

Support to Success

Your first stop for help and advice to...



Getting a bank account

Help and support available to get a bank account

www.solihull.gov.uk/supporttosuccess



Getting a bank account

Having a bank account is becoming a necessity for most people. The majority of employers prefer to pay salaries into an account rather than paying cash. Many utility or insurance companies offer discounts to those who pay through their account. On the introduction of Universal Credit, any benefit payments will need to be paid into an account.

To help you get an account that will best suit your needs, please read this guide.

Bank accounts

A basic bank account should not let you go into debt and are often used as a stepping stone to a current account. Many banks offer a basic bank account that will enable you to:

- receive payments such as a salary, wages or benefits
- pay bills by direct debit or standing order
- withdraw cash for free

A basic bank account may be right for you if you:

- have a poor credit record or you're on a low income
- and you don't need the extra things that a current account offers for example an overdraft facility.

Current account

Most people use a current account with a bank or building society to manage their day to day money. It allows you to:

- Pay bills by direct debit or standing order
- Receive payments such as a salary, wages or benefits
- Pay for things with a debit card and withdraw money from cashpoints
- Have access to an overdraft, although this will need to be authorised by the bank

Credit Union accounts

Credit Unions are not-for-profit financial co-operatives. People with a common interest, usually where they live or work, join together to save money and then loan it out to each other at a small cost. The Credit Union is run by the people who use it and only loan money within the community at low rates of interest subject to affordability.

The primary objective of the credit union is to promote good financial management by encouraging people to save regularly rather than borrow in order to avoid debt. Borrowers are encouraged to save while they pay off their loan, so the member accumulates savings. Over time members build up savings and can end the cycle of borrowing.

A credit union account allows you to:

- receive payments such as a salary, wages or benefits
- have a bill payment service
- withdraw cash for free (notice required)
- Use a Prepaid card
- Join a Christmas Savings Club
- Borrow from £400 to £8,000
- Use free internet banking
- Have free life insurance

The credit union also offers a range of information on good money management and support for members in financial difficulties or with a poor credit history.

Anyone who lives or works within Solihull Borough and North Birmingham can join Advance Credit Union. For more information on opening an account or on the services they provide call 0121 350 8883 or visit **www.advancecu.org.uk**

Post Office accounts

Post Office accounts are specifically designed for you to receive benefits, state pension and tax credits. No other income can be paid into your Post Office card account, eg your salary.

To open an account you'll need:

- to contact the office that pays your benefit
- proof of identity e.g. a passport
- proof of where you're living, eg a recent bill with your name and address on it

Jam jar accounts

Jam jar accounts are sometimes called budgeting accounts or rent accounts and are designed to help you budget. They let you divide your money into different "pots or jars". You decide how much money goes into each pot by working out how much you need for your bills and how much is left over for spending or saving.

Jam jar accounts allow you to:

- Pay bills by direct debit or standing order
- Receive payments such as a salary, wages or benefits

These accounts are available through the Credit Union or some banks. One disadvantage of these accounts is they may charge a monthly fee.

For more information on all these types of accounts go to:

www.moneyadvice.service.org.uk/en/articles/how-to-choose-the-right-bank-account or

www.moneyadvice.service.org.uk/en/articles/choosing-a-bank-account-for-your-universal-credit-payment

Alternatively visit some of the banks near you, or contact the Advance Credit Union on 0121 350 8883.