



# Basic Bank Accounts Isle of Wight

**Local Housing Allowance  
for Private Tenants**

ISLE OF WIGHT COUNCIL

## **BASIC BANK ACCOUNTS**

Basic bank accounts are available to almost everyone from most banks. Getting a bank account is easy and makes managing your finances easy too.

Obtaining a bank account has in the past been difficult for those with previous or existing debt problems.

Since October 2000 however, the Government has stated that banks need to make a basic bank account available to everyone, including those with poor credit records.

As from April 2003, most basic bank accounts allow holders to access their cash free of charge at any Post Office ® Branch, using their bank or building society cash card and their Personal Identification Number (PIN).

Most basic bank accounts will not give you a cheque book, overdraft or debit account

**(some banks may offer these facilities subject to status)**

### **Why Open a Bank Account?**

- Provides a route to many other banking services.
- Helps build a banking history.
- You can make automated payments such as paying bills by direct debit or standing order.
- Budgeting can be made easier as paying bills by direct debit spreads payments out on a monthly basis.
- Cashing personal cheques can be difficult and expensive without a bank account.
- You can have your Housing Benefit/Local Housing Allowance paid straight into your bank account.
- You can pay your landlord by standing order or telephone banking.

### **What services do basic bank accounts offer?**

- Free automated transactions (eg standing orders).
- A cash card for use at each machine
- Telephone banking

**Remember that you must make sure that there is enough money in the account to cover payments out of your account – if not, you may be charged a fee.**

### **How to Open a Bank Account**

The table provided show the banks and building societies in the Isle of Wight, the name of their basic bank account, the services included and acceptable forms of identification and proof of residency.

- Banks are to be contacted direct in order to open a bank account.
- All banks require proof of identity and residency as part of their application process.
- It is not a requirement of basic bank accounts to have a minimum amount credited to the account each month.
- Please note if any of the following apply, your application to open a bank account may be declined:-  
County Court Judgement, Bankrupt, Undischarged Bankrupt.  
This list is not exhaustive.

**Remember that Isle of Wight Council staff are not qualified to give financial advice on which account is best for you.**

**These tables give general guidance only to what 'basic bank accounts' are currently available and should not be treated as a complete and authoritative guide to available accounts and acceptable identification.**

**Please contact the banks themselves for advice and information.**

## Basic bank accounts: Summary of what is available

Bank name and any special name for the account	Minimum age to open an account	Minimum amount to open an account	Free buffer zone	Direct debits and standing orders ❶	Charge for unpaid direct debit ❶	Charge for unpaid standing order	Debit card (Solo, Electron or Maestro)	If any of the following apply to you, your application may be declined
<b>Lloyds TSB:</b> Cash Account 21-22 St Thomas Square, Newport, IOW, PO30 1SG	18 ❷	None	£10	Yes	£35	£35	No	Undischarged bankrupt, record of fraud
<b>National Westminster:</b> Step Account 107 St James Street, Newport, IOW PO30 1UR	16	None	No	Yes	£38	£38	Yes	Undischarged bankrupt, record of fraud
<b>Barclays:</b> Cash Card Account 102 St James Street, Newport, IOW, PO30 1UP	18 ❷	None	Yes	Yes	£15	£15	No	Record of Fraud
<b>HSBC:</b> Basic Bank Account 101 St James Street, Newport, IOW, PO30 1HX	18	None	£10	Yes	No ❸	No	No	Undischarged bankrupt, record of fraud
<b>Abbey National:</b> Basic Account 26 St James Street, Newport, IOW, PO30 1HY	16	None	No	Yes	£35	£35	No	Undischarged bankrupt, record of fraud
<b>Alliance &amp; Leicester:</b> Basic Cash Account 23 St James Street, Newport, IOW, PO30 1UX	16	None	No	Direct debits only	£34	No standing order	No	Undischarged bankrupt
<b>Halifax:</b> Easycash 115 High Street, Newport, IOW, PO30 1BQ	16	None	No	Yes	£39	£39	Yes	Undischarged bankrupt, record of fraud

### Explanatory notes:

- ❶ Correct at time of publication but always check with the bank or building society.
- ❷ 16 and 17 year-olds can open a similar account
- ❸ The account may be closed if a direct debit is refused three times.

Source: British Bankers' Association, April 2007      This information is correct as at time of print, but is subject to change. Please check with your chosen bank or building society.

## **Where to get more information**

If you want to know more about the changes and how they affect you:

- Phone the Benefits Service on 01983 823950

Contact them at:-

**Isle of Wight Council  
Revenue and Benefits Service  
Council Offices  
Broadway  
Sandown  
Isle of Wight  
PO36 9EA**