

Banks and Accounts

Glossary of basic terms

| Term | Meaning |
|---|--|
| ATM/Cash Machine/ 'Hole in the wall' | A machine where you get cash from your account using your bank card. You can usually use your card in a cash machine belonging to any bank (not just your own) without a fee. Cash machines are found in most banks, on high streets and in some shops/petrol stations (where they may charge a fee). |
| Branch | The building from which your bank operates. Your 'local branch' is usually the branch where you opened your account. You can visit any branch of your bank to ask questions in person. |
| Building Society | A building society is very similar to a bank, but has a different governance structure. For the average account holder, there is no tangible difference between having a bank account or an account with a building society. |
| Charges | Money you owe to the bank for services or fees. For example, you might be charged if you go over your overdraft limit or have a monthly fee to keep the account open. |
| Cheques | An order to a bank to pay a stated amount from the cheque holders account, it's made payable to a person or company. Giving someone a cheque knowing that you do not have sufficient funds to pay them is a criminal offence. |
| Chip and Pin or Contactless | A way of paying for goods directly from your account through a debit or credit card. You will be issued a card and pin number when you open an account. Your card may also be able to make 'contactless' payments. This means that you don't have to authorise payment with your pin for purchases worth less than £30. |
| Direct Debit | A company or person can request money from your bank account in the form of 'direct debit'. The account holder authorises this request and the money is debited (taken) from your account. For example, a gym might set up a direct debit to request monthly membership fees. |
| Interest rate (%) | A percentage of your money which the bank will pay you. For example an account with 0.5% interest rate you will be paid 50p for every £100 in the account. |
| Loan | Money borrowed from the bank. Usually paid back in monthly instalment by the borrower with added interest. Unless the loan is 'interest-free' you will end up paying back more than you borrowed. Make sure to check the interest-rate and ensure that you can afford the repayments. |
| Overdraft/ Overdrawn | When your bank balance goes below £0, you are overdrawn and using your overdraft. Most accounts allow you to go below £0 (up to a set amount, which is called your 'overdraft limit'), but some banks charge interest and/or fees. Most student accounts have more favourable overdraft terms and conditions. Make sure you understand these to avoid being charged interest/fees. |
| Transfer | A payment between two bank accounts. You might transfer money to a friend who you owe money to, rather than give them cash, you will need their account number and sort code to transfer money |
| Standing Order | A (usually recurring) amount paid to a company or person as instructed by the account holder. For example, rent might be paid monthly by standing order |

Types of Bank Accounts

| Account, Eligibility and Description | Positives | Negatives |
|---|--|--|
| <p>Student Account</p> <p>You must be a current student and be living in the UK.</p> | <p>Access to an interest-free overdraft (know your overdraft limit and do not exceed it)</p> <p>Can come with freebies (e.g. railcards)</p> | <p>Poor interest rates (0-2%)</p> <p>Only lasts as long as your course</p> <p>Sometimes requires a credit check to be opened</p> |
| <p>Current Account</p> <p>The most common account. You must be living in the UK.</p> | <p>Can come with additional features like home/travel insurance (for a fee)</p> | <p>Poor interest rates (0-2%)</p> <p>Requires a credit check to be opened</p> <p>Usually no interest-free overdraft</p> |
| <p>Basic Account</p> <p>Fewer features than a current account. You must be living in the UK</p> | <p>Can open with a low credit score</p> <p>Features can include a debit card, standing order and direct debits</p> <p>Free to open</p> | <p>No overdraft facilities</p> <p>Poor interest rates (usually less than 1%)</p> |
| <p>Savings Account</p> <p>To put money away for the future. You must be living in the UK.</p> | <p>Interest rates are better in a savings account</p> <p>Tax-free, up to £1000 earned in interest</p> | <p>Can be restrictive about when you can withdraw your savings or how much you have to contribute per month/year</p> |
| <p>International Student Account</p> <p>Some banks offer a student account to students from outside the UK. You still have to be living in the UK to open an account</p> | <p>Features can include mobile banking, Pingit, debit cards, standing orders and direct debits and transferring money online</p> <p>Can come with freebies (e.g. money off coach travel)</p> | <p>Only some banks offer this type of account so less choice</p> <p>No overdraft facilities</p> <p>Some banks will charge a monthly fee but have higher interest rates</p> |
| <p>ISA Account</p> <p>An Individual Saving Account. You have to be living in the UK</p> | <p>Higher interest rates</p> <p>Tax-free</p> <p>If you move out of the UK then you can keep your ISA open and get tax relief</p> | <p>Cannot be used as an everyday account, no debit card.</p> |

How to open an account

1. Do your research. Pick the account which best suits your needs, compare interest rates, charges, features, locations of branches and free cash machines.
2. Be prepared. To open a student account you will need proof you're a student and your address (your UCAS letter or code will do), you'll also need photo ID like a passport or driving license.
3. Ask questions if there's anything you don't understand.
4. Be organised. Keep any paperwork relating to your account in a safe place.

International and EU Students

For international and EU students it is worth considering these additional points when opening an account. Almost all accounts will want you to have a UK address when you open the account.

- Are there branches in your home country?
- Do they offer online banking?
- Can you transfer money internationally, if so for what cost and how often?

To open a bank account, you may need a letter from the University. You can find this on your University RISIS portal. Click 'Self-Service' and then 'Banking letter'.

Other resources: British Banking Association www.bba.org.uk; UKCISA www.ukcisa.org.uk

Tips for managing your account

- Know what is going in and out of your account, i.e. what is set up as a standing order and direct debit.
- Check your account regularly. Use online banking and see if your bank has a mobile banking app. This can help you keep track of your spending, before you get a monthly statement.
- Know your overdraft limit. If you spend more than your overdraft limit, you may incur charges!
- If you're opening a student account, be aware that this will usually turn into a graduate account when you graduate and that this may have different terms and conditions, including on your overdraft.

ATMs/Banks on Campus and in Reading

On the Whiteknights campus, there is a branch of Santander and a Barclay's cash machine (one within the RUSU building and another outside Co-op Shop)

On Christchurch Road there is a branch of NatWest.

In Reading Town Centre, there are branches of most major banks, including HBSC, Lloyds, Nationwide, Metro and Halifax.

What if there's a problem with my account?

| Problem | What to do |
|---|--|
| I see something on my statement that I didn't buy | Contact your bank straight away , you <i>may</i> need to cancel your card and have a new card sent to you. You may be the victim of identity theft and the police might get involved. |
| I've gone over my overdraft limit | Contact your bank straight away . You might be charged either a high interest rate on the amount over the limit or a daily/weekly/monthly fee. You can speak to your bank about increasing your limit. |
| I've lost my debit/credit card | Contact your bank straight away . After you've told your bank you've lost your card you cannot be charged for any transaction made unless you have acted fraudulently or been negligent |
| Are my savings safe? | Every UK bank institution is protected by the Financial Services Compensation Scheme (FSCS) for up to £85,000 |
| The terms of my account have changed and I want to switch accounts - can I do this? | You can change bank accounts whenever you want to ensure that you get the best deal. Most banks are signed up to a Current Account Switch Service, which makes it easy to switch your money, standing orders and direct debits to your new account. |
| I've sent money to the wrong bank account | Contact your bank straight away . Banks cannot stop payments, but can request that the receiver's bank return the money - if this isn't disputed then the money should be returned in 20 working days. If there is a problem, then you will need to follow your bank's guidelines on getting back this money. |
| I'm not in the country to be able to deal with any problems | Most banks will have a telephone number to contact them on - you can also see if there is a branch in the country that you are in |

If you would like further advice or to speak with somebody in person then a Students' Union Adviser may be able to help. The specialist advisers offer a confidential service, independent from the University so they can discuss your case with you in private.

Contact us by email at advice@rusu.co.uk, or visit us in the RUSU building.

You can book an appointment or attend a drop-in session. Drop in runs during term time on Monday, Tuesday, Thursday & Friday (11.00am-1.30pm) and Wednesday (2pm-4.30pm)