

# Personal Finance

90 11 17

**Tim Cooper** checks out the best websites and online offers of the leading offshore providers

## Find the right bank for you

The internet has transformed the way expatriates handle their finances. The benefits, from checking transactions to making share deals from anywhere in the world, are obvious.

Offshore banks, for example, should provide the opportunity to check balances and statements and to check and change standing orders and make payments online as standard.

But in an increasingly sophisticated electronic environment, have providers of offshore products been as quick to adopt new ideas and technology as they might have? Have they really captured the internet's potential to help expatriates or are they just playing safe to avoid being at the bleeding edge?

The Guardian Weekly has reviewed some of the main providers' websites plus some useful independent offerings to find out:

The first website was that of Abbey International, whose rebranded site ([www.abbeyinternational.com](http://www.abbeyinternational.com)) came online in June. The site leads users towards its bank account and savings products, and has downloadable brochures and application forms.

The site is attractive and easy to navigate, but is lacking in information and useful features. It doesn't

He added: "Using web chat to answer queries is on our list, but not at the top because of security issues. Passing back the cost savings of online banking assumes that there are some. We have not experienced as many as we would like. An internet-only bank is more likely to be able to do that, but then you get what you pay for. As for providing regional tax advice online, it would have to be very limited because it's not just the region that's important, it's where the expat is from."

The Royal Bank of Scotland International's website ([www.rbsint.com](http://www.rbsint.com)) is rather sober in design but it has a few useful features. From it you can request a call back from the bank. It has a section for expatriates, with case studies and checklist guides to moving overseas and back home. There is also information about its expatriate mortgages and buying a property in Spain. The site is easy to navigate, but there is still nothing on it that leaves the user feeling inspired about the idea of online banking.

The bank was unable to comment for this article.

In contrast to the above sites, HSBC International attempts to harness the potential of the internet

and US equities, and there are no discounts for trading online.

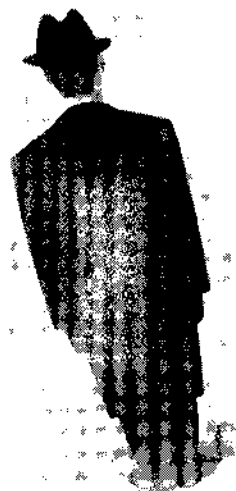
Mark Trasler, head of e-business at HSBC International, said: "We started with the UK and US because of the size of the markets. We will move into some of the European markets, it is just a development issue. We don't offer discounts for investments but we do for payments and all the standard banking transactions. We also have offers like the £100 for online application. We have a lot of colour on our website to make it more appealing."

Outside the banks, there are a number of useful websites for people living abroad.

For example, [www.lowtax.net](http://www.lowtax.net) provides 3,000 pages of free content plus special reports available for purchase online. Here you can click on one of the 60 offshore jurisdictions available and the site will give you a host of links about tax in that area.

The site has an interesting section explaining what its authors think "offshore" is all about, and it carries news and other useful information for the tax-averse surfer. A nice touch is the quote of the day, for example, Errol Flynn's "I have trouble reconciling my net income with my gross habits".

Lowtax.net's sister site, [www.investorsoffshore.com](http://www.investorsoffshore.com), has a list of companies that provide pensions, health insurance, financial advice, equity investing and offshore funds to expatriates. Unfortunately, the lists are not that long — two of them have only two entries.



give many contact options, there are no discounts or offers available to entice people into online usage and perhaps pass back some of the costs savings of online banking. Also, there is no sign of an online investment service, for example, or help with tax.

Malcolm Corrigan, marketing communications manager for Abbey International, said: "We have a simple, straightforward portfolio of personal banking products and the website mirrors that. We don't provide tax planning or investments because it's not part of our service. It is intentionally straightforward because that's what customers want. Savings are part of the total package and don't take the form of offers — speedy opening of an account is more important than special incentives to our customers."

The offshore section of Lloyds TSB's website ([www.lloydstsb-offshore.com](http://www.lloydstsb-offshore.com)) also directs users to the bank's products and services — personal and private banking, investment funds and money market accounts — and to downloadable application forms.

It also has useful information for expatriates and an abridged copy of the previous month's Shoreline, the magazine for account holders. But there are no discounts or offers for online banking, and no sign of online share and fund dealing or other state-of-the-art online services.

According to Geoff Roberts, head of offshore products and offers at Lloyds TSB, the bank is "well into a complete and utter revamp" of its offshore site that will allow online dealing of funds, and will boost the offers to account holders. He said: "The website needs brightening up, and there is a lot more we plan to put on it. After the revamp, all clients will also be able to download statements of financial affairs into financial programmes like Quicken."

more fully for expatriates (see [www.offshore.hsbc.com](http://www.offshore.hsbc.com)). This comprehensive offering shows the user what can be achieved in handling finances online, by the use of colourful case studies.

The website is attractive, has an upbeat tone and carries an impressive array of features. For example, it offers you six ways of making your first contact with the bank. You can telephone or email; submit a request for an adviser to phone you within 24 hours; download an application form/brochure or ask for one to be sent by post. Best of all, you can have a web chat with someone from the bank.

Anyone who works long hours in an office overseas will immediately see the appeal of making discreet

personal contact with their bank via a web chat.

Other attractive features on the HSBC site include: £100 automatically added to your account when you apply online; a mortgage calculator to help you see whether or not you need an expatriate mortgage; the opportunity to get a valid, automated mortgage offer in principle; an online banking demo; financial statements that can be downloaded directly into specialist financial software such as Quicken; an online share dealing facility; and detailed country guides for expatriates.

Special mention goes to the tax

navigator section on this site. By teaming up with Deloitte & Touche, HSBC provides tax advice (in the form of frequently asked questions and links) to expatriates in the 11 most popular regions of the world, plus a lot of other information, all online. And the way the countries flash across the screen looks cool!

The site is not perfect. There are some red messages flashing across the top of the screen that add nothing to the site and distract attention from what you are trying to read. The website is so full of information that it is possible to get lost and confused. Also, share trading is limited to UK

## How to avoid falling victim to online fraud

The Derbyshire Isle of Man has launched a secure email system designed to prevent sophisticated internet fraudsters from gaining access to customers' account details.

The prevalence of online frauds, such as so-called phishing, is showing no signs of abating. According to the anti-phishing working group ([www.antiphishing.org](http://www.antiphishing.org)), between April and June there were between 200 and 300 unique phishing attacks a week in the world.

Many of the major banks have been attacked by phishing frauds in recent months and, according to Derbyshire, offshore banks are among the biggest targets.

Phishing usually involves customers being sent a bogus email asking them to update their bank account details, including passwords and user IDs, with their bank.

This is often done by directing them to a spoof website to make the request more believable. According to Kris Gozra, director of the Derbyshire Isle of Man, fraudsters have been able to replicate websites to a high degree of accuracy and hide parts of the spoof website address to make it look as if it's the real one. The customer's details can then be used to empty their accounts of money.

By hijacking trusted brands, phishers are able to persuade up to 5% of recipients to reply to messages.

To defend against this, the Derbyshire's new system adds an extra layer of security by sending new customers separate passwords and encryption software by post, plus an email with an "encryption key" that allows the building society's software to recognise who the customer is. Mr Gozra claims that, to break this system, a fraudster would have to

intercept several items of the customer's mail and email and know his or her email address and passwords.

To add a further layer of protection, each transaction is confirmed by post so if there was a fraud it would be identified reasonably quickly. Mr Gozra said: "Phishing attacks are quite sophisticated, but this system wouldn't succumb to them because the identity of the sender is always checked and logged against the encryption keys."

See the demonstration of the system at [www.derbyshire.co.im](http://www.derbyshire.co.im).

To avoid falling for a phishing scam, follow two basic rules. Bona fide banks never ask you for your details, so you should never give them out to anyone even if they appear to be from your bank. And avoid using internet cafes wherever possible. If you do use them, always log out of your email before you leave.

[www.worldoffshorebanks.com](http://www.worldoffshorebanks.com) website carries lists of banks in each offshore jurisdiction with a couple of sentences about each one and a link to its website.

To trade shares online, visit [www.internaxx.lu](http://www.internaxx.lu). The site, established by Bank Generale du Luxembourg and online brokers TD Waterhouse, has a lively, inviting feel. It is laid out sensibly and written in clear English.

The 10-page demo gives a good feel for how deals are done. This site allows access to shares in 12 major stock markets around the world in real time; a full overview of past transactions; and investment in either equities or several hundred mutual funds. A wide variety of fund selection tools will help guide your choice. Rates start from €19.6 (\$23.8) per equity trade and there are discounts on entry fees to investment funds of up to 50%.

[www.squirrelyournutsoffshore.com](http://www.squirrelyournutsoffshore.com) is an online discount broker that offers investment advice via email but not online trading. The site is kept extremely basic in order to focus on passing discounts to the investor.

Alan Burr, managing director of Syno.com, said: "Because we are online, our marketing costs and our office costs are substantially lower — and we discount as much as possible, up to 6%. For someone investing £100,000 that's a saving of £6,000. Discounts are essential for an online investor."

Finally, it is important to remember that most people still need the occasional reassurance of human contact, so be sure it's available at least over the telephone. As Mr Trasler puts it: "I passionately do not believe in web-only services. It's not natural. People like to just check things on the telephone and say, 'I did make the right choice didn't I?'"