



SPECTATOR

# MONEY

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# Coffee fix

Tiffany Daneff tries an app that helps you save, one cappuccino at a time

I've long wanted to invest but have never known how. Buying stocks and shares or investing lump sums in blue chip companies was something other people did, so I was all ears when I heard about micro-investing apps which allow anyone, even impecunious freelancers, to invest their small change in companies like Netflix and Unilever via their mobile phone. The headline idea is beautifully simple: instead of pocketing the 60p change from your morning cappuccino, you invest it. At last, it seemed, there was a way to jump on the bandwagon.

After a quick online search I plumped for Moneybox, which is authorised by the FSA, covered by the Financial Services Compensation Scheme (FSCS) and seemed relatively jargon-free, ideal for a newbie like me. All you need is £1 to set up an account and that, the website promised, would take only a few minutes. As for costs, you pay a £1 monthly transaction fee plus a 'platform fee' of 0.45 per cent a year, charged in monthly instalments.

In the area I live, it can take a week to download a film, but the app was no trouble at all and after that it was just a matter of giving some straightforward personal information, prompted by the friendly cartoon trio of a blue owl, red fox and green squirrel. I have to admit I quite like the animals, though I'll be pissed off if they lose me lots of money.

The first tricky question was whether to choose a General Investment Account or a Stocks and Shares ISA. I plumped for the former as it seemed a simpler place to start. This is made up of three tracker funds, a cash fund managed by Janus Henderson, global equities run by Vanguard Global Equities and, thirdly, the Blackrock Global Property Shares Fund. There's a page giving Key Investor Information on each fund and Moneybox has done its best to spell this out in plain English, though



for anyone new to the game this still entails ploughing through a daunting amount of small print. Thanks to the miracle of Google, however, I quickly discovered that all three are huge, which my investing friends tell me is not very exciting, but there again it should prove solid.

Next question. Which kind of investment approach to go for: Cautious, Balanced or Adventurous? The Moneybox bar chart makes it obvious that being cautious is a waste of time and being adventurous seemed risky, so I went with Balanced. We're

*The idea is simple: instead of pocketing the change from your cappuccino, you invest it*

dealing here with only small amounts and you can withdraw your money easily, so I may yet revise that — with the click of another button.

The final step was linking the app to my bank account. Giving it your basic details allows Moneybox to deduct weekly deposits but also to enable it to automatically round up all your spending to the nearest pound (your 60p per coffee pension plan). Giving the app your online banking login and password is easy, if a bit disturbing. If, however, you login with a digital key or mobile generated password, you will have to reset your online banking set-up, which is a pain. If this is a step too far, there is an alternative: you can add your own round-ups manually which is easily done via the app (although these can't be less than £1).

So far so good. I set my basic weekly deposit to £5 with round-ups on top. In the first week my total investment was £15. The second week was slow. I was working from home and I only managed £8, but no matter, I would be able to add more next week. This was exciting. About ten days after joining, the first weekly investment was collected and little blue owl waved his kite, fox got on his skateboard and green squirrel told me that I'd be able to track my deposit on the app.

I kept checking the app, looking forward to watching how my little baby investment was doing, but instead of the money appearing, I watched my £23 sit in 'pending' for days and days. Once it is up and running, Moneybox says, you won't experience these delays. But still, it was hardly impressive. On the upside, because my cash was still waiting two weeks to be invested I reckon I ducked losing an entire pound in the market correction in early February.

So does it work? The short answer is yes, it encourages you to save and is pretty easy and fun to use, making this a great way into the world of investing. However, one flat white a day (assuming a seven-day week x 60p rounded up from the £2.40 cost, giving a total of £4.20) isn't going to change your world any time soon. According to the Moneybox time machine, £5 a week should grow to £3,521 in ten years (which is £913 of gains on top of the money you will have paid in). Save £20 a week and my fund is projected to grow to £14,597 in ten years' time (with gains of £4,161 on top of what I will have invested). Five cups a day, therefore, will go some way towards building a pension — if the stomach cancer doesn't get you first.