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RECORD money

SCOTLAND'S BEST GUIDE TO PERSONAL FINANCE

8 million sitting on loans timebomb

Clock is ticking in final battles for endowment compensation

BY ALEX MORGAN

MILLIONS of homeowners have already been hit with the devastating news their endowment mortgage is going to fall short.

Over 100,000 people are still waiting for letters about the fate of their policies. Many of the companies that sold endowments are struggling to meet their obligations to customers who think they were guaranteed a policy.

In an attempt to prevent single millionaires from being hit with the devastating news they would pay off their loans and provide a negative impact on their pension.

The devolving investment returns have put them in a bit of a sticky situation.



James and Patricia Doherty (left) won £2000

OUR VICTORY

BACK in 1988 when James Doherty took out an endowment to pay for his first home the adviser told him to expect great things.

The couple in Lanarkshire paid £100,000 for the policy and it was to pay for his house. It was to be a success story.

But the promised proceeds were not to be. Five years ago, James got a letter from policy provider Westminster. The security factor in 1988 was £26,000 at maturity and he was to pay £100,000.

Subsequent letters put the short fall at £100,000 to £200,000.

James contacted The Endowment Compensation Centre who lodged a miss-selling claim.

When Westminster refused to pay, they went to the ombudsman who backed James.

He said: "The Endowment Centre has been a great help. I've just received the cheque which was just short of £2000.

"It might only be half the shortfall, but it was more than happy."

Risky

Investment returns on endowment policies have fallen significantly since the late 1990s. Many investors have been hit with the devastating news their endowment mortgage is going to fall short.

Over 100,000 people are still waiting for letters about the fate of their policies. Many of the companies that sold endowments are struggling to meet their obligations to customers who think they were guaranteed a policy.

In an attempt to prevent single millionaires from being hit with the devastating news they would pay off their loans and provide a negative impact on their pension.

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of the Glasgow-based Endowment Compensation Centre, many people will not miss out, with as many as 75,000 likely to receive their money.

Some of the most high-profile cases involve the late 1980s when their time was over and they had to replace their loans with the policy.

For the most part, the policy will be sold to the company that sold it to them. This will be the case for the vast majority of policies.

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and Norwich. These will begin having from May. Many believe many people will be hit with the devastating news because they don't know who sold them the policy.

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have been made since then. Although many thousands have made claims, there are still many thousands who have not been hit by compensation.

If you believe your endowment was miss-sold, you have a claim. It is important to act now or make the complaint to yourself. It is important to act now or make the complaint to yourself.

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CREDIT CARD CHANGES WILL COST CHARITIES DEAR

CHARITIES face a new era of change as credit card companies introduce new rules.

The British Payments Association has announced that from April this year charities will need the three digit security code from their cardholders.

The code has to be a three digit number between 000 and 999.

back of cards when accepting a donation over the phone. It is a security measure to prevent fraud.

Not all charities have the facilities to accept donations without the card code.

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DEBTS ARE DEADLY BUSINESS: PAGES 42 & 43

In for a penny... in for a pound



COBBLER: A priced pooch

DEVOTED dog owners spend a staggering £140 million on their best friends during their pets' lifetimes.

New research has revealed that the average dog costs more than £122,000 to look after during its life - the equivalent of a year's pay for someone on an average salary.

According to Charities Pet Research, 85.8 per cent of people have no idea how expensive their dog is, according to the online survey conducted by 180,000 dog owners.

It is estimated that the total costs of a dog in the UK in its lifetime is a massive £17.1 billion.

A Great Dane is the most expensive dog to own, costing a whopping £32,816 in food, grooming and vet bills, or an average of £216 a year during the 15 years the breed generally lives for.

The dog that most owners spend least to buy at an average of £850 and breeders can expect to sell a further £850 on top for their first puppy, as well as nearly £1,700 annually at the vet.

Subsequent to the most expensive breed is the Bull Terrier, which costs £25,000, while Boxers, Poodle crossbreeds and Springer Spaniels all cost more than £22,500.

At the other end of the scale, a Jack Russell is the cheapest dog to have, but dog owners will spend to spend £1,052 on it during its life.

Expensive

A Bulky and English Setter are only slightly more expensive at just over £20,000 each, and a Labrador will set its owners back by £21,668 and a Springer Spaniel £21,668. The average dog lives for 12.5 years.

Charities Pet Research, the charity that conducted the survey, says the average dog costs £1,052 a year to look after.

The cost of owning a dog has risen over the last 10 years, with 10 per cent of dog owners spending more on their pet than they did 10 years ago.

Mike Ketteringham, head of Charities Pet Research, says: "The cost of owning a dog has risen over the last 10 years, with 10 per cent of dog owners spending more on their pet than they did 10 years ago."