



Banking for Students



THE INTENTION OF THIS GUIDE
IS TO RAISE AWARENESS ON THE
IMPORTANCE OF **FINANCIAL LITERACY.**

LEARNING HOW TO MANAGE
YOUR MONEY AND SPENDING IT
WISELY WILL HAVE A GREAT IMPACT
ON YOUR FUTURE. HAVING THE RIGHT
FINANCIAL SKILLS AND KNOWLEDGE
WILL HELP YOU MAKE BETTER
INFORMED DECISIONS AND ACHIEVE
FINANCIAL SECURITY.



INTRODUCTION

AS A TEENAGER YOUR SPENDING WILL GENERALLY TEND TO BE ON CLOTHES, FOOD, MOBILE BILLS AND ENTERTAINMENT. HAVING THE NECESSARY SKILLS TO DEAL WITH YOUR FINANCES RESPONSIBLY WILL HELP YOU TO BETTER MANAGE YOUR INCOME AND EXPENDITURE THROUGHOUT THESE YEARS WHILST HELPING YOUR PERSONAL DEVELOPMENT FOR THE FUTURE.

At this stage you are maybe starting to think about saving, opening a bank account, and obtaining credit cards. However you may not have an understanding of exactly what a credit card is, how to open/use a bank account, or how to budget your finances when you get your first job.

Student money is often limited which is why it's important to make sure you get the best deal on everything relating to your finances. When you make the decision to open your first bank account it's important make sure to find a suitable bank which will help you understand the products on offer which are suitable for your needs.

There are a number of things that you should take into consideration before you select a bank. Location might be one of them especially if you will be making most of your transactions at branch level. However, keep in mind that nowadays there are more convenient ways to access your accounts, like automated teller machines (ATMs), internet banking, mobile banking and also phone banking. Nevertheless, the most important thing above all these will be the products which are offered by the bank. You should look for a bank that offers a variety of products for you to choose from, including current accounts, savings accounts, online banking accounts which include electronic bill payment options, credit and debit cards and student loans.

Keep in mind that banks are eager to “acquire” students. At first you may start to deposit your stipend or your part-time wage. However in future you might use the same bank to acquire a business loan, buy a home or even finance

your children's education. This means that most banks are more than willing to offer you all kind of incentives and schemes to attract new customers. Also banks tend to offer students a variety of gifts/freebies (e.g. vouchers). However making a decision based on freebies is not recommended and might not be right for you in the long term. Don't just settle for the gifts. Throughout your student life you will need more than just a onetime gift.

Once you have decided which bank to use, make sure you choose the right account. You must take into account some important features such as ways to run your account, access to cash and interest rates. Keep in mind that students benefit from a variety of preferential rates. Take advantage of them.

Before opening the account, ask the bank for the terms and conditions applying to your account and make sure to read everything well before signing on the dotted line. It is also important to check what fees and charges may apply to your account. This will help you avoid incurring unnecessary fees and charges.

The following are some questions which you might be asking yourself when you start to consider opening a bank account.





1 HOW DO I OPEN A BANK ACCOUNT? WHAT IS REQUIRED?

SOME BANKS OFFER THE POSSIBILITY TO OPEN A BANK ACCOUNT FROM AS EARLY AS AGE 11 WHILST OTHER BANKS OFFER THIS SERVICE FROM THE AGE OF 13. HOWEVER FOR ALL STUDENTS UNDER THE AGE OF 16 WHO WISH TO OPEN A BANK ACCOUNT, PARENTS CONSENT IS ALWAYS REQUESTED BY THE BANKS.

Your bank will probably request or do the following:

- ✓ Personal identification such as a valid ID Card or passport; It is important that you present to your bank with a valid ID card from age 14-16 and 16+. In cases where the student is under 14 years of age then a birth certificate is required
- ✓ Home address
- ✓ Contact details
- ✓ Verify that you are legally eligible to open an account
- ✓ Keep record of your current occupation and any part-time jobs;

Mymoneybox Tip:

Make sure you provide the correct information to your bank.





2 DO I NEED TO SIGN ANY DOCUMENTS?

STUDENTS AGED BETWEEN 11 AND 15 MUST BE ACCOMPANIED BY THE PARENTS/LEGAL GUARDIAN WHO WILL IN TURN PROVIDE A SPECIFIC CONSENT FOR THE MINOR TO MANAGE THE ACCOUNT. STUDENTS WHO HAVE REACHED THE AGE OF 16 MAY VISIT A BRANCH TO OPEN A BANK ACCOUNT IN OWN NAME WITHOUT PARENTAL/LEGAL GUARDIAN ACCOMPANIMENT AND CONSENT.

Your bank will probably ask you to sign the following:

- ✓ Application Form
- ✓ Opening of Account Form
- ✓ Personal Record Bank Form
- ✓ Parent Consent Form - in cases where the age of student is below 16.
- ✓ FATCA Form

The Bank will also provide you with the following documents:

- ✓ General Terms and Conditions for the operation of current, savings and card accounts.
- ✓ General Tariff documents
- ✓ Specific Terms and Conditions for the product or service requested or product information guide.
- ✓ Depositor Compensation Scheme Regulations Information Sheet.
- ✓ IBAN number and other details
- ✓ Product information guides on other services provided such as internet banking and mobile banking

Mymoneybox Tip:

Make sure you are aware of the contents of the documents before signing



3 HOW CAN I PUT MONEY INTO MY ACCOUNT?

YOU CAN USE AN ATM CARD TO MAKE WITHDRAWALS OR TO DEPOSIT CASH OR CHEQUES INTO YOUR ACCOUNT. ATM STANDS FOR AUTOMATED TELLER MACHINE. IN THEIR BASIC FORM, ATM'S ARE BANKING MACHINES THAT DO WHAT A BANK TELLER WOULD DO. IT'S EASIER, FASTER AND MORE EFFICIENT, PLUS YOU CAN USE MOST ATMS 24 HOURS A DAY!

When the bank issues an ATM card, they also give you a PIN, which means personal identification number. Always remember that the PIN is like a password. Never share it with anyone, and never write the PIN on your ATM card or keep the PIN number written in your wallet or purse.

You can deposit cheques or cash via ATM by just putting your cheque or cash in the ATM and follow the instructions provided by the ATM. Once you make the deposit always make sure that you keep the receipt provided by the ATM for record purposes.

You can also choose to pay cash or cheques into your bank account by visiting your local branch. You will need to take the cash or cheques that you want to deposit into your account.

If you choose to go to the bank teller to deposit your cash or cheques, the teller will ask you to present a valid ID card or passport and bank account number. After confirming you details, bank account number and amount, the bank teller will ask you to sign a deposit slip.

To deposit a cheque at the branch you can also get a deposit envelope which will be available at the branch. You will then, need to write your signature on the deposit slip, and also fill out any other details which are available on the deposit slip. You will then need to proceed by putting the deposit slip in the deposit box available in the branch.

Alternatively you can also deposit your cheque in one of the deposit machines which may be available at the branch.

The PIN number is a four digit secret number which you must not disclose to anyone at any time. Keep your card in a safe place and never lend it to anyone. Always safeguard you PIN and try to memorise it .It is strongly recommended you do not write down your PIN. However should you choose to write it down, never write the PIN and keep it together with your card.

Mymoneybox Tip:

Always keep your PIN number safe





4

HOW CAN I WITHDRAW MONEY FROM MY ACCOUNT?

THE EASIEST METHOD TO WITHDRAW CASH FROM YOUR BANK ACCOUNT IS FROM THE ATM BY USING YOUR CARD. THE ATM MACHINE WILL ASK YOU TO INPUT YOUR PIN NUMBER. WHEN YOU DO SO YOU WILL BE PROVIDED WITH A NUMBER OF OPTIONS AND IT WILL BE UP TO YOU TO MAKE YOUR SELECTION. SHOULD YOU CHOOSE TO MAKE A CASH WITHDRAWAL, IT IS ADVISABLE TO KEEP THE RECEIPT FOR RECORD KEEPING.

Keep in mind that if you withdraw money from your account at your own bank's ATM, you probably won't pay any fees for that transaction. However, if you withdraw money from a different bank's ATM, you could get charged a fee from that bank as well as from your own.

You can check out your bank's fees and charges in our website from the following link: <http://mymoneybox.mfsa.com.mt/info/compare-charges-more>.

You can also withdraw money from your bank local branch, and ask the bank teller of the amount of cash you wish to withdraw. The bank teller will in turn ask you for your ID card or passport and bank account number. The teller will then ask you to sign a cash withdrawal receipt confirming the amount withdrawn.

Mymoneybox Tip:

Make faster withdrawals by using the ATM





5 WHAT IS A DEBIT CARD?

DEBIT CARDS WILL ENABLE YOU TO MAKE CASH WITHDRAWALS FROM YOUR BANK ACCOUNT OR PURCHASE GOODS. THE AMOUNT WHICH YOU DEPOSIT IN YOUR ACCOUNT WILL BE THE AMOUNT WHICH YOU CAN AFFORD TO USE. THE TRANSACTIONS WHICH YOU MAKE WHEN YOU USE YOUR DEBIT CARD WILL THEN BE SHOWN IN YOUR BANK ACCOUNT STATEMENT.

Let's say that you have managed to save €500, you have opened a bank account and you deposited your savings in this bank account. You can then decide to take out a debit card using the amount in your bank account. The purchases and withdrawals you can make with your debit will be limited to the amount held in your bank account.

A debit card would be ideal if you do not wish to accumulate any debts. Also it is safer than carrying cash around and the amount in your bank account is basically how much you can afford to use and unlike credit cards no interest is incurred.

Mymoneybox Tip:

Always monitor your spending.





6 WHAT IS A CREDIT CARD?

IF YOU ARE OVER THE AGE OF 18 AND YOU OWN A CREDIT CARD, YOU ARE ACTUALLY BORROWING MONEY FROM THE BANK TO EITHER MAKE PAYMENTS OR TO WITHDRAW MONEY. YOUR BANK WILL ALLOW A CREDIT LIMIT WHICH WILL BE THE MAXIMUM AMOUNT THAT YOU MAY BORROW ON YOUR CARD.

The bank will then provide you a statement to keep track of your purchases and withdrawals you made by using your card. You can also access your statement through the Internet Banking.

Keep in mind that with a credit card you can make purchases now and pay for them later. You will need to pay the amount borrowed plus any interest. Interest is an amount which you will pay if you don't pay the balance due in full each month. If you only make minimum payments each month, the interest will add up quickly. So keep in mind that if you don't pay the full amount on your credit card each month, you have to pay a fee (i.e. interest), which is based on a percentage of the amount borrowed. Whilst a credit card will provide you with the availability of "cash" you must be careful of any temptation to overspend or becoming an impulsive spender.

You must also be aware of the Terms and conditions applicable to your card. The Terms and conditions applicable on cards give the card issuer certain rights. You will be asked to accept these conditions and that you have read and understood them before the bank provides you with a credit card. You can ask a family member or the bank staff to help you understand any term and conditions which you were not able to understand.

Mymoneybox Tip:

Be sure to shop around to know the relative rate and fees applicable by different banks so that you can get the best deal!!





7 STANDING ORDERS AND DIRECT DEBITS... WHAT SHOULD I KNOW?

STANDING ORDERS ARE A WAY OF SETTING UP A REGULAR, FIXED PAYMENT FROM YOUR BANK ACCOUNT. YOU CAN SET A PAYMENT TO BE TAKEN AT A CERTAIN FREQUENCY (FOR EXAMPLE, THE 1ST OF EACH MONTH; OR EVERY 3-6 MONTHS ETC.) FOR AN AMOUNT OF YOUR CHOICE.

You can only setup a Standing Order with your bank. It is not possible to setup a Standing Order with a service provider unlike a Direct Debit.

A Direct Debit is an agreement between you and a service provider (e.g. your mobile phone service provider) giving your permission to the service provider to withdraw money from your bank account.

In this agreement, you authorise the service provider you want to pay to collect an amount (which may be variable or fixed) from your bank account on a periodic basis or as a one-time payment without any further action on your part.

Once you have agreed to the terms and conditions of a Direct Debit, the money will be deducted automatically from your chosen bank account. A Direct Debit can be set up to pay on a particular date every month, quarter or year. The service provider will in turn give you prior notice of the amount and date of collection. If the service provider you are paying wants to change an amount or date of collection, it has to inform you before it affects any changes.

The difference between a standing order and direct debit?

With a Standing Order only you can change the date or payment amount. With a Direct Debit the date and amount can be changed by the service provider you are paying. However the service provider will give you prior notice of the amount and date of payment collection.

Some banks charge a fee for executing a Standing Order. Neither banks nor service providers charge for a Direct Debit.

Mymoneybox Tip:

Make use of Direct Debits to avoid long queues.



Online Banking

Login:

Password:

Security Code:



INTERNET BANKING

INTERNET BANKING OFFERS VARIOUS ADVANTAGES TO ITS USERS. ONE OF THE BASIC BENEFITS YOU WILL ENJOY WITH INTERNET BANKING IS THAT YOU DO NOT HAVE TO WAIT IN LINE TO CHECK YOUR ACCOUNT BALANCE. ONLINE BANKING IS PERFECT TOOL FOR THOSE WHO WANT ALL YEAR ROUND ACCESS TO THEIR FUNDS AND OTHER BANK-RELATED SERVICES. THIS MAKES BANKING FASTER, EASIER, MORE EFFICIENT AND EVEN MORE EFFECTIVE BECAUSE CONSUMERS ARE ABLE TO ALWAYS CHECK THEIR ACCOUNT BALANCES.

Internet banking can be accessed also through mobile phones with Internet access, tablets and laptops, thus you can manage your banking business anywhere.

You can also make fast and simple payments. Money transfers and bill payments are quick and easy to make to your existing payees.

The accounts can be automatically funded from a traditional bank account via electronic transfer, most banks offer unlimited transfers at no cost, including those destined for outside financial institutions. Banks will also accept the direct deposits and withdrawals that you authorize such as the automatic bill payment.

These following are the main benefits of online Banking:

- ✓ Paying your bills online - easier and more efficient
- ✓ Keeping track of your accounts
- ✓ Effecting money transfers between bank accounts
- ✓ Mobile Banking
- ✓ Easier to open new bank accounts
- ✓ Easier to apply for other banking services - e.g debit card & credit card

With Internet banking, you can access your account and check out the latest transactions on-line with increased security. You can also make payments on-line, pay your bills, view your transaction history, top up your mobile, manage your cards and accounts and much more.

Mymoneybox Tip:

Always keep your internet banking key safe and secure.



MYMONEYBOX IS THE CONSUMER WEBSITE OF THE **MALTA FINANCIAL SERVICES AUTHORITY (MFSA)**.

THE **MFSA** IS THE SINGLE REGULATOR FOR FINANCIAL SERVICES IN MALTA. IN THIS ROLE THE AUTHORITY PROTECTS INVESTORS, DEPOSITORS AND INSURANCE POLICY HOLDERS. THE AUTHORITY ALSO REGULATES AND ENFORCES LAWS THAT PROMOTE HONESTY AND FAIRNESS IN PRODUCTS AND SERVICES OFFERED IN THE FINANCIAL MARKETS.

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