

Money & Banking

Services offered by financial agencies

☐ Money Transmission

- This refers to transferring money from one person to another
 - i. Currency
 - ii. Cheque
 - iii. Bank Draft
 - iv. Standing Order
 - v. Direct Debit
 - vi. Bank Giro/Credit Transfer

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A Standing Order (S.O.)

- This is a written instruction by a current account holder to a bank or building society to make fixed payments from their account at fixed times.
eg.: for mortgage or loan repayments

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Direct Debit (D.D.)

- This is when you give written permission to a business (called a Direct Debit Mandate) to ask a bank to make fixed or variable payments to them from time to time.

eg.: electricity bills and telephone bills



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A Bank Draft

- This is a cheque which one can buy which is drawn on the bank itself.
- There is no risk of non payment as the bank has already received and deposited the amount of money the draft is made out for.



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Bank Giro/Credit Transfer

- This allows a person/business to transfer money directly into the bank account of another person/business by filling out a bank giro form.
- You must know the name and address of the person being paid as well as their bank, branch, and account number.

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Paypath

- This is a system whereby employers' electronically pay their workers' wages directly into their bank/building society/credit union accounts.
- You will be given details of your pay (a payslip) but on payday the money will simply be transferred to your account

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Advantages of Paypath

- It is safer than having to carry around/hold wages in monetary form
- It saves employee's having to go to banks to lodge their wages

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□ Deposit Account

- This is a savings account
- People put money in to receive a return called interest
- Interest results in your savings growing.
- It is the financial institutions way of rewarding you for saving with them

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□ D.I.R.T.

□ Deposit Interest Retention Tax

- This is a tax (money that the government takes) on any interest earned.
- You earn interest on your savings. It can be either **simple** interest or **compound** interest.