



**ISLE OF MAN  
FINANCIAL SERVICES AUTHORITY**

*Lught-Reill Shirveishyn Argidoil Ellan Vannin*

## Common Deposit Products

### Current/cheque accounts

Current/cheque accounts are instant access accounts used to conduct typical every day banking. They usually offer a cheque book and/or a debit card which can be used to make payments from the account, and may also pay a nominal interest rate. There also may be an option to apply for an overdraft on this type of account.

### Savings accounts

Saving accounts can help protect your money from being eroded by inflation.

Sometimes your money may grow faster than inflation. There are many different types of accounts that provide a more attractive interest rate than current/cheque accounts. Some of the key types of savings accounts are as follows:

**Easy or Instant Access Savings** - these accounts usually pay a higher return than is paid on current accounts and allow you to access your money quickly if you need it. They sometimes require a minimum balance. The interest paid may be lower than for other savings accounts (e.g. fixed rate term deposits) and will often be of a variable rate. Sometimes banks offer easy access accounts by post or internet only and you can sometimes only withdraw (transfer) money to pre-nominated accounts in your own name (either with the same bank or another bank).

Such accounts may only allow a portion of your funds to be withdrawn at any one time or any set period (e.g. 4 penalty free withdrawals per annum) without penalty.

**Notice accounts (for example 7, 30, 60 or 90 days)** - these accounts usually pay a higher return than is paid on current accounts and they allow you to access your money relatively quickly if you need to. These accounts sometimes require a minimum deposit level. The interest rate paid may be lower than for other savings accounts (e.g. fixed rate term deposits) and will often be of a variable rate. Notice accounts normally allow you to withdraw money without penalty if you give the required notice, and will often allow withdrawal without notice but with a penalty.

**High Interest Regular Savings** - these accounts pay a higher return than on current accounts but normally require a fixed amount to be transferred into them each month (often there is a minimum and maximum monthly amount that is allowed to be transferred in). The interest may be at a fixed or variable rate, paid annually. There may be rigid terms and conditions imposed, like limiting the amount of withdrawals you can make.

**Term Deposits (also known as fixed rate savings or fixed rate bonds)** – these longer-term deposits usually pay higher rates of interest (compared to easy access and notice accounts) for a fixed period of time (e.g. 6 months, 1 year, 2 years etc) either at maturity, annually or monthly. They often have a minimum deposit level. However, the terms will normally

prevent you from making any additions to, or withdrawing the money from, the account before the end of the fixed term.

**With all accounts it is important to read the terms and conditions of the account in full to ensure you understand both the benefits, and any potential restrictions of the account.**

Last updated: September 2017