

## PLEASE NOTE

This guide is not part of the application process. It is a checklist to help you prepare to open a business current account.

While it contains the essential questions that all banks will most likely ask, your chosen bank may ask for more information, either for regulatory purposes or if you need other products and services (like overdrafts).

## 1. ID and verification

Your chosen bank may need to carry out identification and verification checks on any person who owns or controls more than a certain percentage of business shares or voting rights (usually 25%), as well as anyone else who will be authorised to operate your account.

You will usually need to show your chosen bank two separate, valid original documents – one to prove your identity and one to prove your address. In some cases, your bank may be able to get hold of this information electronically.

 One document to prove your identity

You can choose one document from:

- your full and valid UK or foreign passport;
- your national identity photocard (EEA or equivalent);
- your full UK paper driving licence; or
- your full UK or foreign photocard driving licence issued by a member state of the EU or EEA.

 One document to prove your address in the UK

You can choose one document from the following.

- Full UK paper driving licence
- UK or foreign bank or credit-card statement. (This must be less than three months old and not printed from the internet.)
- UK mortgage statement. (This must be less than 12 months old and not printed from the internet.)
- Council tax bill (or rates bill in Northern Ireland), payment book or exemption certificate. (This must be less than 12 months old.)
- A letter or bill from a utility company. (This usually needs to be less than six months old. Most banks don't accept a mobile-phone bill for this purpose.)

## 2. Business basics

Depending on the identification documents that you provide, your chosen bank may be able to get some of the following information themselves.

### Business name

This is the legal name that you gave your business when you started, for example 'Joe's Barbers'.

*This may be different from the name under which you are registered, and is likely used on material such as letterheads and email signatures, if you use them. If your business used to have a different name, your chosen bank will want to know that as well.*

### Any other names

Your business may operate or be registered under a different name to your business name.

*For example, your legal name may be 'Joe's Barbers', but it may be registered with Companies House as 'Joe's Barbers Limited', yet also trade on the high street simply as 'Joe's'.*

### Business start date

The date your business started, or plans to start, trading.

*Your chosen bank will want to know the date you started operating so they can find out about your banking activity so far.*

### Business address

This is where your business operates from. It could be your home address, or the address of an office you rent or own.

*Your chosen bank will need to carry out various credit checks and other searches so it is important they have your current business address so they can identify you correctly and not confuse you with any other business of a similar name.*

### Business correspondence address

This is the address where you would like your chosen bank to send any correspondence. It may be the same as your business address.

### Contact details

Your personal and business email address, phone number and any other methods in which you would like your chosen bank to contact you.

### Previous banking details

Details of any existing banking accounts you hold. This will help your chosen bank understand the information that will be needed if you are switching your business account from another bank.

- *If you already have a personal account at the chosen bank, the bank may want to look at the way it has been run when considering your application.*
- *If you are switching an existing business account from another bank, your new chosen bank may ask to see your most recent bank statements and financial accounts to see how your business has been operating.*
- *The chosen bank will also want to know if you want to transfer the old account or leave it open.*

### 3. Further business details

#### Main business activity

A description of your main business activity and any products and services you offer, as well as details of what the account will be used for.

*There are some industries where your chosen bank will need to understand in greater detail the nature of your business, as they are more complicated.*

*If your business is one of the sectors regulated by a UK professional body, for example, solicitors and estate agents, your chosen bank will ask if you hold the licences you need to trade and will want details of your licence names and numbers.*

#### Number of employees

A breakdown of how many employees you have and their employment status.

*Your chosen bank may want to know how many people work for your business in any capacity. This includes full-time, part-time or non-contract workers.*

#### For any businesses who trade with customers and suppliers outside the UK

A breakdown including:

- the countries they are based in; and
- the rough share of business turnover or the amounts per customer or supplier.

*This could also include activity using e-traders – for example, if you use Amazon or eBay for business purposes – that involves payment either into or out of the UK.*

#### Business investment

The amount of funds you have invested – or plan to invest – in your business.

*For existing businesses, this will cover what you have invested in your business over the past five years. This includes cash funds or investments in other major assets, such as property or large-scale equipment.*

*For new businesses, your chosen bank will want to know the source of your funds and, if they will be paid into your account, how much from each source.*

*Banks have to understand this information to meet regulations relating to financial crime.*

#### Expected turnover

An estimation of how much money your business expects to receive from business trading over the next 12 months.

*You'll have to provide an estimated figure, which could be based on your previous year's turnover (if this applies), your business plan for the coming year (if you have one), or your realistic estimate.*

#### How much money you expect to pay into your account

An estimate of how much money you expect to be paying into your account over the next 12 months, the way you plan to do it (for example, in cash, cheques or electronic payments, and in what currencies, if not sterling) and how often you expect the payments into your account to be.

*This is needed because banks need to monitor expected activity versus actual activity to highlight any unusual activity on your account.*

*Further business details continues...*

#### Your tax status

Your chosen bank will have to find out the tax status of you or your business and so may ask for more tax information if necessary. This may also include the tax identification number.

*If you are a sole trader, your tax identification number (TIN) is normally your National Insurance number. If you are a limited company or partnership, you will have a 'unique tax reference' number (UTR).*

*Depending on the information you give and your type of business, the bank may have to report your tax status to the relevant tax authorities.*

#### Sources of income

Your chosen bank will want to know where your income comes from.

*For example, what percentage of your income comes from selling goods and services, or from other sources such as subscriptions, donations, royalties and interest?*

## 4. Personal information

- You will need to provide the following information for each of your business' owners, directors or partners.

#### Preferred title

For example, Mr, Mrs, Ms, Mx

#### Legal name

As well as any previous names.

#### Date of birth

#### Nationality

Including any dual nationalities. You can find this information on your passport.

#### Citizenship

The country in which you are registered as a citizen.

#### Country of residence

The country where you have usually lived for the last three years.

#### Country and place of birth

#### Current home address

Personal information continues...

## Date you moved to your current address

If you have lived in your current address for less than three years, you will also be asked to provide details of any previous addresses you've held during this period.

*Your chosen bank will carry out various credit checks and other searches on you, so knowing your address and any previous addresses plays an important part in helping them identify you and confirm your identity.*

## Authorised account users

Details of anyone who will have the authority to operate your account on your behalf, including their:

- legal name;
- home address;
- date of birth; and
- nationality (including dual nationalities).

*As well as needing information on your business' owners, directors and partners, your chosen bank will also need to know the information and ID and verification of any other people who will be involved in operating your account or controlling your business. This is needed to make sure your account operates smoothly and to meet regulatory requirements.*

## Useful resources

The resources below may be useful for you to help complete your preparation.

**HMRC** - for information on VAT and tax (including tax identification numbers and unique tax references).

**Companies House** – For business registration and private limited companies.

**Tax and foreign income** – for information on defining your residence status and what is classed as foreign income.

**British Business Bank Business Finance Guide** – Provides impartial and clear information on finance options for small businesses.

## What next?



It's time to start your application – either by going to your chosen bank's website or contacting them to organise a meeting in a branch or on the phone.



Think about any products and services you may need from your bank, for example, chequebooks, cards, online and mobile banking, lending, saving or international services.



When opening a new account, you may want to close your old one. You can use the Current Account Switch Service – it's simple, reliable and free. To be eligible you must have fewer than 50 employees and a turnover each year of less than £6.5 million. Just choose a switch date and your new bank or building society will move any incoming and outgoing payments to your new account. Once your new account is opened, your old one will be shut automatically and any outstanding balance moved to your new account. Thanks to the Current Account Switch Guarantee, you're covered if anything goes wrong. If you don't want to close your account or switch yourself, you will need to contact your old bank.