rather than put in a lump sum over a 5 year period? Graham?

HOOPER: I think, given where we are at the moment, I think that would be a really sensible idea to phase money in over a period of time. Particularly if you're looking to maximise your ISA allowances and so forth, it would be a very sensible idea.

LEWIS: What's the advantage, Justin?

URQUHART STEWART: You can't time the market, you must always try and drip feed. You can smooth out. You can pound cost averages - a lovely phrase people like to be able to use. But over the past few years, you would have actually found yourself in a far better position by being able to buy assets on a regular steady basis at a lower price.

LEWIS: So monthly investment is the way to go. Of course if you'd invested last March - we can all say this with hindsight - you'd have made 50%, wouldn't you, which would have been very nice by today. But we don't know what's going to happen in the future. Anyway, all I know is we've got to come off air in forty seconds, so that's all we have time for. My thanks to Justin Urquhart Stewart of Seven Investment Management; Clare Francis of Moneysupermarket.com; Graham Hooper from Bestinvest. Thanks to you for all your calls and emails. They've been coming in thick and fast recently. You can find out more about saving and investing from the BBC Action Line - 0800 044 044 - our website, bbc.co.uk/moneybox, where you can try our wonderful Christmas Quiz and do all the other things: download a copy, in a few days from now read a transcript. I'm back at noon on Saturday with the first Money Box of the new decade, and Money Box Live is back next Wednesday with Vincent Duggleby taking your calls on tax and self-investment. Meanwhile, from the whole Money Box team, have a great New Year.