

CASH

There are no taxed accounts or Isas that beat inflation on the retail prices index (RPI), which stands at 4.7%, but savers who want the relative safety of cash can improve their returns by constructing a portfolio of accounts.

Jonathan Fry, the wealth adviser, suggested a portfolio of three accounts for a risk-averse couple with a £500,000 cash fund. They could pay £170,000 into Northern Rock's three-year E-bond, paying 4% gross, and £170,000 into the three-year fixed-rate bond from Cheshire building society, at 3.95%. The remaining £160,000 could go into the three-year fix from Skipton building society, paying 3.85%. This would give an average gross interest rate of 3.94% before charges and the whole amount would be covered by the FSCS.

If they wanted to hedge their bets against rises in Bank rate, the couple could put £170,000 into a variable-rate account. The best easy-access rate is 2.9% from the

Post Office, including a 1.25 percentage-point bonus, fixed for 12 months. This produces an overall rate of 3.6%

If you have index-linked savings certificates from National Savings & Investments, hold on to them. These pay 1% plus RPI inflation but were withdrawn from sale last summer.

Jason Witcombe at Evolve Financial Planning said: "Holders should consider rolling over any existing certificates on maturity. These are tax-free and so represent an exceedingly good, low-risk way to keep up with inflation, particularly for 40% and 50% taxpayers."