

UNLOCKing...

BANK ACCOUNTS



UNLOCK
The National Association
of Reformed Offenders

**A guide to banking for
people with convictions**

www.unlock.org.uk



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.moneyfacts.co.uk
www.moneysupermarket.com

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