

## **NARRATOR**

OK. How can I check my bank account?

[MUSIC PLAYING]

Well first, keep a record of the transactions you are expecting to go through the account. For example, receipts of income such as weekly or monthly wage slips or any record of earnings, gifts, or allowances maybe from your parents. Then, of course, you've got to look at any payments you've made, including direct debits and withdrawals of cash.

You can keep this record any way you like. Perhaps as notes on your phone or tablet. Or simply as a written record.

When your bank account statement is available, online or in paper format, check against your record by ticking off the items from your records that you can see have gone through your bank account. Normally, there'll be some items on your record that don't appear on your statement because they've not gone through your account yet. For example, when you've made a payment for goods or services very recently after the date the statement was prepared. These are called pending or outstanding items.

Transactions now go through bank accounts at great speed and so the number of pending items these days is usually quite small. But for these pending items, do two things.

First, keep your record of them so you can check if they've gone through your account next time you do a reconciliation. And second, work out a new balance that takes them into account. This is called adjusting the prevailing balance. By adjusting the balance on your statement, you'll know how much money you will have in your account when these pending items go through.

Another key thing to keep an eye on, is the difference between the balance on your account and the available funds. Banks normally provide both.

The balance takes into account the flows of money that have already gone through your account. By contrast, the available funds figure takes into account flows of money that your bank knows about, but that have not yet gone through your account. And the available funds figure will also include, the size of your unused overdraft facility, if you have one, so be careful.

The full amount of the balance of your bank account may not be obtainable, but what is obtainable, is the amount shown as the available funds.

Once you've checked your account, you need to keep a note of those transactions that occur after the last statement date. In this case, after the 1st of June. This will let you know how your balance has moved since the statement date. And it's the start of the record keeping needed ahead of the next bank statement you receive.