



Worried about... savings?

Budgeting and Saving apps

If you have a smartphone or device, there are lots of budgeting and savings apps that you can download for free or for a small fee. The guide below will mention some of the key things and features to consider when choosing a budgeting and savings app.

What to look out for in a budgeting and savings app

Are you able to download it on your device?

You may hear of or come across some popular budgeting apps but the first thing to do is check if they are available to you on your device. There are generally two types of devices - Android and Apple (iOS).

Most budgeting apps will be available to both types of devices but there are a few that may be available to one or the other.

Free version or paid version

Fortunately, most of the budgeting and savings apps available to you will be free to use. There will be the odd app that you'd have to pay for in the first instance to download and then you can use it for free.

The free budgeting and savings apps may have some limitations in terms of what they can offer you or they may come with some in-app adverts that you'll have to watch when you use them.

If the app has both a free and paid version, then the paid version will most likely have more features and allow you to use the app ad-free.

Some of these paid budgeting and savings apps have a free trial period so if you're not sure which one to download you may want to take advantage of the free trial. Remember to cancel before the end of the trial period or you will be charged.

Syncing with your bank account and credit cards

The most basic apps allow you to keep track of your spending similarly to you writing it down in a notebook or on an Excel spreadsheet.

Some apps synchronise with your bank account and credit cards, offering you more features and services. These additional services can include a live up to date account of your money or the ability to send push notifications to you every time you use your debit or credit card.

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This is all done through something called 'Open Banking'. You can read our resource on Open Banking and The Money Helper website has more information about Open Banking.

Preset categories or customisation

Have a look at whether the apps you're looking at give you the option to customise the app. This is specifically looking at whether you can customise the categories or whether they're fixed into specific categories such as food, clothes, and household bills.

Being able to add and customise the app means that you can be very specific and detailed about where your money is going or what you'd like to budget and or save for. The more detailed a budget is, the better that budget will be for you.

Security features

If you are synching your apps to your bank or credit card then you need to be careful you know who you're permitting to have access to your financial information.

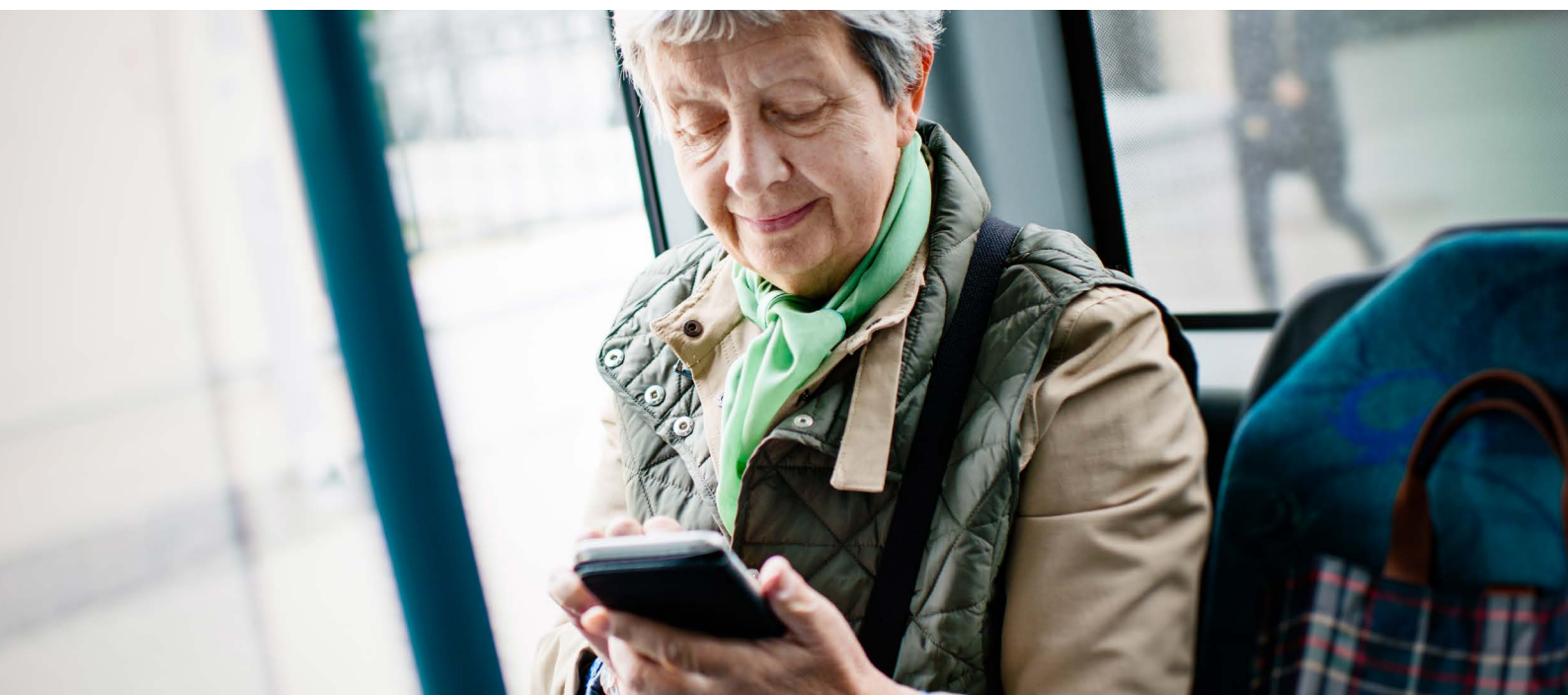
The best apps give you protections (Touch ID and Face ID) to prove your identity or encrypted data to keep your information safe on the app.

General features of a budgeting app

Below is a budgeting app we made up called 'CA Budget', which will highlight some of the key features and things you can do with some of the budgeting apps that are available to you.

Disclaimer: Remember, this isn't a real app.

- Connect all your accounts (cash, credit, investments etc) to one place so that there's no need for multiple applications. You can view and make changes to all your financial products through one simple app.
- Keep track of your bills and subscriptions, get notifications when your bills are due or when they've increased so that you're in full control and you never miss a payment.
- Receive live updates and notifications every time you've spent money, when money has been withdrawn from your account or when you're nearing your allocated budget. If there's an unusual or large transaction, you will receive a notification too. This will help you stay on top of your money.
- Save smarter by allowing the app to round up the cost of any transaction and put the difference into your savings account for you automatically. For example, if your morning coffee costs you £2.70, the app will pay the correct amount but will take £3.00 from your current account and put the difference (30p) into your savings account.



- Receive daily, weekly and monthly insights into your spending habits and areas where you can save money.
- There are in-app offers that allow you to receive cashback on certain transactions or rewards for using the app and some of its features.

What are auto-saving apps?

Autosaving (means Automatic saving) apps use technology to work out what you can afford to save and then move your money for you, from your bank account to a virtual savings account. They commonly do this through something called 'Open Banking'.

Open Banking is when you permit your bank to share your financial data (e.g. spending habits, regular payments and companies you use) with authorised third-party companies providing financial products and services.

Sharing your data allows companies to offer you a wide range of services.

The important thing is that you choose which apps and websites you want to use, what information they can access, and for how long. No one gets access unless you say so!

Some of these apps let you invest your savings while others 'round up' your purchases to the nearest pound and save the difference for you.

When you need to access your money, you can withdraw it back into your bank account or tell the app to save less. You can also set limits on how much you want to save.

The Money Helper website has more information about Open Banking:

<https://www.moneyhelper.org.uk/en/everyday-money/banking/beginners-guide-to-online-banking?source=mas>

Is your money safe?

UK-regulated banks are protected by the Financial Services Compensation Scheme (FSCS). This means that in the unlikely event of the bank going bust, your money is protected up to £85,000.

Some of the savings apps are fully regulated, which means that they are also protected by the FSCS. This means your money is protected with these app-based banks the same way it will be with a traditional bank.

However, you need to be mindful that quite a few are not protected by the FSCS. Instead, many auto-saving apps have an 'electronic money' licence. This means they have to hold your cash in a digital bank account ring-fenced from their operating cash. If the digital bank account goes bust, your money would be protected as it'd be in a different account to the firm's own money. Be sure to check this when choosing an account.

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Project funded and supported by:

