



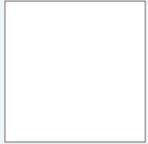
SMARTER BANKING



MAKE THE MOST OF YOUR MONEY



AUSTRALIAN BANKERS' ASSOCIATION



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Important note

This booklet gives information of a general nature and is not intended to be relied on by readers as advice in any particular matter. Readers should consult their own advisers on how this information may apply to their own circumstances.



GET SMART ABOUT EVERYDAY BANKING AND SAVING

INTRODUCTION

MONEY AND BANKING ARE A PART OF EVERYDAY LIFE.

Banks offer all sorts of financial products and services to customers. Because the range and complexity of choices can be overwhelming, sometimes it's easy to overlook the banking basics...everyday accounts for everyday banking and saving.

Maybe you've just got your first full-time job and need an account to help you manage your pay. Maybe you're juggling work and study and need to keep a close eye on your money if you're ever going to save for that car. Whatever your circumstances, it's time to get smart about your banking.

Making the right choices about your bank account is the first step towards smarter banking. This booklet is packed with useful information and practical tips to help you choose a bank account that best suits your needs, and to help you cut down on fees in order to get the most from your account.





STEP 1 THE BANK ACCOUNT BASICS

MOST BANKS OFFER A RANGE OF PRODUCTS TO HELP YOU MANAGE YOUR MONEY ON A DAY-TO-DAY BASIS AND SAVE A LITTLE ALONG THE WAY. BEFORE YOU CAN DECIDE WHICH BANK ACCOUNT IS RIGHT FOR YOU, FIRST YOU NEED TO KNOW WHAT'S ON OFFER.

LET'S START BY LOOKING AT THE TYPICAL BANK ACCOUNTS FOR DAY-TO-DAY BANKING AND SAVINGS OFFERED BY BANKS THROUGHOUT AUSTRALIA.

Each account has its own pros and cons, and these depend on the account and the bank. Banks will generally provide bank statements and sometimes passbooks to help keep track of money going into and out of your account. An account may incur bank fees, again depending on the account and the bank. Information on fees is covered in Step 5.

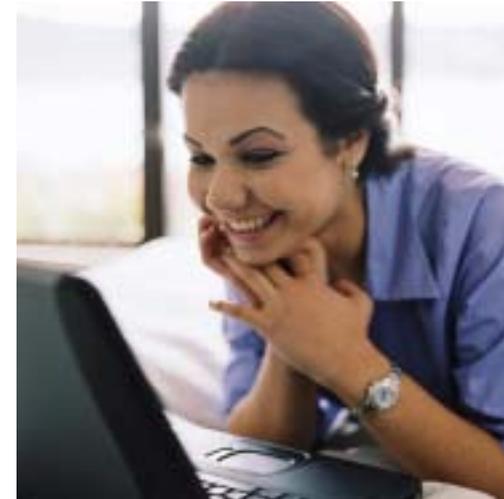
TRANSACTION ACCOUNTS

Transaction accounts are for your day-to-day banking needs, whether it's somewhere to deposit your pay or an account to use when paying bills or doing some shopping. Transaction accounts can come with a cheque book, which means you can pay for goods and services by writing cheques. These accounts are sometimes referred to as 'cheque accounts'.

SOME PROS AND CONS

A cheque provides a convenient way of paying a bill or receiving a payment and it's a lot safer than carrying cash. A personal cheque book is ideal if you need to write cheques regularly, however, cheques are less popular than they once were.

There's a catch. In some states, cheque accounts attract government taxes on every withdrawal from that account. This is regardless of whether that withdrawal is made by writing a cheque, or by using an ATM or other withdrawal methods. These taxes – called debit taxes – are additional to any bank fees that you may pay for the account. (See page 16)



TIP

SMARTER CUSTOMERS PAY BILLS ELECTRONICALLY

While cheques might be handy in certain situations, ask yourself whether you really need a cheque account. Paying bills by direct debit, or facilities such as BPAY, can be much cheaper and more convenient. Not only is the fee for the transaction usually less than fees associated with cheques, if you can avoid getting a cheque facility on your account you can also avoid the extra taxes that might apply.

SAVINGS (DEPOSIT) ACCOUNTS

Savings accounts are a good option if you want to save money, perhaps for a holiday or Christmas spending.

Depending on the account, if you have a balance above a minimum level you may be rewarded with higher rates of interest. Some savings accounts have a monthly fee with a limit on withdrawals, which means that you need to watch you do not exceed the limit so, as to avoid fees for the 'excess withdrawals'.

Savings accounts can also be used for your day-to-day banking needs, as most let you make deposits and withdrawals. Generally cheque books are not offered with savings accounts.

SOME PROS AND CONS

Savings accounts are great if you're trying to save, but you have to follow the rules in order to reap the rewards. If this is the account you use for your everyday living expenses you may make too many withdrawals or fall below the minimum required balance to gain the rewards. In addition, you may end up with account fees that you may not otherwise have had to pay.

TERM DEPOSIT (ACCOUNTS)

If you've saved some money and you don't want to be tempted to spend it, a term deposit could be for you; and the bonus is earning higher interest.

A minimum balance is usually required, so it can be a good idea to first use a savings account, and then move the money into a term deposit once you've reached your target.

Your money is then 'locked away' for a fixed length of time, or 'term'. Most terms are anywhere from 28 days to five years. Interest is earned at a 'fixed' rate, that is the rate of interest does not change over the term.

SOME PROS AND CONS

The attraction of term deposits is the higher interest rate they offer compared to most savings accounts. Rates are usually tiered, so the higher the balance of your deposit, the higher the interest rate you can earn.

They are a good option if you don't want to touch your savings. But it also means you probably can't get access to that money until the term ends. While some banks may allow you to withdraw your money early, you may be charged an early withdrawal fee or you may give up some or all of the interest you might otherwise have earned.

CASH MANAGEMENT ACCOUNTS

Cash management accounts are similar to transaction accounts as they can be used for your day-to-day banking, such as depositing your pay, or making withdrawals and paying bills.

SOME PROS AND CONS

The benefit of a cash management account is usually the higher rates of interest that are paid on your account balance. These interest rates can be tiered – the higher the account balance, the higher the interest earned.

However, most cash management accounts require a minimum amount before they can be opened – sometimes \$2000 or more. In addition, some cash management accounts also need a minimum ongoing balance, and you could earn a lower interest rate, or no interest, if your account balance falls below that minimum at any time.



TIP

SMARTER CUSTOMERS DO THEIR HOMEWORK WHEN IT COMES TO FEES

Any time is a good time to get to know your bank fees, but at the very least, make sure you find out about fees.

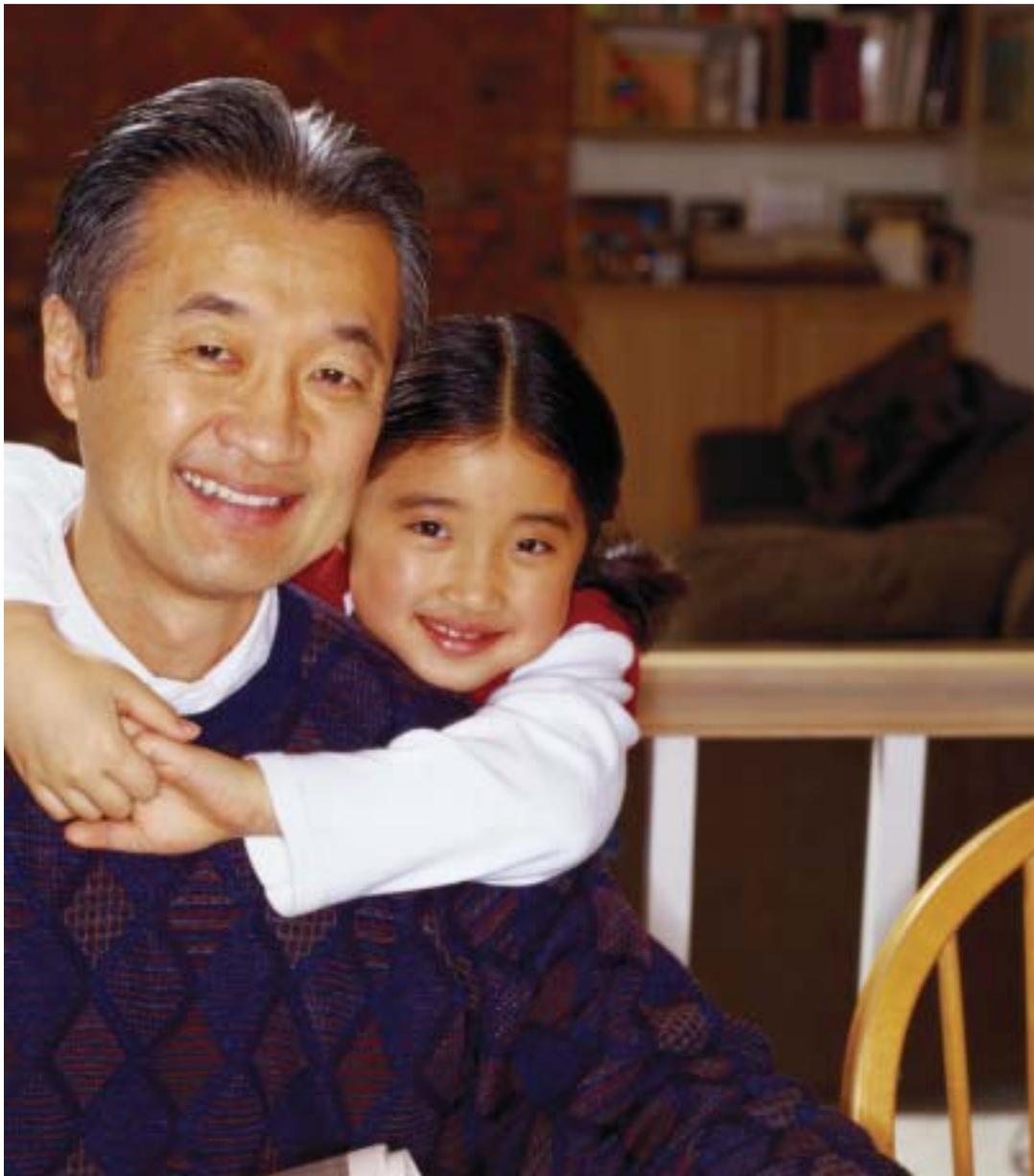
Understand how fees are applied whenever:

- you choose a new account or bank;
- your bank changes the fees you are being charged, or how those fees are charged;
- you get a bank statement.

SMARTER CUSTOMERS SHOP AROUND

TIP

If you're looking to open an account, or even if you've got an existing account, it's always a good idea to shop around and make sure you're getting the best value for your money.



STEP 2 HOW TO ACCESS YOUR MONEY

THERE'S MORE TO CHOOSING THE RIGHT ACCOUNT THAN JUST KNOWING ABOUT THE TYPES OF ACCOUNTS ON OFFER. YOU NEED TO KNOW HOW YOU'LL BE ABLE TO GET CASH, CHECK YOUR ACCOUNT AND EVEN PAY BILLS.

THERE ARE LOTS OF OPTIONS, WHETHER YOU'RE WITHDRAWING MONEY OR MAKING PAYMENTS, DEPOSITING OR TRANSFERRING MONEY, OR SIMPLY TRYING TO FIND OUT YOUR ACCOUNT BALANCE.

OPTION 1 OVER-THE-COUNTER SERVICE

Over-the-counter service is available at bank branches or bank agencies. By visiting a branch or an agency you can deposit or withdraw cash over the counter with the help of the staff. Staff can also give you information about your accounts, such as current balances, transaction histories, bank statements, and information about fees, terms and conditions.

OPTION 2 ATMs (AUTOMATIC TELLER MACHINES)

You can withdraw cash from your account by using your ATM card which is available with most everyday bank accounts. You can use ATMs to get an account balance and transfer money into other accounts. You can also deposit cash and cheques at some ATMs.

OPTION 3 EFTPOS

(ELECTRONIC FUNDS TRANSFER AT POINT OF SALE)

EFTPOS terminals can be found where goods or services are sold, for example, supermarkets, service stations, restaurants, doctors' surgeries and gyms. You can pay for goods and make payments through EFTPOS using your ATM card, rather than having to pay with actual cash. At some stores, when you use EFTPOS you can withdraw cash from your account at the same time.

OPTION 4 TELEPHONE BANKING

You can use telephone banking to transfer payments to and from accounts, get your account balances, get recent transaction information and pay bills.

OPTION 5 INTERNET BANKING

Depending on the bank, you may be able to use Internet banking to view and check your accounts, review recent transactions, apply for loans and credit cards, or transfer money and pay bills.

These are just some of the options available. Technology is changing the way you bank, for example, some banks now offer mobile phone banking. You have lots of choices – ask your bank about the options that apply to the accounts that you're interested in.

WHAT DOES IT COST TO ACCESS MY MONEY?

When you use an over-the-counter service or other option you could pay a fee set by the bank to cover the costs of the transactions you make or the services that you use. Typical fees are covered in more detail on page 15, but remember – always ask your bank about any fees that might apply to your accounts. Your bank will have this information on hand and will be able to explain these fees to you.



STEP 3 DECISIONS DECISIONS...

CHOOSE AN ACCOUNT THAT'S RIGHT FOR YOU

NOW YOU KNOW A LITTLE MORE ABOUT THE MAIN TYPES OF BANK ACCOUNTS, AND ALL THE DIFFERENT WAYS TO GET ACCESS TO YOUR ACCOUNTS, BUT WHAT EXACTLY DO YOU NEED FROM YOUR BANK ACCOUNT?

WHEN IT COMES TO EVERYDAY BANKING AND SAVING, EVERYONE'S NEEDS ARE DIFFERENT AND WILL CHANGE OVER TIME. RIGHT NOW, YOU MIGHT JUST WANT AN ACCOUNT FOR YOUR PAY AND TO MEET LIVING EXPENSES, OR YOU MIGHT WANT TO START SAVING FOR A CAR, A HOLIDAY OR STUDENT FEES. THE TYPE OF ACCOUNT THAT'S RIGHT FOR YOU DEPENDS ON WHAT YOU NEED AND HOW YOU BANK.

WHAT DO YOU NEED?

Below is a shopping list of what you might need from your bank. Beside each statement, we've shown which accounts may, or may not, meet those needs. We have ticked the accounts that are usually best suited to that need, and placed a cross beside the accounts that typically might not be suitable. Of course, accounts differ from bank to bank, so use this table as a guide only, and be sure to check with your bank before making your final choice.

I NEED...	TRANSACTION ACCOUNT	SAVINGS ACCOUNT	TERM DEPOSIT	CASH MANAGEMENT ACCOUNT
...an account where I can get cash regularly	✓	✓	✗	✓
...to make withdrawals and deposits	✓	✓	✗	✓
...to pay for bills and shopping by cheque	✓	✗	✗	✓
...to earn a higher level of interest on my money	✗	✗	✓	✓
...to use ATMs and EFTPOS	✓	✓	✗	✓
...to use the Internet and telephone banking	✓	✓	✗	✓
...to go into a branch for my banking	✓	✓	✓	✓
...to earn rewards for saving	✗	✓	✓	✓
...to save, by setting aside some money, and earn high interest	✗	✗	✓	✓

You can see from the above shopping list that your needs underpin any decision you make about the best account for you.

When choosing an account, talk to your bank about your needs and shop around. If you were buying anything else such as a washing machine or a TV, you would look for the best offer. Do the same for your bank account.



STEP 4 NUMBER CRUNCHING... KEEP THOSE COSTS DOWN

READ YOUR BANK STATEMENTS

THEY'RE YOUR BEST RECORD WHEN IT COMES TO:

- MAKING SURE YOU'VE GOT ENOUGH MONEY IN YOUR ACCOUNT TO COVER YOUR EXPENSES AND KEEPING TRACK OF YOUR SPENDING;
- KNOWING WHAT FEES YOU ARE PAYING AND WHY;
- UNDERSTANDING YOUR BANKING HABITS AND WHETHER A FEW SIMPLE CHANGES MIGHT HELP YOU REDUCE THE FEES YOU PAY.

ANY FEES CHARGED TO YOUR ACCOUNT ARE CLEARLY LISTED ON YOUR BANK STATEMENTS, INCLUDING WHAT THE FEE WAS FOR, HOW MUCH IT COST, AND WHEN IT WAS PAID.

Keep a close eye on every statement so that you don't end up paying more fees than you need to for your everyday banking and savings accounts.

And, if you ever see a fee on your statement that you're not sure of, or don't think you should have been charged, talk to your bank.

There are lots of ways to keep your costs down when it comes to everyday banking and savings accounts. Here's some information to get you started.

COSTLY HABITS

Are your banking habits costing you money? How many transactions do you make on your transaction or savings account each month... 5...10... 20... more? The way you do your banking affects the fees you may be charged.

Take this quick quiz, and place a tick beside each question to indicate your response.

QUICK QUIZ:

YOUR BANKING HABITS	YES	NO
Do you ever get charged a fee, but don't know what it is or why it's been charged?		
Do you receive bank statements in the mail and file them away before you've even read them?		
Could you reduce the number of withdrawals you make each month...even if it's by just a few?		
Do you ever go into the bank to make a deposit or a withdrawal when you could use an ATM instead?		
Do you use whatever ATM is closest at the time, regardless of whether it belongs to your own bank or a different bank?		
Do you live off your ATM and EFTPOS card rather than carrying around cash?		
Does your account come with a cheque book that you've never used?		
Do you have more than one account?		

If you answered 'yes' to any of the questions above, chances are you're paying more in bank fees than you need to! Maybe it's time to think about the way you bank and how to minimise your fees.

TYPICAL FEES FOR EVERYDAY BANKING AND SAVINGS ACCOUNTS

In the table below, we've listed the fees that might apply to everyday banking and savings accounts.

We can't tell you what the actual cost is in each case, because fees vary from bank to bank. When you're shopping around for your account ask the bank about the fees that apply to the accounts they offer.

FEE	WHEN IT MAY APPLY
Account service fee	Usually charged at regular intervals (for example, monthly) on some transaction accounts.
Transaction fees	Might apply every time you make a withdrawal or a deposit, or if you request a statement or an account balance. Most banks charge more for a transaction that's made at the branch or an agency, than for one that's done electronically such as via ATM, EFTPOS, telephone or Internet. You could also be charged a fee for any direct debit set up from your account as these are withdrawals. There are accounts that offer a number of free transactions before fees apply.
Other (Australian) bank ATM transactions	You could pay a higher fee to use an ATM that does not belong to your bank – often called a 'foreign' ATM.
Overseas ATM or EFTPOS transactions	You may pay higher fees at an overseas ATM or EFTPOS terminal compared to similar transactions made in Australia.
Early withdrawal fee	This fee may apply to a term deposit if you withdraw your money early before the end of the term.
Dishonour fee	Where a cheque or direct debit is returned (dishonoured) by the bank because there isn't enough money in the account to cover the amount.
Overdrawn account fee	A fee may apply if you overdraw your account which means you have withdrawn more money than you have available as cleared funds. This can happen with direct debits if you're not careful. This may be a one-off fee, or it may be charged for each day your account remains overdrawn.

**STEP 5 BANK FEES... UNDERSTANDING WHEN FEES APPLY**

MAKING SMART DECISIONS ABOUT YOUR BANK ACCOUNT MEANS KNOWING THE PROS AND CONS OF WHAT YOU'RE GETTING, WHAT IT'LL COST YOU, AND HOW TO KEEP THOSE COSTS DOWN.

SMARTER CUSTOMERS CHOOSE THE ACCOUNT THAT SUITS**TIP**

If you make very few transactions each month, you may be better off with an account that charges you for each transaction, because you won't be paying for very many. Or, if you make a lot of transactions each month, it might be cheaper to pay a single monthly service fee, rather than a fee for every transaction you make.

OTHER COSTS TO CONSIDER

Some State and Territory Governments in Australia collect various forms of duty and taxes for transactions made on your bank accounts. While these are not bank fees, they are still costs that you will need to take into consideration. Ask your bank to tell you whether any of the following taxes apply to bank accounts in your State or Territory. Debits taxes are to be phased out by all State Governments by July 2005.

TAX	WHEN IT APPLIES
Bank Accounts Debits (BAD) tax	Usually appearing as 'BAD tax' on your bank statements, this is a tax collected on each withdrawal (debit) made from an account with a cheque facility.
Electronic transactions duty	A duty charged on every electronic withdrawal.
Stamp duty	A duty charged on all cheques issued from an account.

EXCEPTIONS TO THE RULE

Of course, not all accounts have fees – it all depends on the account you choose, the bank you choose, and your banking habits.

For example:

- some banks offer savings accounts with no service or transaction fees, providing your account balance remains above a certain minimum at all times (for example \$500);
- some banks offer accounts with a certain number of free transactions each month, and so you may be able to avoid paying fees if you don't go over the limit;
- some banks offer you a choice of transaction accounts – one where you pay a monthly service fee and no transaction fees, or one where you pay for transactions, but no monthly service fee; and
- some banks offer low-cost banking and savings options for customers with specific needs. See tips on next page for more information.



TIP

SMARTER CUSTOMERS ASK THEIR BANK ABOUT LOW FEE ACCOUNTS

Some customers are eligible for accounts with low or no fees, for example, people with a disability, people receiving government assistance, pensioners, people under the age of 18 and full-time students. People living in rural, regional or remote areas may be eligible for fee discounts. Ask your bank whether they offer these accounts or fee discounts. If your bank can't help you, find out if any other banks offer low-cost options that might suit your needs.

TIP

SMARTER CUSTOMERS USE THEIR OWN BANK'S ATMs

Using another bank's ATMs can cost you more in fees than using your own bank's ATMs. Use ATMs provided by your own bank, not competing banks. Most banks have information on their websites which can help you find the nearest ATM provided by your bank. Otherwise, ask your bank about where its ATMs are located.





STEP 6 READY TO GO

WHETHER YOU'VE ALREADY GOT A BANK ACCOUNT OR YOU'RE LOOKING AT GETTING ONE, IT ALWAYS PAYS TO SHOP AROUND AND SEE WHAT THE COMPETITION IS OFFERING. VISIT DIFFERENT BANKS AND FIND OUT ABOUT THE DIFFERENT PRODUCTS ON OFFER – REMEMBER YOU CAN DO THIS ON-LINE.

IF THERE'S ANYTHING YOU DON'T UNDERSTAND, OR IF YOU NEED HELP – ASK YOUR BANK – IT'S ALL PART OF THE SERVICE!

RIGHT, YOU'RE ALL READY TO GO.

ONCE YOU'VE DONE ALL YOUR HOMEWORK AND CHOSEN THE ACCOUNT THAT SUITS, YOU CAN OPEN YOUR ACCOUNT.

OPENING AN ACCOUNT? THAT'LL BE 100 POINTS PLEASE!

Now you're at the bank, ready to open your account, the person at the counter will ask to see some identification.

You pull out your driver's licence or Medicare card – but it's not enough – how come?

If you've already got a bank account then you've probably heard about and completed the '100-point check'.

By law, everyone who opens an account must be identified and the 100-point check is necessary because it is a first line of defence against identity theft and money laundering. So, if you're opening an account for the first time, or if you're opening an account at a bank you haven't used before, this law will apply to you. You'll need to show the bank some identity documents that prove who you are. These documents might include a birth certificate, driver's licence, passport, pensioner concession card, or even an ATM card for an account you hold with another bank. Each form of identification has a 'points' value, ranging from 25 to 100 points.

Your identification documents need to add up to 100 points. To find out which documents count, and to make sure you've got the right documents on the day, talk to your bank and find out what you'll need.

You may also need to provide your Tax File Number (TFN) so that you can be identified for taxation purposes.



TIP

SMARTER CUSTOMERS UNDERSTAND THE FINE PRINT

Never open a bank account without first understanding the terms and conditions and the various fees that might apply. Terms and conditions outline the rules and regulations that apply to how you use the account. If you don't understand them, ask your bank to explain them to you.



STEP 7 IF YOU HAVE A QUESTION

HOW TO FIND OUT MORE

Your bank can be a good source of information, not only about banking products and services, but about ways to manage your money effectively and take control of your finances. Start by looking on your bank's website to see what resources are already there. Here's a list of numbers and websites to get you started.

Adelaide Bank 13 22 20 (within SA) 1300 65 22 20 (outside SA) www.adelaidebank.com.au	Bendigo Bank 1300 366 666 www.bendigobank.com.au	Macquarie Bank 02 8232 3333 www.macquarie.com.au
AMP Banking 13 30 30 www.amp.com.au/banking	Citibank 13 24 84 www.citibank.com.au	National Australia Bank 13 22 65 www.national.com.au
ANZ 13 33 33 www.anz.com	Commonwealth Bank 13 22 21 www.commbank.com.au	Rabobank 1300 30 30 33 www.rabobank.com.au
Bank of Queensland 1300 55 72 72 www.boq.com.au	HSBC 1300 308 008 www.hsbc.com.au	St George Bank 13 33 30 www.stgeorge.com.au
BankWest 13 17 18 www.bankwest.com.au	ING 1800 639 082 www.ing.com.au	Suncorp 13 11 55 www.suncorp.com.au
	Laiki Bank 1300 888 700 www.laiki.com.au	Westpac 132 032 www.westpac.com.au

Getting smart about your everyday banking and savings needs can not only help you manage your money better, it can help you cut down on your costs. Once you've got the banking basics sorted out, you'll find it easier to manage your other financial needs.

The information in this booklet should help to get you started, but there's plenty of other information out there too.

SMARTER CUSTOMERS GET TWO TRANSACTIONS FOR THE PRICE OF ONE!

TIP

At many stores, it is possible to pay for goods by EFTPOS and also withdraw cash from your account at the same time. And – it only counts as one withdrawal. So, rather than buying your groceries via EFTPOS and then heading straight to the ATM for cash, ask if you can also get 'cash out' with your purchase...it'll save you on transaction fees.

STEP 7 IF YOU HAVE A QUESTION

WHAT TO DO IF YOU HAVE A PROBLEM

If you're not happy with a bank product or service, you can make a complaint to the bank or the Ombudsman, using the following steps.

STEP 1 CONTACT YOUR BANK AND TELL THEM ABOUT YOUR PROBLEM

A customer service representative should be able to assist when you first contact the bank. Once you tell your bank that you have a problem they can take the necessary steps to fix it. If your bank can't resolve your problem then and there the bank will take the following steps:

- let you know who is handling your complaint;
- keep you informed of what is happening;
- aim to resolve your complaint within a specified time.

Fortunately, most complaints can be quickly sorted out just by talking to your bank. However, in some cases it may be necessary to take your complaint further. If you have raised the problem with your bank but they have been unable to help you, you may need to go to Step 2.

STEP 2 MAKE A FORMAL COMPLAINT TO THE BANK

Some banks have Customer Advocates who can make a free and independent assessment of your complaint and then help achieve a quick and unbiased solution.

If you still don't think your complaint has been resolved to your satisfaction, and you'd like an independent review of the complaint, and any responses you've received to date, go to Step 3.

STEP 3 MAKE A COMPLAINT TO THE OMBUDSMAN

The Banking and Financial Services Ombudsman is an independent complaints scheme that is free for consumers. Refer your complaint to: The Banking and Financial Services Ombudsman
GPO Box 3, Melbourne, Victoria 3001
Telephone: 1300 780 808
Website: www.bfso.org.au

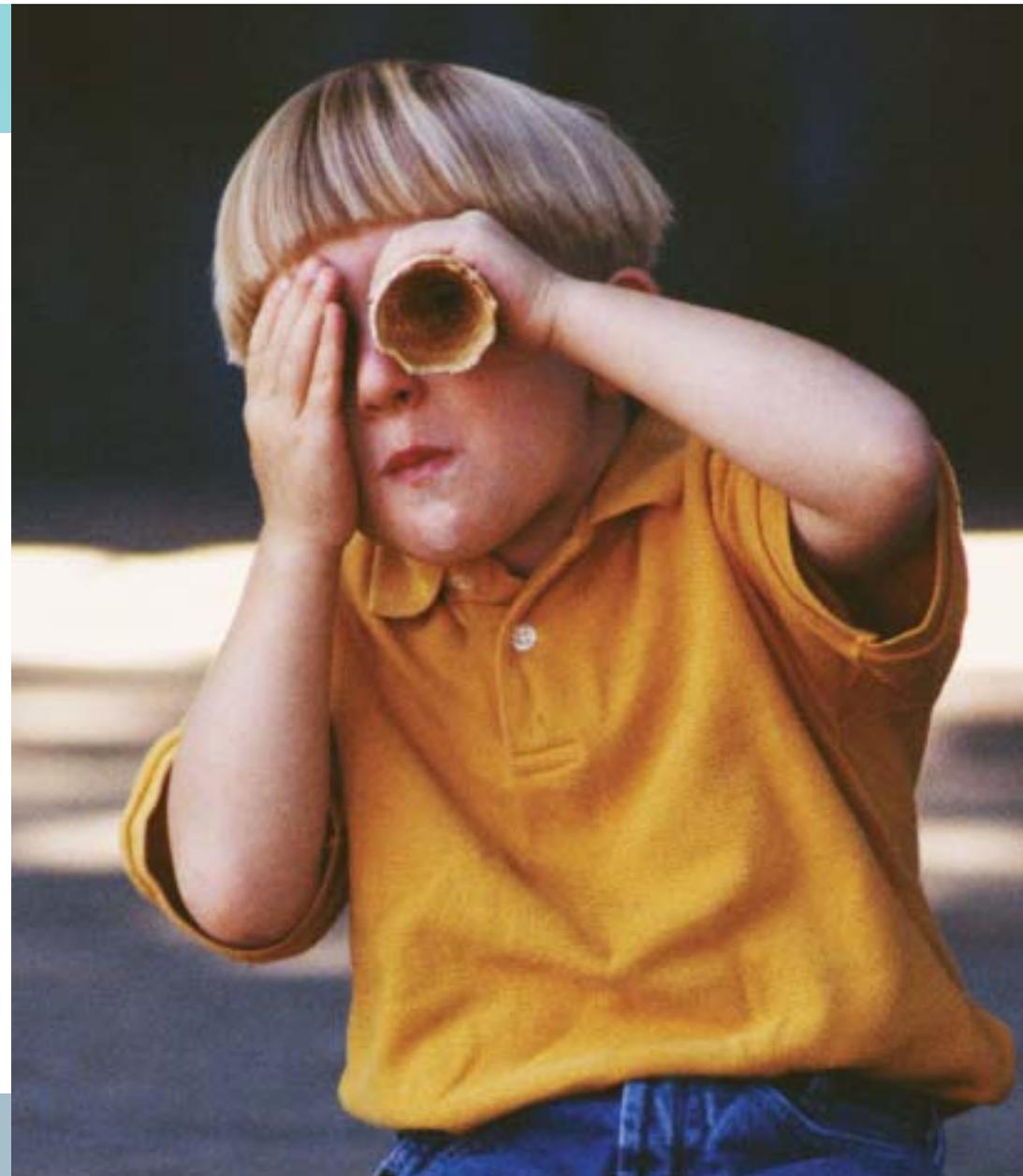
WHO ELSE CAN I CALL?

The Australian Securities and Investments Commission (ASIC) have an infoline – 1300 300 630 (local call rate), as well as a consumer website: www.fido.asic.gov.au. You can get further information about making a complaint by asking for a free copy of ASIC's brochure – 'You can complain'.

SMARTER CUSTOMERS CHECK THEIR STATEMENTS REGULARLY

Review every statement you receive and keep an eye on the fees you are paying. Be aware of how much your bank account costs you, and think about how you might minimise those costs. If you have access to the Internet, your bank may allow you to view recent transactions on-line for free. This could help you keep track of your accounts regularly, and avoid any fees associated with requesting copies of past statements over-the-counter.

TIP



ALL THAT JARGON... GLOSSARY OF TERMS



100-POINT CHECK

A process where you must present enough proof of identity to earn 100 points before you can open an account, unless you have already completed the check for another account at the same bank. (See page 19)

ACCOUNT BALANCE

The amount of money you have in your account.

ATM

An abbreviation for Automatic Teller Machine. ATMs allow you to withdraw money from your account, providing you have ATM access, without having to go into a bank. Some ATMs allow you to deposit cash and cheques into your account, check your account balance, and transfer money between accounts. Many ATMs can be accessed 24-hours a day.

ATM CARD

A plastic card with an encoded magnetic strip that allows you to access your accounts via ATMs and EFTPOS. Many accounts automatically come with an ATM card for convenient access.

**BALANCE
(SEE 'ACCOUNT BALANCE')****BANK**

In Australia, banks are financial institutions that are authorised under the *Banking Act 1959*. They offer a variety of banking and financial products and services to customers, and generally receive fees from customers in return for these products and services.

BANK ACCOUNTS

A type of product offered by banks that provide a secure facility for depositing and withdrawing money and making other financial transactions. (See page 5 for more information about common types of accounts)

BANK FEES

Fees that are charged by your bank, to be paid by you, in return for the products and services they provide. (See page 14)

BANK STATEMENT

A record summarising all the transactions on your account and any fees charged or interest paid over a given period. Depending on your bank and the type of account, you may be able to receive statements fortnightly, monthly, quarterly, bi-annually or annually. Statements may be sent to you in the mail or via the Internet.

BPAY

BPAY is a service via which Australians can pay their bills with 180 financial institutions. Over half (58%) of BPAY payments are made over the Internet. Each month Australians make 8 million BPAY payments worth \$4 billion.

BRANCH

An outlet which banks operate to assist customers with banking and financial services. Branches are open for business during normal business hours. Some banks also open their branches on Saturdays.

CASH

Money in the form of notes and coins.

CHEQUES

A type of payment that is available to people with transaction accounts, also called 'cheque accounts'. A cheque is a small paper form that the account holder can fill in and sign in order to pay for purchases and bills. When you write a cheque, the person who you are paying (the 'payee') takes that cheque to their own bank. Their bank then withdraws the specified amount from your bank account, and pays the money into the bank account of the payee.

CREDIT/CREDIT CARD

Credit is a form of loan that allows you to obtain goods before you actually pay for them, but which must be repaid within an agreed time frame and includes an interest payment. People can pay for goods using credit cards, which are linked to accounts that provide you with a certain amount of credit.

DEPOSIT

To put money into your account, for example, when your pay goes into your account, or when you pay cash or cheques into your account.

DIRECT DEBIT CARD

A card issued by the bank that allows payment for goods and services to be subtracted directly from a bank account.

DIRECT DEBITS

Regular payments that you authorise to be debited (withdrawn) directly from your bank account. Also called periodical payments.

EFTPOS

An abbreviation for Electronic Funds Transfer at Point Of Sale. EFTPOS allows you to purchase goods and services, and withdraw cash if the merchant agrees, using an ATM card. (See 'ATM card')

ELECTRONIC BANKING

Methods of banking that allow you to access your account electronically, such as telephone or Internet banking, ATMs or EFTPOS. Depending on your account, you may be able to make withdrawals, deposits and transfers electronically, as well as receive information about your account, such as account balances, recent transactions etc. Before an electronic transaction can be made you are normally required to provide your PIN (see 'PIN') in order to verify your identity as the owner of the account.

FINE PRINT

A common term for legal and technical information about your accounts, such as terms and conditions or fees, often printed in a smaller-sized text than the rest of the information in the document and is therefore called 'fine print'. (See also 'terms and conditions')

INTEREST

Interest is the amount a borrower pays to a lender for the use of the lender's money. For example, if you borrow money from a bank in the form of a loan, the bank will charge you interest for the use of that money. On the other hand, if you lend your money to a bank by opening a bank account or a term deposit, the bank pays you interest for depositing your money with them.

INTERNET BANKING

Making deposits, transfers and withdrawals, and checking account balances etc via the Internet. For security purposes, you may be required to register with your bank in order to use Internet banking.

OMBUDSMAN

An ombudsman is a person who receives and resolves complaints made by people against an organisation such as governments or companies, including banks.

OVERDRAWN

Your account is overdrawn if you have taken more money out of your account than was actually available as cleared funds. This can happen if you write a cheque without having enough money in your account to cover that cheque when it is cashed. This is referred to as a 'dishonoured cheque'. Fees may apply to overdrawn accounts and dishonoured cheques.

OVER-THE-COUNTER

Any banking activity that is made in a branch, or at an agency of your bank such as an Australia Post outlet, where you may be able to make financial transactions.

PIN

An abbreviation for Personal Identification Number, a number used as an access code for your account when using ATMs or EFTPOS. Your PIN should never be shared with anyone else, as you are the only person authorised to use your accounts.

SAVINGS

Money that you have generally set aside for a specific purpose.

STATEMENT (SEE 'BANK STATEMENT')

TAX FILE NUMBER (TFN)

A unique nine digit number issued by the Australian Taxation Office to individuals and organisations to identify them for taxation purposes. Your Tax File Number is specific to you.

TERM

The amount of time that a term deposit is to be held, or over which a loan must be repaid.

TELEPHONE BANKING

Making deposits, transfers and withdrawals, and checking account balances etc via the telephone. For security purposes, you may be required to register with your bank in order to use telephone banking.

TERMS AND CONDITIONS

When you open an account you are effectively entering into a contract with your bank, and in doing so you are agreeing to a series of terms and conditions. These outline how you are able to use your account. Terms and conditions for your account are available from your bank. Booklets outlining terms and conditions are also called 'product disclosure statements'. (See also 'fine print')

TRANSACTIONS

The name given to activities such as making deposits and withdrawals, or transferring money from your account.

TRANSFER

To move money from one account to another account.

WITHDRAWAL

To take money out of your account, for example, when you take money out via an ATM, or when you make a payment via EFTPOS or cheque.

TIP

SMARTER CUSTOMERS TALK TO THEIR BANK IF THEY HAVE A PROBLEM

If you end up in difficulty with paying fees – or meeting credit card payments or loan repayments – contact your bank to see if they can help with a new payment plan. If you have a problem with one of your accounts or a financial matter, or if you have a complaint, always talk to your bank first. Most problems can be quickly resolved if you start by letting your bank know what they are.



To order this booklet

This booklet has been prepared by the Australian Bankers' Association (ABA) – an industry association that represents Australia's banks. The banking industry is committed to helping Australians better understand banking and make more informed choices when it comes to managing money and everyday finances.

If you'd like to obtain more copies of this booklet please contact the ABA:

Telephone: 1800 009 180

E-mail: reception@bankers.asn.au

Website: www.bankers.asn.au

Or **write** to us at the Australian Bankers' Association,
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Sydney NSW 2000.

