

## Current accounts

A current account is great for managing your day-to-day money. You can receive regular payments into your account, such as wages, benefits, tax credits or pensions. You can also set up payments to come out of your account in whatever way you find convenient.

### What you can do with a current account

With a current account, you can:

- pay for things with a debit card
- write cheques to pay bills and people
- receive payments directly into your account
- set up Direct Debits and standing orders to pay your bills
- transfer money via telephone or online banking
- basic rate tax payers can earn up to £1,000 interest on their savings without having to tax and higher rate tax payers can earn up to £500 worth of interest tax-free. Find out more on [Tax on savings accounts](#)
- withdraw cash over the counter or from a cashpoint machine
- check your balance using telephone or internet banking, at a cash machine or over the counter
- apply for an overdraft -this will allow you to spend more than you have in your account, but you'll be charged for it
- pay cheques into your account. The money usually clears on the next working day (Monday to Friday, not including public holidays). But it can take longer if the cheque is paid in after any advertised cut-off time. Find out more on [Payments into your bank account](#).

You can access most current accounts through a high street branch, online, using mobile banking or over the phone.

### Use our Money Navigator Tool

Have you got money worries because of coronavirus? If so, you're not alone. For instant money guidance based on your circumstances, get started with our [Money Navigator Tool](#)

## Who can get a current account?

You need to be over 16 to open a current account, although for some banks the minimum age is 18.

If your child is under 18, it might be possible to open a current account with a parent's help.

If your child can't open a current account, you might want to consider a savings account for children. Some banks offer accounts you can open after your child is born.

Find out more in our guide [Savings accounts for children](#)

## Minimum monthly payment

Some banks might ask you to pay a minimum amount into your account every month. This could be your wages, benefits or a pension.

## Good credit history

As many current accounts allow you to have an overdraft, you might need to pass a credit check when you open the account.

## Proof of identity and address

All banks or building societies will ask for proof of your identity and address before you can open a bank account.

## How much does a current account cost?

### Top tip

If you're not able to get a current account, you could consider a fee-free basic bank account. To help you pick the best one, see our guide [Fee-free basic bank accounts](#)

As long as you have money in your account, you don't usually have to pay for current account services.

Some current accounts charge a monthly fee for extra features – these are called packaged bank accounts.

Find out more in our guide [Packaged bank accounts](#)

## Overdrafts and current accounts

## **Need someone to talk to about your finances?**

If you're struggling with money, you can talk to a specialist today, online or by phone, who will be able to help you start sorting out your financial problems.

Find free, confidential advice now using our free [Debt advice locator tool](#)

An overdraft is a way of borrowing money from the bank through your current account. This means you can spend more than you have in your account.

Banks will usually charge you interest for lending you this money.

The interest is often as high as 40%, which is a lot higher than a typical rate for a personal loan.

However, some offer interest-free overdrafts. But this depends on your agreement with the bank – contact your bank to find out.

Current accounts now have a Monthly Maximum Charge (MMC) in place. This is the maximum amount you'd pay each month in fees, charges and interest. The amount varies, depending on the bank or building society, and which current account you have.

Make sure you check what the MMC is with your current account. This will help you make sure you know how much your overdraft is costing you.

Find out more in our guide [Overdrafts explained](#)

## **Charges for refused Direct Debits and standing orders**

If there's not enough money in your account to cover a standing order or Direct Debit, it might be refused. If this happens, you'll usually have to pay a charge.

This can be as much as £25 for each refused payment.

Find out more about how to use Direct Debits and standing orders without paying charges in our guide [Direct Debits and standing orders](#)

## **Cash machines (ATMs)**

In the UK, taking money out of a cash machine with your debit card is usually free.

There are some exceptions:

- Some cash machines – especially ones in small shops, on garage forecourts and in nightclubs – can charge up to £5 each time you withdraw money. They'll tell you about the charges on screen before you take out the cash, so you can decide if you want to go ahead.

- Using a credit card to take out cash comes with a charge, and you pay interest from the moment you withdraw the money. If you have a card with an interest-free period, it will only apply to purchases. You'll still pay a fee if you take out cash.
- Some prepaid cards charge you a fee to withdraw money from cashpoint machines.

## How to get a current account

### How to choose a current account

Comparison websites can be a good starting point for anyone trying to find a current account tailored to their needs.

### Compare Bank Account Fees and Charges

The comparison tool shows everything from overdraft fees to foreign cash withdrawal charges.

Use our [Bank account fees and charges comparison tool](#) to see all the fees and charges that apply to bank accounts.

Here are a few websites that compare current accounts:

- [Money Saving Expert](#)
- [Which?](#)

In Northern Ireland, you can also use the [Consumer Council's Current Account Comparison Table](#)

Be aware that comparison websites won't all give you the same results. So make sure you use more than one before deciding.

It's also important to do some research on the type of product and features you need before making a purchase or changing supplier.

Find out more in our [Guide to comparison sites](#)  
To help you choose best bank accounts for children, take a look at the [Which? website](#)

### How to open, switch and manage your current account

You can usually apply in person, by post, over the phone or online.

If your application is turned down, don't be afraid to ask why. Make sure you meet all the criteria in the [Who can get a bank account?](#) section above.

## How to switch current account

Banks and building societies all offer a free seven-day Current Account Switch Service.

It's backed by a guarantee that means you'll be refunded any interest and charges on your old and new accounts if anything goes wrong.

Find out more in our guide [Switching your bank account](#).

## Managing your current account

Checking your balance regularly will help you to make sure there's enough money in your account to cover any standing orders or Direct Debits. This will make sure you won't have to pay charges for having them rejected.

Read more in our guide [How to manage your bank account](#)

## What to do if things go wrong with your current account

If you're unhappy with anything to do with your bank or building society, speak to them first.

They have to investigate your complaint and give you a clear answer within eight weeks.

If they don't send you a response within eight weeks, or you're still unhappy after they do, you might be able to complain to the Financial Ombudsman Service.

Find out more in our guide [Sort out a money problem or make a complaint](#)