

# It's time to check last year's Isa

By **Sylvia Morris**

SAVERS are being tempted with top rates of more than 3pc on new cash Isas. But beware, because you could be earning as little as 0.05pc on money you already have in these accounts.

Last March, Halifax Cash Isa Direct Reward went on sale paying 2.6pc. Savers in this account will see their rate drop to 0.5pc.

Those who opened Santander Flexible Isa, on sale from February 24 last year, will have seen their rate drop from 3.5pc to 0.5pc after 12 months.

C&G launched its new cash Isa on March 8 last year at 2.7pc, including a 1.7 percentage point 12-month bonus. After this, you earn 1pc. But if you opened your account before March 8 last year, you are earning a derisory 0.05pc.

The rate on Lloyds Cash Isa drops from 2.5pc to 1pc after a year, while HSBC Bonus Isa issue 2 savers earn 0.3pc at best. Both went on sale in February last year. Older issues of Santander Direct Isa, along with the old Alliance & Leicester Direct Isas, pay as little as 0.1pc to loyal savers.

You can transfer last year's cash Isa, but not all of the new top-paying Isas accept transfers.

Halifax's new version of its Cash Isa Direct Reward pays 3pc and you can transfer your existing cash Isas into it.

But beware, after a year your money is transferred into its Isa Saver Direct which pays a much less attractive 0.5pc.

Others which accept transfers include: Principality e-Isa paying 2.8pc; Northern Rock Easy Isa at 2.5pc; and BM Savings Isa Extra at 2.7pc, including a one-year bonus.

Kevin Mountford, head of banking at moneysupermarket.com, says: 'If you have an existing Isa in a low-rate account, which the majority of savers do, transfer it to a better deal. The new Isa switching rules introduced in January make this easier to do.'

To switch, simply pick an account that accepts transfers, fill in a form at the new bank or building society, and it should do all the work. The transfer should happen within 15 working days.

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