

For Immediate Release: 28th October 2008

**OVER TWO THIRDS OF ADVISERS DO NOT UNDERSTAND
HOW STRUCTURED DEPOSIT ACCOUNTS WORK**

Newcastle Intermediary Services reveals confusion over structured deposit accounts

Recent research from *Newcastle IS*, the savings and lending brand dedicated to intermediaries, has revealed that there is much confusion about how structured products operate. In particular there is a general misconception about Structured Deposit Accounts with 70% of IFAs not understanding how they work.

The top misconceptions about structured products were:

- 28% thought the capital was invested with an investment bank and depended on the investment bank's financial security for Structured Deposit Account products
- 17% thought the deposit was invested in an Insurance Based Bond or OEIC
- 14% thought the deposit was invested in zero coupon bonds
- 10% thought that Structured Deposit Accounts were the same as Guaranteed Equity Bonds, Precipice Bonds and Guaranteed Investment Bonds

The current economic climate has meant savers are increasingly concerned about the security of their investments, yet it seems advisers aren't clear of the difference between the types of structured products available in the market, which Newcastle IS believes could be due to the wide choice of products, which have many different features and guarantees.

Guaranteed Structured Deposit Accounts are usually linked to the performance of an underlying asset or index, such as the FTSE, and where suitable products can offer potentially higher returns than standard savings accounts. With Guaranteed Structured Deposit Accounts the original capital is guaranteed and will be repaid in full at the end of the term.

Steve Urwin, Senior Marketing Executive at Newcastle Building Society, commented:

“It is of utmost importance for advisers to be fully aware of the different types of structured products on the market to be able to recommend the most secure products to their customers. In this time of financial turmoil, clients can be reassured that all deposits with Newcastle IS are held with the Society, are fully protected by the Financial Services Compensation Scheme and offer a 100% capital guarantee, protecting against falls in equity markets.”

Newcastle Intermediary Services has a wide range of deposit based savings products, including capital guaranteed structured accounts, instant access savings accounts and fixed rate bonds, providing competitive rates of commission for distribution.

Intermediary networks and IFAs, through *Newcastle IS*, can benefit from Newcastle’s dedicated service and innovative approach to selling, including the use of its unique, interactive website www.newcastleis.co.uk. In addition, *Newcastle IS* can provide flexible support to portfolio planning, allowing for bespoke products. *Newcastle IS* will consider requests on an individual basis.

For more information please contact Newcastle Building Society Intermediary Service on 0845 603 9299, email intermediarysales@newcastle.co.uk or visit www.newcastleis.co.uk.

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