

## Savers are still worried about foreign banks, says lovemoney.com

Savers want the best rates but they're still nervous about going with foreign banks.

### For immediate release

The credit crunch is still making an impact on the mindset of savers. Interest rates on most accounts are rotten yet many savers are still reluctant to put money in top-paying accounts operated by banks they don't know.

At the moment, the two top-paying fixed-rate accounts are offered by banks that are headquartered in India – the Bank of Baroda and ICICI.\* Even though these accounts pay excellent rates, research by [lovemoney.com](http://lovemoney.com) reveals that 60% of savers aren't willing to save with these banks.\*\*

That's despite the fact that 93% of savers say that the interest rate is an important factor when they pick a savings account.

Ed Bowsher, Head of Consumer Finance at lovemoney.com comments: *"It seems that many savers haven't forgotten the collapse of the Icelandic banks. Rightly or wrongly, they're worried that overseas banks are more likely to collapse. I think this is a mistake as both ICICI and the Bank of Baroda are covered by the FSCS. That means savers will get their money back if disaster strikes – as long as a saver places no more than £50,000 with the bank."*

### More key findings from survey

- Only 25% of respondents are happy with the interest they are receiving on their savings
- Only 23% of savers would be willing to place some or all of their savings with a bank they've never heard of
- Of the savers who won't put their money in an Indian bank, 69.4% said they were worried that one of the banks might go bust.

\* The Bank of Baroda MAX 5-year fixed-rate bond pays 4.8% a year to savers. ICICI Bank's HiSAVE 5-year fixed-rate account pays 4.75% a year.

\*\*lovemoney.com surveyed 976 users in September 2010.

**ENDS**

**Notes to editors**

## **An ISDN line is available for radio interviews**

For further information or to arrange an interview with Ed Bowsher, please contact Ed on 020 7297 8141 or [ed@lovemoney.com](mailto:ed@lovemoney.com)

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