

OPENING YOUR FIRST BANK ACCOUNT

Opening a new bank account is a great first step towards managing your finances. There's a lot to consider, so it's helpful to know what type of bank account you need and then how to open one.

WHY YOU NEED A BANK ACCOUNT

Bank accounts are an easy way to manage your finances, and a safe place to keep your money. Most jobs won't pay you with cash, so having a bank account allows you to get paid without any fuss. Many banks will also offer a debit card meaning you'll always have cash at your fingertips.

There are many types of bank accounts, however, the first one that you'll need to open is a...

CURRENT ACCOUNT



This is for your day-to-day spending. It's typically the account your salary gets paid into, and the account that you'll use to pay and receive money from friends, family or anyone else. You'll also use it for paying direct debits and making cash deposits.

Once you've set that up and got on top of your day-to-day money management, you may want to open a...

SAVINGS ACCOUNT



This does exactly what it says on the tin. The best thing about them is that you can earn interest, so you make money just by saving. Different banks offer different rates, so make sure you do your research before settling on one.

Some savings accounts may require a minimum balance before interest is earned. An Instant Access savings account lets you add and take out money whenever you want, however, others may have penalties for taking your money out early.

THINGS TO CONSIDER WHEN OPENING A BANK ACCOUNT

- Are there any benefits with the account (e.g. travel or phone insurance)?
- Are there any fees you need to pay?
- Does the bank require you to have a certain credit score to open an account?
- Are there any incentives or rewards, such as low interest rates for a certain time period?
- Can you set up an overdraft? If so, compare the rates so you can choose the best one.
- Is there a branch local to you?
- If it's a savings account are there any penalties for taking your money out?
- Do you have to put a certain amount of money in the savings account to open it?
- If it's a savings account, what's the interest rate?

WHAT YOU'LL NEED TO OPEN A BANK ACCOUNT

- Personal Information (name, contact details and date of birth)
- Proof of Address (for instance, a recent utility bill)
- Proof of Identity (a valid passport or full UK driving licence)

If you're a student opening a student account, you'll usually only need your UCAS number. This will provide all the required info to open the account.

MOBILE BANKING

Once you've set up your bank account, you'll likely get access to app-based banking. This allows you to access your account from your mobile, making it really simple to keep track of your income and outgoings.