

# Understanding bank charges

## Guide to interactive activity

### Introduction

This interactive activity will explain that banks charge a fee for certain services or in certain circumstances, and how to avoid unnecessary charges. In this interactive activity, your child will be supported in:

- Understanding circumstances when you might receive a bank charge
- Understanding how to avoid unnecessary charges and fees from a bank
- Understanding how people choose and use different personal bank accounts

They will progress through three sections: A pre-activity quiz followed by the interactive activity and finishing with a post-activity quiz.

### Guide

Your child will be asked five initial questions and they will choose the correct answer from the four multiple choice options offered. Children will be congratulated for selecting the correct answer(s). If an incorrect response is selected then the right answer will be highlighted. Questions will focus around bank accounts, bank statements and loans.

After completing the pre-activity quiz your child will move onto the interactive activity, which contains lots of useful information about bank charges. To begin, your child can choose to explore one of the three options presented:

- What's an overdraft?
- What's interest?
- Ways to avoid paying fees and charges

Allow your child to choose the option they like most to begin with. There will be an opportunity to work through the others later.

#### **What's an overdraft?**

Once your child has finished reading and they are confident with what an overdraft is, you may want to ask some questions to help them work on their numeracy skills. You could give them an example such as, 'If the bank charges 20p for every pound you are overdrawn, how much would you pay if you were, e.g. £5 overdrawn?'

#### **What's interest?**

After reading this section, ask your child why it might be beneficial to save money, or why could you end up paying back more money back if you borrow it? You could also discuss how to avoid being charged by the bank for things like sending or receiving money abroad.

#### **Ways to avoid paying fees and charges**

When your child has read each point, explain that these are some of the ways to help avoid paying fees and charges. It might be beneficial to show them examples of online bank accounts and explain about regular payments that may leave someone's bank account.

After reading through the interactive activity, your child can work through the post-activity quiz, using the knowledge they have gained to answer the questions. To help consolidate your child's learning they might want to work through the interactive activity again.