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Advanced accounting chapter 3 test bank

Basic bank accounts are specifically designed for those who fail to qualify for standard current accounts due to poor credit history, including those who have undergone bankruptcy or IVA. There is no credit check, and only a basic ID document is required to open one. These accounts are not offered by all banks (although the top nine banks are required to offer them), and they are rarely advertised because they do not turn the profits for the bank, so it is better to do your research first. Currently issuers offering them are: Bank of Scotland, Barclays, Clydesdale, Co-operatives, Halifax, HSBC, Lloyds Bank, Nationwide, Santander, TSB, Wang Dara, Royal Bank of Scotland, Ulster Bank, and Yorkshire Bank. Apply for a basic bank account are simple and can be completed online or branches. Keep in mind that if you are eligible for a standard bank account, you will most likely not be offered a basic bank account. To apply for a basic bank account, you need to meet some eligibility criteria: UK residents, aged over 16-18 years (depending on the account), and provide some form of identification that shows your address such as your passport, driver's license, state benefit qualification letter, latest utility bill or correspondence from HMRC. Basic bank account applicants do not need to pass credit checks to receive, but some banks can perform credit checks on your name and address to verify your identity. Basic bank accounts are free to use, and offer traditional banking facilities such as direct debit, fixed orders, and either a simple debit card or cash card. You can pay your wages into a basic bank account, pay bills, use your debit card to make in-store or online purchases, or use your cash card to withdraw funds from an ATM. However, the recipient of any unpaid direct debit may charge for such a default, so it is always advisable to budget carefully. Basic accounts do not offer overdraft facilities (although some offer very small buffers), cheque books, or any interest on any savings you may have. Keep in mind that even if your use of a basic bank account is free, your bank may charge you to use your card overseas, both at ATMs and use your debit card for foreign transactions. Although basic accounts offer banking without frills, there is a difference between each provider's account. You need to ask yourself some questions before applying, to help ensure you get the best basic bank accounts: Do you may need to branches to pay in cash or cheque regularly, or withdraw cash from an ATM? If so, it makes sense to choose a bank that has a branch and/or cashpoint near where you live or work. Will you require a debit card with a or will the cash card be enough? It is desirable to check with the banks you compare to see what they have to offer. Do you probably need to make purchases overseas on a regular basis? If so, given the fees that banks may charge, it may make more sense to find separate forms of payment for things like travel prepaid cards. Will prepaid current accounts be more suitable? Prepaid bank accounts are not free, most charge annual or monthly fees, and there are fees associated with most of the actions you acknowledge through your account (ATM withdrawal, purchases, adding your card, etc.) however, some of these products offer the ability to start rebuilding your credit score. So, if repairing your credit rating so you can get a standard current account is your top priority, a prepaid bank account might be a better option. No, but the top nine banks do - they include Bank of Scotland, Barclays, Clydesdale, Co-operatives, Halifax, HSBC, Lloyds Bank, Nationwide, Royal Bank of Scotland, Santander, TSB, Ulster Bank, Virgin Money and Yorkshire Bank. Furthermore, not all banks advertise their basic bank accounts (because they don't make any money from them), so you may need to ask specifically for a one. No. This account is specifically designed for people who will struggle to get conventional bank accounts, either because their credit rating is less perfect, or because they are new to credit altogether. In fact, banks usually won't offer basic bank accounts unless you fail to qualify for their standard current account. You will be able to pay money into your account, and pay your bills, either through direct debits or fixed orders. Most accounts also offer debit cards, which you can use to make payments either in store or online. Accounts that don't offer debit cards usually offer cash cards alternatively, which you can use to take money out of your account via ATMs. There are no charges for the account itself, there are no charges for direct debits, fixed orders, or even (since 2016) charges for failure payments. No. The basic bank account does not offer overdraft facilities. You can only spend what you have in your account. Yes, you can use your debit card to purchase goods overseas or take money out of the ATM. Be careful, though: it is inevitable to be charged the fees involved, either in the form of foreign transaction fees or cash withdrawal fees, so check the terms and conditions with your bank before you travel. There may be cheaper ways to spend or take money abroad, for example prepaid travel cards. A free current account, as the name impersonates, is a bank account that doesn't charge regular monthly fees, or fees for carrying out basic banking transactions such as direct debits, fixed orders, depositing or withdrawing money, or using online or mobile banking. Banks need to make their profits somewhere, somewhere, - and, depending on your financial management, the 'free' bank account may be quite expensive. Moreover, with many accounts, 'free' is only free if you comply with the account terms and conditions, such as paying in the minimum amount of each month, providing a minimum amount of direct debit, or using your debit card a certain amount of time in a month. Be sure to check that you will meet the eligibility criteria of any account before you apply. Perhaps the most notable expenses for account holders who exceed their balances regularly, and undoubtedly the most important spinner of money for banks, are in their overdraft charges. Banks can charge a huge range of fees and charges on overdrafts, including any combination of daily fees, monthly fees, and various interest rates. To add to the mixture, some offer overdrafts with no fees up to a set limit, while others offer small 'buffers'. If you are looking to apply for a new bank account and you are using your overdraft regularly, it is desirable to know which account will be best for your financial situation. There's no easy way to choose a better overdraft fee structure than others - it all depends on how often you use your overdraft, how much you tend to go overdrawn, and in what period. For example, if you only usually dip into your overdraft in the last two days of the month before the end of the month, the daily charge can work cheaper than the monthly fee plus interest - but if you're into your overdraft for the majority of the month, then you might be better off with interest-bearing charges. Remember that the overdraft charges advertised by the bank are for 'arranged' overdrafts, which means that they need to be arranged in advance to be activated, and there will be a set overdraft limit. If you go overdrawn without a deal with your bank first, or you exceed any arranged overdrafts, you can fall foul to an 'unorthodox' overdraft charge, which is often a lot, much worse. When planning a foreign holiday, most of us take the time to choose our flights, arrange travel insurance and remember to pack adequate sun cream (if necessary). But you may not think of informing your bank before you depart, or give a second thought to how much you will be charged a fee for using a debit card overseas. If you plan to use your debit card overseas to access foreign currencies or make foreign purchases, you will need to inform your bank of the date and place before you depart. This is not always important, but it will ensure that any foreign activity on your account will be viewed as suspicious by your bank. If you do not notify them, there is a danger that your card will be frozen and you will not be able to make payments or take cash. You should also check the fees associated with overseas expenses. The Bank may charge a foreign transaction fee ((2%-3%) Every time you use your debit card overseas to make a purchase, and some can even charge a flat fee on top of this (around £1 each time). Additionally, if you use a foreign ATM to take cash, you can incur a foreign cash fee (2%-3%) and the aforementioned foreign transaction fees. If you don't have enough money in your account to cover fixed payments (direct debit or fixed orders), or you issue enough creditless cheques to cover them, your bank can charge a refund fee. These charges vary from bank to bank, so it is always worth checking out. Banks have multiple charges incurred for other services, beyond daily banking. This includes: A special presentation of the cheque (to verify that the cheque payable to you will be paid) Paying a foreign cheque (switch to sterling for settlement) Provide a copy of the cheque Replacement or supplementary card reader (if applicable) Provide a copy of the SEPA payment statement (if applicable) Providing a copy of the SEPA payment statement (electronic transfers in Europe in euros) Make SWIFT payments (international payments outside of Europe in other currencies) Ask for a reference/Enquiry of Banker Status (when a third party asks for a bank's opinion on your financial status) Requesting a certificate of balance Requesting annual tax certificate It is not all doom and gloom though. The UK banking market is dynamic and highly competitive, which is great news for consumers - and with a seven-day conversion guarantee, transferring your bank account has never been easier. Banks are always trying to stick from people to attract new customers, and because they don't usually get to compete with prices (because they're free), free bank accounts can come with all sorts of stuff to tempt even the most stalwart account holders. Such benefits can include: Changing incentives (mostly in cash, but sometimes as a gift voucher) CashBack each month (when you meet the criteria) CashBack when you use your debit card with a limited retailer's Limited trader's loyalty points income (with supermarket or store accounts) Credit interest (this is usually limited to a certain amount, and sometimes only offered for a fixed period) Interest-free overdrafts (or small buffers) Access to mortgage preference rates, savings and loans As we discussed above, free bank accounts offer free daily banking facilities - but they typically charge for other services, such as overdrafts or failed payments. To take the term literally, there is one type of account that is almost free, and that is the basic bank account. This type of account is specifically designed for, and is only available to who are unable to access standard current accounts (those who have undergone bankruptcy, or new ones to the UK for example). Basic bank accounts offer all standard banking facilities conventional accounts (direct fixed orders, withdraw money from ATMs etc.), but no overdrafts. With this type of account, you don't pay fees for unpaid direct debits or fixed orders. However, although almost free, there are still charges for transactions such as using your card overseas or making CHAPS payments. Since January 2016, basic bank accounts have been offered by the top nine highstreet banks, although they are rarely advertised. If you are interested in such an account, you can search and apply online, by phone, or at a branch. Here is a list of several banks offering basic bank accounts: Bank of Scotland - Basic Account Barclays - Basic Bank Account Clydesdale - ReadyCash Current Account Co-op - Cashminder Account HSBC - Basic Bank Account Nationwide - Flex Account Bas Account natWest - Foundation Account Royal Bank of Scotland - Basic Account Santander - Basic Current Account Ulster Bank - Foundation Account Virgin - Essential Current Account Yorkshire - ReadyCash Current Account While free bank account allows you to manage your daily finances, when choosing an account, you need to take a closer look at your financial habits , to really get the best value for money. Paying for an account can offer benefits, both in lifestyle and financial terms, and also proved cheaper than choosing a 'free' option. For example, if you use your account to pay for your household bills, you can choose a paid account that offers a percentage back in the form of cashback. Or if you hold a large balance in your account for a long time, you can choose a paid account that offers enhanced interest rates, or access to a high interest savings account, which can really make your money work for you. Finally, packed accounts, which offer a variety of benefits, including travel insurance, mobile insurance, damage protection, and more for monthly payments, can save you time and money. However, you must ensure that you are eligible for the benefits offered, that they are cheaper than buying benefits separately, and you will actually use it. Their.