



A Tenants Guide To Paying your Rent, Basic Bank Accounts and Money Advice

CONTENTS

| | | | |
|--------------------------------|---|----------------------------------|---------|
| PAYING YOUR RENT | 3 | What if there's not enough | 7 |
| How will my Housing | 3 | money in the account? | |
| Benefit be paid? | | Can I open a Basic Bank | 8 |
| How can I pay my rent? | 3 | Account whatever my | |
| What will happen if I | 3 | credit history? | |
| don't use my benefit to | | What proof do I need to | 8 |
| pay my rent? | | open an account and why? | |
| What if I consider I am | 4 | I have a post office card | 9 |
| unlikely to pay my rent? | | account and I don't want | |
| What if I already have | 5 | to open a bank account | |
| a bank account and it is | | What's the next step? | 9 |
| overdrawn? | | | |
| Can I safeguard any | 5 | | |
| regular funds that are | | What Address and | 10 & 11 |
| paid into my account? | | Personal ID requirements | |
| I don't have a bank | 5 | do I need to open a | |
| account? | | Basic Bank Account | |
| | | Jargon and key words ..12 & 13 | |
| BASIC BANK ACCOUNTS | 6 | and phrases explained | |
| What is a Basic Bank | 6 | Organisations that can | 14 |
| Account? | | help you if you have any | |
| Choosing a Basic Bank | 6 | money problems | |
| Account | | CAB - Citizen Advice | 15 |
| How old do I have to be? | 7 | Bureau Offices | |
| How do I keep track of | 7 | Local Authority Contact | 16 |
| my money? | | Details | |

Introduction

This leaflet is a guide to:

- paying your rent
- Basic Bank Account's
- contact details of agencies/organisations that may be able to help you if you have any debt or financial problems.

PAYING YOUR RENT

How will my Housing Benefit be paid?

Your Housing Benefit will usually be paid directly to you, you cannot choose to have your benefit paid direct to your landlord and will normally be paid into a bank account.

How can I pay my rent?

The easiest way to pay your rent is when you have your benefit paid into a bank or building society account. That way you can arrange to pay the rent to your landlord automatically. This is called a standing order. As long as you have enough money in your account, you won't have to worry about remembering to pay your rent and your landlord will know the rent will be paid automatically.

If you do not already have a bank or building society account, you may want to set one up, see the section on Basic Bank Accounts later in this leaflet for more information.

What will happen if I don't use my benefit to pay my rent?

As a tenant you are responsible for paying your rent to your landlord. This is the same as for tenants who do not get Housing Benefit. If you do not pay your rent your landlord may apply to your local authority to have your Housing Benefit paid to them. Or they may take other action to recover their money, including evicting you from your home.

Eviction means that:

- you will lose your home
- your benefit may not be paid to you in the future
- you may have difficulty finding new accommodation, as your landlord is unlikely to give you a reference
- you will still have to pay the landlord the money you owe and possibly extra money to cover any court costs
- an application for re-housing could be affected as you may be considered to have made yourself intentionally homeless.



What if I consider I am unlikely to pay my rent?

There may be many reasons why you may consider you may have difficulty paying your rent. This may be because someone falls within one or more of the following:

- has severe debt problems
- has a recent County Court judgement against them
- is an undischarged bankrupt
- has some of their Income Support or Jobseeker's Allowance paid direct to the gas, electricity or water company by the Department for Work and Pensions
- is getting help from a homeless charity

Or someone may have difficulty paying their rent if they:

- have learning difficulties
- have an illness that stops them managing on a day to day basis
- cannot read English
- cannot speak English

- are addicted to drugs, alcohol or gambling
- are fleeing domestic violence
- are a care leaver
- are leaving prison
- are homeless

There may be other reasons why someone may have difficulties, if you feel you are unlikely to pay your rent then please contact us as soon as possible. Contact details of your local authority are listed at the end of this leaflet.

NB - you will need to supply evidence of the above, but if you have any difficulties or questions please contact us.





What if I already have a bank account and it is overdrawn?

We may be able to pay your Housing Benefit to your landlord, but we would need to see 2 months bank statements to show that you have been consistently overdrawn, just being overdrawn for 1 day is not sufficient.

Once we receive this information we will make a decision as soon as possible. If the decision is to pay your landlord we will send a letter to you and your landlord explaining this, giving appeal rights and how often this decision will be reviewed.

Can I safeguard any regular funds that are paid into my account?

Even if an account is overdrawn, a customer can choose how any further money paid into the account is used (for example to pay rent) using the 'first right of appropriation'. This allows a customer to assign any funds entering their account to specific events and needs.

You should write to your bank giving at least 7 days notice before any credit goes into your account.

The bank may choose to disregard this instruction depending on your credit history, therefore, you should always contact your bank for clarification.

Alternatively you can contact your local CAB office for further help and assistance.

I don't have a bank account?

If you do not have a bank account you will need to open one.

The following section will be able to help you open one. Once you have opened your account and your Housing Benefit is in payment, you can then set up a standing order to pay your rent to your landlord and have any income or benefits paid into the account as well.

BASIC BANK ACCOUNTS

What is a Basic Bank Account?

It can be the first step towards opening a current account in the future.

With a Basic Bank Account you can:

- Have wages, benefits, pensions or tax credits paid directly into this account, this will be a cleared balance so you can draw on this immediately.
- Pay cheques in, but remember you will need to wait for this to clear before you can withdraw any money (this varies between banks and building societies from 3 to 10 working days).
- You can withdraw money at cash machines as well as the Post Office (this is usually free but some cash machines may make a charge).
- You can pay bills by direct debit, and this can mean you may pay less for some of them, especially gas, electric or telephone.

- You can also set up standing orders for your rent or other bills.

With a Basic Bank Account:

- You don't get a cheque book.
- You can't go overdrawn.

Choosing a Basic Bank Account

When choosing a Basic Bank Account you may want to consider the following points:

- Can you use a cash machine near where you live?
- Is there a branch of the bank or building society near where you live so that you can pay money in and check on your account?
- Can you pay money in or take money out at a Post Office? - this may be important to you.
- Will you get the services you need like a debit card or standing orders?



How old do I have to be?

Some banks may have a minimum age that is lower, but usually you have to be 16, and sometimes 18 - but check with the bank. If the minimum age is 18, there are usually other accounts for younger people.

How do I keep track of my money?

You will usually get a statement in the post every 3 months, which shows what money has been paid in or out of your account. But you can request these more regularly if you wish e.g. monthly.

You can also get a mini statement from most cash machines that usually show the 10 most recent transactions.

You can also check on your balance at your local Post Office.

What if there's not enough money in the account?

You can't go overdrawn with a Basic Bank Account because you won't get an overdraft. So if you pay your bills by direct debit or standing order and there isn't enough money in your account, then the bank will not make the payment.

You may also be charged a fee by the bank if this happens.

You will still have to pay the bill as well as any charge. It is really important to make sure you have enough money in the account to pay your bills.





Can I open a Basic Bank Account whatever my credit history?

Everyone should be able to open a Basic Bank Account. The bank or building society may want to check your credit history to see if you have any county court judgements (CCJ's) against you or have been made bankrupt. If you are an undischarged bankrupt, some banks may refuse you an account, but please check with the banks.

What proof do I need to open an account and why?

The law says that banks and building societies have to identify their new customers. This is to help stop criminal activities like money laundering. They will explain which documents are required as proof of your identity, although this may vary from one bank/building society to another.

They may ask for government issued documents:

- With a photograph (such as a valid passport); or
- Without a photograph (such as a valid old-style driving licence) plus another document from an approved source.

If you do not have any of these documents they may accept other documents such as a letter from:

- A government department or local council confirming your right to state benefits (for example, pension, council tax or housing benefit)

They may even accept a letter or statement from an 'appropriate person' who knows you, such as a social worker or teachers, stating that you are who you say you are.

If you have difficulties proving your identity speak to the bank or building society they may be able to help, or refer your



application on to someone who is authorised to decide on accounts in exceptional circumstances.

I have a Post Office card account and I don't want to open a bank account

These accounts are going to be closed over the next 2-3 years, so get ahead and organised, open a Basic Bank Account.

You will be able to get your benefits paid into this account and have this up and running effectively before the Post Office Accounts are closed.

What's the next step?

- Decide which account is best for you.
- Have all the proof required to open an account ready - see the table later in this leaflet which will help you decide which account is best for you.
- If you require your wages, state pension or tax credits paid directly into your account, talk to your wages office, the pension or benefit office dealing with your claim.
- If you want to set up a standing order to pay your rent or household bills, ask your landlord or utility company for a standing order or direct debit form.



What Address and Personal ID requirements do I need to open a **BASIC BANK ACCOUNT**

Two separate documents are needed, some examples are supplied below, and you will need one from each section

Proof Required for your Address

| Bank | Account Name | Utility Bills | TV Licence Renewal | Inland Revenue Letter | Water Bill | Council Tax Bill |
|-----------------------------|--------------------|---------------|--------------------|-----------------------|------------|------------------|
| Abbey Bank PLC | Basic Bank Account | Yes | No | Yes | Yes | Yes |
| Alliance & Leicester | Basic Cash Account | Yes | No | Yes | Yes | Yes |
| Barclays | Cash Card Account | Yes | Yes | Yes | Yes | Yes |
| Co - Op Bank | Cashminder | Yes | No | Yes | Yes | Yes |
| HBOS (Halifax) | Easycash | Yes | Yes | Yes | Yes | Yes |
| HSBC | Basic Bank Account | Yes | No | Yes | Yes | Yes |
| Lloyds TSB PLC | Cash Account | Yes | Yes | Yes | Yes | Yes |
| Nationwide Building Society | Flex Cash Card | Yes | No | Yes | Yes | Yes |
| National Westminster | Step Account | Yes | No | Yes | Yes | Yes |
| Royal Bank of Scotland | Key Account | Yes | Yes | Yes | Yes | Yes |
| Yorkshire Bank | Readycash | Yes | Yes | Yes | Yes | Yes |

If you have any queries about any of the evidence required always speak to the bank - they will try and assist you where possible.



NB: Mobile Phone Bills ARE NOT ACCEPTED AS PROOF OF ID OR ADDRESS

Proof Required for your Name

| Bank | Account Name | Driving Licence | Workers ID Cards | Passport | Benefit/Tax Credit Letters | Housing Benefit Letters | Disabled Drivers Pass |
|-----------------------------|--------------------|-----------------|------------------|----------|----------------------------|-------------------------|-----------------------|
| Abbey Bank PLC | Basic Bank Account | Yes | Yes | Yes | Yes | Yes | Yes |
| Alliance & Leicester | Basic Cash Account | Yes | No | Yes | Yes | Yes | No |
| Barclays | Cash Card Account | Yes | Yes | Yes | Yes | Yes | Yes |
| Co - Op Bank | Cashminder | Yes | No | Yes | Yes | Yes | Yes |
| HBOS (Halifax) | Easycash | Yes | Yes | Yes | Yes | Yes | No |
| HSBC | Basic Bank Account | Yes | Yes | Yes | Yes | Yes | Yes |
| Lloyds TSB PLC | Cash Account | Yes | Yes | Yes | Yes | Yes | Yes |
| Nationwide Building Society | Flex Cash Card | Yes | Yes | Yes | Yes | Yes | No |
| National Westminster | Step Account | Yes | Yes | Yes | Yes | Yes | Yes |
| Royal Bank of Scotland | Key Account | Yes | Yes | Yes | Yes | Yes | Yes |
| Yorkshire Bank | Readycash | Yes | Yes | Yes | Yes | Yes | Yes |

ALL UTILITY BILLS AND BENEFIT LETTERS/NOTIFICATIONS NEED TO BE DATED IN THE CURRENT YEAR AND HAVE YOUR CURRENT ADDRESS

Jargon and key words and phrases explained

Automated Credit Transfer (ACT) - Payment of wages, benefits, pensions and tax credits paid directly into a bank or building society account.

Balance - The total amount of money you have in your account.

Buffer Zone - A small amount of credit/overdraft that a bank may give you.

Cashback - A service that allows you to get cash from your account in supermarkets or other shops, using your Basic Bank Account debit card.

Cash Card - A card you can use to check your balance or withdraw cash from your account at cash machines, Post Office branches, supermarkets or other shops. You can also use a cash card to pay for goods or services.

Chip and PIN - This is the name for using a personal identification number to authorise payment from your account.

Credit Check - A search of your borrowing record, also known as your credit history. This is a check that a bank, building society, landlord or other organisation carries out before they decide to lend money, open a bank account or decide to rent a house to you.

Debit Card - A card issued by a bank or building society that you can use to pay for your shopping. The money is usually taken out of your account immediately.



Direct Debit - A way of paying bills directly from your account, you sign a form allowing the company you wish to pay to take the money from your account on specific dates. They then take the money from your account automatically every month/week on the agreed date. If the date or amount is to change the company has to notify you in advance and in writing.

Interest - A charge for borrowing money, or a reward for saving money. It is usually shown as a percentage of the amount borrowed or saved.

Overdraft - A facility allowing you to spend more money from your account than you have in it. The bank will usually charge you interest if this happens and sometimes other fees as well.

Standing Order - A way of paying bills from your bank account. You are required to sign a form sent to you by the company, organisation or landlord you wish to pay. This asks for the amount you wish to be paid and the payment dates, you then need to give this to **your** bank.

Statement - A detailed list of all payments in and out of your account over a specified period of time, for example, three months. Ask your bank how often they send these out.

Undischarged bankrupt - This is a person who cannot pay their debts and is still on the bankruptcy register.

DWP - Department for Works and Pension

WTC - Working Tax Credit

CTC - Child Tax Credit

Organisations that can help you if you have any money problems

Advice UK 020 7407 4070

www.adviceuk.org.uk

Free and confidential advice given on a range of subjects, but not all provide money advice.

Credit Action 020 7436 9937

www.creditaction.org.uk

Provides information and guidance for people looking to manage their money better or to deal with debt or money worries.

Payplan 0800 716 239

www.payplan.com

Free confidential advice on debt problems.

Consumer Credit Counselling Service (CCCS)

0800 138 1111 (freephone)

www.cccs.co.uk

CCCS offers a structured programme on how to manage your money.

National Debt Line

0808 808 4000 (freephone)

www.nationaldebtline.co.uk

Offers advice on debt problems and free booklets and fact sheets on dealing with debt.

CREDIT UNIONS

Lincolnshire Credit Union - This is a local organisation to help Lincolnshire residents manage their finances at low cost. They have offices in, Lincoln, Gainsborough, Sleaford, Stamford, Spalding, Horncastle and Grantham. If you would like more information including their opening times and locations, then contact them on the following number:

Lincoln Office

18 High Street LINCOLN LN5 8BE

Tel 01522 528886

Lincoln Credit Union (LincUp) - LincUp is a local organisation for people living and working in the City of Lincoln to help manage their finances at low cost. If you would like more information including their opening times and locations, then contact them on the following number:

Lincoln Credit Union (LincUp)

390 High Street LINCOLN LN5 8BE

Tel 01522 845100

enquiries@lincolncredit.karoo.co.uk

CAB - Citizen Advice Bureau Offices

| Local Authority | Address | Telephone Number |
|--|--|-----------------------|
| Boston Borough Council | The Len Medlock Voluntary Centre St. George's Road BOSTON PE21 8YB | 08444 99 41 99 |
| City of Lincoln Council | Beaumont Lodge Beaumont Fee LINCOLN LN1 1UL | 08444 99 41 99 |
| East Lindsey District Council | 20 Alghitha Road SKEGNESS Lincs PE25 2AG | 08444 99 41 99 |
| North Kesteven District Council | The Advice Centre Moneys Yard Carre Street SLEAFORD NG34 7TW | 08444 99 41 99 |
| South Holland District Council | 24 The Crescent SPALDING PE11 1AF | 08444 99 41 99 |
| South Kesteven District Council | 1 Castlegate GRANTHAM NG31 6SE | 08444 99 41 99 |
| West Lindsey District Council | 26 North Street GAINSBOROUGH DN21 2HU | 08444 99 41 99 |

Local Authority Contact Details

| Local Authority | Address | Telephone No and e-mail address |
|--|--|---|
| Boston Borough Council | Municipal Buildings West Street BOSTON Lincolnshire PE21 8QR | 01205 314460 housing.benefits@boston.gov.uk www.boston.gov.uk/benefits |
| City of Lincoln Council | Benefits Service City Hall Beaumont Fee LINCOLN LN1 1DB | 01522 873355 (Customer Services) 01522 873382 (for help in setting up a bank account) benefits@lincoln.gov.uk www.lincoln.gov.uk/lha |
| East Lindsey District Council | Housing Benefits Tedder Hall Manby Park Manby LOUTH Lincs LN11 8UP | 01507 609333 or 08446 609333 (low rate number) hbenquiry@e-lindsey.gov.uk or customerservices@e-lindsey.gov.uk www.e-lindsey.gov.uk/advice/benefits |
| North Kesteven District Council | Benefits Service Kesteven Street SLEAFORD NG34 7EF | 01529 414155 or 01522 699699 benefits@n-kesteven.gov.uk www.n-kesteven.gov.uk |
| South Holland District Council | PO Box 8 Priory Road SPALDING Lincs PE11 2XQ | 01775 761161 benefits@sholland.gov.uk www.sholland.gov.uk/services/services601.htm |
| South Kesteven District Council | Benefits Service Council Offices St. Peters Hill GRANTHAM Lincs NG31 6PZ | 01476 406262 (Customer Services) Customerservices@southkesteven.gov.uk www.southkesteven.gov.uk |
| West Lindsey District Council | Guildhall Marshall's Yard GAINSBOROUGH Lincs DN21 2NA | 01427 676676 benefits@west-lindsey.gov.uk www.west-lindsey.gov.uk/LHA |

