

It pays to have a back-up

SOPHIE ELSWORTH

PERSONAL FINANCE WRITER

THOUSANDS of Australians were left empty-handed when ANZ recently stuffed up the processing of payments.

People were outraged – and rightly so – because they could not get their hard-earned cash because of technology.

A glitch on Friday the 13th – there's some irony to that date – left many without their monthly pay packets in time for the weekend, just when they needed cash the most.

In irate comments on social media, people complained about being unable to afford necessities, including food, petrol and nappies.

But it made me stop and think: Yes, the situation was crap for a lot of people but it showed many are sailing close to the wind financially.

Here are a couple of leaves people should take out of the financial book.

1 CASH IS FAR FROM DEAD

We are constantly told that we are moving to a cashless economy and more and more people are doing away with handling notes and coins. But, please, spare me.

This is a recipe for disaster. Relying on technology is



GLITCH: ANZ's technology meltdown left people unable to access their cash. Picture: William West/AFP Photo

certainly not foolproof. I was completing home renovations last year when I went to my plumbing store to pick up goods costing a few thousand bucks.

The store had a National Australia Bank payment

machine and this was useless when NAB's terminals went into meltdown.

Payments, no matter who you banked with, couldn't be processed.

Consequently I had to go to the nearest ATM – not an NAB

ATM though – and withdraw the money in cash to pay for my goods.

This proves cash is king. It also reiterates the need to always have some cash on you, because when you least expect it your card might not work.

2 HEDGE YOUR BETS

Don't be loyal to just one bank.

Make sure you have accounts with a least a couple of different institutions. If one goes belly up and

payments or money can't be accessed, you have a plan B.

I have accounts with multiple banks, so if something goes wrong with bank A I can turn to bank B or even bank C or D.

There's nothing worse than having no safety net to fall back on.

Many Aussies affected by the ANZ stuff up had no back-up plan to go to, and that's a frightening thought.

3 SAVINGS

Financial institution ME's latest *Household Financial Comfort Report*, released last month, showed only one in three Australians could raise \$3000 in the instance of an emergency.

This should blow your socks off.

If people don't have a few thousand bucks stashed away, what do they do in an emergency? I can see why payday lenders circle and those horrid credit cards are given a serious workout.

Having a little bit of money stashed away certainly makes it far easier to sleep at night.

@sophieelsworth

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How to save money in your own neighbourhood



RUN WITH IT: Exercise at home instead of a gym. Picture: iStock

PATRICK TADROS

HELP from your neighbours and the local community is among the rising number of ways to save money.

Think thrift stores, garage sales, swap meets and online marketplaces, such as Facebook Marketplace, where people can buy, sell or give away things they don't want.

You can find everything from furniture to electronics to

raw construction materials, while apps such as Gumtree and eBay are great ways to discover good local deals.

"You can shop on the go, price-check and list what you no longer need in under 60 seconds to make some extra bucks," said eBay spokeswoman Sophie Onikul.

Don't be afraid to negotiate – any experienced seller will expect it, and that's how you go from a good deal to a great one.

When it comes to options such as thrift stores and consignment shops, Yelp is a good place to find the best ones.

Thirdview owner and financial adviser Peter Foley said people could use technology to exercise in the comfort of their own home – or their backyard – instead of taking out an expensive gym membership.

"There's a number of workout apps that offer low-

cost programs and healthy food tips," Mr Foley said.

"You can always join a group of highly motivated people who get together to do morning workouts that include running or swimming."

There's no sign up required – just show up. And if there isn't one in your area, you can start one, or find a similar group that exists close by.

Most states have container deposit schemes, where

families can collect beverage containers, such as glass bottles, aluminium cans, cartons and plastic bottles, and take them to a drop-off point to collect 10c per item.

"You'll be surprised how many great resources you can find right in your own neighbourhood," Mr Foley said.

"It really pays to sell online and swap within your community to raise money for you or the family."

BORROWING WATCH

MORTGAGE RATES

Major banks	Variable % (offset)	Monthly (\$300K)	Basic rate %	Fixed 2yr %	Fixed 3yrs %	Fixed 5yrs %	Investor % (lowest var)
CBA	4.43	\$1,508	3.35	3.18	3.28	3.49	3.65
Westpac	3.64	\$1,371	3.38	3.13	3.23	3.44	3.69
NAB	4.07	\$1,444	3.35	3.09	3.29	3.59	3.65
ANZ	4.13	\$1,455	3.38	3.18	3.28	3.53	3.66
ING	3.23	\$1,302	3.18	3.59	3.64	3.99	3.59
BankWest	3.29	\$1,312	3.38	3.19	2.99	3.79	3.74
St George	3.54	\$1,354	3.24	2.94	2.94	2.94	3.64
Suncorp	3.59	\$1,362	3.18	3.09	2.99	3.59	3.48
Bendigo Bank	3.29	\$1,312	3.39	3.19	3.29	3.79	3.79
Low rate lenders							
Reduce Home Loans	2.94	\$1,255	2.89	2.79	2.79	-	3.19
Mortgage House	2.99	\$1,263	2.89	2.79	2.79	2.99	3.44
Well Home Loans	2.97	\$1,260	-	2.74	2.74	4.59	3.27
Market average	4.14	\$1,457	3.89	3.59	3.65	3.99	4.43

CREDIT CARDS

Big 4	Card	Rate %	Annual fee	Int. free days	Balance transfer deal	Rewards
CBA	Platinum Awards	20.24	\$249	55	yes	yes
Westpac	Altitude Platinum	20.49	\$150	45	no	yes
ANZ	Rewards Platinum	20.24	\$95	55	no	yes
NAB	Rewards Platinum	19.99	\$195	44	yes	yes
Low rate credit cards						
G&C Mutual Bank	Low Rate Visa	7.49	\$50	50	no	no
Auswide Bank	Low Rate Visa Card	8.95	\$50	55	no	no
American Express	Low Rate Card	8.99	\$0	55	yes	no
Community First CU	Low Rate Card	8.99	\$40	55	no	no
Northern Inland CU	Low Rate Visa	8.99	\$0	0	no	no

Rates accurate as of September 19. Source: Ratecity.com.au

DEPOSIT WATCH

TERM DEPOSIT RATES

Major banks	Rate % (1yr)	Interest (1yr, \$20K)	Rate % (3yrs)	Interest (3yrs, \$20K)	Rate % (5yrs)	Interest (5yrs, \$20K)
CBA	1.45	\$290	1.40	\$840	1.40	\$1,400
Westpac	1.55	\$310	1.50	\$900	1.50	\$1,500
NAB	1.60	\$320	1.50	\$900	1.60	\$1,600
ANZ	1.60	\$320	1.50	\$900	1.55	\$1,550
BankWest	1.60	\$320	1.55	\$930	1.65	\$1,650
St George	1.65	\$330	1.60	\$960	1.60	\$1,600
Suncorp	1.55	\$310	1.50	\$900	1.50	\$1,500
Bendigo	1.45	\$290	1.55	\$930	1.65	\$1,650
Market leaders						
Australian Unity	2.00	\$400	2.00	\$1,200	1.95	\$1,950
Community First CU	1.95	\$390	1.95	\$1,170	-	-
Australian Military Bank	1.85	\$370	1.95	\$1,170	-	-
The Mutual	1.65	\$330	1.90	\$1,140	-	-
Market average	1.67	\$334	1.65	\$990	1.63	\$1,630

ONLINE SAVINGS ACCOUNTS

Major banks	Base rate %	Max rate %	Int/mth (\$10K)	Int/mth (\$25K)	Conditions
CBA	0.01	1.15	\$10	\$24	Mthly deposit of \$200, no withdrawal
Westpac	0.60	1.95	\$16	\$41	Mthly deposit, account bal. must have increased
NAB	0.11	1.86	\$16	\$39	Mthly deposit, no withdrawal
ANZ	0.01	1.95	\$16	\$41	Min mthly deposit of \$10, no withdrawal
Market leaders					
MyState Bank	0.80	2.50	\$21	\$52	Mthly deposit of \$20, 5 card transactions per month
Up	0.50	2.50	\$21	\$52	5 card transactions per month
86 400	0.40	2.50	\$21	\$52	Mthly deposit of \$1,000
BOQ	0.35	2.50	\$21	\$52	Mthly deposit of \$1,000
UBank	1.35	2.41	\$20	\$50	Mthly deposit of \$200