

Virgin deals tempt savers

VIRGIN MONEY has launched two top-paying savings accounts following its takeover of Northern Rock.

In an unusual move, the bank will pay the same 2.85pc before-tax rate whether your money is in a tax-free cash Isa or taxable savings account.

And you get the same rate however you run your account.

Often banks and building societies pay less to those who want to use a branch rather than switching to telephone or internet-based accounts.

They also often penalise savers who look to make the most of tax-breaks by paying lower rates on cash Isas.

The Virgin Easy Access Saver pays 2.28pc after tax (2.85pc before). Its Easy Access Cash Isa also pays 2.85pc—and there is no tax to pay on that account. You can transfer your existing cash Isas with other providers into the account.

It is also one of the few cash Isa providers that will pay monthly rather than annual interest on the account. Here, the rate is slightly lower at 2.81pc.

At the same time, several Northern Rock accounts have closed their doors to new savers. If you have one of these, check if you should switch to the new deals.

Northern Rock became part of Virgin Money on January 1.