UNLOCKing...

BANK ACCOUNTS



A guide to banking for people with convictions

www.unlock.org.uk

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What is a bank account?

A bank account is a service which allows you to put your money inside a bank and take it out when you need it.

Why do I need one?

Opening an account can help you to...

Receive money from jobs, benefits and friends:

- Most employers now require you to have an account
- Benefits are now paid straight into your account using 'Direct Payment'
- You won't have to pay to cash your cheques

Pay your bills:

- Many landlords prefer to collect rent from a bank account
- Water, gas & electricity will be cheaper
- Arranging regular payments can help you to avoid missing a payment

Manage your money and save for the future:

- Having a record of your spending can help you to budget
- It's less tempting to spend your cash when it's in the bank

Keep your money safe until you need it:

 Access a network of thousands of cash machines across the UK

What do I need to know?

Convictions

- Opening a bank account can be hard for many people, especially former prisoners
- There are no official policies against reformed offenders and bank account application forms do not usually ask about convictions

Identification

- Banks need evidence of who you are because of money laundering and terrorism laws
- Bank staff often ask to see a passport, driving licence and a recent utility bill
- If you do not have them, it could cost over £100 and take several weeks to get them
- Instead, ask to see the bank's full, long or extended list of acceptable ID. The list will include lots of documents available for free
- Be aware that the person you are dealing with may not even know about the list!
- Remember, each bank has a different policy and nobody can force them to accept a document

Address History

- Anyone applying for a financial product has to provide three years of address history
- You must provide your current address
- If you did not live at your previous addresses for very long, ask to put "no fixed abode" instead of the address
- Be aware that giving a false address history is fraud

Financial History

- Bankruptcy, convictions for fraud or a record of bad debts will bar you from many accounts
- Banks share such information and can check your credit record and address history
- You may find a basic bank account is easier to open. They do not require a good credit rating because they do not offer credit services such as overdrafts or credit cards

Staff Attitudes

- This can be the biggest barrier you face
- Bank staff get rewards for selling things like loans and mortgages, not for opening basic accounts
- They may have had very little training in how to meet your needs
- Attitudes can vary greatly between branches and even between staff in the same branch!
- If you are having no luck, speak to a manager

If all else fails:

- Contact local charities and support services
- Contact your MP. It's amazing how much customer service improves when the bank gets a letter from them!

Which account should I get?

Every bank account is different but the two most common types are:

	Basic Account	Current Account
Cost per year	£0	£0 to £300
Card type	Cash*	Debit
Cheques	No	Yes
Overdraft	Some offer up to £10	Yes
Interest	Zero to low	Low to medium
Good for	Keeping things simple, avoiding debt, your first account	When you are confident about banking and want all the services

^{*} Some basic accounts now offer debit cards

Other types of account include:

• Credit Union Accounts

Credit unions are owned and controlled by their customers. They can offer current accounts, savings and great value loans.

Savings Accounts

They have fewer features but you are earning while the bank looks after your money. Keep your money here when you don't need to spend it.

Where can I get help?

Financial Services Authority

www.moneymadeclear.fsa.gov.uk

Tel: 0845 606 1234

Association of British Credit Unions

www.abcul.org Tel: 0161 832 3694

Community Legal Advice

www.clsdirect.org.uk Tel: 0845 345 4 345

Citizens Advice Bureau

www.adviceguide.org.uk Contact your local office

Websites for comparing accounts

www.moneysupermarket.com

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