

A guide to basic bank accounts



Basingstoke
and Deane

What types of bank accounts are available?

All major high street banks should make a basic bank account available to everyone, including those with a poor credit rating.

Reasons to open a basic bank account?

- You will need a bank account for your Universal Credit to be paid into
- Employers may insist on paying wages into a bank account and most benefits are required to be paid into a bank account.
- It may save time and money as many companies offer a discount for paying bills by direct debit.
- You can set up standing orders.
- It provides statements showing how much you are spending, making it easier to manage your money.
- It is safer than cash, giro or cheque payments which are more likely to go missing in the post or be stolen.
- It improves credit ratings and may mean that you are more likely to be successful when applying for loans or credit cards, which offer lower interest rates.

Basic bank account facilities

All banks should have basic accounts available for everyone even those with a poor credit rating. They have fewer services such as no overdraft facility, however are a good way to build a credit rating and limits the changes of getting into debt.

These accounts may offer:

- no monthly charges
- wages or benefit payments accepted via Bankers Automated Clearing Services (BACS)
- payment of bills by standing order or direct debit
- payment or withdrawal of cash from branch counters
- no overdraft or cheque book – if there is not enough money in your account, bills and direct debits will not be paid
- withdraw cash for free at your local post office
- the opportunity to change accounts from a basic bank account to a standard current account once you have paid money in regularly for a certain length of time
- 24/7 telephone banking, mobile banking, text alerts, email alerts, pay a contact, transfer money online or by phone and mobile phone top-ups
- A debit card or cash card allows you to withdraw money from cash machines.

Who should I bank with?

It is your decision who you choose to bank with. Information and advice is available by going online at: www.moneyadvice.service.org.uk/en, visiting your local bank or building society.

For more information about banks in the borough visit the following links:

Barclays

www.barclays.co.uk

Halifax

www.halifax.co.uk

HSBC

www.hsbc.co.uk

Lloyds

www.lloydsbank.com

Nationwide

www.nationwide.co.uk

Natwest

personal.natwest.com

RBS

personal.rbs.co.uk

Santander

www.santander.co.uk

TSB

www.tsb.co.uk

How do I open a basic bank account?

You can visit the bank direct, apply over the phone, send an application through the post or apply online.

ID and proof of address

Banks will want documents to prove your identity and to confirm your address. There are no standard rules detailing what documents are accepted so it is best to check with the bank you apply to.

A current passport, driving licence or identity card can be accepted as ID. Bank statements, utility bills and council tax statements may be accepted as proof of address.

A current letter from the Department for Work and Pensions, HM Revenue and Customs or Veterans UK, confirming rights to benefits may be accepted as both ID and proof of address.

What if I don't have the documents I need?

Contact the bank to find out if they will accept other documents. If you are turned down by one bank for not having the right documents you can try other banks who may accept different evidence of your identity. Most documents should be dated within three months.

What if I have a poor credit rating/history?

People with a poor credit rating are still accepted by some banks. Some will carry out a credit reference check so it is best to check with the bank to see if they offer this.

Help and advice

For more help and advice on basic bank accounts visit:

Money Advice Service

www.moneyadviceservice.org.uk/en

0300 500 5000

Money Lifeline

For more help and advice on debt visit:

www.bccnet.org.uk/money-lifeline

01256 351026

Various housing associations also offer their tenants support with financial matters. Contact your housing association to see if they offer this support.

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