

Save for children as you spend through the KidStart website

Shoppers can provide a cash boost for the next generation thanks to a free club to help families, writes **Kara Gammell**

PARENTS feeling the strain during the credit crunch may find they have little money left over to put away for their children's savings. But a new website was launched this week to help parents save money while they shop for everyday necessities.

KidStart is a free children's savings club which allows members to collect cash savings for their children when shopping at a wide range of online, and a growing number of high street, retailers which offer savings of up to 20pc. Retailers who offer savings on purchases include Mothercare, eBay, Tesco, Woolworths and Marks & Spencer.

Shop via their online retailer links and your KidStart Savings are automatically collected and then deposited into any child savings account or Child Trust Fund. However, if you go to the retailers' websites without first clicking on KidStart, your purchases will not be recorded.

By shopping through the KidStart website, a family that does a weekly shop of £100 at M&S, which offers 4pc savings, will save £208 each year. Over 18 years, this would grow to approximately £6,600,

at an annual interest rate of 5pc. However, shopping at Tesco Direct through the website only offers £3.50 on the first shop and then 1pc thereafter, equalling about £1,661 over 18 years.

The key to making the most of your money is to shop smart. Some retailers offer one-off payments on products and services you may already have, so why not receive extra savings? Many mobile phone providers, such as O2 and Vodafone, offer payments of £25 and £11 respectively, for customers on annual

contracts. British Gas offers £28 to its Dual Fuel customers and Co-operative homes and motor insurance offers a £50 payment.

David Neave, director of general insurance at The Co-operative Insurance, said: "Providing access to our home and motor insurance products via KidStart gives customers a unique opportunity to shop around for the most competitive premium and at the same time enables them to invest in their children's future savings."

Easy to join, the website takes parents no more than five minutes to set up. KidStart will then automatically take care of everything else,

tracking transactions, collecting savings and paying it into a nominated child's account such as a Child Trust Fund or bank/building society account.

KidStart is not a typical loyalty programme as it does not expire and money is sent to the bank account in £10 increments. Chris Hodgson, co-founder of KidStart, said: "We originally came across the concept in North America and realised that there would be significant benefits for families if we could set up a simple and secure way to convert a part of what parents spend into savings for their children's future. Parents always want the best for their kids, but when you have a family it isn't always easy to find spare money to set aside for the big things, or even the little things, that your children may want in the future."

If you do not have children, you can still register and the KidStart Savings will accumulate in your own Kiddybank, which is the name for a member's or their child's account. Mr Hodgson said: "One of the great things about KidStart is that you do not

need to have kids yourself to help tomorrow's generation. Godparents and grandparents

love to help out and KidStart is an easy way for them to do so.

"The easiest way to save for someone else's child is to ask the parent to sign up to KidStart and 'invite' you to save for that child on the 'invite family and friends' section of the website. When you receive the email invitation, you can simply click on the link to complete the process and start saving. In addition, we have a lot of members who join KidStart when they are pregnant, or are planning to get pregnant, so that they can convert some of the costs of setting up the nursery into savings for the new baby."

For grandparents, they can register a number of grandchildren against their account, the balance will automatically flow into the children's Kiddybank according to the allocation that the member has set.

In order to transfer your savings from your Kiddybank to a linked savings account, you will need to register a child against your Kiddybank – you can either wait until you have a child or register yourself now and change the name later.

You can give your account a