



## **Finance Tips: Choosing and Running a Bank Account**

Banks vary a great deal in the services they offer and the fees they charge, and it is worth spending some time deciding which bank to use for your business account. The following are tips on what to look out for and how to make sure you keep your bank charges to a minimum.

### **Services for new businesses**

Some banks have special teams to look after business accounts and will give useful information to start-up businesses.

### **Bank charges**

Before you open a business account you need to find out:

- The bank's standard charges for operating a business account
- The bank's fees for non-standard services (which may not all be listed in the brochures the bank gives you).

It may be possible to negotiate for lower charges and better interest fees than the bank usually offers.

### **Checking bank charges**

Bank charges are usually levied on a monthly or quarterly basis.

You will receive a statement giving a breakdown of fees before they are taken from your account. It's essential that you check this statement as soon as you receive it and ask the bank to explain anything that does not make sense.

### **Keeping bank charges down**

Charges can be high if you don't keep to the terms and conditions of your account. You will be charged additional fees when, for example, you:

- Allow your account to go overdrawn without permission -in which case you will be charged a referral fee
- Accept a cheque that is returned unpaid by the debtor's bank -in which case you will be charged an administration fee as well as not receive the money owed to you.

As well as avoiding the above situations, you can keep charges down if you:

- Use the bank's online service
- Automate as many transactions as possible by direct debits, standing orders and electronic payments
- Keep the amount of cash you pay into the bank to a minimum.



### **Making a complaint**

If you have a justifiable complaint to make about the service you receive from your bank, you will find details on what to do on the Financial Ombudsman website ([www.financial-ombudsman.org.uk/consumer/complaints.htm](http://www.financial-ombudsman.org.uk/consumer/complaints.htm)).

### **Further information**

You will find more information on bank charges on the British Bankers' Association (BBA) website:

[www.bba.org.uk/media/article/Understanding-and-checking-bank-charges-and-interest-for-small-business](http://www.bba.org.uk/media/article/Understanding-and-checking-bank-charges-and-interest-for-small-business)