

# Bank Accounts Fact Sheet



**Having a bank account has become something of a necessity. Any income is usually arranged to be transferred directly in to your account and any bills can be paid by standing order, direct debit or a bank transfer without you ever touching a penny. This can make it difficult to keep track of your money.**

If you owe money to a bank or building society and also bank with them you are at risk of them off setting the debt. This means that if your credit card account goes into arrears they can remove funds from your current account to bring the credit card up to date. They do not need your permission or have to give you any notice. This can leave you short for other essential living expenses suddenly.

To safe guard this from happening to you we advise that you open up a new 'safe' bank account with a bank or building society that you don't owe any money to or that has no connection to your current bank.

If you are worried that this might happen and you cannot get a new account opened immediately then you can exercise your 'first right of appropriation'. This means that the bank cannot take those funds. This is best done in writing. Contact us for advice and a sample letter

## Which bank account do I choose?

Before choosing which bank to open a new account with, it can be useful to see comparisons against other banks accounts & their facilities. The money made clear website provides information on basic bank accounts & how much the charges are for unpaid direct debits and standing orders and whether or not they offer that facility. Some have Connect, Solo, Electron or Maestro facility and have a free buffer zone. Alternatively contact us on **0800 917 4607** for a list.

You still can have a basic bank account whilst you are bankrupt. Most banks may decline your application for this reason or if you have a record of fraud but we are aware of a few that are happy to accept applications from bankrupt people.

## How do I open a bank account?

Once you have decided which bank and what type of account you want to open you will usually be asked to fill out an application form or to arrange an appointment for a customer service adviser to assist you.

You will need to provide proof of your identity – who you are and where you live, photographic ID and you also may be required to pay funds in immediately. The bank will advise whether they plan to run a credit check.

If you are switching bank accounts your existing provider must help you switch and can arrange to transfer existing standing orders and direct debits over to the new account.

## Who is liable for Joint account debts?

If you are opening a joint account you should be told about the extra rights and responsibilities involved. You should know whether one person can withdraw the entire balance without the other persons consent and whether each person will be liable for 50% of the balance or is each person jointly and severally liable for any debts incurred. This means that the bank can pursue just one person for the entire balance.

## How do I close my bank account?

You can close most bank accounts at any time you wish, just check if there are closing conditions. The bank or building society must have made you aware of these points before you agreed to open the account.

Your bank or building society may also decide to close your account. If this happens your bank must give you two months' notice for most accounts, such as your current account or an instant-access savings account. The bank should give you reasonable notice to enable you to make other arrangements regarding any other accounts. Your bank or building society should not close your account because you make a complaint against it.

## How do I Complain?

If you have a complaint about the service you receive you should contact your bank or building society in writing and follow their complaints procedure. They should investigate your complaint and issue you with a response with 8 weeks.

When issuing you with their response the bank or building society should advise you of your right to take the complaint forward to the Financial Ombudsman Service if you're not satisfied with the outcome. This is a free service and their contact details are **08000 234 567** or [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk). Our call us for

**Call us FREE on: 0800 917 4607**

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