MONEY BOX LIVE

Presenter: PAUL LEWIS

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LEWIS: Hello. As we open our cards and wrap our presents, many of us will be planning to give children in the family a Christmas gift of money. But what's the best way to save or invest for children? Every child under 6 years and 4 months has a Child Trust Fund account with at least £250 in it from the Government. Most Child Trust Funds are invested on the stock market, but with share prices down 13% since Child Trust Funds were first invested, is cash a better option? And what if you want to invest outside the Child Trust Fund - perhaps for an older brother or sister or just to give more flexibility? How do you avoid the child paying tax; and if you're the parent, what are the tax implications for you? Indeed what's the position with inheritance tax? And what about other things for children like National Savings or Premium Bonds, and of course savings accounts the child can operate themselves? At what age do they get access to the money and are trusts a good way to delay that frightening moment? Well you set the agenda by calling Money Box Live - 03700 100 444 - emailing us through the website, bbc.co.uk/moneybox. We have lots of emails from many parts of the world already. With me today to answer your questions are Julie Hedge, an independent financial adviser with Conforto; Philip Pearson, a partner with the IFA's P&P Invest; and Mike Warburton, a partner with accountants Grant Thornton. And our first question is from Jenny who's in Greater Manchester. Jenny, your question?

JENNY: Yes, I've got two children aged 4 and 9 months, and we've had Child Trust Fund for both of them and I've been paying £30 a month into the trust fund for the 4 year old and it now seems to be worth less than we've paid in. And I just want some general advice about what is the best way to invest for them. We don't have a huge amount of money, but I want to have some money that they're able to access for themselves when they're 18, but I also want to save some for them that we can use to pay for them if they want to go to university. And I'm not sure whether to go to a financial adviser or who to trust really and what's the best way to save a small amount for both of them each month.

LEWIS: And when you say "a small amount", you mean how much?

JENNY: I'd say the maximum we could save would be the joint child benefit each month, which would be… I'd say we could save between £60 and £100 a month for them when times are good.

LEWIS: Okay, well let's hope they stay good for you, Jenny. Right, Child Trust Funds, other ways of saving. Julie Hedge?

HEDGE: The first thing I would say is that if you do think about getting financial advice, the good news is that most IFA's can be trusted. Get a recommendation from a friend, but there are some really good advisers out there. I think what you're doing at the moment with the CTF is a great idea. I know it's worrying that it's gone down, but both children have a got a long time to go before you need to realise the value in that money, so stick with your CTF if at all possible. *(sound of baby)* Someone in the background agrees with me there. And if you want to have some accessible capital, then you've already done your stock market investment via your CTF. Perhaps think about a high street building society account where you can get your hands on the money if you need it.

LEWIS: Philip Pearson - people are worried, aren't they, that the money they've put into Child Trust Funds has gone down in value? As I said in my introduction, the stock market's gone down since that money was invested if it was at the start in April 05.

PEARSON: Well yes, it's very concerning when you make the comparisons to cash. But I always try and help people remember that it's very important to adopt the adage of being cautious when those around you are greedy and to be greedy when those around you are rather cautious.

LEWIS: Now that was said by Warren Buffet, I believe.

PEARSON: Of course, that's correct. And the stock market is at a very low point presently. With a long-term approach towards saving, I would fill your boots and save as much as possible on stock market linked investments when you're considering the long-term.

LEWIS: Yes because we have had another email from someone who says, 'Is now the best time to put money in the stock market?' because shares are now low and the chances are, people think, they will go up again certainly by the time children become adults.

PEARSON: We've got to understand that this is a cycle of events we're going through. We're unlikely to stay where we are into the future forever. They will change. Most probably the stock market will begin to rise and recover over time. The best way to overcome short-term risk though is to consider regular monthly saving. This overcomes the peaks and troughs of the stock market on a day to day basis and gives you a good average price over time.

LEWIS: And I suppose the important thing to say to Jenny is that the most important thing is to get people to put money into the Child Trust Funds. You know bully all your relatives, remind them it's Christmas because that makes more difference to the amount at 18 than whatever performance you get meanwhile. Mike Warburton, let me bring you in here too though. The great thing about the Child Trust Fund is it's all tax free, no-one has to worry about the tax.

WARBURTON: Absolutely, it's a trust for investment. I mean it really seems to me the Child Trust Fund is designed for Jenny and people like Jenny where you can make these regular contributions - up to £100 a month, it's tax free - and you can take this long-term view with children aged 4 and a little bit less than that. Then we've got an opportunity to grow. And even if you just do it on a savings rate - I fed the numbers into the calculator - and if you could pay the maximum £100 a month, you'd build up a fund probably over £30,000. But I entirely agree with Philip you should take a long-term view. The stock market over the long-term performs better than cash funds.

LEWIS: Yes. I mean we often say that, people often say that, but I mean the stock market today is back where it was in February 1997 …

WARBURTON: Have faith! Come on!

LEWIS: … which is nearly 12 years ago, isn't it?

WARBURTON: Yeah, look further back and long-term it's much better in the stock market.

LEWIS: Julie?

HEDGE: I just happen to have the figures with me today for £30 a month …

LEWIS: That's a happy coincidence, isn't it?

HEDGE: … which is a coincidence. But over the last 18 years, if you had had the ability to invest in a Child Trust Fund and had done so in a stakeholder and you compared that with the last 18 years if you'd invested in cash, you would actually be £3,000 better off.

LEWIS: The thing that worries me about that comparison though is it compares it with the *average* cash account rather than the best one at the time, doesn't it, and if you constantly look for the best account - and you can move Child Trust Funds like anything else - you do rather better than that.

HEDGE: You can do rather better than that, but as a parent myself I know that we've got much more on our plates.

LEWIS: You've got other things to do.

HEDGE: Yes.

LEWIS: And Philip Pearson, just talk about charges for a moment. One of the things about the stock market based stakeholder and the other stock market based Child Trust Funds is a little bit's dripping out all the time, isn't it? I mean if you make 5% overall, about 30% of the fund goes in charges if you're not careful.

PEARSON: Yes, it's very important not to be complacent and I just think that by selecting perhaps a stakeholder or one of the average funds to go into like a managed fund that you're going to do terrifically better over cash. It is worth doing a little bit of research and reviewing where your money's being invested. You have the option within a Child Trust Fund to select your own funds, and if you select wisely then you can select performance way above the cost of running the fund and actually out perform cash over the long-term.

LEWIS: Past performance though is of course no guide to future performance, is it?

PEARSON: That's correct. But it's worth also remembering that you get rewarded for taking a risk.

LEWIS: Well no, you don't. You *can* get rewarded for taking a risk, can't you? If you got rewarded for taking a risk, there'd be no risk, would there? The risk is you *won't* get rewarded.

PEARSON: Well over the long-term you should get the reward for taking a risk over cash, otherwise there's no incentive to invest in anything other than cash.

LEWIS: No, no, though a lot of people have been feeling there isn't over the last few years. Anyway we'll move on from that because there's other questions coming in. Anita in Warwick has a question. Anita, your question? Sorry to keep you waiting.

ANITA: It's no problem. Hello. My grandmother passed away recently and she bequeathed lump sums to nine great-grandchildren aged between 1 and 11 years of age to be kept in some form of trust until the children are 21 years of age. So some will have Child Trust Funds, others will not. I'd be grateful of any advice as to the best way to approach this kind of issue as I've been left with the delight of being executor.

LEWIS: Well it's probably not that bad a problem really, is it, investing money for nine great-children? How much are we talking about each roughly?

ANITA: About £5,000.

LEWIS: £5,000 each. Mike Warburton, trusts and children?

WARBURTON: Yes, I think in a case like this you'd probably have … you could set it up as one single trust and it can move directly from the grandmother's estate to a fund for the children and you can keep little sub-funds for each of them.

LEWIS: Oh, so it's one trust? That simplifies it.

WARBURTON: You can have one trust with separate sub-funds to keep the administration simpler because £5,000 in an individual trust can make the administration a bit uncompetitive. But you could keep it on that basis, Anita. And it would normally be set up as a trust by the solicitor. Normally you have a solicitor involved in winding up the estate and you would typically get a solicitor to set up the trust and the funds would pass directly into that. You'd have a separate trust bank account, keep separate accounts showing how much of each of the sub-funds was for each of the children. There are complications now with some of these settlements, some of these trusts with inheritance tax, but not for the amounts that you're talking about, so we can probably ignore that for the moment.

LEWIS: They've got to go over the inheritance tax limit, haven't they, which is £312,000?

WARBURTON: Yes, it's got to be over the inheritance tax threshold.

LEWIS: Which even with good investment, £45,000 …

WARBURTON: You'd be doing something …

LEWIS: *(over)* And what about charges, Mike? Because I mean you say use a solicitor - obviously good advice if you don't know how to do it yourself, and it is complicated - but what are the charges a solicitor's going to make?

WARBURTON: Well a solicitor setting this up, I mean if he's administering the estate anyway I mean my experience is solicitors would not charge a great deal. I'm always hesitant to quote for solicitors because I'm not one, but solicitors would not normally charge a lot for doing it as part of the overall exercise of winding up the estate. And that's really the way to do it - go to the solicitor who's involved in that. It shouldn't cost very much.

LEWIS: Julie?

HEDGE: The only contradiction I would make there to what Mike has said, I know that would be administratively easier but we have to take into account the individual circumstances of the children within you know different families, so we've got children here who are 11 and have got a 10 year term and we've got other children who've got a 20 year term, and obviously investments for 10 years and 20 years may be entirely different. So I think although what Mike says is correct, I think we need to take the needs of the individual children into consideration.

LEWIS: Right, so correct from a trust point of view, but maybe not for the investment point of view of the individuals?

HEDGE: Yes.

LEWIS: But could you not split the fund and the trust and invest it in different places?

HEDGE: Yes, you could do, but that's what I'm saying. You need to make sure that you take both elements into …

LEWIS: Right, so you have those sort of sub-funds. Philip?

PEARSON: It's important to understand that with a trust you need two people to actually run the affair. They're called trustees. You can't act completely on your own. So you need to act in harmony with someone and that could be a family friend or it could be a professional you could appoint to act on a fee basis. If you go to a competent independent financial adviser who understands trusts, they'll be able to oversee the arrangement for you and, more importantly, make the money work in the most appropriate way for the age of the child as Julie was stating.

LEWIS: Thank you very much for your call, Anita. I hope that helps. Before we leave trusts though, Mike, we've had a couple of emails, several emails in fact on this. One from Chris says 'How do you physically set up a trust fund?' He says some companies take your money and use it for their own products, but he wants one where he can decide or he and the other trustee can decide where it goes.

WARBURTON: You've got a choice. I mean a lot of insurance companies, all insurance companies effectively have standard trust documents, and if you make an investment with them with their investment product, there will be a trust document with that. And that generally is built into the cost of the exercise. The way you get a tailor made one is you go to a solicitor and a solicitor will follow your instructions to set up a trust fund for the specific circumstances you've got in hand, but obviously there'll be a charge for that.

LEWIS: And, as you say, as long as it's below sort of 300 odd thousand pounds, you can specify any age because some people, other people are worried that they don't want the kids to get the money till they're 25 or some responsible age like that.

WARBURTON: Yes. Unfortunately the rules changed in 2006 and imposed an inheritance tax charge where there wasn't one before, so it has made it more complicated. But those generally are for the bigger trusts, as you say, above the inheritance tax threshold.

LEWIS: Right, okay. Well thanks for your call again, Anita, and thanks to the people who've emailed us in on trusts. Let's move onto Rosemary now from Tunbridge Wells. Rosemary, your question?

ROSEMARY: Oh hello. Some of my questions have already been answered, I think, by the previous people. I am rather elderly and I have two grandchildren aged 12 and 8. Unfortunately, I wasn't able to do very much for them when they were younger and I would like to be able to put in well I'm afraid no more than say £5,000 each, maybe a little bit less for them, and I don't know whether to invest monthly or whether I should drip feed the money in in view of the present state of the stock market. I would also appreciate perhaps a recommendation as to which funds you might consider have been good performers in the past?

LEWIS: In the past, we can certainly probably say, but maybe not the future. And these granddaughters of yours are, from what you say they're too old to have Child Trust Funds?

ROSEMARY: Yes indeed.

LEWIS: Yes, they are. Alright, Philip Pearson?

PEARSON: Could I ask, Rosemary, at what age would you ideally like these children to have access to their capital?

ROSEMARY: Well I mean originally I was thinking oh well perhaps they should have it you know to help them at university. But knowing perhaps what other members of the family have been like, perhaps a little irresponsible, you know I did wonder actually whether to set up a trust fund such as you've been speaking about - you know perhaps 21 or you know … but perhaps it's too late then for it to be of use. I don't know.

PEARSON: If you want to specify an age past that of age 18, then you have to go down the trust route because by law by age 18 you should be entitled to any investment which has been earmarked for you whilst you were a child. So the trust route would give you control and give you the ability to have discretion over when they should actually have the capital.

LEWIS: Yes, Mike?

WARBURTON: I agree entirely, Philip, but we're talking about amounts here which are … you know it's a lot of money, but it's relatively small in administrative terms, and it seems to me that one of the best ways you could do it is actually to set up … because these aren't your children, they're your grandchildren, you can set up a bank account and you simply open it up in your name on their behalf because they're children still. You open it up on their behalf. You become what's called a bear trustee, so although you're legally the owner of the account it's on behalf of the children. And because you're not the parent, then that income is income of the child. So income up to the amount of the personal allowance, which is currently £6,035 - so far more than you need - is actually going to be tax free. You can fill in form R85 and you can get the money paid gross, so you can get a gross build up. And that is the simplest way of doing it.

LEWIS: But with a bear trust, it does become the children's at 18?

WARBURBURTON: Absolutely. And, as Philip said, this is the key issue. You know if you want control of the money past the age of 18, you need to make it more complicated. But if you think you can let them have the money at 18, then that's fine.

LEWIS: And of course they get the Child Trust Fund at 18. These girls won't, but …

WARBURTON: There is another point here, of course - they've got to know about it. And although legally it's theirs at 18, I have to say the children don't always get to know about it until the time when it's appropriate.

LEWIS: You suddenly remember when they reach 21.

WARBURTON: That's fine. As soon as you realise that they're making their way in the world, "Oh this fund's been sitting here for you for the last few years".

LEWIS: Julie?

HEDGE: I'd just like to answer Rosemary's question about drip feeding money in smaller sums, and I just wanted to say that I generally think at the moment that's a very good idea. We've got really high levels of volatility in the stock market at the moment. There is some value in there and there's money to be made, but you'd have to be extremely brave, certainly over the next 2 to 3 months. So if you can set up some kind of regular saving unit trust plan, drip feeding the money in is a fantastic idea.

LEWIS: Okay, well thanks very much for your call, Rosemary. Some interesting issues there. And we're going to move onto Christine now in Leicester. Christine, your question?

CHRISTINE: Hello. Yes, like the previous caller, one or two of my questions have been answered related to the trust funds. But I wanted to know about premium bonds as much as anything else. For my granddaughter who's 3, I have a building society …

well a bank now, Halifax Save for it account, which I pay £25 in a month, which isn't much but it is building up. It was the best rate at the time. I suppose I could move it. I'm not quite sure what it is at the moment. But premium bonds. I wonder whether … I heard on the radio a few weeks ago that the premium bonds weren't such a good buy as they used to be as regards percentage of wins. There are less numerous prizes now. I don't think the actual prizes are any less value. But is it true that they are less numerous?

LEWIS: Yes, well let's talk about premium bonds first. I mean don't do yourself a disservice. You are investing £300, so that's a reasonable amount - a year - that's a reasonable amount to be putting in for people I think, Christine. Premium bonds. The interest rate has been cut. And, Philip, the interest on premium bonds, it often confuses people, isn't paid but it forms the prize fund which they then draw on?

PEARSON: That's the cheque you get through the post hopefully sitting on your mat in the morning, yes. But the chances of getting a big cheque, something really worthwhile, are pretty slim to say the least. I would prefer that you perhaps direct your efforts into a regular saving account where you know for certain at least the interest rate you're getting. And because the child is a non-taxpayer, they can get it gross without tax being deducted.

LEWIS: Yes. I mean the interest rate on premium bonds, Julie, is 1.8% now, isn't it? That's what forms the prize fund. So even if you're a non-taxpayer or a higher rate taxpayer, it's not really very good value.

HEDGE: That's correct, it's not great at all. Another point that I would always make about premium bonds is hopefully as the granddaughter gets older, you might start to teach her a little bit about money by telling her about her account and showing her her building society passbook etcetera, etcetera. To my mind, you don't really teach kids an awful lot about money if you're asking them to win prizes.

LEWIS: You teach them about gambling perhaps?

HEDGE: Yes.

LEWIS: Mike?

WARBURTON: The thing to remember about premium bonds is that very, very few people win big prizes, which means the vast majority actually earn less than the figure you've quoted, so it isn't actually a very good investment. Really I think it's one for higher rate taxpayers, not for saving for grandchildren.

LEWIS: And people who could put by the whole £30,000. At one time, that was a good deal, but even now that's not a good deal.

WARBURTON: Now it's pretty marginal.

LEWIS: And what about savings? I mean, Christine, you've got money in a Halifax account. Do you know what interest rate it's paying?

CHRISTINE: I'm not sure at the moment, but …

HEDGE: Well, funnily enough, Julie in the studio *does* know what you're earning on that.

CHRISTINE: Oh good, that's lovely.

LEWIS: Julie?

HEDGE: Well Halifax are paying 3.55% on their children's account at the moment, which isn't quite market leading. The market leading rate at the moment is a very generous 3.76%. So you're there or thereabouts, so you've chosen well there.

LEWIS: Yes, I thought you'd get more than that on some savings accounts. You can get 4.75, can't you, on some of them?

HEDGE: Not on the children's accounts at the moment.

LEWIS: Ah! But can children have ordinary adult accounts?

HEDGE: They can do, and then you can fill in the R85 form.

LEWIS: Yes.

HEDGE: But the account that Christine has at the moment is paying 3.55. That's the Halifax Save for it Account.

LEWIS: So in some ways, it might be better to open an adult account, an ordinary account, fill in the form and get the amount paid tax free, Philip?

PEARSON: That's right, Paul. Although the savings accounts are marketed for children, you should shop around because all children are entitled to have any form of deposit account really. The Halifax have a regular saving account, which has been published at a saving rate of 10% over the course of a year. But it's worth remembering, however, you're not getting 10% on *all* of your money. As you save it in each month, it's 10% on the first month and decreasing thereafter until the account has closed at the end of the year.

LEWIS: Yes, we've had an email about this and I have to say I got very confused because looking at the Halifax website, it now seems to have fallen to 8%, though some of the documents on there still say 10%. So we're a bit confused about that one. And, as you say, I mean the email from Sally came in saying it claims to pay a gross fixed interest rate of 10% - that's obviously when she started it - and she's put a year, £100 a month a year and the interest is £66.84, which of course is far less. It's more like half of that, isn't it, than 10%?

PEARSON: Well actually it's an averaging effect over the whole of the year, but of course the Halifax market this as something special and that's designed to attract the money in the first place.

LEWIS: Yes, but it does appear … people look at it and they think oh 8%, I'll put my money in that, and then at the end of the year they're disappointed. I mean I probably shouldn't use on air the words that Sally says about how she's been treated, but she is very, very unhappy. That's a point, Julie. You've got to look at the small print, haven't you, on these things?

HEDGE: You do. And I think we're talking here about struggling to find rates that are up in the high 3's. You know 3.76 is the market leading rate. If someone's offering you 8% or 10%, you have to maybe think well is that too good to be true and look at the small print, and we've found out that the small print is going to catch you out.

LEWIS: Yes. And the small print is all there, I have to say, but it's well worth looking at the several pages of it on the Internet site and perhaps doing a bit of arithmetic if you don't want to feel duped, as she said she felt. Now let's move on now. Thank you for your call, Christine. We'll move onto Pippa now in Wolverhampton.

PIPPA: Hello.

LEWIS: Your question?

PIPPA: I have nephews and nieces aged between 21 and 3. Is it a good idea to give them pensions for their 21st birthday and should I buy them all now?

LEWIS: I suppose you have to ask yourself how pleased they'd be to get it, wouldn't you? How old are they?

PIPPA: Between 21 and 3.

LEWIS: Oh I see, between 21 and 3.

PIPPA: Yes.

LEWIS: Right, so somebody will be getting it fairly soon and the 3 year old a little while. Now this often confuses people, Mike, doesn't it? You can put money into a pension for a child.

WARBURTON: Yes, it's one of those things that came about with the changes a few years ago to the treatment of pensions and we now have things called stakeholder pensions. And with a stakeholder pension, you don't actually have to have an income in order to save and there's no restriction on children, so you can actually save for children - £3,600 a year gross is the maximum - and you take your basic rate tax at source, which of course is 20%. So the maximum amount you can put in in cash is £2,880, and by doing that and doing it for a child, if you can actually afford to do that, that's the most tax efficient present you can give them because it's going to grow tax free. And you effectively get the basic rate relief, so, Pippa, you would get the basic rate relief on putting the payment in.

LEWIS: Yes, so if you put in the full amount, then the Chancellor tops it up to £3,600 …

PIPPA: Well it wouldn't be quite the full amount.

LEWIS: No, but the Chancellor is topping it up with another 25% of what you put in.

WARBURTON: Yes he is, he's topping it up. So it's something which I think most people aren't aware of. They know that they can make a pension for themselves. They're not aware that they can make a pension for children. But it is the most tax efficient thing to do, therefore I applaud it.

LEWIS: And of course they can't get it out till they're 55, by which age most people would trust their children to be able to use it properly. Julie? *(laughs)*

HEDGE: Well most people. I think the tax breaks are significant and they're worth thinking about. But the other thing I would think about, Pippa, is the fact that you're encouraging these youngsters to start pension savings as soon as possible for themselves.

PIPPA: That's my main aim.

HEDGE: I mean I have stakeholder pensions for all three of my children and they're quite proud of the fact that they have pensions and they get quite excited about it. And my eldest, who's 17, has talked about when she can put some money into it herself.

LEWIS: That's great. And I suppose, Philip also, the reason that pensions work over a whole lifetime is compound interest or compound growth; and if you're starting at 3, as Pippa will be for one of her children, then you've got a long time for that money to build up even if the market does go up and down as it will over that period.

PEARSON: Even if you're investing in cash, the marvels of compound interest really have to be seen to be believed. Over a period of 30 years, it is unbelievable how much you can accumulate if you start early enough. So my advice is to get in quick.

LEWIS: Okay, Julie, sorry you wanted to come back.

HEDGE: I would just refer Pippa to the Scottish Widows website, which has a very good comparison table which shows you the effect of investing early in pensions and it is quite a miraculous way to take into account compound interest.

LEWIS: Right. Though of course that's not necessarily a recommendation for *their* pension scheme.

HEDGE: It's not a recommendation, but it's just that they've got a very good section on their website.

LEWIS: Right. And if we were to say are there any particular pension funds or schemes that have done well? Or can we not say that over that period? It's just something that basically follows the stock market over that period of time.

PEARSON: The most simplistic approach really would be to adopt a stakeholder approach toward saving by selecting a tracking fund, which follows the performance of the UK stock market. That's the starting point. Now once you've built up a fund of some value, it's then worth being a little more sophisticated and perhaps getting some advice as to how best to spread the eggs in that basket to minimise the risk and maximise the returns.

LEWIS: Okay. But certainly if you believe the stock market will perform well in the long-term, as it always has in the past, that's probably the best place for it. James is calling us from Swindon. James, your question?

JAMES: Oh hello. Yes, we'd like to give to the baby daughter of a nephew of mine. My nephew is a UK subject but lives in Latvia with his Latvian partner, works for an American company, has non-residency UK tax. Is there any way we in England can invest for the child a) as security for her; and b) any tax efficient way of doing it?

LEWIS: Mike, different nationalities, different residents, different savings, countries - it sounds just up your street. *(laughs)*

WARBURTON: Sounds like an exam question, doesn't it? Yes, James, legally there's nothing to stop you opening an account in your name legally but on behalf of the child in Latvia. You would be the legal owner, but you'd be doing it under what's called a bear trust, so you'd be doing it on their behalf; and assuming the amounts are not going to take them above the personal allowance limit, you can get the amount of money paid gross. It's not your child and they're living abroad in any event. So you can invest the money in the UK and have it paid gross. I've no idea whether it's taxable in Latvia, I suspect not …

LEWIS: Mike, you do disappoint us.

WARBURTON: Yes, I knew Paul you'd like me to know the Latvian tax rules. I don't believe it is. I think they've still got flat rate tax over there. But the point is you can invest. I think there may be difficulties … you wouldn't be able to open it directly in their name. So the simplest thing: open it in your name on behalf of the child.

LEWIS: Julie?

HEDGE: Yes, I agree.

LEWIS: You agree with that. Okay. Well thanks very much for your call. That seems certainly to be a possibility. We're running a bit out of time and I must apologise to John who's probably thrown his shoe at the radio several times. He says, 'If any of your pundits advise buying stocks and shares in sterling, I will throw something at the radio'. But John does also say, 'Instead of stocks and shares, should I buy a child a gold sovereign or a Krugerrand once a year? Is that an alternative - buying gold? Oh Mike's got this one.

WARBURTON: I was going to say gold has actually not been … it goes up and down a lot. I'm not sure gold has actually been as good an investment as the stock market, so I probably wouldn't but you can at least touch it.

LEWIS: Julie and Philip, any thoughts on gold?

PEARSON: Well it's a tangible asset, which perhaps you might have fun counting it on a regular basis. But really it's an eggs and basket approach. Little bit of gold - no problem with that at all - but mix it with other types of asset, I'd suggest.

LEWIS: Other types of asset. Okay, nods all round. Well thank you very much for your email, John, and I hope the radio has survived the programme. My thanks … I'll just thank them first before going onto the next topic: Philip of P& P Investment, Philip Pearson; Julie Hedge from Conforto; and Mike Warburton from Grant Thornton. Thanks to you for all your questions and I'm very sorry that at least one caller has not been got to over the time we had. But talking of questions, this week we've launched our Christmas Quiz. 'Which British coin was not redesigned in 2008?' And 'Just how tall is our economics editor Hugh Pym'? Just two of the twenty questions of our festive fiscal fun. There are no prizes - you get the score as you go along. But the challenge is this. Well the first challenge is that two of the panel - I won't tell you which two - tried it collectively earlier. They got 12 out of 20. I only got 18 out of 20 and I wrote some of the questions. So the challenge is can you beat me? More than 2,000 listeners have already tried it. It's on the front page of our website, bbc.co.uk/moneybox. Why not challenge family and friends to do the Money Box Quiz over Christmas? Apart from the quiz, lots of other interesting things on our website, bbc.co.uk/moneybox. Listen again, download programmes, subscribe, etcetera. Money Box is here on Saturday with a special debate on housing. I'm back to take more of your calls on Money Box Live next Monday afternoon.