

Paying too much in fees,
charges and interest?

Fed up with your bank?

Not getting enough interest
on your money?

Is this you?



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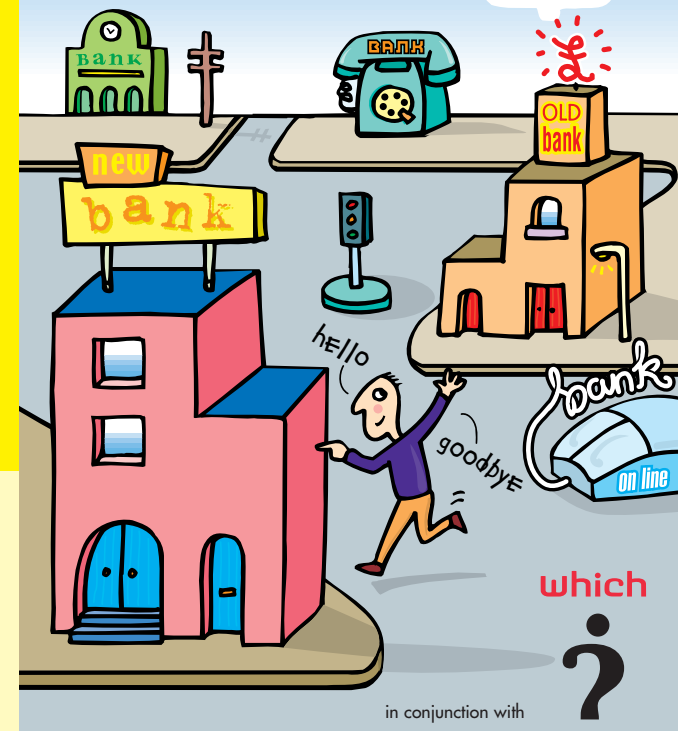
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For information and advice on general consumer matters,
please visit www.consumerline.org or www.gccni.org.uk



General Consumer Council's easy guide to switching your bank account



which



Produced by the General Consumer Council and Which? January 2005

which



For more impartial information and advice please visit
www.which.co.uk

GCCN11

in conjunction with



A step by step guide to switching your bank account

Switching your Bank Account

The General Consumer Council believes there has never been a better time to get your finances in order and decide whether you're getting the best from your bank account. Research by Which? shows that consumers in Northern Ireland could save more than £200 a year by switching to a different bank account. So what stops people switching? Well, they tell us it's difficult, it might go wrong or they can't be bothered. This leaflet is designed to help consumers who want to switch from one bank account to another do so in easy steps.

Some banks in Northern Ireland charge for Direct Debits, standing orders, cheques and cash point withdrawals when accounts go overdrawn, which can be expensive. However, some banks and building societies have recently introduced better value accounts, with higher interest rates and lower charges.

Some of the best new accounts are telephone or online only, so when you're looking around for a new account, make sure you're comparing like with like. Changes to the switching process also mean it's easier for banks to transfer your financial details. Your old bank now has to send your new bank details of your Direct Debits and standing orders within three working days of the request, cutting out hassle for you.

If you're thinking about switching your account, you need to think about what features of banking are most important to you. Banks should provide information on their accounts and there are websites offering impartial advice and comparisons. Check out www.switchwithwhich.co.uk to give you some pointers to suit your circumstances.

How to switch to your new bank account

Once you've chosen a new account you're ready to switch. Here's what you need to do:

1. Contact the bank

- Contact the bank you want to switch to for information and an application form for the new account. At this stage, if you're unsure about anything, ask the new bank to explain all the aspects of the switching process.

2. Provide information

- Before they process the new account application, the new bank will probably ask for your address, two forms of identification, details of your income and any outstanding credit agreements (such as mortgages, credit cards or loans). They will then process your application and decide whether to accept you as a customer.

3. Sign a mandate

- Once your application has been accepted, you will be asked to sign a mandate form allowing the new bank to ask your old bank for details of your Direct Debits and standing orders. You will also be asked when you want to start using the new account. You can start using it almost immediately, although some people prefer to wait until all their payments have been switched. You should discuss this with the new bank and they will advise what's best for you.

4. What happens to existing regular payments?

- Your new bank will contact your old bank for a list of any regular payments on your account. They will then contact any companies that you pay by Direct Debit and ask them to take payments from the new account. Once they receive confirmation that each payment has been switched, the new bank will cancel the obsolete payments at your old bank. In the meantime, you need to inform any organisation that regularly pays money into your account (salary, pension, or any dividends) of your new account details. Discuss this with your new bank as they may contact the organisations on your behalf or offer a special overdraft facility to cover any payments due in the meantime.

5. Keep an eye on both accounts

- Because transferring all your payments can take some time, you must monitor both accounts while the switch is in progress. It is possible that payments will be made from either of your accounts before the switch is complete and it pays to ensure that you don't accidentally become overdrawn or incur any charges.

6. Completion

- Once your new bank is happy that all payments have been transferred successfully, the switch is nearly finished. They will ask the old bank to cancel any obsolete Direct Debits and you will then receive notification from your new bank that the switch is complete. You can then close your old account if you want.