

Banking and Boarding Students

As families help their children prepare for boarding school, a common question is how will their child be able to withdraw cash for necessities while away at school? With Year 7 moving to High School in recent years, children are often even younger than before when they go away to board and families try to establish a bank account with an access card for them.

Members have brought motions forward to the ICPA Federal Conferences over the past few years expressing concern on the limitations of 11 year old children in establishing a bank account and being able to source funds in a timely manner. These motions have resulted in healthy discussion and an observation that information on obtaining bank accounts for younger children was mixed, seemed difficult to source and quite often families felt there may be no means available for students of a younger age to hold a bank account in their own name and hold an access card.

ICPA (Aust) have followed up these concerns and are pleased to report that there are options available for younger children at a number of banks. Federal Council checked with major banks as well as smaller banks and building societies. The majority of financial institutions that ICPA contacted had provision for a child of 11 years or under to have an account with an access card to withdraw funds. Several banks had no age limit for account holders and some banks had methods in place (such as being able to work with the local Australia Post Office) to receive the 100 pts of ID for the child and/or parent that families could set up accounts without them needing to actually visit a branch in person, which can save a trip to town or a larger regional centre. Some banks offer accounts for children without the need for a parent to be a joint account holder, some required a parent only as a guarantor and others offer joint accounts for younger students with at least one parent also on the account.

With banks offering different options for children's bank accounts, parents are encouraged to "shop" around and ensure they ask imperative questions during their investigations. While most banks do not allow a child under 14 or in some cases 16 to have a debit/credit card, many do have ways for 11 year olds to have an account with access to an eftpos/atm card. ICPA (Aust) found that terminology could be important when seeking information on children's accounts from banks and can very well affect the experience a family has. When asking for an account that will allow a child under 12 to withdraw funds, it is important for families to explain exactly what they are looking for. Banks often have different terms for their access cards such as "handycard", "eftpos card", 'cash card', "atm card" or "access card" and wording such as "debit card" can sometimes lead the bank to believe it is a type of credit card that families are looking for and these types of debit/credit cards are sometimes only available to older students (over 14 years of age for example).

Something to consider before heading to the bank:

- What is the main purpose of the account for the child, is it only to gain access to cash while away at school or to set up an account that will do other things for the student in the future?
- Do you want an account in the child's name or will a joint account be sufficient (often held in conjunction with a parent until the child is 18)? Some families prefer to set up an account for their child that won't have to be altered at a later time and others wish to have a parent as a co- account holder to be able to assist with access and keep track of transitions. Banks offer different combinations and levels of access to accounts and families are encouraged to look for an account that meets their and their child's needs.

Some questions you may wish to ask the financial institution:

- Do you offer an account for a child under 11 to access cash?
- Does the bank have a cash access card for children? (rather than asking for a "debit card")

- Does the parent need to be a co-account holder?
- Is there a simple way of transferring funds online to the child's card?
- Timing of the transfers? (some joint accounts can be instant, others may have a transfer time)
- Are there account keeping or transfer/withdrawal fees on a child's account?

Other options suggested by parents:

Pre-Paid Cards: If having a bank account is not something that suits, pre-paid debit cards can be purchased for the child. These are able to be topped up online. While this does not set up a bank account for the child it does allow them to withdraw funds and parents are able control amounts. Cards are available at most banks or Australia Post and balances can be seen and topped up easily online.

Applications (Apps): In this digital age there are app's on the market where children from as young as 6 are able to have access to pocket money through a card system where the parent can track spending and monitor deposits.