

Banking 101

The essential lowdown on banking



This information is provided to help you and is HSBC's understanding to support your financial capability. You should always check the information independently to make sure it is right for your needs.

Need to know: Current Accounts

- ◆ The 101 on a current account
- ◆ Choosing the right one
- ◆ Overdrafts, interest rates, incentives and PIN numbers
- ◆ Mobile banking
- ◆ Opening a current account

Need to know: Savings Accounts

- ◆ Easy access savings accounts
- ◆ Fixed savings accounts
- ◆ Regular savings accounts
- ◆ ISAs

You and your savings

Short



£100 per month

0.1% everyday saver for 12 months

Balance of £1200

Interest earned = £0.55

Medium



£1200 starting balance

1.6% 5 year fixed ISA

No additional contributions

Interest earned = £99.88

Long



To provide an annual income of £15,125 (inc state pension)

8% contribution (as follows)

- Alex's annual contribution (4%) £1,134
- Tax relief (1%) £283
- Employer contribution (3%) £851

Current age 25 years old

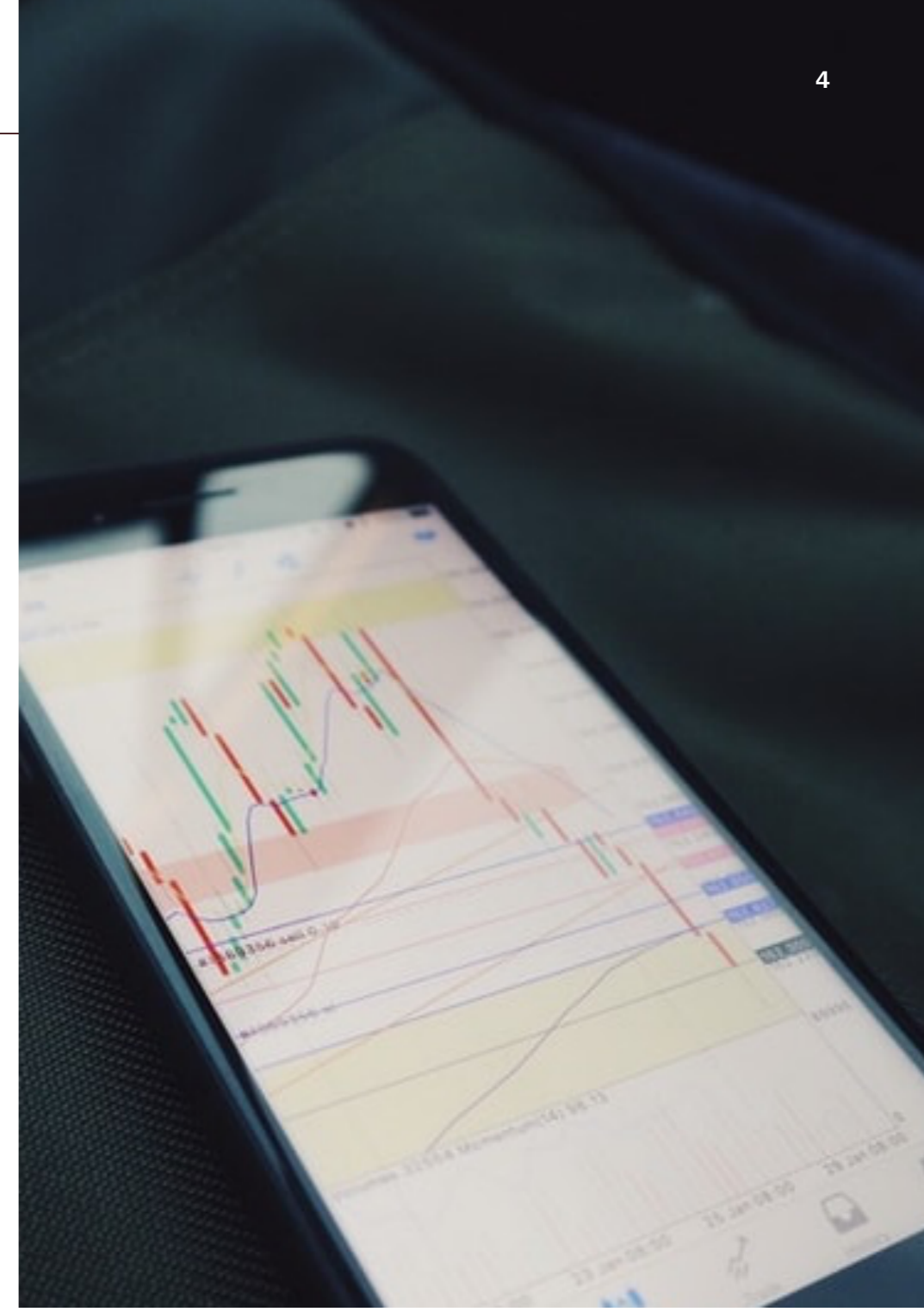
Annual salary: £28,366

This assumes salary rises in line with general earnings increases. If he changes jobs, gets promoted, or finds a job with a better salary, and continues to save for his retirement, he can expect a better standard of living.

Need to know: Investing

- ◆ Investing 101
- ◆ What can you invest in?
- ◆ What could an investment do for me?
- ◆ How much risk?
- ◆ Can I access my money?

Save up an emergency fund of 3 to 6-months worth of living costs before you invest



Need to know: Credit Cards

- ◆ The 101 on credit cards
- ◆ What is interest?
- ◆ What is APR
- ◆ Why use a credit card?
- ◆ Things to consider before getting a credit card

Jargon Buster

◆ DD

◆ DR

◆ SO

◆ ISA

◆ CR

◆ PAYM

◆ AER

◆ APR

The Importance of Budget Planning

The first step to understanding your money is making a budget

- ◆ How to start budgeting
- ◆ Deciding on a budget format
- ◆ What have you got to pay for?
- ◆ Making a budget plan



What if your outgoings are more than your income?

- ◆ Getting into debt
- ◆ Borrowing options
- ◆ Credit Card
- ◆ Personal Loans

Be aware of loans with high interest rates. For example, payday loans can offer quick access to cash, but you could end up paying back far more than you borrowed. This could make it harder to get out of debt in the long run.

Worth remembering

- ✓ Create and stick to your budget
- ✓ Set up a savings account to save for goals or unexpected costs
- ✓ Prioritise building up an emergency savings fund
- ✓ If you find yourself in a difficult financial situation – talk someone or speak your bank for help
- ✓ Don't log in to your mobile banking using public Wi-Fi in a hotel, café or restaurant as this may leave you vulnerable to fraudsters
- ✓ Don't share your PINs/Passwords, keep apps up to date, watch out for fraudulent emails/texts and be careful of what you share on social media

Get In Touch

Send your feedback to

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