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## **PAYING UP TO £300 A YEAR, BUT JUST THREE IN TEN REGULARLY USE PACKAGED ACCOUNT BENEFITS**

*There are approximately 10 million packaged account customers in the UK<sup>[1]</sup> and more than 40 packaged account deals available<sup>[2]</sup>, but over six in ten consumers (63%) think they are a waste of money<sup>[3]</sup>, according to new research from [uSwitch.com](http://uSwitch.com):*

- **Despite costing up to £300 a year<sup>[4]</sup>, just three in ten (30%) packaged account holders use the benefits regularly - one in ten (10%) have only made use of them once while two in ten (21%) have never used them at all<sup>[5]</sup>**
- **Of those with a packaged account, less than a quarter (21%) can name all the benefits despite paying a fee for them each month<sup>[6]</sup>**
- **While six in ten of those with a packaged account (61%) have cancelled existing policies because they are included with their account, just under two in ten (18%) are paying for duplicate cover<sup>[7]</sup>**
- **Of those who don't have a packaged account, over half (53%) would consider taking one out to save money on stand-alone insurance policies while one in ten (10%) are attracted by the convenience – just a third (34%) would never consider having one<sup>[8]</sup>.**

Packaged current accounts are here to stay, with around 10 million consumers using one<sup>[1]</sup> and more than 40 packaged accounts on the market<sup>[2]</sup>. But despite their familiarity, consumers are still falling into some common traps. As a result, many see fee-paying accounts as a waste of money, according to new research by [uSwitch.com](http://uSwitch.com), the independent price comparison and switching service.

Over six in ten consumers (63%) think that packaged accounts are a waste of money, with the benefits and preferential rates not worth the additional fee<sup>[3]</sup>. But many of those who are paying for a packaged account are simply not using the benefits enough, or are unaware of the 'extras' they are paying for. Just three in ten packaged account holders (30%) use the benefits regularly. One in ten (10%) have only used the benefits once, while two in ten (21%) have never used them at all<sup>[5]</sup>.

Less than a quarter of packaged account holders (21%) can name all the benefits that come with their account<sup>[6]</sup>, even though they are paying a monthly fee for them. And with fees of up to £300 a year<sup>[4]</sup>, lack of usage and lack of awareness mean that many account holders are not getting value for money.

More worryingly, many packaged account holders are wasting their money because they have duplicate cover. This is because packaged accounts typically offer benefits such as travel insurance, mobile phone cover and breakdown cover for your car, which many consumers already have. While a savvy six in ten account holders (61%) have cancelled existing policies because they are now covered through their account, almost two in ten (18%) haven't done so and are therefore paying for duplicate cover<sup>[7]</sup>.

But despite these common pitfalls, half (53%) of all non-fee paying current account holders would consider taking out a packaged account to save money on insurance<sup>[8]</sup>. One in ten (10%) would be attracted by the convenience factor – the ease of having lots of services and policies under one umbrella. Just a third (34%) would never consider having one<sup>[8]</sup>.

**Michael Ossei, personal finance expert at [uSwitch.com](http://uSwitch.com), says:** “Packaged bank accounts are the marmite of the banking industry – people either love them or hate them. But the fact is that they can offer extremely good value and can make sense for those consumers who actually use the benefits. The problem is that many of those who are paying a fee are not using the benefits or are even unaware of them. As a result, they are not getting good value for money.

“Having a range of products and services under the umbrella of a current account can be cost-effective and convenient, but it's not right for everyone. Like any financial service, there will be accounts that offer better value and quality of cover than others - it depends entirely on what your needs and priorities are.

“With so many accounts out there to choose from, consumers need to be sure they have done their homework first before signing on the dotted line. It's also important to remember that whether it comes with or without a bank account, it's up to you to ensure that an insurance policy is adequate for your needs. You should always read the small print carefully.”

**For more information visit [www.uSwitch.com](http://www.uSwitch.com) or call 0800 093 0607**

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**Notes to editors**

Research carried out online with the uSwitch.com Consumer Opinion Panel in May 2012 amongst a sample of 1,286 GB adults.

1. Source: [www.fsa.gov.uk](http://www.fsa.gov.uk) Financial Services Authority consultation paper on packaged bank accounts
2. Source: [www.moneyfacts.co.uk](http://www.moneyfacts.co.uk) 44 accounts currently available as of 17.05.12.
3. Asked of all respondents: 'Thinking about some of the benefits and preferential rates available via packaged accounts, do you think it's worth paying extra for a packaged account?' 19.9% said 'yes', 63.1% said 'no'. 17% don't know.
4. Source: [www.moneyfacts.co.uk](http://www.moneyfacts.co.uk). Based on paying £25 per month for 12 months.
5. Asked of respondents with a packaged account: 'Have you ever made use of any of your packaged account's additional benefits?' 30.2% said they 'use them all the time', 36.4% said 'occasionally', 9.8% said 'once' and 21% said 'never'.
6. Asked of respondents with a packaged account: 'Can you name the additional benefits that you have with your packaged account?' 20.7% said 'Yes – all of them'.
7. When packaged account holders were asked 'Have you ever cancelled existing policies such as stand-alone travel insurance or breakdown cover because you are covered via your paid-for current account?' 61.4% said 'yes' and 17.6% said 'no'.
8. When non-packaged current account holders were asked 'What would make you consider taking out a packaged account?' 52.9% said 'if it was cheaper for me to have all benefits such as travel insurance, breakdown cover via my packaged account than it was to have stand-alone policies', 9.8% said 'for ease – to have lots of services, policies with one provider under one 'umbrella' account', 34.4% said 'I would never consider one.'

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uSwitch.com is the first comparison website to achieve the Plain English Campaign's Internet Crystal Mark, which is recognised as a standard that a website has clear language, is accessible and easy to use, and has been tested on a sample of its users.

uSwitch.com is dedicated to helping consumers save money whether they have internet access or not. It offers a dedicated call centre, manned by uSwitch customer service representatives, as well as a freepost 'Send us your bill' service, whereby customers can post their latest energy bills with their telephone number to FREEPOST USWITCH, to get a free call back from a dedicated customer services representative. The service is also available via fax, email and post. Consumers should fax 0203 214 8417, email [CustomerServices@uswitch.com](mailto:CustomerServices@uswitch.com) or write to Customer Services, uSwitch.com, Centro 3, 19 Mandela Street, London, NW1 0DU with their postcode and usage details.

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