How Do I Choose an Account for my Universal Credit payments?

You'll need to have a bank account, building society account, post office account, or an account with a different provider like a credit union (for example, Shetland Islands Credit Union tel: 01595 691044). Whatever account you decide to open, you will be asked for proof of who you are and where you are living.

Different accounts offer different services. The table below shows some different account options available and the services they typically offer.

Services offered	Current account	Basic bank account	Credit Union account	Post Office card account*	Prepaid cards
Accepts Universal Credit and other benefit payments	Yes	Yes	Yes	Yes, but only benefits (not housing benefit), state pensions and tax credits. No other income, such as your salary, can be paid into a Post Office account.	Yes
Allows Direct Debits and standing orders	Yes	Yes	Standing Orders only, not Direct Debit.	No	Not always (check with the provider).
Overdraft facility	Yes	No	No	No	No
Cash card with PIN for cash machine	Yes	Yes, but may be restricted to provider's own machines.	Yes, although you may be charged.	Yes, but can only be used at the Post Office. Can apply for a second card if you need someone else to collect your money for you because of, for example, a disability.	Yes, although you may be charged.
Debit card	Yes	Sometimes	Yes, although you may be charged.	No	Most prepaid cards can be used in the same places as a debit card.
Cheque book	Yes	No	No	No	No
Credit checks needed when you open the account?	Yes	No	No	No	No
Fees and charges	Fees and interest on overdrafts. Charges for refused Direct Debits.	Usually charge for refused Direct Debits.	Initial membership fee, currently £2. Minimum deposit £1.	No fees.	Charges vary. Can include fees for set-up, to top-up, and for withdrawing cash.

The Money Advice Service provides more information on the different types of account - which may help you to decide which account would be best for you.