

# Student Banking

At the start of each academic year the high street banks will be offering numerous enticements to ensure that they can benefit from the student market. But beware! There is more to a bank than cash give-aways or freebies; after all free gifts won't help pay the rent at the end of the year.

## Why open a 'student bank account'?

Your Student Loan and grant will be paid into your bank account in three instalments and 'Student bank accounts' generally offer a wider range of services and facilities than ordinary current accounts. So it would be wiser to switch accounts and if your bank will not give you a student account, change your bank (it is also worth considering having a separate savings account). For more information please visit:

[www.moneyadvice.org.uk](http://www.moneyadvice.org.uk)  
[www.moneysavingexpert.com/banking/](http://www.moneysavingexpert.com/banking/)  
[www.savethestudent.org/money/student-banking](http://www.savethestudent.org/money/student-banking)

## What should I consider before opening an account?

There are a number of points that you should consider:

- **Convenience and service:** consider how good the bank's service is, and whether it meets your needs.
- **Overdrafts:** a generous overdraft limit that's interest-free while you study can be useful. But don't forget you have to pay it back eventually.
- **Interest rates and other services/facilities:** an account might offer preferential savings accounts, interest rates, free travel insurance or cheaper foreign currency exchange rates. Check out what each bank offers.
- **Bank charges:** Look at the bank's charges policy and be aware of the costs you may incur e.g. unauthorised overdraft

**Ethics:** The National Union of Students (NUS) have a 'Move Your Money' pamphlet. For more information go to:  
[www.nus.org.uk/en/lifestyle/ethical-banking/](http://www.nus.org.uk/en/lifestyle/ethical-banking/)

## Will I be entitled to a free overdraft facility with a student bank account?

No bank offers an automatic overdraft. Even though most banks plug their free overdrafts, most have to be requested prior to the

facility being used. The level of free overdrafts varies considerably between high street banks.

Enquire about the bank's policy on charges and overdrafts. You may incur charges for the pleasure of being told that you are overdrawn. If you have an unauthorised overdraft, that is, you are overdrawn without the agreement of the bank, you will probably receive a letter, with a charge, to inform you of your account balance and you will incur a higher rate of interest. However, customers may be able to get a refund of bank charges. For more information on problems with bank charges and claiming money back see:

[www.moneysavingexpert.com/reclaim/bank-charges](http://www.moneysavingexpert.com/reclaim/bank-charges)

## Are there any banks that offer Shariah-compliant or other faith specific banking options?

There are only a few banks that offer Shariah-compliant or Christian accounts. For further information go to:

[www.gocompare.com/current-accounts/islamic-banking-and-religious-bank-accounts/](http://www.gocompare.com/current-accounts/islamic-banking-and-religious-bank-accounts/)  
[www.moneyfacts.co.uk/guides/savings/what-are-Islamic-shariaa-compliant-savings-accounts](http://www.moneyfacts.co.uk/guides/savings/what-are-Islamic-shariaa-compliant-savings-accounts)  
[www.islamicfinance.com/islamic-banks-uk](http://www.islamicfinance.com/islamic-banks-uk)

## I am an international student. Can I open a student bank account?

International students are now expected to provide far more detailed documentary evidence regarding status in the UK before an account can be opened. You will need a letter from the University, stating that you have enrolled on your course, proof of your address in the UK while studying (e.g. tenancy agreement) and details of your home address abroad. You can request a 'bank letter' from your 'UniHub' account.

Be aware that it can take one to three weeks to set up a bank account. If you are relying on a cheque to clear, please ensure that you have enough money for your living costs.

## What services will I receive as an international student?

You will find that only some high street banks in the UK offer their full student packages to international students. In some cases you will **only** be offered a 'cash card', where you can withdraw your money at UK cash machines (ATM). You may find that you have a 6 month waiting period to get the full services as banks monitor your income and what you are spending. **Note:** when transferring money banks are often cheaper than major 'Money Transfer' companies e.g. Western Union. For more information go to: [www.ukcisa.org.uk/Information--Advice/Studying--living-in-the-UK/Opening-a-bank-account](http://www.ukcisa.org.uk/Information--Advice/Studying--living-in-the-UK/Opening-a-bank-account)

It is in your interests to shop around to see which bank can give you all the banking facilities you require **before** you open an account.

## What about ATM charges?

Remember that convenience cash machines which are not run or owned by the bank may charge you around £1.50 each time you withdraw money. Therefore try to use ATM's run by banks, as they will be free and more cost-effective. Also **beware** of 'cloning' devices attached to any ATM.

## How can I protect myself against fraud?

Follow closely any advice your bank gives you regarding safety and fraud prevention when dealing with your money. There are a range of resources giving information about the various ways in which fraud is perpetrated and how you can protect yourself.

Be aware of others around you when using your PIN at cash points, or when paying for goods, and make sure that you conceal your pin number. **NEVER** answer emails purporting to be from your bank, or fake Student Finance England (SFE) website asking you to confirm account numbers or other details. Banks & SFE **NEVER** approach their clients in this way. In addition, if someone telephones and says they are calling from your bank say you will call back so you can be certain that the call is genuine.

## What if I am a victim of fraud?

If you are a victim of fraud, you should report it to your local police station. You can also call Action Fraud on 0300 1232040  
[www.actionfraud.police.uk/contact-us](http://www.actionfraud.police.uk/contact-us) or  
[www.financialfraudaction.org.uk](http://www.financialfraudaction.org.uk)

For further advice see:

[www.moneyadvice.service.org.uk/en/articles/beginners-guide-to-scams](http://www.moneyadvice.service.org.uk/en/articles/beginners-guide-to-scams)

## What if I am being treated unfairly by my bank?

Firstly, you must try to resolve the matter with the bank. If you are still unhappy about your treatment there are number of organisations for consumers:

**Financial Conduct Authority** can be found at:  
<https://www.fca.org.uk/consumers/how-complain>  
or call the Consumer helpline 0800 111 6768

**Citizens Advice Consumer Service** can be found at:  
[www.citizensadvice.org.uk](http://www.citizensadvice.org.uk) tel: 03444 111 444 or call the Citizens Advice consumer helpline on 03454 04 05 06.

**Financial Ombudsman Service (FOS)**. The FOS helps to resolve disputes between lenders carrying out consumer credit activities and their customers. They provide a free and independent service. Phone 0800 023 4567 free from landlines, or 0300 123 9123 for mobile, or go to [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

**Information Commissioner's Office** upholds information rights in the public interest, promoting openness by public bodies and data privacy for individuals. You can also check your credit records. For more information go to <https://ico.org.uk/> or call 0303 123 1113

## Any questions?

Contact the Middlesex University Student Welfare Advice Team on 020 8411 3008 or email: [welfare@mdx.ac.uk](mailto:welfare@mdx.ac.uk)

You can access all of our other Welfare Advice Guides at:  
[unihub.mdx.ac.uk/welfare-guides](http://unihub.mdx.ac.uk/welfare-guides)

Middlesex University Student Welfare Advice Team has made every effort to ensure that the information contained in this leaflet is accurate. Middlesex University however, cannot be held responsible for any omissions or errors.

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