



Cash Management Service

Make your savings work hard. The easy way.

For most, having a healthy cash surplus is usually a sign of financial strength. In today's higher inflation environment, holding cash might feel like more of a burden than a blessing as the real value of those savings is shrinking fast, but there are steps you can take to minimise the damaging effects of inflation.

Do you have a cash surplus?

The digitisation of banking services over the last decade has led to a much larger marketplace for savers, allowing them to look beyond the traditional big banks to access more competitive rates.

Since 2008, rates for savings have been ultralow – losing value in real terms after the effect of inflation. This was a smaller problem in the low inflation environment that was prevalent 2010-2021. In 2022 and 2023 the rate of inflation was significantly higher than interest rates, resulting in faster real terms depreciation of capital. As inflation rates have decreased in recent months this differential has returned to earlier levels.

The Bank of England increased the Base Rate fourteen times (from 0.10% to 5.25%) between December 2021 and August 2023. The base rate has been held at 5.25% since Summer 2023, with reductions forecast for later in 2024. Interest rates are closely linked to current interest rates and future expectations of interest rates, resulting in frequent changes to interest rates available in the last couple of years. This can make staying on top of your savings seem like a lot of hassle for a small reward, particularly if you keep moving funds between banks, having to satisfy ever more stringent onboarding requirements.

That is where Carpenter Box Financial Advisers can help. Our Cash Management Service is designed to help families, trusts and companies to find some of the best savings rates around, year-in, year-out, with a single application. The service can increase the ratio of savings protected under the FSCS, increase interest yield generated and the ease of administration wins back valuable time spent overseeing accounts. Get in touch today to discuss how your cash allocation may be improved.

How does it work?

- We will set you up with an account with our chosen provider. The account is designed to give a better rate on their savings while seeking to obtain the maximum possible cover through the Financial Services Compensation Scheme (FSCS).
- The FSCS offers £85,000 of protection per eligible party, per authorised institution.
- Our preferred provider works with a range of banks who offer some of the best savings rates around.
- Just tell us how much you've got to save, and we'll tell you the rate they can give.

How is your money deposited?

The Cash Management Service will look to deposit your funds so that you are earning competitive interest rates. If you're saving £85,000 or less, all your cash will be deposited with the bank which offers the highest interest. If you're saving more, it will be deposited in chunks of £85,000 (allowing for the interest you'll earn over the term).

You can choose a set of identical term deposits or blend a range of term deposits and notice accounts to find the right setup for you.

The provider will start with the bank that pays the highest rate and end with the one that pays the lowest – maximising your FSCS cover and your rate at the same time.

Where 100% FSCS cover is not possible, clients can choose how to allocate their excess funds depending on their priorities. When you reach the end of your deposit term, you'll be able to access a range of competitive rates dependant on your requirements at that time.

If you save with one of the fixed-term products, you won't be able to access the money you deposit before the end of the term. Interest is calculated daily and, in the case of the fixed term products, will be paid at the end of the term. When saving through notice accounts, your interest will normally be paid into your account each month. Longer notice accounts may pay interest less frequently.

Want to find out more?

To discuss this service further, please complete the form at www.carpenterboxfa.com/cash-management

An illustration

Individuals

	Easy Access	Six Month Bond (Term)	One Year Bond (Term)
Amount to be deposited	£255,000	£255,000	£255,000
Gross Annual Yield %	4.38%	4.67%	4.67%
Net Annual Yield %	4.13%	4.42%	4.42%
Net Annual Interest	£10,531.50	£11,271.00	£11,271.00

Corporate

	Easy Access	Six Month Bond (Term)	One Year Bond (Term)
Amount to be deposited	£255,000	£255,000	£255,000
Gross Annual Yield %	4.30%	4.65%	4.58%
Net Annual Yield %	4.05%	4.40%	4.33%
Net Annual Interest	£10,327.50	£11,220.00	£11,041.50

*These illustrations are for indicative purposes and are accurate as at January 2025. Interest rates are subject to change and are in no way guaranteed.

**Where Carpenter Box Financial Advisers are involved in the implementation/management of the account, advisory costs will need to be factored in.

It is important to remember that some deposit taking institutions operate several brands. Anyone who has deposits in more than one account under a single brand, or multiple accounts under different brands under one banking licence, is only protected up to a total of £85,000 across all these accounts. A list of PRA authorised bank and building society brands and the institution they are owned by, which share FSCS protection, can be [viewed here](#).

The Financial Conduct Authority does not regulate cash management services.

Find out more

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