

London Institute of Banking and Finance (LIBF) Certificate and Diploma in Financial Studies

Year 11 into 12 Transition Work

Collect information about different current accounts available from at least three different banks. Your job now is to compare these accounts and make recommendations based on your judgements.

1 For each different bank, explain the range of current accounts available and their basic features.

2 Draw up a table to show this information in an easy to compare format, eg:

| | Account A | Account B | Account C | Account D |
|----------------------------------|---------------------------|---|-------------------|--------------|
| Interest | 1 % | 0.5% | 1.5 % | None paid |
| Cash card | ✓ | ✓ | ✓ | ✓ |
| Debit card | ✓ | ✓ | ✓ | ✗ |
| Overdraft Limit | £50 | £300 | No overdraft | No overdraft |
| Cheque book | ✓ | ✓ | ✓ | ✗ |
| Free gift on opening the account | £50 added to your account | Free cash withdrawals abroad for one year | £30 music voucher | Nothing |

2 Choosing a current account. For each of the following people, make a recommendation as to which bank account they should open. Say why you have made this decision:

- a. **Shannon** is nineteen and following two years at catering college is going to travel around France for six months working in different kitchens. She will be earning money, but there may be times that she'll need to use an overdraft. One of her biggest worries is how to get her money whilst she is in France – it can be expensive to withdraw money from foreign cash machines.
- b. **Ryan** is twenty one and has not managed his money well in the past. As a result his credit rating is poor. Ryan would love to have an account which lets him have an overdraft and debit card, but recognises that he needs to start getting his spending and borrowing under control.
- c. **Sammi** is nineteen and has been working part time for two years, but has now got a full time job. With this her income has increased and she is looking for an account which will pay a good amount of interest when she has money in the account. An overdraft is not really needed as Sammi's income now more than covers her spending.
- d. **Danny** is 27. He has just moved to the UK from America and needs to open a bank account. He has a good job working for an international company and has his salary paid straight into his account every month. He will be renting a property but hopes to save up a deposit to buy his own home in the next two years. His salary covers his expenses at the moment but, when he buys his own home, he will have a lot of expenses to pay at once. His fiancée is German and they will be getting married in Germany, so will need an account offering easy international money transfers and FX.
- e. **Amanda and Dev** are in their fifties and have just got married. They both have their own accounts and their earnings are paid straight into them. However, Dev is looking to retire and they will be living off of Amanda's earnings. They both want access to the money and equal responsibility for paying the bills.
- f. **Toni and Guy** both work part time. They earn just above minimum wage and live together. Neither of them earns enough money to pay all the bills and at the end of the month they struggle to have enough money left. They are good at managing their money, but they just don't have enough of it!
- g. **Tanya** is 18 and about to go up to university. She currently has a building society savings account.