

2(e) Opening a bank account

Let's say that you want to open a bank account. In this topic we are going to look at how to do this.



How long does it take to open a bank account? Is it as quick or quicker than buying a bus ticket?



What does it mean to open a bank account?

Opening a bank account is not like buying goods from a shop – in this case, as long as you're satisfied with what you've bought, you don't need to talk to the shop about the goods again.

When you open a bank account, it is only the beginning of the story. Every time you deposit or withdraw money, you are making use of the bank's services and so it is an ongoing relationship. Once you've opened the account, you operate it over a long period of time.

From the bank's point of view, you are a customer who will deposit money that they can use to make loans to others. But you are also taking on a responsibility and they want to be as sure as they can that you are a trustworthy person who will use the account properly.

Because of the long-term nature of the relationship between the bank and its customers, the bank needs to know something about each new customer before allowing them to open an account.



Activity 1

Think of all the illegal and irresponsible things a bad customer could do with a bank account. Various answers are given below.

Bad customers

There are many things a bad customer could do but here are some examples:

- overdraw the account without previous authorisation and then have trouble in repaying the money borrowed;

- overdraw the account and flee the country, never to be seen again;
- use the account for fraud, e.g. pay in stolen money;
- use the account to pay for illegal or stolen goods;
- forge cheques or try to take money out of someone else's account.



So all banks want to know the background of every applicant before they agree to let that person use its facilities. In fact, by law, banks have to check people carefully because of **money laundering** rules, which we will look at later.

Steps to opening a bank account



Step 1 Choosing the provider

First you have to decide which bank you want to open your account with. You have to be satisfied with the bank's reputation and confident that they are a good provider to have a long-term financial relationship with. If you select one of the large UK banks or building societies, you can be pretty sure that your money is safe and that you will get a reasonable service. Your choice could be based on one of several factors:

- the bank that has a branch near to where you live or work;
- the bank that someone else in your family uses;
- you might have seen an advertisement on television that you liked;
- it might be offering something that attracts you, e.g. a free gift or extra service;
- it might be the only bank you have heard of.



Think about the location of the bank...



...and chat with friends and family about their bank before choosing an account.

It's a good idea to have a chat with people you know who already have a bank or building society account. They can give you some ideas and tell you if they're happy with their provider.

Next you could visit several banks to pick up some leaflets and take them home to read and to compare what they offer. It's a good idea to have an idea of the type of account that you want before talking to the bank.

Find out about the differences between **current accounts**, **savings accounts** and **basic accounts**. Think about what you need from the account. If you need a way to make payments, then you need a current account; but if you want to save some money and earn interest, a savings account would be better. If you are under 18 or don't have a good credit record, you may only be allowed to open a basic account.



If you decide that you need a current or a basic account, think about the services you need. Is there a branch near where you live or work? Is it important to you to have access to a cash machine (**ATM** or **Automated Teller Machine**)? Or would you prefer to manage your account by telephone or online? Does the bank provide these services?



Activity 2

If you have a bank account, what was the reason you chose that bank? If it is a bank that was recommended to you, ask that person why they chose it. If you don't have an account yet, think about which one you might choose and why.



Step 2 Approaching the bank

When you have made your choice, you need to make an appointment with someone at the bank to discuss the account you are going to open. Even if you want to run your account by telephone or online, if this is your first account you still have to go in person to the bank to open it. If it is a second account, you might be able to open it another way. You can either telephone or go to your local branch to arrange an interview with a customer adviser. You will have to fill in an application form and answer some questions.

Questions asked by the bank

All banks, by law, and because of banking regulations, have to be sure of the identity of their customers – this is known as the **Know Your Customer** rule. This is partly to safeguard themselves in case of fraud but it is even more important nowadays as financial crime has increased. People who gain money from criminal activities need to get their money into a lawful bank account so they can use it without attracting suspicion. This practice is known as **money laundering**, i.e. turning 'dirty' money into 'clean' money. If money laundering is difficult, then it is hard to benefit from the criminal act that was the source of the money and criminals may be put off. The law and the banks are determined to do all they can to stop the proceeds of crime from reaching bank accounts and to stop people from benefiting from their illegal deeds, which is why they need to ask customers questions when they open an account.



Step 3 Being interviewed by the bank

There are some people who might find it difficult to open certain types of bank account. There are two main reasons why a bank has to be careful who it opens an account for:

- It must follow the regulations on money laundering and must not open an account for someone who might intend to use the account to pay in the proceeds of crime.
- From its own point of view, the bank does not want to open an account for someone who might draw out lots of money, run the account into overdraft and then be unable to repay, or even disappear. This especially applies to current accounts. Today, all the main banks offer basic accounts and it is impossible to become overdrawn on these. This account is a very useful way of opening an account for someone if the bank employee is unsure about them, without losing a new customer. It is also a useful account for a young person who does not yet have a **credit history**. If the customer proves to be creditworthy and honest, then the basic account can be upgraded later to a current account. If not, then the bank has not lost anything.

Before looking at some special categories of people, it is worth noting that, because a bank needs to 'know its customer', two things happen to **everyone** who goes to open a bank account:

- the prospective customer must go in person to the bank and have a face-to-face interview with a member of staff so the bank can ask some relevant questions;
- after the interview and after filling in an application form, the bank will run a **credit check** on the new customer, whoever he or she may be. There are special companies that keep a record of people's financial dealings and every person in the country who uses financial services has a **credit record**. The credit record gives the bank an idea of the person's credit history and financial behaviour and helps them to decide whether or not that person is a good credit risk. If someone's credit record shows that they have financial problems or have no financial history, this person will be given a basic account but not a current account until they can show they can use financial products responsibly.



Everyone has to have a face-to-face interview with a member of staff at a bank before they can open their first account there.

Here are some of the 'problem' categories that banks have to deal with. They are not given in any order of importance.

(a) People under 18 years of age

Anyone under the age of 18 is a minor and will not be allowed to borrow money, since the law does not normally enforce repayment. So if a customer is under 18, no bank will open an account that provides overdraft or credit card facilities. But young people between the ages of 15 and 18 can usually open a current account where withdrawal takes place by cash card and all children are encouraged to open savings accounts. Very young people can have an account operated for them by a parent or guardian.

(b) Students

A student who is under 18 comes into the same category as the young people dealt with in the above paragraph. A student over 18 has full legal capacity but does not have an income. Because banks know that today's student is likely to be tomorrow's well-paid employee, they are happy to open accounts for students and even to allow them overdraft facilities up to a certain limit. All banks now run special accounts for students and, later, special accounts for new graduates, who probably have debts to pay off.

(c) Mentally incapacitated people

Guidance about opening bank accounts now exists for people who are mentally incapacitated or have learning difficulties, and also for their relatives and carers. This is especially necessary as people get older. People who are mentally ill and who have been designated as not legally responsible for themselves cannot enter into a contract and so cannot open a bank account. The court would appoint someone as carer or guardian and this person would act on behalf of the mentally ill person by opening an account in their name and by running it for them. Alternatively, an account could be opened for the mentally ill person and the guardian in joint names and the guardian would make deposits and arrange payments.

Power of attorney

The legal term for someone who acts on your behalf is an attorney. A **Lasting Power Of Attorney (LPA)** is an arrangement whereby you can appoint someone as your attorney in all financial matters until and unless the LPA is cancelled. Some elderly people appoint an attorney while they are still healthy and in sound mind in case they later suffer from an illness that affects their mental state. The person chosen must be someone trustworthy and might be a relative or close friend.

(d) People with a criminal record

A bank does not ask a prospective customer if he or she has a criminal record but, if the employee carrying out the interview has any suspicions, then it is best to open a basic account until more is known. The sort of criminal activity that a bank is most worried about is fraud. Someone who has had a conviction for fraud is unlikely to be welcomed as a bank customer. Also, the money laundering regulations require a

bank to refuse an account to anyone who it suspects might be making their money from criminal activities.

(e) People with a bad credit record

Someone with a bad track record is probably a bad credit risk. This applies especially to someone who has been taken to the county court for non-payment of debts (someone with a **County Court Judgment (CCJ)** against them) or to someone who has been declared bankrupt. These people would almost certainly be able to open a savings account or a basic account where there is no chance of becoming overdrawn, but they would be unlikely to be offered a full current account with a chequebook and a debit card.

Guarantors

A guarantor is someone who signs an agreement on behalf of another person to say that they will pay a person's debt for them if that person defaults. But banks don't take guarantors for current accounts. If they are unsure of the creditworthiness of a prospective customer, they will either open a basic account or not open an account at all.

(f) Non-UK natives

A citizen of a foreign country is seen by a bank as just as good a customer as a UK citizen and a foreign passport is just as acceptable as a British one. The main issue with a foreign national is that they might become overdrawn and then leave the country and become impossible to trace. On top of this, they are unlikely to have a credit record in the UK and so there is no information held on them to help the bank decide on their creditworthiness. Once again, the basic account is the answer to begin with. After a period of, perhaps, six months, the person has begun to build up a reputation and may be allowed to open a current account.

Confirming your identity

A bank needs to know who you are and where they can find you. So their staff are obliged to verify your identity and your address and they cannot use the same document to verify both. You need to produce two separate documents that bear your name and address.

Barclays Bank lists the following documents as acceptable for confirming who you are (all must be originals and not photocopies):

- full UK passport;
- full foreign passport;
- UK driving licence;
- blue disabled driver's pass;

- European Union member state identity card;
- police warrant card;
- UK Armed Forces ID card.

Your address

A permanent address is the place where you normally live. You might own it, rent it or live with family or friends. It should be the place where you can be reached by post.



Here are the documents accepted by Barclays to confirm your address:

- UK driving licence with current address;
- European Union member state identity card (if not used as ID);
- UK bank statement no older than three months;
- UK credit card statement no older than three months;
- UK mortgage statement no older than three months;
- foreign bank statement;
- gas, water, electric, cable TV or landline phone bill, less than three months old;
- local authority council tax bill (current financial year);
- council rent book (must be current);
- household or motor insurance certificate (no older than twelve months).



Could the following people open a bank account:

- **someone receiving social security who lives in bed and breakfast accommodation**
- **a traveller**
- **a caravan-dweller**
- **someone who lives on a houseboat on a river**
- **a live-in nanny**
- **someone who is homeless and lives on the streets?**



The main issue for the bank is whether a person has an address to which they can send correspondence. Believing that the address a person gives is the correct one is probably the biggest risk the bank takes, because there is no way of confirming that the address given is still current.



Activity 3

Go through the list of documents given above and see how many of these you could produce. If you do not have any of them, think what you might be able to take with you to show the bank to prove your identity.

If you do not have any of these documents, you need to talk to the member of staff and explain what documents you do have. You will not be the first person to have this problem and the banks will know how to deal with the issue – you might have to see a more senior bank employee.

Joint accounts



Two or more people can open an account together. This is often done between people who are partners but it could also be between friends or relatives. The joint account holders must state who is to sign cheques and standing order mandates – they might decide that all parties must sign or that only one of their signatures is enough. If one of the parties is someone with a mental illness, only the other account holder(s) would make the financial decisions.



Activity 4

You are a bank employee whose present job involves opening accounts for new customers. Which of these people sound respectable and which sound suspicious? What steps would you take in each case?

Person wanting bank account	Suspicious Y/N	Steps you would take
<p>A middle-aged man with a foreign accent tells you that he is Egyptian and has just moved to the UK. He is a writer and his main income comes from books that he has published in Egypt. He expects to receive money from his publisher every six months and this will be paid by direct bank transfer to his new account. He produces documents but they are all in Arabic.</p>		

A poorly dressed woman says that she is on benefit and that she wants to have her social security money paid into a bank account each month. She shows you her social security book.		
A young woman says she is a student and has just started her course at the local university. She wants to open a student account. She shows you a letter addressed to her that she says is from her parents.		
A well-dressed man wants to open a normal current account. He says he is a businessman and that all his customers pay him in cash. He expects to be paying large amounts of cash into his account every week.		
A man and a woman come in to the bank together and say they are married and want to open a joint account. They don't have a regular income but they have just won some money on a television quiz programme – they produce £100,000 in £50 notes.		

General questions

Next, the bank employee will ask you questions about what you want to use the account for. Banks are expert in recognising different kinds of people, e.g. students, foreign nationals, unemployed people, etc. Not everyone who has a bank account is a person with a steady income. The bank employee needs to know which account to advise you to open – for example, you might need a current account that you can use for making payments, or an interest-bearing savings account might be more suitable.



Bank employees are also trained to spot any strange or suspicious circumstances.

Can the bank refuse?

Yes, banks can refuse to open an account for you if they do not think you are suitable. They are privately owned companies providing a commercial service and

they are not obliged to open an account or give a service to anyone. If the bank refuses you an account because of information received from a credit reference agency (e.g. that you had been taken to court for not paying a debt), they should tell you which agency they consulted but they do not have to tell you what the agency said. You can write to the agency if you want to and, for a fee, request a copy of the information they are holding about you. If it is wrong, you can get it changed and then go back to the bank and reapply for the account.

Everyone is entitled to apply to open a bank account but not everyone will be accepted.



Step 4 Applying for the account

Assuming that the bank is happy with your background, the next step is to choose the right account for you, with the help of the member of staff. An important point for the bank is whether or not the account gives you the opportunity to get credit by becoming overdrawn. If you open a standard current account, you will be given a chequebook and a debit card and it will be possible for you to take out more than you have deposited, even without asking the bank – although you should remember that banks charge fees for unauthorised overdrafts. But someone with a basic account only gets a cash card, which will not allow them to withdraw cash if the account is overdrawn. So the bank needs to check the customer's **credit record** to help them to decide whether or not they qualify for a current account.

If you are not interested in making payments but simply want to save money and to receive interest, then a savings account is more suitable for you.

The application form

The prospective customer is asked to fill in an application form while at the bank and in front of the bank employee. Here are the main questions asked on a typical form:

- title (Mr, Mrs, Miss, etc.), surname and first names;
- sex and date of birth;
- country of nationality and country of residency;
- address and date of moving to this address;
- telephone numbers at home and work and mobile number;
- marital status and number of dependent children;
- residential details, e.g. own home outright, own home with a mortgage, tenant furnished or tenant unfurnished;
- value of property and outstanding mortgage;
- who the applicant lives with, e.g. parents, partner or alone;

- previous address and date of moving there. If the applicant lived for less than three years at this address, they must give all addresses for the last three years. Residential details for this address or these addresses;
- how many other bank or building society accounts are held and what type e.g. current, savings, loan, mortgage, etc.;
- how many payment cards are held and the names of these;
- for applicants who already have a bank account, the cheque guarantee limit, details of the account and time with the bank or building society;
- employment status, employer type, job title and employer's name and address;
- length of time working for the employer and details of income earned, e.g. salary, pension, bonus, overtime, gross monthly income and net monthly income (i.e. after tax and National Insurance Contributions), how and how often payment is made and whether the income will be paid into the bank account;
- mother's maiden name or other question that only you will know the answer to (this is for security purposes to check the identity of the account holder on future occasions).

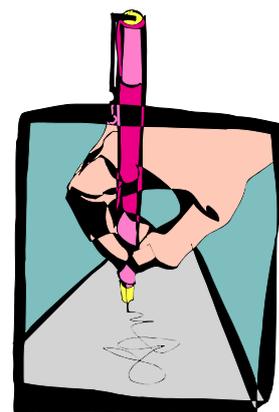
The applicant then indicates on the form the type of account they want to open, whether they want a debit card, telephone banking or online banking and whether they need an overdraft facility.



Go through the list of questions asked on the application form and say in each case why you think the bank wants to know this information.

Signing your name

You will be asked to sign a special document, which will act as a specimen of your signature. The bank can use this signature to check against the signature on cheques written on your account to make sure that it is not forged. When you sign your cheques and other bank documents in future, you should try to make it as much like the specimen signature as you can. Develop a typical signature before going to the bank – you can have fun experimenting with it beforehand but you must keep to it afterwards.



Some people have difficulty in physically signing a document, for example, they might have a physical disability or have suffered from an illness that restricts the use of their hands such as Parkinson's disease or Multiple Sclerosis. The best advice for someone like this is not to write many cheques and to use telephone and online banking as much as possible. It is also possible to use a signature stamp (rubber stamp), which can be purchased from a stationer's shop. You give your specimen



signature and the shop has the stamp made for you. It is important to keep the stamp in a safe place. Another hint is to make the signature easy by using your initial and a shortened version of your surname. Or you can nominate someone you trust to sign on your behalf.

What happens next?

You will have to wait several days before you can begin to use your account. You will be given an information pack to take away with you but you won't receive any documents straight away.

Your application will now be submitted to the department in the bank that is responsible for opening accounts. Your details will be considered and your credit score will be checked with a credit reference company. Assuming that there is no problem, you will be given an account number, which will be sent to you by post. You will also receive, after several more days, the documents and cards you will need to run the account (see below).

Did you know?

HSBC guarantees to send everything to a new accountholder within seven days. If this is not kept to, they will pay the person £10 in compensation. This is partly a motivation to bank staff to process accounts quickly and partly a marketing device to attract new customers.

Making your first deposit

You won't be asked to make a deposit at your preliminary interview and actually, you don't need to make a deposit for the account to be opened. Of course, you will need to deposit money before you can begin to make payments.

Some accounts are opened and never used but never closed either. These are called **dormant accounts**.

What do you get?

Now that you are an official accountholder, you will be given a range of items to operate your account. If you have opened a current account, you will receive the following about a week after your initial interview:

- a chequebook: you will probably be given an unnamed chequebook to start with and, after a few days, when your own chequebook is ready, you will be sent a book of cheques that have your name on, usually printed under the box for the money sum;

- a debit card, which acts as a cheque guarantee card and you can also use it instead of cheques to make payments in shops or over the telephone;
- a cash card that you can use in the ATM outside the bank;
- a paying-in book, which contains slips that you fill in every time you deposit cash or cheques at the bank;
- information leaflets.

The above applies to a current account. Someone who is opening a basic account will receive only a cash card.

Overdrafts

An overdraft is a way you can borrow money through your current account but it is not exactly like a loan. It is a facility that allows you to take out more than you have put into the account – in other words, you have a negative balance. You are not allowed to go into overdraft without first getting the bank's permission and the bank will give you a limit that you must not go over. The bank will charge you interest on the amount you are overdrawn for each day you are overdrawn. Sometimes, a bank will allow a good customer to have a general overdraft facility up to a certain pre-approved limit and this can be helpful in case of bad timing, e.g. a monthly payment might be made one day before the person's salary is paid into the bank and the account becomes overdrawn for one day. As well as charging interest, banks make a charge for becoming overdrawn without permission.

Responsibilities and rights

As we have seen above, you have certain responsibilities when operating a bank account. For example, you must tell the truth to the bank when making your application, you must use the account for legal purposes and you must not become overdrawn without first getting the bank's permission.

But as a customer, you also have certain rights and these are the bank's responsibilities to you. There are a lot of these and some of them are quite complicated so here are just some of these promises made by your bank. The bank will:

- receive and carry out your instructions made in writing, by telephone or computer;
- do all it can to prevent a breach of security;
- accept deposits into and make payments out of your account;
- inform you of the interest and charges to be made;

- provide you with a statement showing you the details of your account. A bank must send you a statement at least once a year, but many people choose to receive monthly statements.

Facilities for disabled customers

Banks do all they can to enable disabled people to run their bank accounts without any problems. Here are some examples of the services provided:

- induction loops for hearing aid users;
- cheque-writing templates for people who have difficulty writing;
- information is made available in Braille, large print and audio tape for blind and visually-impaired customers;
- wheelchair access to branches.



Review questions

1. Why is it more complicated to open and operate a bank account than to purchase goods in a shop?
2. Name three ways a fraudster could use a bank account illegally.
3. What factors might help you to choose the bank you want to open an account at?
4. What are the three main types of account offered by banks?
5. What is an ATM?
6. What is money laundering?
7. How does the 'Know Your Customer' rule help banks to guard against money laundering?
8. What are the two reasons why a bank must be careful before opening an account for someone?
9. What two procedures will a bank carry out for all customers, no matter who they are?
10. Why will a bank not open a current account for someone under 18?
11. Students are not earning any money so why do banks see them as desirable customers?
12. How can someone who is mentally incapacitated open and run a bank account?

13. An elderly person, who is afraid that they might become mentally incapacitated in the future, can make an arrangement for a trusted person to handle their financial affairs for them. What is the legal name for this arrangement?
14. In what circumstances might a bank be willing to open a current account for someone with a criminal record?
15. What is a CCJ? If someone has a CCJ against them, why might this make it difficult for them to open a current account?
16. What is a guarantor? Can a person with a low credit score open a current account if they can find a guarantor?
17. Why might it be difficult for a person who has not lived in Britain for long to open a current account?
18. In what way is a basic account a good solution for those people who don't meet the criteria for opening a current account?
19. A bank has to open an account for someone who has a good credit score. True or false?
20. If two people have a current account in joint names, both must sign when cheques are written. True or false?
21. Name three questions you might be asked on an application form for a current account.
22. Why might the bank want to know your mother's maiden name?
23. After you have completed the application form to open a current account, you receive your chequebook immediately and can begin using your account. True or false?
24. Once you have opened your new account, you do not have to make any deposits into it. True or false?
25. What is the term given to an account that has not been used for several years?
26. If you have a current account, you can go into overdraft whenever you like as long as you repay the money within three months. True or false?
27. A bank has to send you a statement every month. True or false?



Case study

Six friends are having an evening out and are discussing their financial affairs. By coincidence, each is trying to open a bank account for the first time.

- Charlie is 17 and is about to start his first job. He's excited about earning money and is looking forward to signing cheques. He is still living at home with his parents.
- Steffie is 18 and is about to start at university. She needs an account to pay her termly allowance into and she may need an overdraft.
- Stanislaus is 20 and is from Poland, which is in the European Union. He has been in the UK for two months and is working in a hotel. He wants an account to pay his wages into.
- Kevin is 19 and has been in prison for petty theft. He is determined to go straight and wants to open a bank account because he thinks it will make it easier for him to get a job.
- Paula is 20 and is blind. She works for the local authority and needs an account to pay her monthly salary into.
- Tanya is homeless and so doesn't have a permanent address. She has been moving between different hostels and has even spent some nights on the street. She wants to put her life in order and sees a bank account as a good start.

Consider how a bank would react to these six people when they apply to open a bank account. What type of account do you think each might be allowed to open and why?

Learning activities



Group

Form groups – each person should choose one of the main banks or building societies and go online to find out the procedures for opening a current account online. (Remember that a new customer will still have to go to the bank in person.)

Once each person has his or her information, the group should compare notes. Which procedures are common to all the banks and building societies? Which are special to particular institutions?

Here is a list of possible banks and building societies (in alphabetical order):

- Abbey
- Barclays Bank

- Egg (this is an online bank)
- HBOS (which includes the Halifax)
- HSBC
- Lloyds TSB
- Marks and Spencer
- Nationwide Building Society
- NatWest
- Royal Bank of Scotland
- Sainsbury's Bank
- Tesco Personal Finance
- Virgin



Key points for opening a bank account

- When you open and operate a bank account, you enter into a long-term relationship with your bank. The bank needs to know that you are a trustworthy person.
- Bad accountholders might use their account irresponsibly and even fraudulently and banks do not want these types of customers.
- You have to choose a reputable bank and your choice may be influenced by other people, by advertisements, by location or simply by the banks you have heard of.
- Before choosing, it's a good idea to get some leaflets from different banks and compare what they offer. Then make an appointment for an interview with a bank employee.
- Banks have to follow certain regulations about money laundering to try to prevent criminals from passing illegal money into the banking system.
- One of the ways banks try to prevent money laundering is through the Know Your Customer rule. They must find out as much about their customers as possible and it means that they must see you in person before they will open an account for you. You can't open an account over the telephone or online if you haven't already got an account with a bank.
- The bank also needs to protect itself and so it doesn't want to open an account for someone who is likely to use the account fraudulently or to get into debt that they can't repay.

- Before opening an account for a customer, no matter who they are, the bank will run a credit check on that person. There are no exceptions to this.
- Young people under the age of 18 can open accounts but only those that will not allow them to borrow or become overdrawn.
- Students over the age of 18 can arrange an overdraft even though they are not earning.
- People who are mentally incapacitated need a carer or a guardian to open and operate their bank account for them.
- People who think they might become mentally incapacitated can arrange a Lasting Power of Attorney (LPA) whereby a trusted person will carry out their financial affairs for them.
- Someone with a criminal record is not prevented from opening an account but the bank will look into their financial background.
- Someone with a poor credit background would be offered a basic account only until they prove that they can handle their affairs responsibly.
- Banks don't accept guarantors for someone opening an account. Either the person is creditworthy enough to have a current account, or they will be offered a basic account or no account at all.
- A person who is not a British citizen can open a bank account. However, new arrivals to the country may have to wait until they have built up a credit record, as information about their past financial dealings in their own country are not available to a UK bank.
- An applicant for a bank account must prove both their identity and their permanent address. They must prove both by providing two separate documents, chosen from a list given to them by the bank.
- Two or more people may open an account in joint names – they do not have to be married to each other in order to do this. They operate the account together and choose whether cheques must be signed by all parties or one of them.
- The bank employee will ask the applicant a series of questions to try to establish the person's identity, trustworthiness and general suitability for an account to be opened in their name.
- If the bank considers a person to be unsuitable, it does not have to open an account for them.
- The answers given to the questions asked by the bank will help them to assist the applicant in choosing an account to suit their needs and their situation.

- The person then fills out an application form and submits it to the bank. The form asks for information about the person, their residence and their job and income.
- The applicant gives a sample signature and then waits to hear from the bank.
- If the application is successful, the bank sends the person a chequebook, a paying-in book, a debit card/cash card (in the case of a current account). Someone opening a basic account will be given a cash card only.
- The bank has to give new customers information about their account and about any interest and charges made.
- The account-holder must not become overdrawn without first getting permission from the bank. Interest is charged on overdrafts and, in addition, there is a one-off penalty for an unauthorised overdraft.
- Both the customer and the bank have rights and responsibilities in relation to the account.
- Banks provide facilities for disabled customers.