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How to make the most of your money in 2012

As 2012 gets underway you may be making plans for the year ahead. *Zee Magazine* asks the Financial Ombudsman Service – the free service with the power to sort out problems between consumers and financial businesses – for some new year tips on making the most of your money.

Ⓛ Balance the books: always check your bank statements to make sure that the payments shown are ones that you recognise – this is particularly important at this time of year when statements can be longer. If you have a lot of outgoings, ask your bank for a list of your direct debits and standing orders. If you're paying for things you don't recognise or use, consider cancelling them – but tell the business involved first.

Ⓛ Cut out the clutter: you wouldn't pay twice to buy the same item in a shop, so make sure you're not doing it with your finances. Many of the insurance policies you take out when shopping – like mobile phone insurance or warranties – might already be covered by your home and contents policy. So far this year, the

ombudsman has received over 300 complaints about mobile phone insurance, often about restrictions on the policies. Speak to your insurer to see what you're covered for and cancel anything you don't need.

Ⓛ Cost-effective credit: if you're making a significant purchase, like buying a new three piece suite or having a kitchen or bathroom fitted, you might be considering using an interest-free credit deal. These agreements allow you to spread the cost of the purchase for an extended period without paying interest – sometimes for the first few years. If you sign up, make sure you pay off the agreement before the interest kicks in as these repayments can be expensive.

Ⓛ Spread the risk: if you're considering investing your money, take some time to think about how much risk you're willing to take. If it's appropriate to your circumstances, you might also consider taking some financial advice. There are a wide-range of investment plans. But investment returns aren't guaranteed, so don't take a chance if you can't afford to risk your capital.

Ⓛ Plan ahead: from paying a little extra in to your work pension, to taking out life insurance to protect your family and loved ones, investing in the future can give you some peace of mind should life throw up any unexpected surprises. But again, make sure you know how these products work. Some life policies are "reviewable", which means they can go up steeply after a few years.

No matter what your plans are for 2012, we hope that the year is financial-problem free. However, if something goes wrong, speak to the financial business – they should be able to sort things out. If you still aren't happy, the financial ombudsman might be able to help.

HERE TO HELP

If you've made a complaint about a financial business and are still not satisfied, the Financial Ombudsman Service may be able to assist.

Call the ombudsman on 0300 123 9 123 or go to financial-ombudsman.org.uk