

How to Open a Bank Account

There are different kinds of bank accounts that you can choose.

A basic bank account can be used to receive money and pay bills. This may be a good option if this is your first step towards opening an account.

The information below therefore focuses on opening a basic bank account.

What you can do with a basic bank account

Basic bank accounts are very simple, so they don't provide a cheque book or overdraft.

With most accounts, you can:

- Have **wages, salary, benefits, pensions and tax credits** paid straight into your account
- **Pay cheques in** for free (as long as they're not in foreign currency) – funds are cleared after 6 working days
- **Get money out** over the counter or from a cashpoint machine
- **Pay your bills** by Direct Debit or standing order
- **Pay money in** over the counter
- **Check your account balance** over the counter or at a cashpoint machine.

Some accounts will also give you a debit card.

Who can get a basic bank account?

- **Over 16** – You need to be at least 16 to open a basic bank account, although at some banks the minimum age is 18.
- **No minimum monthly payment** – Unlike current accounts, basic bank accounts don't have a minimum amount you have to pay in each month, which can be an advantage if you're on a low income.
- **No need for a good credit history** – Because basic bank accounts don't allow you to go overdrawn, you don't need to pass a credit check when you open the account.
- **Proof of identity and address** – All banks will ask for proof of your identity and address before you can open a bank account.

How much does a basic bank account cost?

As long as you have money in your account, you don't usually have to pay for basic bank account services.

How to open a basic bank account

You can usually apply for a basic account in person, by post, over the phone or online.

Check with the bank what proof of identity and address you need to show them when you open your account. If you don't have the documents, ask what they will accept instead.

If your application is turned down, don't be afraid to ask why – the bank should be happy to give you a reason for a rejected application.

You will need to get some documents ready for the bank's identity check

Why?

All banks will ask for **proof of your identity** and **address**. You can speed things up by having these documents to hand when you apply for your account.

How?

If you don't have the exact documents the bank asks for, don't worry. Talk to someone at the bank and they will tell you what alternative letters or documents you can provide.

Check your credit report

Why?

If you have a poor credit history, the bank can turn down your application. It's a good idea to have any errors on your report corrected before the bank runs their credit checks.

In the UK, there are three main companies that compile information on how well you manage credit and make your payments. They are (with website addresses included):

- Experian (<http://www.equifax.co.uk/Products/credit/statutory-report.html>)
- Equifax (<http://experian.co.uk/consumer/statutory-report.html>)
- Callcredit (<https://www.noddle.co.uk/>)

Resources

You can find help online here:

www.moneyadviceservice.org.uk

Or, if you don't have a computer, you can visit The Advice Shop:

249 High Street

Edinburgh

EH1 1YJ

Email: advice.shop@edinburgh.gov.uk

Tel: 0131 200 2360

Fax: 0131 529 4828