

Time for some financial spring cleaning?

By Paul Dickson, Partner and Head of Financial Planning & Wealth Management at Armstrong Watson

Spring brings with it a new financial and tax year. So while you may be thinking of giving the house a good clean, it could also a good time to get your finances in order. Here are my suggestions:

1. Utility Bills

Get the best deal on your gas, electricity and telephone supplies and make sure you are with the supplier and tariff that is right for you. Mobile phone network operators have a myriad of tariff options. When was the last time you checked your mobile phone contract to make sure it's the best one for you?

2. Credit Cards & Loans

Repay outstanding balances on your credit and store cards. Start with the card with the highest APR and pay as much as you can. If necessary, reduce the payments you make on the rest to the minimum monthly payment. When you have cleared the card with the highest APR, move on to the next and keep going until they are all cleared.

3. Review Your Mortgage

Banks have tightened up their lending due to the 'Credit Crunch' and the Bank of England reducing interest rates to the lowest that they have ever been. If your payments have reduced, are you using this money to reduce your mortgage or pay off your credit card balances? Review your mortgage and consider a long term fixed rate now while interest rates are low.

4. Make sure you have protection in place for you and your family

A great number of people insure their house and their car but don't bother insuring their income or their life. They think it won't happen to them or worry they are tempting fate. Look closely at what would happen to your family if you took ill or died – would they be able to pay the mortgage? Life assurance is usually easy to arrange and often inexpensive, so it's well worth investigating if you want to look after your loved ones.

5. Review your savings

With interest rates being cut to an all time low are you making the most of your savings? Look at using your tax-free savings allowance through Individual Savings Accounts (ISAs).

6. Planning for the future

If you have dealt with the above then you're in a position to think about your financial future. Retirement may seem a long way off but the sooner you start putting money away either into a savings scheme or a pension fund, the less you will have to save each month. Armstrong Watson has some calculators on its website if you want to look at this in more detail -www.armstrongwatson.co.uk.

7. Review your pensions and investments

If you have already started to save for the future through pensions or investments such as ISAs, review your investment strategy. The recent global turmoil will have impacted on your investments. Get an Independent Financial Adviser to look at your existing funds and review your strategy to ensure that you are on track to achieve your objectives for the future.

For further information on how Armstrong Watson can help you call freephone 0800 195 2161 or email moneymatters@armstrongwatson.co.uk