

Information on Bank Accounts

Local
Housing
Allowance



City of
Plymouth

www.plymouth.gov.uk

Revenues and Benefits
Corporate Resources Department

This information is available in other languages and formats -
Please contact: 01752 304889

هذه المعلومات متوفرة بلغات و أشكال أخرى - الرجاء الإتصال 01752 304889

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Why open a bank account?

If you receive Housing Benefit under the Local Housing Allowance (LHA) Scheme we will be sending your LHA payments directly to you. You will not be able to choose to have your LHA paid direct to your landlord which means you will need to arrange payment of your rent to your landlord yourself. (In some exceptional circumstances we may pay the landlord direct, please see our booklet ***Vulnerability Information for Claimants*** for more information).

The easiest and most convenient way for you to receive your LHA would be to have it paid by the Council straight into a bank account. Tenants who are already getting Housing Benefit under the existing Housing Benefit scheme and are being paid by cheque can also ask us to pay their Housing Benefit straight into their bank account.

If you do not already have a bank account this booklet will give you information on the types of accounts available and how to open one.

Opening a bank account is fairly straightforward and makes managing your finances easier. It also means that you can arrange to pay rent to your landlord direct by standing order and as long as you have enough money in your account, you will not have to worry about remembering to pay your rent. Your landlord will also be clear about the date he will receive your rent.

Most banks also offer telephone and internet banking so you can keep track of your money and pay other bills. In addition many banks offer these services 24 hours a day.

What sort of account can I open?

The two main types of accounts that you can open to have money paid into are a basic bank account and a current account.

A list of some banks and the type of accounts they offer are included at the back of this booklet.

Please note that this list is intended as a general guide only and should not be treated as a complete and authoritative guide to all banks or their available accounts and acceptable identification.

With a basic bank account you can.....

- Have your wages, benefits, state pension or tax credits paid directly into your account
- Pay in cheques for free (you will have to wait a few days for the money to be available for you to spend)
- Withdraw money from the Post Office with your cash card
- Pay bills by direct debit or standing order. (Some utility and other companies will give a discount if you pay your bill by direct debit which will save you money)
- Take money out from cash machines (ATM's) with a cash card (this is usually free, but some cash machines make a charge)

With a basic bank account you will not normally get a cheque book, debit card or have an overdraft facility, although some banks may offer a small 'buffer zone' that will allow you to be overdrawn by up to £10. You will need to check with the bank to see if they offer this facility.

With a current account you can....

- Have your wages, benefits, state pension or tax credits paid directly into your account
- Pay in cheques for free (you will have to wait a few days for the money to be available for you to spend)
- Pay bills by direct debit, standing order or by telephone or internet banking
- Have a cheque book and a debit card
- Take money out from cash machines (ATM's) with a cash card (this is usually free, but some cash machines make a charge)
- Make payments for purchases by debit card
- Some banks will give interest on credit balances and provide an overdraft facility (interest will be charged on any agreed overdrawn balance. If you go over your agreed overdraft limit you may be charged a fee in addition to the interest)

How to open an account

Step 1

Decide which type of account is best for you and then look at several banks who offer the type of account you want to see if they also offer all the facilities you need. All banks should have detailed information on the types of accounts they offer in their branches and on their websites.

Check that:

There is a cash machine near where you work or live that you can withdraw your money from free of charge.

Step 2

Banks are legally required to check your identity before you can open an account so remember to take proof of identity with you when you visit the bank to open up your account.

Check that:

You have the type of proof your chosen bank needs to see. If you have difficulty proving your identity the member of staff dealing with your application can usually refer the matter to someone who is authorised to decide in exceptional circumstances.

Step 3

To set up a direct debit or standing order to pay your bills ask the bank/building society for a direct debit or standing order form. If you are unsure which one you need ask the bank for advice. Completed direct debit forms should be returned to the company that you want to pay and completed standing order forms should be given to your bank.

Check that:

The bank or building society that you have chosen will offer the services you need so that you are able to set up standing orders and direct debits

Your questions answered

Q I already have a Post Office® card account that my pension/tax credit payments are paid into. Can my Local Housing Allowance be paid straight into this account as well?

A No, unfortunately we can not do this. The Post Office® card account was created specifically for national benefits issued by the Department for Work and Pensions (DWP) to be paid into, so that they no longer had to issue books or cheques which were quite often lost or stolen. LHA is not classed as a national benefit as it is paid by local authorities so we are unable to pay your LHA into this account.

Q Can I open a basic bank account whatever my credit history?

A Almost everyone should be able to open a basic bank account. The bank or building society may want to check your credit history to see if you have any county court judgements against you or have been made bankrupt. But even if you have, you may still be able to open an account at certain branches.

Q What proof will I need to open an account?

A Banks and building societies are legally required to check your identity and will require proof of your identity and address. The kind of evidence you can use may include:

- A passport or photo-card driving licence
- State benefit book
- Recent utility bills
- Solicitors letter
- Letter from a government department, or a local authority confirming a right to a state benefit such as Council Tax, Housing Benefit or Local Housing Allowance
- Suitable confirmation of identity from a young person's workplace, or educational establishment

- Your most recent HM Revenues & Customs tax notification (P45, P2 or P60 may not be acceptable)
- Firearms or shotgun certificate
- Disabled drivers pass
- NHS medical card
- Birth certificate
- Original mortgage certificate (no more than 12 months old)

Q I have a bank account but my overdraft will ‘swallow up’ my benefit before I can pay my rent.

A If you are worried that any benefit paid into your account will be used by the bank to reduce or clear your overdraft leaving you no money to pay your rent, you can ask your bank to only use that money for your rent. This is called the ‘first right of appropriation’. You must do this before the first Local Housing Allowance payment goes into your bank account.

Q How do I keep track of my money with a basic bank account?

A You will get a statement in the post, usually once every three months, showing what money has been paid in and what has gone out. With most basic bank accounts you can check how much money you have and get a mini statement from a cash machine (ATM) showing the most recent transactions. Some banks also offer internet and telephone banking where you can keep track of your transactions and balances.

Most basic accounts will also let you check your balance at a Post Office®.

Q What if there isn’t enough money in my account to pay my direct debit or standing order?

A You cannot go overdrawn with a basic bank account, unless you have agreed this with your bank. If there is not enough money in your account to pay your direct debit or standing order then the bank will not make the payment. You may also be charged a fee and the bank may close your account if it has to refuse a direct debit payment three times.

What is the difference between a direct debit and a standing order?

A Direct Debit – this is a way of paying bills from your bank account.

You complete and sign a form allowing the company you are paying to take the money directly from your account on specific dates. The completed form is sent back to the company who then contact your bank.

The company then takes the money from your account automatically on the agreed dates. They must notify you in advance before changing the amount or the dates of the payments.

Standing Order – this is also a way of paying bills from your bank account. Your landlord or the company you are paying can send you a standing order form or you can pick one up from your bank. You complete the form setting out the amount to be paid and the payment dates. You then give this form to your bank. (With some accounts you can set up a standing order with your bank using telephone or internet banking).

The bank/building society pays the amounts from your account automatically on the agreed dates to your landlord or the company you are paying. You must tell the bank if the amount or the dates of payment need to change.

Help with managing your money and debt

If you are concerned about managing your money or you have debts there are many organisations and people that can help you. Do not ignore the problem – the problem will not go away. You need to ask for help. Below are some websites where you can find out information and get help for free. If you don't have access to the internet at home you may be able to access it at your local library. Also, many organisations will be in the phone book and may have offices where you can visit.

- www.moneymadeclear.fsa.gov.uk

The Financial Services Association.

Gives advice on managing your finances and has a budget calculator.

- www.adviceguide.org.uk

The Citizens Advice Bureau.

Offers advice on debt problems and a wide range of other money and non-money topics. See the phone book or yellow pages or website for your local bureau.

- www.nationaldebtline.co.uk

National Debt Line.

Free phone 0808 808 4000. They offer advice on debt problems and free booklets and factsheets on dealing with debt.

- www.creditaction.org.uk

Credit Action.

Provides information and guidance for people looking to manage their money better or to deal with debt or money worries.

- www.dwp.gov.uk

Department of Work and Pensions.

Provides information on Local Housing Allowance and other benefits.

- www.nowletstalkmoney.com

Now Lets Talk Money.

A government funded service providing advice for people on low incomes and information about banking and debt advice.

Basic Bank Account Guide

Opening the most suitable Bank Account for you

Name of Bank	Name of Account	Standing Order	Direct Debit	Cash Card	Debit Card	Overdraft	Reasons for Refusal
Abbeey Tel: 0845 765 4321 www.abbey.co.uk	Basic Account	Yes	Yes	Yes	No	No	Record of Fraud
Alliance & Leicester Tel: 01752 668996 www.alliance-leicester.co.uk	Basic Cash Account	No	Yes	Yes	No	No	Record of Fraud
Barclays Bank Plc Tel: 08457 555555 www.barclays.co.uk	Cash Card	No	Yes	Yes	No	No	Record of Fraud
Co-operative Bank Tel: 08457 212 212 www.co-operativebank.co.uk	Cashminder	Yes	Yes	Yes	Yes	No	Record of Fraud
Halifax Tel: 01752 690567 www.halifax.co.uk	Easycash	Yes	Yes	Yes	No	No	Undischarged Bankrupt, Record of Fraud
HSBC Tel: 0800 032 4738 www.hsbc.co.uk	Basic Bank Account	Yes	Yes	Yes	No	No	Undischarged Bankrupt, Bad Debts
Lloyds TSB Tel: 08453 000 000 www.lloydstsb.co.uk	Cash Account	Yes	Yes	Yes	No	No	Undischarged Bankrupt, Record of Fraud
Nationwide Tel: 01752 610100 www.nationwide.co.uk	Flexaccount	Yes	Yes	Yes	No	No	Record of Fraud
NatWest Tel: 0131 556 8555 www.natwest.co.uk	Step Account	Yes	Yes	Yes	Yes	No	Undischarged Bankrupt
Royal Bank of Scotland Tel: 01752 600041 www.rbs.co.uk	Key Account	Yes	Yes	Yes	No	No	Undischarged Bankrupt

Accepted Proof of Identity and Residency

	Abbey	Alliance & Leicester	Barclays	Co-op Bank	Halifax	HSBC	Lloyds TSB	Nationwide	NatWest	RBS
Accepted Proof of ID/residence										
Passport	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Driving Licence	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dept of Work & Pensions letter			✓	✓	✓	✓	✓	✓	✓	✓
Utility Bills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Credit Card &/or Statement	✓	✓	✓							
Housing Benefit Ent letter					✓			✓		✓
Council Tax Bill	✓		✓		✓	✓	✓	✓		✓
Benefit Book	With DWP Letter	✓	Child Benefit		✓	✓	✓	✓	✓	
Tenancy Agreement				✓	✓		✓			
EU member Identity Card			✓		✓	✓		✓	✓	✓
National Insurance Card (Under 18's)			✓		✓					✓
Armed Forces ID Card					✓				✓	
Firearms Certificate					✓				✓	
Home Office Letter					✓	✓			✓	✓

Please note: some banks will only accept original documents, whereas others only require a photocopy. Please consult the bank before forwarding any evidence. These tables give a general guidance only. The information should not be treated as a complete and authoritative guide to the criteria of a basic bank account or the proofs accepted from these.

How to contact us for more information

If you have any further questions about the Local Housing Allowance scheme, you can contact us by:

■ **Visit at:** Civic Centre, Armada Way, Plymouth, PL1 2AA.

Our Customer Services Counter is open from 8.30am to 5.00pm Monday to Friday.

■ **Telephone on:** 01752 304889

Our Tenant Services Telephone Lines are open from 8.30am to 5.30pm Monday to Friday.

■ **Fax on:** 01752 304278

■ **Email to:** lhabenefits@plymouth.gov.uk

■ **Visit our Website at:** www.plymouth.gov.uk

■ **Write to us at:**

Head of Revenues and Benefits
Corporate Resources Department

Plymouth City Council
Civic Centre
Armada Way
Plymouth
PL1 2AA

If you have any further comments or questions about our Local Housing Allowance booklets, or if you would like to receive further information about the new scheme, please email your request to lhabenefits@plymouth.gov.uk

If you require this information in another language, or would like it provided in braille please contact my office on the above number and substitute documentation will be provided.