19th January 2021

I can explore savings account at a bank.

What is a bank?

How many can you name?

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What is a building society?

Where does a bank get its money from?

Why do people put money in a bank?

Where else could it go?

Do you feel your money is safe in a bank?

In the UK, banks are now protected up to £85,000 per saver.

What is a current account?

Current account

Rates effective from	Balance	Gross per year %
28 July 2020	£1+	0.01

If you put £100 in the bank, you would make £1 on interest.

So you would have £101 at the end of the year.

What is an Instant cash ISA account?

Instant cash ISA

Rates effective from	Balance	Tax-free p.a.%
2 November 2020	£1 - £29,999	0.02
	£30,000+	0.05

1) Sam puts £1000 into an Instant cash ISA, how much does he have at the end of the year?

2) Wendy puts £40,000 into an Instant cash ISA, how much does she have at the end of the year?

Fixed term accounts

What is a fixed term account?

	Balance	Gross rate per year %
End of term	£500 to £1 million	0.15
Monthly	£500 to £1 million	0.15

Look at each person and decide which type of account would be best for them and explain why.

Tim is fourteen, he has saved £1000 and wants to set up a savings account at this local bank. He wants to be able to access his savings at all times. What type of account do you think would be the best for him?

Sally is a nurse with two children. She has to pay her bills and her monthly wage has to be paid into a bank account. She would like to also start saving to pay for a holiday. What advice would you give her? Why?

When might a person want a fixed term savings account?