Local Housing Allowance - Advice on Opening a Bank Account

Advice on opening a Bank Acoount for LHA payments.

Local Housing Allowance will usually be paid directly to you and not your landlord. You will be paid either straight into a bank account or by cheque. It is up to you to make sure that your rent is paid to your landlord.

The main types of bank accounts are explained below:-

A current account at any bank or building society.

These accounts are available from any bank or building society you choose and offer the widest range of banking services. As well as your Local Housing Allowance and other benefits, you can have other money paid into it, like wages.

With a current account you can make withdrawals from a cash machine or at some branches over the counter. You can receive a cheque book and a debit card and in some cases earn interest on your balance. You can pay bills by standing order or direct debit and you can have an overdraft facility (subject to your credit status). You can avoid paying bank charges as long as you don't go overdrawn.
As the features of bank and building society accounts vary it's a good idea to compare different accounts to see which one suits you best.

A basic bank account.

This easy to use bank account shares many current account features. Your Local Housing Allowance and other benefits can be paid straight into it and you can receive payments from other sources, like wages.

You can pay bills by standing order or direct debit but as there are no overdraft facilities, you'll need to make sure you have enough money in your account to pay them or the payment will not be made and you may be charged a fee by the bank.

You can make withdrawals from cash machines and in some cases over the counter from branches of the bank or building society itself. Some basic bank accounts also offer you a debit card.

For further information please visit the Financial Services Authority website at
www.moneymadeclear.fsa.gov.uk

Basic Bank Account leaflets are also available at the Benefits Service public counter.