

No bank account?

Why it could pay you to have one



Which bank account is right for me?

This table is a summary of the two main types of account.

Source of information: Financial Services Authority

Basic bank account

Common features

- Allows you to receive money and pay bills – but won't usually let you overdraw by more than £10 if at all.
- Can be a stepping stone to a full current account.
- Cash card, Direct Debits.
- Some banks also offer a debit card and payment by standing order. Others offer a linked savings account to help you budget.

Who is it suitable for?

- People who want to make sure they stay in credit.
- People who might not get through the banks' credit checks to open a current account.

Where can I get one?

- See the list overleaf to find out which banks and building societies offer this type of account and what they call them.

What do look for?

- Cash machines – how many can you use free of charge?
- Branches – do you need one near where you live or work?
- Post Office® – do you need an account that offers access at Post Office® branches? You can access most of the basic bank accounts listed in this leaflet from a Post Office® branch.
- Paying bills – does the account give you everything you need to pay your bills easily? All accounts offer Direct Debits. Some also offer standing orders and a debit card.
- Interest you get on money in your account – only available from some banks.

Current account

Common features

- Cash card, debit card, direct debits, standing orders, cheque book and guarantee card, overdraft, interest on credit balances.

Who is it suitable for?

- Most people – except those who only need the basic banking services available from a basic bank account.

Where can I get one?

- Any high-street bank, and some building societies – the most common type of bank account.
- Some other banks don't have branches – you deal with them by post, telephone or internet.

What do look for?

- Cash machines – how many can you use free of charge?
- Branches – do you need one near where you live or work?
- Post Office® – do you need an account that offers access at Post Office® branches? Check whether your bank offers this service.
- Overdrafts – avoid banks that charge fees, on top of interest.
- Interest you get on money in your account – some banks and building societies pay much higher rates than others.

Check to see

which might suit your needs best.

You probably already know about current accounts (and maybe you've decided they're not for you). But do you know that basic bank accounts are now available that help you manage your money?

With a basic bank account you can pay money in, get cash out by card and use the account to pay bills directly. You can take out or spend money only if there is enough in your account. Basic bank accounts don't usually let you overdraw by more than £10. But if you pay bills directly you need to make sure that there is enough money in your account to pay them. If not, the payment may not be paid and you may be charged a fee. If you want to open a basic bank account, there is a list on the back of this leaflet of the banks and building societies that offer them.

Different types of basic bank account

This table shows which banks and building societies offer basic bank accounts and what services you can expect to get.

All these accounts accept *Automated Credit Transfer (ACT) payments*, offer cash withdrawals at the Post Office®, and a cash-machine card.

None of them offer a cheque book.

If you are opening a new bank account you should check to make sure it is not linked to your current bank account or any of your unsecured creditors.

Bank name and any special name for the account	Minimum age to open an account	Minimum amount to open an account	Free buffer zone (see page 10)	Direct debits and standing orders ¹	Charge for unpaid direct debit ¹	Charge for unpaid standing order	Debit card (Solo, Electron or Maestro)	If any of the following apply to you, your application may be declined
Abbey: Basic Account	16	None	No	Yes	£35	£35	No	Undischarged bankrupt, record of fraud
Alliance & Leicester: Basic Cash Account	16	None	No	Direct debits only	£25	No standing orders	No	Undischarged bankrupt
Bank of Ireland: Basic Cash Account (only available in Northern Ireland)	16	None	No	Yes	£38 ³	£38	No	Undischarged bankrupt, record of fraud
Bank of Scotland: Easycash	16	None	£10	Yes	£15	£15	Yes	Undischarged bankrupt, record of fraud
Barclays: Cash Card Account	18 ²	None	No	Yes	£15	£15	No	Record of fraud
Clydesdale: Readycash	16	None	No	Yes	£35	£35	Yes	Undischarged bankrupt, record of fraud
Co-operative Bank: Cashminder	16	None	No	Yes	£19.50 ³	£19.50	Yes	Record of fraud
First Trust Bank: Basic Bank Account	16	None	£10	Direct debits only	£38	No standing orders	No	Undischarged bankrupt, record of fraud, record of bad debts
Halifax: Easycash	16	None	£10	Yes	£15	£15	Yes	Undischarged bankrupt, record of fraud
HSBC: Basic Bank Account	18	None	£10	Yes	No ³	No	No	Undischarged bankrupt, record of fraud
Lloyds TSB: Cash Account	18 ²	None	£10	Yes	£20 (max 3 per day)	£20 (max 3 per day)	No	Undischarged bankrupt, record of fraud
Nationwide Building Society: Flex Cash Card	16	£1	No	Yes	£30	£30	No	Undischarged bankrupt, record of fraud
Natwest: Step Account	16	None	No	Yes	£38 ⁴	£38 ⁴	Yes	Undischarged bankrupt, record of fraud
Northern Bank: Northern Personal Access	14	None	£10	Yes	No	No	No	Undischarged bankrupt, record of fraud, record of bad debts
The Royal Bank of Scotland: Key Account	16	None	No	Yes	£38 ⁴	£38 ⁴	Yes	Undischarged bankrupt, record of fraud
Ulster Bank: Step Account	16	None	No	Yes	£30	£30	Yes	Undischarged bankrupt, record of fraud
Yorkshire Bank: Readycash	16	None	No	Yes	£35	£35	Yes	Undischarged bankrupt, record of fraud

Explanatory notes

¹ Correct at time of publication but always check with the bank or building society.

² 16 and 17 year-olds can open a similar account.

³ The account may be closed if a direct debit is refused three times.

⁴ Bank may cancel SOs/DDs if you don't have enough money in your account to pay them on more than one occasion.

Source: British Bankers' Association, January 2008

This information is correct as at time of print, but is subject to change.

Please check with your chosen bank or building society.

We will update this table quarterly.