Basic Bank Account

- free
- independent
- confidential

Money Advice & Budgeting Service
What is MABS?

The Money Advice and Budgeting Service (MABS) is:

- Free
- Independent
- Confidential
- Non-judgmental.

MABS provides advice to people who are having difficulties with managing their money or are in debt.

We have over 60 offices around the country. We also operate a National Helpline, (Monday to Friday, 9.00 a.m. to 8.00 pm, on 0761 07 2000).

Our website, www.mabs.ie also provides information and advice on money management and dealing with debt.

Please note

MABS does not give out any money, nor do we give financial advice to our clients on investments or specific financial products.

Our role is to help you draw up a realistic budget which will allow you to deal with your debts. Where possible, we will help you to maximise your income. For example, we can help you to claim all your entitlements and tax credits.

Disclaimer

Every effort is made to ensure that the information in this publication is accurate. However, no responsibility is accepted by MABS National Development, its funders or the MABS for any errors, omissions or misleading statements on these pages. The information is of a condensed and general nature only and can change from time to time. Readers should, therefore, verify any information on which they rely by contacting the MABS Helpline 0761 07 2000.
Basic Bank Account

Introduction

The basic bank account is a new type of account for people who have not had a bank account before. This account comes with a debit card to use in ATMs, shops and online. It also allows you to set up direct debits and standing orders to pay bills and you can have access to online and mobile banking.

A basic bank account is similar to a regular current account in many ways but an important difference is that it does not offer a cheque book or an overdraft. There are also no maintenance or transaction fees with this type of account.

Why should I open a basic bank account?

- A basic bank account is a convenient and safe way to keep your money
- Wages, training allowances and some State payments can be lodged directly to this account
- It will help you to manage your money on a regular basis
- You can pay many of your household bills and expenses from this account, by setting up direct debit or standing order payments. These payments can be scheduled for a date and time that suits you and fits in with your weekly/monthly budget
- You can also get discounts that many suppliers offer customers who pay by direct debit
- A debit card will let you withdraw money at ATMs around the country, pay by Contactless technology and get cash back with purchases in many shops
You can view your income and spending online or on a phone app at any time of the day or night.

It will help you to establish a record of banking with your bank, which may help you to obtain credit or a loan at another time.

Who can open a basic bank account?

To be eligible to open this account:

- You must be at least 18 years of age (or 16 for AIB)
- You must be legally resident in the EU
- You must not hold another payment/current account with a bank in the Republic of Ireland. If you already have a current account, and your bank has informed you that it will be closed, you are eligible, but you will need to bring proof of this with you when opening a new account.

Which banks offer a basic bank account?

Each bank names their basic bank account a bit differently, as follows:

<table>
<thead>
<tr>
<th>Bank</th>
<th>Account Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIB</td>
<td>Basic Bank Account</td>
</tr>
<tr>
<td>Ulster Bank</td>
<td>Foundation Account</td>
</tr>
<tr>
<td>KBC</td>
<td>Basic Current Account</td>
</tr>
<tr>
<td>Permanent TSB</td>
<td>Basic Payment Account</td>
</tr>
<tr>
<td>Bank of Ireland</td>
<td>Basic Bank Account</td>
</tr>
<tr>
<td>EBS</td>
<td>Money Manager</td>
</tr>
</tbody>
</table>

Check out which bank is closest to you and where their ATMs are located as this may help you decide which bank to go to.
How do I open a basic bank account?

To open a basic bank account you must visit your local bank branch. A customer service representative will be able to help you or will refer you to an adviser who deals with new accounts. You may need to tell the adviser that you wish to open a basic bank account and he/she will take you through the following steps:

1. **Complete a Fact Find**
   The fact find is a series of questions which the bank adviser needs to ask you. This will help them to work out which is the best type of bank account for you. These questions will be:
   - About you (name, address, telephone number, date of birth, marital status, place of birth, what country you are resident in and so on)
   - About your occupation (employment, social welfare entitlements)
   - About the purpose of the account (what the account is for, what money will be going into the account and where it comes from, e.g. social welfare, wages etc)

2. **Give you important documents linked with your account**
   These are documents which the bank must give you to read and sign before you complete the application and include:
   - The banks’ Terms of Business
   - Information on the Government's Deposit Guarantee Scheme
   - Terms and conditions for your basic bank account
   - Schedule of fees and charges
3. Receive the proof of identity and proof of address documents

These documents must be in the name of the person opening the account and in the proper date period. The most commonly used documents are your passport or drivers licence and a utility bill (in your name and dated in the last 6 months). There are other documents you can use and these are discussed below.

What documents can I use to open a basic bank account?

To open a basic bank account, you will need to provide one proof of identity and one document showing proof of your address.

Proof of identity
You can prove your identity with ONE of the following:

- A valid passport
- A current Irish driving licence
- A National Age Card (issued by An Garda Síochána)
- An identification form with a photograph supplied and signed by a member of An Garda Síochána
- EU National Identity Card (including photograph)
- Documents issued by government departments showing your name

Government documents must be verified by a statement from a person in a position of responsibility such as a solicitor, accountant, doctor or social worker. That person must also come to the bank themselves with proof of their own identity.

**Proof of address**

You can provide proof of your address with ONE of these documents:

- A current utility bill (such as a gas, electricity or phone bill)
- A current car or home insurance policy that shows your address
- A document issued by a government department that shows your address
- A list of your tax credits
- A current balancing statement from Revenue
- A social insurance document that shows your address
- A letter from your employer or licenced employment agency stating that you have recently arrived in Ireland and have started work but cannot yet provide evidence of your Irish address (and you will have to provide evidence of your address at a later date)

The document proving your address must be dated within the last six months and exactly match the name on the bank account application.

- You must bring all original documents with you when making an application. Photocopies of documents are not acceptable unless they are a certified copy from An Garda Síochána, a practicing accountant, solicitor, embassy/consular official, notaries, Justice of the Peace, or a Commissioner for Oaths.
What if I can't provide these documents?
If you can’t provide the standard documents to verify your identity or address, contact your local MABS Money Adviser who may be able to advise you on other documents you can use.

4. Process the account opening information
Once the bank adviser has completed the above steps he/she will send your information to the Account Opening Team in their bank. This team will review your information. Each person’s situation is different and while many accounts are opened at this stage, there may be some additional questions for you if the team want to check on some other information.

5. Finish setting up your account
Once your account is set up the bank will write, email or text you to say the account is open and to give you a BIC (Bank Identifier Code) and IBAN (International Bank Account Number). Once you have this information you can phone the bank to set up online banking and then you can download the mobile banking app to your phone. You will receive your Debit Card and PIN (personal identification number) separately by post. You
are now ready to lodge money to your account in the bank branch.

**What are the first steps in lodging money to my new account?**
Money can be lodged to your new account in the following ways:

1. **Cash lodgement machine in the bank branch**
To lodge money in the cash lodgement machine, insert your debit card into the machine, type in your PIN and follow the instructions given. Cash and/or cheques can be inserted in a slot in the machine and once the lodgement is made you will be given a receipt for the money.

2. **Customer service desk in the bank branch**
To lodge money at the customer service desk, fill in a lodgement slip, generally left on nearby counters. You will need your account number and BIC details for the lodgement form, or you can hand your debit card and cash to the cashier and enter your PIN in the handset on the counter. The cashier will give you a receipt for the money lodged. Cash lodged will appear in your account by the end of the business day, but it may take 3-5 days longer for cheques to appear in your account, as they have to be ‘cleared’ first by the bank.

3. **Electronic Funds Transfer (EFT)**
Certain social welfare payments and wages can be lodged directly into your bank account. This is the best way to lodge your money as it is safe, convenient and your money will automatically appear in your account on the agreed date. To set up an EFT you must give your account number (IBAN) to social welfare or your employer.

**What are the costs and fees for the basic bank account?**
You do not have to pay any maintenance or day-to-day transaction fees for the first 12 months of the account and possibly up to five years in all, if you meet certain criteria.
This does not mean that there are no costs at all. All banks charge a fee for items that are returned unpaid (e.g. a standing order or a direct debit) so it’s important to keep track of the money in your account and make sure enough money is there to meet these automated payments.

There are also ATM transactions charges on Euro withdrawals outside the EU and on all non-Euro withdrawals. So if you are heading on holiday, remember to check what terms and conditions apply to the debit card in your holiday destination. Government Stamp Duty will also be charged and the total fee is capped at €5 a year on debit cards. Always check the additional service charges charged by the bank for certain activities so that you can budget for them accordingly.

After one year, the bank will review your account but will continue to charge no maintenance or day-to-day transaction fees for the first five years, providing the total amount of money paid into your account each year is not more than €19,240 (the national minimum wage). If you do pay in more than this amount in a 12-month period, then the bank will transfer you to another account type, with fees. They must give you two months’ written notice before they do this. After five years, the bank will apply charges to your account or convert it to another account type, but again, they must give you two months’ written notice of their intention.

How to manage your money using a basic bank account
If you’ve just opened a basic bank account and you are wondering how to manage your money, then check out our MABS leaflet on ‘Manage your money with a Basic Bank Account’ for useful tips and information.
Contact MABS

For further information on basic bank accounts or for money advice and debt support, contact the MABS Helpline on 0761 07 2000. This is a free and confidential service that will help you and you can speak to an adviser from 9am to 8pm, Monday to Friday.

**MABS Helpline: 0761 07 2000**

MABS also provides a one-to-one service in over 60 offices nationwide. It offers a free, confidential, independent, non-judgmental and non-profit-making service for people in debt or at risk of getting into debt.

To find your nearest MABS, check the list at www.mabs.ie.

Whatever way you decide to tackle your debt, MABS will be there to help you. You just have to take the first step. Don’t ignore the problem – get in touch with MABS.
The Money Advice and Budgeting Service has helpful information, budget sheets and sample letters available online at www.mabs.ie. Advice and information is also available by calling the MABS Helpline 0761 07 2000 (Monday – Friday 9.00 am to 8.00 pm.) and from over 60 offices nationwide.

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