

MONEY and BANKS – An OVERVIEW of WHAT to EXPECT in the UK:

CASH in the UK:

The UK still has its own currency, pounds sterling, which use pounds and pence. One pound (£1) is made up of 100 pence (p). Coins are issued for £2, £1, 50p, 20p, 10p, 5p, 2p and 1p. There are notes for £5, £10, £20 and £50. There are also oddities such as Scottish £1 notes that are legal tender. Many shops in the UK will still accept the Euro. But beware that the rate is fair. The approximate exchange rate is: £ 2 = 3 Euros.

THE VALUE of YOUR MONEY:

To check on the values of the £ sterling visit the currency converter at <http://www.forex.ch/converter.htm>

TRANSFERRING CASH (at HOME or ABROAD):

If you want to transfer cash from one country to another without using a bank account, one system you can easily use is Western Union. Their website is at www.westernunion.co.uk and they have a service in shops in most towns in the UK but all over the world too. You don't need a bank account. You simply pay cash into the shop and give them the details of whoever you want to be paid and where they are, together with a password for the person who collects the money to use. The service is very quick – usually the same day – and not too expensive. It is certainly useful in emergencies. The Post Office uses a similar scheme called Money Gram. Their website is at www.postoffice.co.uk. Thomas Cook also operates this system. Their website is at www.thomascook.com

BANKS:

You will need proof of your identity to open a bank account in the UK. Anti-terrorist measures have placed strict controls on banks so it can take several weeks to open a bank account in Britain. This can include a valid passport, a UK driving licence or a benefits book. You will also need proof of your address which can include a gas, electricity, water, phone or council tax bill, or local council rent card or your tenancy agreement. Please be aware that different banks accept different identification. It is always easier to have an employer assist you to open a bank account.

CURRENT and DEPOSIT ACCOUNTS:

A current account will have a number of facilities, and is the best way to receive your wages. But it can be quite hard to open.

A deposit account will have fewer facilities and will be relatively easy (because you are not asking for credit). And it will pay more interest on money you leave in it. But sometimes you will have to tell the bank in advance that you wish to take money out.

CREDIT SEARCHES and SCORING:

If you go to open any account with a bank in the UK, and indeed with many other businesses, they will run a credit check. These are on addresses at which you've lived for the last 5 or 6 years. You have to properly declare these. It is worth knowing that an address can have a problem which is not one caused by you! Such problems with credit scoring can be corrected. Bad debts stay on records for up to 6 years.

CHEQUES, DEBIT and CREDIT CARDS, and CASHPOINT CARDS:

You need a chequebook and a cheque guarantee card from a bank or building society if you want to write cheques, but you need an account to do this and that requires a series of checks. In general cheques are

being phased out in the UK. Debit and credit cards also require an account. In general a debit card will limit you to electronically taking money which is already in the bank. A credit card will allow you to take more as long as it is repaid on time. Cashpoint cards also require an account. You will only be able to use such cards in your own bank's machines to take out whatever is already in the account. These are a little easier to organize, because the bank has more control.

CHIP and PIN:

Chip and pin systems work with debit and credit cards, and this system is very common in the UK. The card carries the electronic chip. You hold the PIN in your head, and key it into the payment machine in a shop or at a bank. It's very safe if used carefully. Do not write your PIN and do not share it with anybody else.

CASH-POINTS (the HOLE-in-the-WALL):

Most bank accounts now let you have a cashpoint card that you can use to take your money from most cash machines.

There are two such types of card:

- Debit cards will only let you take money that is already in your account. Sometimes debit cards only work in the machines belonging to your own bank (but any branch of that bank).
- Credit cards that let you take money from any machine but up to a pre-arranged limit.

If you lose your cashpoint card you should notify your bank or building society immediately.

DIRECT DEBITS and STANDING ORDERS:

Direct debits and standing orders are automatic banking systems for paying rent and bills. Many estate agents automatically take the rent from your bank account. You can also set up direct debits for all your bills such as water, electricity, telephone and gas on a monthly or quarterly basis.

LANGUAGES:

Some banks have produced leaflets in Polish and are offering a particular type of account for the Polish population in the UK.

Nat West is probably the best and their website is <http://www.natwest.com/polish.asp?referrer=furlwelcome>