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MONEY BOX

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LEWIS: Hello. In today's programme, as you've been hearing, RBS and NatWest online systems are down. Money remains un-credited. We'll bring you the latest news. As the Greek Prime Minister hangs on, what happens if Greece has to leave the Eurozone? Bob Howard's here. He's been asking what's in a name?

HOWARD: Yes one listener is still awaiting his payout for poor advice even after the Ombudsman found in his favour.

LEWIS: National Savings and Investments will withdraw two savings accounts from the Post Office. And make a will - unlike some members of the Money Box team.

All that later, but first customers of Royal Bank of Scotland and NatWest woke up this morning to find they couldn't access online, mobile or telephone banking. Some customers have also had problems withdrawing money. Similar issues affected HSBC customers yesterday afternoon. Wesley Stephenson's with me. This is causing people some real problems, Wesley.

STEPHENSON: Yes, that's right. Emily got in touch. She's a single mum on a low income and was supposed to have her tax credits go into her account. She says she's got less than two litres of petrol in her car and no money in her account. Apparently the cashier at NatWest suggested she borrow money from a friend this morning.

Another listener, Dave, who's with RBS says he's missed his flight back to the UK this morning because he couldn't get enough money to get his taxi to the airport. And Dominic, poor Dominic has had a double whammy because he's a customer of both NatWest and HSBC. He's had 24 hours of frustration trying to check his accounts and money transfers after buying a house.

LEWIS: And what has RBS NatWest said?

STEPHENSON: Well they've told us that online, telephone and mobile banking have been down. It seems to be a case of overrunning engineering work. They were doing some essential maintenance overnight and systems were meant to be back up by 4.30 this morning, but this hasn't happened. The other problem which may explain why people can't use their cards is that balances weren't updated overnight, so any money that should have gone in won't have done, but they say that any money customers were expecting hasn't been lost and will appear as soon as RBS NatWest have sorted this out. The other problem is that daily cash withdrawal limits weren't reset overnight, so if you withdrew your maximum yesterday, you won't have been able to get any more cash out this morning. Now RBS NatWest have apologised and say they're working hard to try and resolve this, but they're not sure when it will be back to normal.

LEWIS: And there were pretty serious problems with HSBC yesterday as well.

STEPHENSON: Yes. I'm pretty sure this is a coincidence, but yesterday afternoon for a couple of hours some HSBC and First Direct customers couldn't log on and some couldn't withdraw money. Also bank transfers were affected too, meaning that some payments were delayed, which wasn't good news if you were hoping your house sale would go through yesterday afternoon. HSBC say all payments should now have gone through and that other problems with online banking and cash machines have also been fixed. But they say if anyone has incurred any charges as a result, they should contact HSBC who should refund them.

LEWIS: Thanks very much. That's Money Box's Wesley Stephenson.

But first, now moving on, the big fat Greek crisis. Prime Minister George Papandreou narrowly won a parliamentary vote of no confidence last night and he's surviving for now. He's already agreed to drop his plans for a referendum on the carefully constructed Eurozone rescue deal, but what'll follow isn't clear and the possibility of Greece leaving the Euro is being discussed. But how would a country withdraw from the Euro? The European Treaty makes no mention of such an event. With me is economist Vicky Pryce who's Senior Managing Director at FTI Consulting. Vicky Pryce, has this vote last night just postponed a solution to the Greek crisis?

PRYCE: Well I think it's created even more uncertainty because of course what happened is the vote of confidence was won very narrowly and the opposition party has no intention of helping Papandreou form a government of national unity. So what sort of government will be formed, one doesn't know. Also of course he seems to be still there. And given the whole sort of crisis over the last few days, his credibility in Greece I think has been very substantially sort of affected negatively and we are in a position where we just don't know what will happen next. But I don't think the Greek population really wants to leave the Eurozone and what we've seen is the opposition party, worried about what Papandreou was doing, has come out very clearly saying that they themselves will be fighting to ensure that Greece stays within the Eurozone.

LEWIS: Yes, so the opposition party wants to. The Greek people of course won't be given a chance to say because the referendum's been called off. Could Greece leave the Euro? Is that possible?

PRYCE: Well they could. Well there haven't been any plans for this, of course, but in theory you could. It's going to be very complicated. It might lead to hyperinflation, it might actually lead to complete bankruptcy of the banks because everyone will try and get their money out before anything like this happens. And of course they've already been moving money out in big you know sizes.

LEWIS: Yes, I mean I've been hearing this. And what are your Greek friends and relatives doing? Are they moving their money out of Greece or out of Greek banks if they can?

PRYCE: Well my Greek relatives are not in that sort of high income position, but we know that there's been a lot of movement first to Cyprus where they thought it was safe; and now increasingly, from what I understand, people have been moving money to Switzerland, and the government actually did announce during the debate last night that they had an agreement with Switzerland to make sure that they know what's been going on because of course it's linked to tax evasion. Otherwise people are hoping a) that it's not going to happen, there won't be any change into drachmas; and b) that the guarantee that exists, which is up to 100,000 euros, somehow or other will hold if there is a problem with the banking system itself. But what will it be worth? They don't know, so they're just praying that they will not be moved to the drachma.

LEWIS: And very briefly, Vicky, there has been some suggestion that Greek Euro notes - those are the ones with a Y at the start of their serial number - will suddenly become valueless if Greece left the Euro. Is that a serious suggestion?

PRYCE: Well no, it isn't. I think that just wouldn't be the case. But of course there are euro or Greek issued euro bank notes which are all over Europe actually, all over the world right now. But one of the really interesting things about how this whole thing might happen is that in order to prevent the euro notes from disappearing, we might have to have border controls and capital restrictions again, which is not what the EU is all about.

LEWIS: No, a very unpleasant prospect. Thanks very much Vicky Pryce of FTI Consulting.

Now if a firm has given you bad financial advice, mistaken your attitude to risk and sold you investments which have lost money, then you'd probably apply for compensation; and if the firm wouldn't pay, then you'd go to the Financial

Ombudsman. One Money Box listener did exactly that, but even though the Ombudsman ruled in his favour, he still hasn't received a penny. Bob Howard's here. He's been looking into this. Bob?

HOWARD: Paul, Yusuf Walji from Cambridgeshire retired 4 years ago. He had worked as a machinist for the same firm for 34 years. With a pension payout from the company and his savings, he had a lump sum of £117,000 to live on. In March 2007, he approached a local independent financial adviser in Peterborough, a firm which described itself as Keith Williams Financial on its letterhead, to ask them for advice. Mr Walji couldn't afford to risk his capital. His adviser, Gerald Hall, recommended different investment bonds.

WALJI: I was told by my employer to seek financial advice, so I went to see Mr Gerald Hall of Keith Williams Financial and I told them that after one year I will have to withdraw income to supplement my pension. So I just followed their advice and they recommended that I put money in Standard Life bond, Norwich Union bond and ISA. Altogether it was £117,000.

HOWARD: The investment bonds paid Keith Williams Financial thousands of pounds in upfront commission and an ongoing annual trail commission of more than £1,000 as long as the bonds were held. But when he went to meet Gerald Hall a year later, he discovered his investment had fallen significantly. This surprised Mr Walji as he had no idea his capital was at risk. After 2 years things were even worse and so he returned to speak to Mark Owen, another adviser at the firm.

WALJI: I was very, very upset and it caused me a lot of pressure, so I went to see Mr Mark Owen. And he said that there's nothing to worry about; the market will pick up. I was very, very upset that after 2 years it had not made any money.

HOWARD: Mr Walji decided to complain to the Financial Ombudsman Service and in August last year the ombudsman found in his favour - that he'd been given unsuitable advice and his money had been put into products which were too risky for

somebody in his position. In December Mark Owen from Keith Williams Financial wrote to Mr Walji offering him a full and final settlement of £12,800 and an acceptance form which Mr Walji returned. However, once the form was sent back, Mr Owen changed his tune. He said the firm would not pay compensation to Mr Walji because he had been a client of Keith Williams Financial Limited, a different legal entity from Keith Williams Financial. As that limited company had been dissolved in 2008, Keith Williams Financial refused to pay out. Mr Walji was outraged and the Financial Ombudsman Service shared Mr Walji's anger. It wrote to Mark Owen at Keith Williams Financial urging him to pay up.

LETTER FROM OMBUDSMAN TO KEITH WILLIAMS FINANCIAL: I have noted that the letter heading from whence the advice was given and in more recent correspondence is the same. It seems that you've entered into a legally binding agreement with Mr Walji and it's not clear from the comments you've made why you believe this shouldn't be honoured. I believe you've waived any right to object to our jurisdiction. Further, I would question whether the approach taken by your business complies with the regulator's requirements to treat customers fairly.

HOWARD: Strong words. But since sending that letter, the ombudsman seems to have accepted the firm won't pay out and so it's passed the case to the Financial Services Compensation Scheme. The scheme is funded by the financial services industry as a whole when compensation is sought from firms which cannot pay. Mr Walji's no closer to knowing whether he'll get compensation and he still doesn't understand why Keith Williams Financial is not paying out.

WALJI: It's the same people running it. It was Keith Williams Financial Limited in 2007 and they just changed it to Keith Williams Financial, I don't know why, so I don't really see how they can get away with it.

LEWIS: So Bob, this is puzzling me a bit. Is it the same firm?

HOWARD: Well Paul, technically no. Records at Companies House show that Keith

Williams Financial Limited has indeed been dissolved. But then, as now, the firm refers to itself in its letterhead as just Keith Williams Financial and today's company boasts it has been giving advice since 1998, and Mark Owen, a director of Keith Williams Financial Limited, runs Keith Williams Financial. He didn't want to give an interview - he said I would have to speak to all the former directors of Keith Williams Financial Limited and persuade them to put up a spokesperson - but he did agree to send this short statement.

STATEMENT FROM MARK OWEN: Mr Walji was a client of Keith Williams Financial Limited, not Keith Williams Financial. It is my belief that as Keith Williams Financial Limited are no longer trading, the Financial Services Ombudsman has referred Mr Walji's claim for compensation to the Financial Services Compensation Scheme.

HOWARD: Mr Owen also insisted that Gerald Hall, who had given Mr Walji the disputed advice, didn't work for him but was a self-employed entity. But his firm's website says it has recently been joined by Gerald Hall, and Gerald Hall is on the FSA's register as working with Keith Williams Financial. So Money Box spoke to the Financial Services Authority which regulates financial advisers. The FSA says it's moved to tighten regulations regarding firms who change their structure, but it's unclear if these changes would have benefited Mr Walji.

LEWIS: Thanks, Bob. So why can't the Financial Ombudsman Service enforce its rulings? David Cresswell is from the service.

CRESSWELL: If an ombudsman makes a decision, the business has to comply with it; and if the business doesn't, there are two things that parliament said the consumer can do: there's going to the regulator because there could be disciplinary action against the business because the business is required in law to cooperate; or there's the fact that in law parliament has said that the ombudsman's decisions are enforceable in court. And both the regulatory option or the court option often take you right back to the fund of last resort anyway, the Financial Services Compensation Scheme.

LEWIS: But in March you did write a very tough letter to this firm saying that they'd entered into a legally binding contract to pay the compensation, that they were unlikely to be treating customers fairly. Now you seem to have caved in and just said oh well never mind, the FSCS will pay up.

CRESSWELL: Not caved in at all, and we'll make no bones about it - that letter really was quite forceful in expressing our belief that the business has treated the customer poorly.

LEWIS: But it didn't work, did it? Let's talk about that fund of last resort, the FSCS. I mean there's going to be a lot of financial advisers listening who do follow the rules who are going to be pretty fed up that the burden of that compensation is falling on every other IFA because they all pay for the FSCS through their levy, don't they?

CRESSWELL: And this sort of story where a regulated business doesn't comply with an ombudsman award doesn't help anybody.

LEWIS: David Cresswell of the Financial Ombudsman Service. And let us know your experiences of enforcing compensation awards for bad financial advice through our website: bbc.co.uk/moneybox.

Two savings accounts that can be operated through Post Office branches are being closed down. National Savings and Investments is stopping new applications for its investment account and its easy access savings account as well on the 28th of this month. The savings account will be closed completely next July. The investment account will be converted to a postal only savings account next May. These of course are separate from Post Office savings accounts which will still continue. I asked Jane Platt, who's Chief Executive of National Savings and Investments, why these popular accounts were going.

PLATT: This is the latest phase in our simplification and modernisation programme, and what we're trying to do is to move our customers into more streamlined accounts

paying better rates of interest rather than, as with many banks and building societies, leaving customers in accounts which don't pay very much.

LEWIS: Yes, I mean the interest rates certainly are pretty terrible, but they do have the advantage that people can go into a very local Post Office and manage their savings, don't they? That's what people value about them.

PLATT: Well of course people who have an investment account already have to write to us before they can go to the Post Office to access their money. So in actual fact this is going to be very little different, and only 16% of our customers in the investment account actually transacted last year.

LEWIS: Right, but there are 260,000 with the easy access accounts. They can go in and take money out and put it in when they want, can't they?

PLATT: They can. And of course if customers do wish to have a branch based account, we will make sure that they get information on how to open a branch based account and we'll give them good information from the money advice service on how to transfer to that type of account.

LEWIS: And when you say branch based, you mean available through the Post Office?

PLATT: Available through the Post Office or through banks or building societies.

LEWIS: Yes, though of course a lot of people like the Post Office because there are so many of them and they're much more local than banks very often, aren't they?

PLATT: Everybody has to make their own decision on what's the most convenient method for them, but we're expecting a large proportion of people to move across into either our direct saver account or the postal investment account because these are not high transaction accounts, they're long-term savings accounts.

LEWIS: Jane Platt of NS&I. So where can you get better rates of interest? I asked Kevin Mountford from the comparison site Moneysupermarket.com what the NS&I direct saver account pays.

MOUNTFORD: They've got their account that's now paying 1.7%. Outside of the tax efficient products that they have, they've never really offered the best accounts, so I think it comes down to convenience.

LEWIS: So if you wanted an alternative to that account and you wanted to earn more than 1.75%, where would you go?

MOUNTFORD: If you were considering something where you could walk in, open an account, transact your account, then across most of the high streets we've got the usual brands such as Halifax. They have an easy access paying 2.5. You've got Britannia, and they are widely covered across the UK. They've got their home saver paying 2.5. And then the likes of Santander. And then depending which region you're in, there are a range of building societies that have branch based products paying over above 2.5, so there is a lot of option out there.

LEWIS: So you can do a lot better than 1.75 on a branch based account?

MOUNTFORD: You can. And going back to Jane's comments, if they're seeing now that consumer behaviour is starting to shift to different channels such as telephone, internet, etcetera, then you can even get better rates. You look at the likes of Santander paying 3.1% for online, and the rationale from most of these providers is that it's a lower operational cost to provide these online than it is through branch. Interestingly, however, the Post Office are also very competitive and possibly this is one of the reasons behind this decision - is that the competition of NS&I and the Post Office sitting by side has always been a strange one, but the Post Office have some very good products.

LEWIS: So in fact maybe the best thing to do is to move the money to a Post Office

account. What are they paying?

MOUNTFORD: Well they do have their instant saver. Now that pays 2.1%, so, as we mentioned, it's better than you can get from NS&I. But there are a couple of warnings on that. You're only allowed six free withdrawals a year. Beyond that, it costs you £1 for every withdrawal. And it does have a sizeable bonus, so 2% is a bonus. So in 12 months, the likelihood is you'd have to switch elsewhere.

LEWIS: Kevin Mountford of Moneysupermarket.com.

Now do you have a will? If not, why not? I ask today because November is Will Aid month when you can get a will made by a solicitor for as little as £85, and that goes to charity. More than half the adults in the UK haven't made a will, but why? We asked two members of the Money Box team without a will for their reasons. Here's Richard.

RICHARD: The reason I haven't got a will is I just think it's quite unlikely that anything bad will happen, and if it does happen everything will just go to my wife. And if anything really bizarre happens and both of us were in a car accident, our families would sort it out. And I trust both my family and my wife's family, so it just doesn't seem worth getting a will.

LEWIS: Well with me is Nicola Plant, a partner with Pemberton Greenish LLP. Nicola Plant, Richard there saying if he dies, his wife gets everything, and otherwise his family will sort it out.

PLANT: It's a common misconception that married partners think that if one of them dies, that the other will get everything automatically. If you haven't made a will, then in fact where there are children the surviving partner only gets the first £250,000. So certainly if you've got a property worth more than half a million or it's in one of your names, then you can see a situation where the survivor has to sell the home.

LEWIS: I see. So could it be owned by children and the other parent?

PLANT: No ...

LEWIS: Or it actually has to be sold, does it?

PLANT: In most cases it would have to be sold. But more importantly for Richard, if he hasn't appointed guardians for his children and he and his wife were both killed, then you know the courts would have to decide.

LEWIS: Now if the house is owned in joint names, that would apply if it's worth more than twice £250,000?

PLANT: If it's in joint names, it's often less of a worry, but that becomes more complicated.

LEWIS: Right, okay. Listening to that in Edinburgh is Alan Barr. He's a partner with Brodies. Because of course we've been talking about the law in England and Wales and indeed Northern Ireland with Nicola. But, Alan Barr, is it different in Scotland in those circumstances?

BARR: The details are different, Paul, but the principle's exactly the same. There's this misconception that if you have a husband or wife and you die without a will everything will go to them. That's very far from the case and you really should always be making a will in all kinds of situations, particularly both if there are children and if there are not children.

LEWIS: I mean the suspicion though is - and forgive me putting it like this, Alan, and indeed Nicola - that you're both solicitors, of course you'd say we should come to you and pay fees and make a will. I mean can people just get a piece of paper, say I leave everything to my wife and get two people to witness the signature? Does that work?

PLANT: They can, and if they get it wrong then they end up paying more to the

solicitors in litigation costs than they would have done to have it drawn up properly in the first place.

LEWIS: And the rules in Scotland, Alan, are a bit different about wills, aren't they - about who signs it and so on?

BARR: Yes I mean in Scotland, for example, you have to sign every page and there are two witnesses ... sorry, there is only one witness required, whereas it's two south of the border.

LEWIS: And is it similar in Scotland; that even if you're married and one spouse dies, the other spouse doesn't get everything? It's them plus something to some of the children?

BARR: Yes, quite a lot goes to the children. If you don't leave a will, then there's a lot that will go to the spouse that the children will pick up.

PLANT: The question as well is whether Richard would want his children inheriting it at 18, and very often one uses a will to delay the age that the children would inherit.

LEWIS: And of course we're talking about marriage ...

BARR: And in Scotland that's at 16, not 18.

PLANT: Ah!

LEWIS: Well there you are. You see even Nicola didn't know that.

PLANT: I didn't.

LEWIS: We're talking about marriage. Of course civil partnerships, exactly the same. Let's listen now to another member of the Money Box team: Fiona. She's

younger. She's Scottish, but she's living with her boyfriend in London.

FIONA: I don't have a will because it seems a bit ridiculous. When you don't own a home and you don't have a pension, it's really the last thing you're going to be thinking about. When you don't feel that you've got an awful lot to pass on, why am I going to sit down and worry about writing a will?

LEWIS: Alan Barr, Fiona, as you can hear, is Scottish, though she's living in London. What are her circumstances?

BARR: Well they could be quite complicated. However, the first advice is she should certainly make some will ...

LEWIS: Yes, yes.

BARR: ... whether it's Scottish or English. It depends how long she's going to stay in England and it may be that in the end an English will is better for her. But she's in the particularly bad situation on both sides of the border - boyfriends, girlfriends, however long-term, have very limited rights indeed without a will; and the estate, if you don't have a will, starts to go to sisters and parents and people that you may not want it to at all. So if you want to provide for somebody, however long you've been living with them, then a will is absolutely crucial.

PLANT: It also costs nothing to pick up the phone and have a chat to a solicitor to see whether you need to have a will. But I happen to know the inside story on Fiona - that she may well inherit some jewellery from her grandmother - and certainly where you've got personal effects that are you know valuable and sentimental, then that's just the sort of thing that families tend to fight over.

LEWIS: Yes, so your advice would be even to single people with no property - Generation Rent as they call them ...

PLANT: Bearing in mind the costs, it's something that's worth doing properly.

LEWIS: Right. And if you don't make a will in England and you are single and maybe you have got something you've inherited since you last thought about it or you may have some property, who does get it?

PLANT: Well normally if your parents are alive, then it would go up to them. Otherwise it would go to siblings. And again that can cause problems if perhaps your parents are separated and the assets have to be split that way, or if there's a new partner.

LEWIS: And, Nicola, I mentioned at the start of this item that it was Will Aid month where you can go to a solicitor. You can't just go to any solicitor though. How do you actually go about getting a cheap will or a low cost will, I should say?

PLANT: You need to go onto the website and I believe the link is on your website, and it gives you all the details. There's a form that you complete and you can put in your postcode and it will tell you where your nearest solicitor is who's involved.

LEWIS: And they'll do it for?

PLANT: It's £80 I think for a single.

LEWIS: £85.

PLANT: And £125 for mirror wills, for two wills.

LEWIS: That's for spouses?

PLANT: Yes.

LEWIS: And it also applies in Scotland. No time to go back to Alan. In fact it applies

throughout the UK. Nicola Plant and Alan Barr, thanks. Much more on our website. But that is it for today. Our website is bbc.co.uk/moneybox. Lots of things to do there. Send us your ideas and you can tell us about getting compensation for bad financial advice and indeed tell us what's happening at RBS NatWest. The firm now says they're making good progress and apologise, but it still seems to be going on. Money Box Live is back on Wednesday at 3. Vincent Duggleby's here taking questions on financial aspects of divorce and separation. Back with Money Box next weekend. Reporter Bob Howard, producer Lesley McAlpine. I'm Paul Lewis.