

# What do banks do?

## Infographic



**Banks provide a range of services for their customers.  
Find out about these services here.**



### Reasons why banking is useful

- It keeps your money safe
- Money won't get damaged or lost
- It's a safe way of receiving money, like wages
- It's an easy way to pay regular bills
- It can help you save up
- You can use bank cards, bank statements and online banking
- You can exchange foreign currency or apply for loans
- It helps you manage your money

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### What do banks and building societies do with your money?



- When you open a bank or building society account the bank accepts your money and uses it to provide services
- These organisations lend money to people who need it for things like cars and houses (these are called loans and mortgages)
- They buy money-related products called investments, such as shares, securities and bonds
- The interest from these loans and investments is the banks' reward for lending
- The Government makes rules for banks to ensure people's money is handled safely

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## What is interest?

- If you lend money, you receive interest. But if you borrow money, you pay interest
- Interest is always mentioned when you apply for a loan, a credit card or a savings account
- Interest is usually shown as a percentage (also known as the interest rate or APR) of the amount you want to borrow, e.g. if you borrow £100 at an interest rate of 10%, the interest is £10
- The more you borrow, the more interest you will pay



## Services offered by banks

- **Current accounts** – to manage money daily
- **Borrowing** – through loans or credit cards
- **Saving** – through savings accounts or investments.
- **Insurance** – for homes, cars and travelling
- **Foreign currency** – money or pre-paid currency cards to pay for things abroad
- **Mortgages** – loans to help people buy a home
- Set up **bill payments**
- **Mobile apps** – for banking on the move