

# What does that word mean?



## A

### **ATM (Automated Teller Machine)**

A machine often found outside banks and in other public places used to withdraw cash and many will also allow you to deposit money into the bank, 24 hours a day.

## B

### **Bank**

A business that is allowed to hold money for, and lend money to, people and businesses.

### **Bank account balance**

The amount of money in your bank account.

### **Bank account number**

The number a bank gives to a particular bank account. This along with the BSB identifies the individual bank account.

### **Bank@Post**

Post Offices provide access to banking services. With Bank@Post you can make withdrawals, deposits and balance enquiries in communities all across Australia.

### **Bank fees**

Costs charged by the bank for providing products and services. Example would be monthly overdrawn fees.

### **Bank loans**

Money the bank lends an individual. Typically, the person borrowing the money will pay interest on the amount borrowed. The amount borrowed is repaid over a set time period.

### **Bank account statement**

A list of all the deposits and withdrawals made into and out of a bank account during a period of time. Can be posted out, or downloaded electronically on Online Banking.

### **BSB (Bank State Branch) number**

A 6 digit number that identifies a particular bank branch.

### **Budget**

A budget is a plan of money coming in and going out. It can help you to meet your financial commitments and shows how much money is left to pay for things such as food, housing, transport, and savings.

### **Buy Now, Pay Later**

Allows you to buy something now, take it home and pay for it over a period of time. It's important to check the terms and conditions before you sign up.

## C

### **Cardless cash**

Cardless cash allows you to withdraw cash from an ATM using your mobile phone rather than with your card.

### **Compound interest**

Interest paid on interest. For example if you start with \$100 and the bank agrees to pay you say 10% interest, you would have \$110 at the end of the year. If you choose to leave it all in the bank, the bank will then pay you interest on \$110 next year. This is known as compounding.

### **Credit card**

A type of bank loan that allows you to purchase items via the internet or using EFTPoS. The money is loaned to you, up to an agreed limit, and needs to be repaid at a later date. Interest will be charged on any money outstanding past the statement payment due date. A credit card is different from a key card or debit card where you are using your own money from for example a salary or pension.

### **Credit limit**

The maximum amount a bank will lend to you. This is based on your serviceability (see serviceability) and credit score (see credit score)

### **Credit score**

Also known as a credit rating. It is a score that shows how likely you are to pay your bills on time. The higher your credit score the better. Your credit score is one of the things a lender will use to decide whether to lend to you or not. This is based on how you have used your money to pay bills in the past.

### **Customer Access Number**

A 3 digit number used to help identify you when doing banking over the telephone. It can be changed via Westpac online banking

### **Customer ID number**

An 8 digit customer ID is used to login to Westpac online banking. Along with your online banking password, it helps the bank to identify you also when you call the bank.

## D

### **Debit card**

A plastic card that allows you to electronically purchase and pay for items via the internet or EFTPoS, using money in your bank account. It can also be used to withdraw money from your account using an ATM. Also referred to as a Key card

### **Debt**

Money you owe to others.

### **Deposit**

Money put into a bank account. This may be in the form of cash or cheques, or electronically transferred.

## E

### **EFTPoS (Electronic Funds Transfer at Point of Sale)**

A machine and process that allows you to pay for goods or services without using physical cash. The money is electronically transferred from your credit card or bank account to the seller.



## F

### **Financial planner**

A specially qualified person who is licenced to provide financial advice on investments and insurance.

### **Financial Counsellor**

Financial counsellors are qualified professionals who provide information, advice and support to people in financial difficulty.

## I

### **Income**

Money coming in known as a deposit. This is commonly wages, social security payments, or money earned from running a business.

### **Income Tax**

A fee which may be payable to the government based on the amount of income you receive.

### **Insurance**

A financial product to protect you from the risk of loss or damage to things such as your car, your home, your income, and even your life.

### **Interest**

Interest can be earned or paid to the bank. Money the bank may pay you for having money in your savings account. If you borrow money the bank usually charges interest.

### **Interest rate**

The percentage that is charged or paid by the bank for the use of money. For example 5% per annum (p.a)

### **Investing**

Using money with the goal of making more money. You may purchase company shares with the aim of receiving a dividend; or purchase an investment property with the aim of being paid rent; or even just leave the money in an interest bearing account.

## M

### **Mobile banking**

Using your smartphone to manage bank accounts, including transferring money, paying bills and downloading bank statements.

### **Money diary**

A diary that keeps a record of everything you spend. It often includes the date, what was bought and the amount. It is useful for identifying money leaks, or helping you to build a budget.

### **Money leaks**

Regular small expenses, such as a daily can of soft drink, which add up over time and may be preventing you from achieving your money goals.

## O

### **Online banking / Internet banking**

A bank product that enables you to handle and manage your money using the internet.

### **Overdrawn**

When the amount of money taken out of a bank account is more than the balance of the account. Fees and interest may be charged.

## P

### **PAYG (Pay As You Go)**

Amounts withheld by your employer from each pay and paid to the tax office to contribute towards your tax payable at the end of the financial year.

### **PIN (Personal Identification Number)**

Your secret number that the bank uses to identify your card purchase or cash withdrawal. It may be used at an ATM, with EFTPoS over the counter or using Bank@POST services. No legitimate businesses or Westpac will ever ask the customer for their card PIN, if referring also to 3 digit access code best to add a separate glossary term Can be changed via Online/Internet Banking.

## S

### **Savings**

Money set aside for future purchases or emergencies. Secret money

### **Savings account**

A type of bank account used to store your savings. It may pay you interest on the money in the account. It is often harder to access the money in a savings account to encourage you to leave it there. Secret account.

### **Serviceability**

Serviceability is the ability of someone to make repayments on a bank loan.

### **Superannuation**

Often simply referred to as Super, superannuation is government regulated retirement savings.

Employers are required to pay a portion of an employee's wage into a superannuation fund. These savings may only be accessed in specific circumstances, usually upon retirement from the workforce.

## T

### **Tax file number (TFN)**

A number allocated by the Australian Tax Office to identify people. It is used to keep track of tax owed and tax paid.

### **Term deposit**

A type of bank account that has a fixed amount invested for a fixed period of time that will receive a fixed rate of interest. For example it may be a deposit of \$10,000

for 6 months that will receive interest of 2.5% pa. The money in the account may not be withdrawn or added to during the 6 months but the interest rate is also fixed for the 6 months..

### **Transactions**

A movement of money in or out of your bank account.

### **Transaction account**

A type of bank account that is designed to be accessed easily and regularly for everyday transactions such as receiving your wages and paying bills. It will often be paid a lower rate of interest or no interest but may also have lower fees for multiple transactions. It is attached to a key card.

### **Transfer**

To move money between your own bank accounts.

## W

### **Withdrawal**

This is for purchases, and moving money from your bank account to another bank account.

