

# Save £2,011 in 2011 or even more...



**“A novel & interesting challenge  
with a serious edge!”**

from

## **Financial Dimensions UK Limited**

The Loggins, Coach House, Tudhoe, Co Durham, DL16 6TF

Tel: 01388 818 166

Member



**MDRT**  
Premier Association of  
Financial Professionals

**E: [enquiries@financialdimensions.co.uk](mailto:enquiries@financialdimensions.co.uk)**

**[www.financialdimensions.co.uk](http://www.financialdimensions.co.uk)**

Member



**MDRT**  
Premier Association of  
Financial Professionals

# **‘Here’s How To Save £2,011 in 2011’ or even more...**

## **and watch your pension pot grow!**

We are arguably experiencing the worst economic conditions since the great depression of the thirties. It seems that month by month the government are seeking out and implementing new austerity measures that affect us all.

Jobs are under pressure, banks aren’t lending, services are being cut, taxes are rising, pension schemes are suffering... the list goes on – and now we are expected to work years longer, for a smaller pension!

### ***So what can we do about it?***

There are essentially two things we can do, either:

- a) Sit back and accept it. Come to terms with the thought of having to work harder, longer and probably for a much smaller pension in retirement – if fortunate enough to be able to retire at all!

or

- b) Decide to fight back. Take back an element of control and responsibility, and more of the tax man’s money – with the aim to enjoy a more comfortable retirement (and life in general) by making small and relatively painless changes to our everyday spending!

This ebook is naturally focused on the second option – to fight back, take action and enjoy a more comfortable retirement.

Each New Year, many of us become more focused and more determined to set goals, targets, or make resolutions for the things we want to achieve in the coming year. Whether it’s a goal to make more sales for your business, find a better paid job, or a resolution to lose weight, stop smoking or whatever, it’s the time we invariably resolve to become more determined. And so, the year 2011 is the ideal time to take action and aim to achieve a financially better future.

***‘It’s not how much you make, but how much you keep!’***

**NB - Please also see the notes and disclaimer on the back page.**

## Financially better future

We firmly believe that the average working person could potentially save over £2,000 by closely reviewing day-to-day (and larger item) spending, and taking appropriate action to reduce unnecessary outgoings where possible.

However, we accept that looking at saving a figure of £2,000+ straight-off can seem a little daunting or even off-putting to many, and so that's why we advocate it should be broken down and done in small amounts. It's a bit like the old saying 'How do you eat an elephant? - One bite at a time!' By breaking the task down into smaller chunks (saving a bit here, trimming a bit there) it makes it easier, and *more likely*, to achieve.

So, to save £2,011 over the year, we can break that down to; **£167.58** a month, or **£38.67** a week, or better still just **£5.51** a day! OK, that is still a bit of a task to achieve - but it is certainly do-able, with the help of this guide, and well worth it in the end.

**NB - You can then simply turn your £2,011 into £2,513\* by claiming an extra **£502\*** courtesy of the taxman! If you are a standard rate taxpayer and pay your £2,011 savings into your pension plan, the taxman will add another £502\* for you. And, if you are a higher rate taxpayer you can claim even more through your tax return or by contacting your Tax Office.**

**[\*Tax reliefs relate to tax year 2010-2011. Levels of, and reliefs from, taxation are subject to change.]**

Also, please feel free to send a copy of this guide to your friends, neighbours and colleagues, as sharing ideas and experiences together can help you all reach your targets! They will thank you for it.

Time is money, as they say, and so without any further ado let's see where we can trim back spending and save more of our hard-earned money - *and getting the government to chip in with some as well!*



***'The more you keep the better off you are in the long run!'***

## Getting started...

*'Shop for less while still getting full value!'*

A good place to start is by checking out and joining the following three very useful, websites. They are all free to join, and they do provide some fantastic, genuine, money-saving deals:

1. [www.hotukdeals.com](http://www.hotukdeals.com) - As the name suggests this site displays the latest, 'hottest' deals and discounts on numerous 'everyday' products and shows which shops to get them at. However, the really good thing about this site is that it's a 'community for deal seekers'. A place for consumers to freely find and share the best deal tips, promotional and voucher codes, and other consumer information from both on and off the web. The purpose of the site is to escape from the marketing messages and ads that surround us and get genuine advice from other people about hot deals. You should be able to secure some real savings on products that you needed to buy in any case, and not just for buying additional bargains. The site has great deals under many different sections including; Home, Groceries, Entertainment, Kids, Travel etc and there are also sections with Free items, Competitions, Sale/Trade, Deal Requests etc - But don't get sidetracked by the many deals, you're there to save money!

This site flourishes because of the large community of people all helping each other by finding great deals and reporting them to everyone else. It's the same concept, as we briefly mentioned on the previous page, to send this free booklet to everyone you know so you can all share and help each other with your own savings challenges.

2. [www.vouchercodes.com](http://www.vouchercodes.com) - A useful site for finding genuine 'money-off' vouchers and codes for numerous products that you would ordinarily be buying - so why not find a discount voucher off the product you need and save some money! The promotional codes/vouchers are issued by retailers to improve sales on a particular product or range. This site simply publishes them in one place so everyone can benefit from the great money saving method. The site also compares prices on over 100,000 products in its 'Cheapest Products' section. Again, the site operates by a large community of people finding and reporting the discounts they have found. But also has a team who are constantly negotiating on members behalf to get the best discount deals, including those from retailers who only offer discounts to their online customers!

3. [www.groupon.co.uk](http://www.groupon.co.uk) - This is a really good site that can save you up to **90% discount** on restaurants, spas, wellness, fitness etc based in your local area. Groupon UK launched in 2009 and features one daily deal on the best things to do, see, eat, and buy in a variety of cities across the United Kingdom. You join up under your own local city, so you get sent the heavily discounted deals in your locality. Although there are also great deals from national companies available to you as well. The beauty of this site means that, even though you are on your challenge to save £2,011 you can still go out and enjoy a top class meal, or a health spa etc - but at greatly reduced rates! So, you would still be saving as you were spending (if that makes any sense). And, with these occasional treats to make you feel better, your task of achieving your target will feel so much easier.

The even better news is that the site will actually pay you **£6** for everyone you refer your daily email to, who then buy the specially discounted products or services, (thereby helping them to save money as well). With this site you can both save money and make money - a great help towards achieving your target.

There are of course many other websites geared to helping you save money, but the three listed above should more than help you get started in your money saving challenge.

### Coffee to go...

Are you one of those coffee-holic people that 'instinctively' grab a skinny latte or frothy cappuccino from the local trendy coffee shop, on the way in to work each morning? If so, that could be costing you hundreds of pounds each year! Branded coffee chains now have over 3,000 outlets in the UK, with a combined turnover of more than £1.3 billion annually. In fact, over 11 million of us enjoy a visit to one of the branded outlets every week.



If your daily 'fix' is an habitual one, then habits can be broken. We're not suggesting that you cut out your coffee purchases altogether. But perhaps if you could just cut out one cup per week, you would save approximately **£2.50** per week - which is half your daily target, for one day. Hopefully you won't miss one cup of coffee per week, and the money saved will soon mount up.

## Out to lunch...

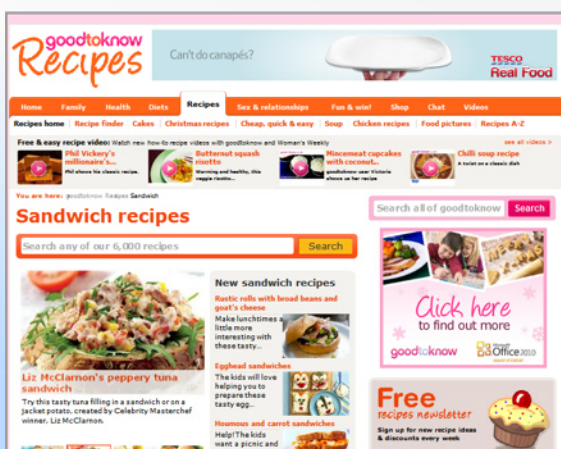
Are you also one of those people that buy your lunch each day from the local sandwich bar or deli' for convenience sake? Many people spend a lot of money on lunch throughout the week. When you are stuck all day in an office, or any other place of work, it is very tempting to head out to grab something to eat.

However, a good step is to analyse your budget to find out how much you are spending on lunch each day, and see where you can cut costs. Allow only so much money to be spent on lunch each week, and by putting yourself on a lunch budget, you will find a way to stretch your money and won't be tempted to spend it all in one place.



Emma-Lou Montgomery writing for MSN Money states that over an average working life you'll eat your way through a staggering **£28,000** of pre-packed sandwiches. That's **£624** on lunch a year, if you spend about **£3** a day. And, according to the Love Food Hate Waste campaign, we can cut our daily spend to just **£1** and have a far more appetising menu if we take our own packed lunch to work instead.

Again, we are not suggesting that you need to cut back spending on your lunch every day of the week - but all those £3's do add up. If you could take your own, healthy, packed-lunch for one or two days of the week you could put another **£4** or so towards your savings target. And, with your own healthy food would probably feel better into the bargain.



If you get stuck for ideas for your sandwiches, you can visit the free 'Good to Know' website which has a comprehensive sandwich recipes section, and over 6,000 delicious recipes in all on the site. So, if you need a little lunch time inspiration just click on the image or link below for loads of tasty recipe ideas. Now you don't have any excuses!

[Click here to visit site](#)

## Up in Smoke...

If you happen to be a twenty-a-day cigarette smoker then 'Bingo', you can potentially achieve your annual savings target in one fell swoop! With the average price of a packet of 20 cigarettes currently around £5.50 (at time of writing), giving up smoking completely could see you reach your annual savings target with this one exercise alone! Especially since a report from the centre-right think-tank The Policy Exchange states that the cost could rise to **£7.42** a packet, as a consequence of annual tax rises on tobacco as the government seek to cover the cost of treating smokers on the NHS.



According to the report, taxes on smoking raise £10billion a year for the Treasury but the cost of treating related illnesses is £13.74billion. The government are keen to make up this shortfall at the smoker's expense.

Giving up smoking completely is a big ask, but it does have several benefits. Apart from the obvious financial benefit, your health should also improve from not smoking. It also means that you may qualify to obtain valuable life insurance cover at lower premium levels than smokers, after a specified period of time - you should speak to your financial adviser for more details about this.

We accept that for many people it may be too much of a big step to give up smoking completely. However, what if you could just trim back a little with the number of cigarettes you smoke each day. If, for example, you cut back by 5 a day ie you smoke 15 instead of 20 a day, you could still save 25% on your total spend, which equates to approximately **£9.63** saved each week or **£502** over the year! Take a look at the handy 'cost of smoking' calculator at this link which will show you how much smoking has cost you [www.canstopsmoking.com/useful-tools/cost-calculator](http://www.canstopsmoking.com/useful-tools/cost-calculator) and it will also show you how much money you can save by cutting down.



We appreciate that giving up or even cutting down on smoking is a difficult task for many people, and so you can get a free 'Quit Kit' from the 'NHS Smoke Free' site to help you. [Just click here](#) or on the image.

**NB** - For those who simply can't cut down, there could be a 'silver lining' in the fact that you may qualify for an enhanced annuity upon retirement due to your smoking - again speak to your adviser for more information on this important point.

## Drive up savings...

With the ever increasing cost of petrol... and seemingly no end in sight... monthly fuel bills are now a major consideration for thousands of households. At the time of writing a litre of unleaded cost an average **£1.18** and diesel an average of **£1.21** a litre, making the total average fuel bill for the year **£1,785** based on a 10,000 annual mileage, and 30 mpg average fuel economy (6.6 miles per litre). And, with the fuel prices more likely to carry on increasing than fall, saving **10% to 15%** of these annual costs are far better in your pocket than the taxman's!



To help you achieve your savings we have included some useful tips:

First and foremost you should ensure that you are buying your petrol at the cheapest rates possible in your area. You can join [www.petrolprices.com](http://www.petrolprices.com) free of charge and they will send you twice weekly emails showing you the cheapest five petrol stations within a 5 or 10 mile radius of your home.

1. **Tyres:** Regularly check that your tyres are at the correct pressure. Under-inflated tyres have a greater surface touching the road, thereby causing greater drag and lowering fuel economy by around 5%. Pressure decreases over time and in the cold. This one measure alone can make significant savings for you.
2. **Weight:** Ensure you are not carrying any excess weight in the car - the lighter the car, the less engine power it takes to move it; and the less power required, the less fuel you'll need. For every 100lbs (45kg) of extra weight the fuel economy drops by around 2%.
3. **Streamline:** Make sure not to drive around with a roof-rack on if it's not needed. Things like roof and bike-racks make the car less aerodynamic, and the less aerodynamic the more fuel it will use. By driving around with a roof-rack on you can lose another 5% in fuel economy.

4. **Smooth:** Be conscious of driving as smoothly as you can. Gentle acceleration from a standstill uses much less fuel than tearing away. Likewise you should also aim to brake gently, so you are not wasting fuel that has been injected into the cylinders only to brake harshly and waste it. Harsh braking will also put more undue wear your brakes.
5. **Consistency:** Ever notice how, in heavy traffic conditions (all the time now!), cars seem to constantly speed up and slow down , while lorry drivers tend to roll along at the same leisurely pace using fuel more efficiently. Erratic driving patterns can be a big drain on fuel economy.
6. **Conditioning:** Driving around with the air-conditioning on all the time can waste fuel, particularly at lower speeds when it would be best to open a window. However, at higher speeds air-conditioning may be more efficient than the drag caused by the wind resistance from open windows.
7. **Slow down:** One of the best ways to conserve fuel is to simply drive slower. As speed increases, fuel economy decreases exponentially. Plan your journey, give yourself time, take it easy - you'll save more fuel and your journey won't take that much longer. Travelling at 65mph rather than 70mph can reduce fuel consumption and CO2 emissions by up to 20%.
8. **Don't drive:** That doesn't sound too helpful, agreed. But if you can manage it, avoid using your car whenever possible. Try making very short trips on foot if possible. Travelling short distances of around ten to twenty minutes results in poor fuel consumption. If you do have to drive short distances, combine a number of outings into one longer drive.
9. **Warming up:** Don't leave the engine running for five minutes before driving to 'warm it up'. It's a big waste of fuel, and an open opportunity for a thief if left unattended. Instead, drive gently for the first few minutes of your journey.
10. **Change gears efficiently:** Change gear at around 2,000rpm in a diesel car, or around 2,500rpm in a petrol car, to put less strain on the engine. This reduces both fuel use and CO2 emissions.

Making small changes to your driving habits can mean big savings. You could potentially save between 10% to 15% off your annual fuel bill, which could mean savings of **£178** to **£268** in your pocket, based on the average mileage and consumption figures mentioned above.



## Sourcing lower rates...

Following on from running your car more fuel efficiently, it may also be possible to make savings from insuring your car. The cost of which is increasing at such a rate the British Insurance Brokers Association (BIBA) has submitted an 8 point plan to the government's Transport Select Committee (Nov 2010) to bring down the escalating costs of motor insurance.



Research by the AA showed that over 12 months to the end of September 2010, the average cost of annual comprehensive car insurance cover had risen by **39.3%** to **£792**, the biggest annual jump recorded on its benchmark Insurance Premium Index. It's now more important than ever to try and reduce costs.

So, it is well worth shopping around for the best quote, for the particular cover you require, as you could make significant savings - even from your existing provider who may send you a much higher renewal quote. Many people use comparison websites to source the lowest quotes for themselves. They normally wait until they get their insurance renewal from their current provider and then go online to see if they can beat the quote. This is a logical step to take, however there are some important points to consider:

- Not all quality providers submit their rates to comparison websites, and so you may not be getting the best deal available. Comparing as few as five insurance providers can cut bills by **35%**, according to the Association of British Insurers.
- It is important to look carefully at what is actually being offered. You need to clarify what you're being quoted for, as some companies on comparison websites will strip out certain elements of cover and raise excesses to keep quotes down.
- You should also consider asking whether your financial adviser can help you. Advisers can often source competitive deals, and possibly even specialist policies too. More importantly, advisers invariably have more 'clout' to help your case should you ever experience difficulties making a claim.

## The energy drain...

Another significant drain on your financial resources are the stealthily increasing gas and electricity charges. And, at the time of writing, a new round of price hikes had just begun - so whoever supplies your energy needs will shortly be catching up with you, if they haven't already! Again, these costs now represent an increasing drain on family resources and so it makes good sense to secure the best deal possible.

Naturally, you can take all the usual energy saving steps that are regularly quoted including, loft insulation, lagging the hot water tank, using low energy light bulbs and draught excluder etc... But most people have already implemented these measures, and so the main savings can now be made from the actual charge of the energy supply itself.



The structure of the energy tariffs differ slightly from supplier to supplier, and as a consequence can be quite difficult to accurately compare prices. Many people, therefore, now use comparison websites like [www.confused.com](http://www.confused.com) and [www.uswitch.com](http://www.uswitch.com) which just require a few basic details inputting and then all the hard, comparison work is automatically done for you.

The confused.com website states that '50% of customers who switched gas & electricity (dual fuel) through them saved over **£282.85** (January-June 2010).' And, the Uswitch.com website is currently advertising that you can 'save up to **£530** on your gas and electricity bills!' So there appears to be good potential for savings if you shop around. However, there are a few important points to consider:

- A 'fixed' deal to hedge against any future price increases may appeal, but check to see if there are any termination fees should you wish to get out of your deal, eg if prices subsequently fall - although unlikely.
- Many suppliers 'push' the gas and electric dual fuel option in a tempting package. They can be the best solution, but not every time! Also compare the cost of the cheapest dual fuel supplier with separate cheap gas and cheap electricity suppliers.
- Consider switching to the company's internet tariff which can possibly save you up to 10% over the standard tariff.
- Also check out [this link](#) to see if you can get any energy saving grants!

## Council Tax anomalies...

This will not be appropriate for everyone, but if it does apply to you it could potentially be worth a small fortune! *In fact, it's perhaps worth forwarding a copy of this ebook to everyone you know, for this one potential money saving tip alone! It may just help them.*

Back in 1991, when property valuations were originally carried out for the current council tax rating system, many properties were valued in a brief 5 minute 'drive past' valuation (as it has been termed). This was due to the sheer enormity of the task which, unfortunately created a lot of anomalies in categorising properties to the correct tax band - meaning it's possible your house could have been valued in the wrong band. Which not only means you're paying too much council tax now, but you could have been for the last few years! If so, you may have a good case to claim your



overpayments back. If you live in Wales, however, the Welsh Assembly redid the evaluations in 2005, taking a bit more care, so they're much less likely to be wrong. But if you live in England or Scotland, who knows whether it's right or not!

In May 2009, the Sunday Telegraph investigated and discovered that around **133,985** people had found their house was in the wrong band - and were paying too much tax. They estimate that about **1 million** houses in total might be in the wrong band, based on how it went in Wales when they redid the valuations.

If you think your house might be over valued, so you're paying too much tax, here's what you need to do:

Firstly, check what band you are in eg band C, D, E, etc - you can find this on your council tax bill. Next, check what band your neighbours' houses are in. You could just ask them (and see if they want to check their band as well, in case they're overpaying) or you can use these websites:

[www.voa.gov.uk/council\\_tax/cti\\_home.htm](http://www.voa.gov.uk/council_tax/cti_home.htm) if you live in England, or

[www.saa.gov.uk](http://www.saa.gov.uk) if you live in Scotland.

cont.)

When you are checking, make sure you compare similar houses to yours. If you have a bigger house than a neighbour, or a much bigger garden, you might well be in different bands. However, if you can't see any difference between your house and your neighbours and they are in a lower tax band, you might have good cause for an appeal.

The next thing to do, if you feel your house may be over-valued, is to get a valuation. You could get an estate agent round and ask what the house might 'sell' for (ie not what to ask for it if you put it up for sale - which might be more), or you can look at websites like:

[www.upmystreet.co.uk](http://www.upmystreet.co.uk) or [www.nethouseprices.com](http://www.nethouseprices.com)

To see what other houses near you have sold for. Again, make sure you are comparing similar houses.

Next, you need to convert that figure into the 1991 value, when the council valuations were done. Go to [www.nationwide.co.uk/hpi/](http://www.nationwide.co.uk/hpi/) and type in your current property value. Put 1991 and Q2 into the valuation 2 box and the current date in the valuation 1 box. Then click on calculate and it will give you a value for the house back in 1991. Now here are the tax band tables for 1991, so you can see which band your house fits in:

### 1991 Property Band Values

Band	ENGLAND	Band	SCOTLAND
A	under £40,000	A	under £27,000
B	£40,001 - £52,000	B	£27,001 - £35,000
C	£52,001 - £68,000	C	£35,001 - £45,000
D	£68,001 - £88,000	D	£45,001 - £58,000
E	£88,001 - £120,000	E	£58,001 - £80,000
F	£120,001 - £160,000	F	£80,001 - £106,000
G	£160,001 - £320,000	G	£106,001 - £212,000
H	over £320,000	H	over £212,000

You will then get an idea of what your tax band should be - although this is just an approximate guide. If your valuation, for example, was £100 under say band D, don't be surprised if your house has been rated in band D. It really needs to be a large way out to make the difference you're looking for.

If you firmly believe your property has been placed in a higher band, then first re-check all your figures. And don't forget that if the house has been improved you might have increased the value. So any new extension or

garage since 1991 might put your band up, not down. It is suggested that you should only go ahead with a reassessment if you are confident that your house has been over-valued compared to your neighbours' houses which are in a lower band. Don't go ahead if neighbours' houses all seem about the same.

If you do want to go ahead because it's clear that your band is too high (or at the very worst, maybe just about right, so you can't lose anything), you need to call your local listing officer. Their details can be found at:

[www.voa.gov.uk/where/index.htm](http://www.voa.gov.uk/where/index.htm)

Make sure you tell them that you've compared it to bands of neighbours' houses.

If you go ahead and successfully get a reduction, not only will you be saving on all future council tax payments - but you may also get a back-dated payout as well, going back to 1993 (when the tax came into force) or since you moved into your house, whichever is the later!

**NB** - You might be told that you can't get a reassessment because you've been in the house more than six months, and so your application is invalid. It's not strictly true that you can't get a reassessment but their standard procedure is to only reassess if you've just moved in. If you want to be forceful you can point out that the Valuation Office has a legal duty to ensure that all properties are correctly banded and that you have reason to believe yours isn't.

\* \* \* \* \*

We hope you enjoyed reading this ebook, the challenge it presents, and that you found the content both interesting and beneficial.

Naturally we also hope that you can 'hit your target' and make good savings. And, of course, you can spend these savings on whatever you want... A well deserved holiday, new clothes, gifts for family and friends, paying off debt or whatever. But if you do decide to top up your pension pot or invest into other tax efficient savings schemes like an Individual Savings Account (ISA), you can build your own tax haven and shelter your money from the taxman's grasp, keeping more for yourself!

We are here to help and advise you should you need any advice. Please don't hesitate to contact us - without any obligation.

*'Savings are cumulative, so a few pounds saved here and there really do add up!'*

# 'Save £2,011 in 2011 or even more...'

## *Notes & Disclaimer*

We hope you enjoyed reading 'Save £2,011 in 2011' and look forward to hearing your success stories in due course - please do let us know. In the meantime, there are a couple of important points to mention:

The hyperlinks (and respective websites) used throughout the content of this ebook were all valid and correctly working at the time of publication. If, however, you experience any difficulties please don't hesitate to contact us.

**NB** - We also need to point out that none of the content of this ebook constitutes financial or lifestyle advice. Neither the writer, publisher or person who may have passed this ebook on to you, can accept any liability whatsoever for any loss or damage caused by acting, or refraining from acting, on the content of this ebook. It is merely for interest purposes only.

You should always see your professional, independent financial adviser for advice **before** taking any financial decisions. We are here to help and advise you wherever we can. Please just contact us, without any obligation, at the details shown below.

Successful saving!

## **Financial Dimensions UK Limited**

**The Loggins, Coach House, Tudhoe, Co Durham, DL16 6TF**

**Tel: 01388 818 166**

**E: [enquiries@financialdimensions.co.uk](mailto:enquiries@financialdimensions.co.uk)**

**[www.financialdimensions.co.uk](http://www.financialdimensions.co.uk)**

Financial Dimensions UK Limited is authorised and regulated by the Financial Services Authority.