

LESSON 2: ACTIVITY 1

Teacher Resource Sheet: Current Account Information

The range of services available to people with current accounts include possibilities to:

- Receive payments such as salary/wage, social welfare or pension income
- Get cash from your bank or by using an ATM with your ATM card or debit card
- Pay for things using your debit card, writing cheques or transferring money to another account
- Pay bills in your branch or by direct debit or standing order
- Bank using the telephone or internet
- Get an overdraft (loan) facility
- Pay for things when abroad

Potential costs on a current account include:

1. Fees and charges: For example -

- Monthly or quarterly account maintenance charges
- Charges for each transaction such as a withdrawal, lodgement, direct debit or payment by debit card or cheque
- Service charges for carrying out instructions such as setting up standing orders, direct debits or issuing duplicate statements
- Overdraft fees, including a yearly facility fee
- Replacement of lost or stolen ATM or debit cards
- Issuing a new pin

2. Penalties: Most banks will charge penalties if you do not keep enough money in your account to meet your payments. You may have to pay for:

- Unpaid standing orders
- Unpaid direct debits
- Cheques you write if there is not enough money in your account to pay them when they are presented.

3. Interest rates:

- Some current accounts pay interest on credit balances in your account but the rate paid can vary between accounts
- Most current accounts charge interest on overdrafts – the interest rate is usually higher if it is an unauthorised overdraft, i.e. if you have not organised bank approval for your overdraft in advance.

When making comparisons between different providers/current accounts people should consider the following:

1. Access – including:

- Convenience of location and opening hours
- Internet and phone access
- Cards provided with the account

2. Services/facilities – including:

- Telephone banking, internet, branch facilities, ATM machines, frequency of statements, etc.
- Overdraft facilities, paying for things abroad, debit card, transferring money to another account, receive payments such as salary, direct debit/standing order facilities, etc.

3. Charges – including:

- Any costs for the services you use – maintenance charges, charges per transaction, service charges.
- Penalties charged if you do not keep enough money in your account to meet your payments, i.e. charges if the bank bounces a payment.

4. Interest rate – including details of:

- The interest earned on credit balances in your account.
- The interest charged on facilities such as overdrafts.