

FACTSHEET – SETTING UP A BANK ACCOUNT

You will need a bank account in the name of your group if you are applying for funding. This is because funders will not pay grants into personal accounts. Even if your group mainly uses cash from fundraising activities, it is best practice to save your funds securely in a bank account to prevent any discrepancies. You can find out more about fundraising, cash flow and budgets in our Funding and Income factsheet series.

In 2025, several high street banks started to charge for community accounts and we have also noticed an increased waiting time in setting up accounts. Wherever possible, we encourage you to factor in administrative running costs like bank accounts fees in your fundraising and funding bids.

Community Group Bank Accounts

Most high street banks offer community group, charitable or Treasurer bank accounts. You will need two to three signatories to open the account which are usually your trustees or committee members. Here are some things to consider when choosing an account:

- Do you want to use online banking or in-branch services?
- If you want to use in branch services, which banks are convenient for you to get to?
- Will you need a debit card for spending funds?
- Are there any deposit limits or limits on annual turnover?
- Are there any transaction fees or limits on transactions?
- Is there a monthly fee to use the account?
- Do you need to be a current customer of the bank to open a community group account?

Documents you will need to open an account

When opening the bank account, you will need to provide documentation about your group and trustees. This is so the bank can verify that you are a community group and to adhere to anti-money laundering legislation. Due to these checks, it can take up to three months for your account to be set up. You will need to provide the following information when setting up your account:

- Your group constitution or governing document
- Company's registration number or charity number (if applicable)
- Minutes of a meeting where your committee agreed to opening an account with that bank
- Personal identification documents for your signatories such as a passport



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Alternatives to high street banks

If you are having difficulties opening an account with a high street bank, you may want to consider a **credit union**. Our local credit union is [Hoot Credit Union](#), covering Bolton and Bury. Credit unions follow a co-operative structure where profits are shared amongst members. Many credit unions offer community group savings accounts where you can securely keep your funds. Important to note – a credit union account is not a bank account. You do not have a unique sort code or account number, and you cannot set up direct debits or standing orders from the account and they do not provide a debit card. But it is a secure place to store your funds, and if you were applying for grant funding from Bury VCFA, we would be able to pay successful grant application awards into a credit union account.

Financial Services Compensation Scheme (FSCS)

The FSCS offers protection to your funds of up to £85,000 in the event that your bank fails. If your organisation has a lot of funds, you may want to consider spreading the financial risk across several bank accounts. You can find out more on the [FSCS website](#).

If you are looking at **online banks** instead of high-street banks, it is important to note some online banks come with certain **limitations**. Not all support dual signatories and some are registered overseas, meaning they do not fall under UK banking laws. This can pose challenges when applying for funding from organisations like The National Lottery Community Fund, which might reject applications if the bank account does not permit dual signatories or is registered abroad.

To help navigate the options from high street banks, ensure compliance and avoid unexpected costs, please see the following table:

Bank	Website	Fees
Bank of Scotland	Community Account Business Accounts Bank of Scotland Business	Provide 2 types of accounts. One for charities, one for non-profit clubs, societies and other organisations. No fee for charities with income less than £250k. Non-profit making clubs, societies, organisations with less than £250k per year pay monthly fee of £4.25. Monthly fee of £8.50 if turnover exceeds £250k
Barclays	Community organisations Business Banking Barclays	Fee free for registered charities and community interest companies with <u>max</u> of 3 directors or trustees, with income below £100,000. Provide Business Account for other orgs (including unincorporated associations) fee-free for first 12 months, then charged £8.50 per month



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The Co-operative Bank	Charity and Community Account Business Accounts The Co-operative Bank	Fee free for registered charities, co-ops, credit unions and community interest companies. Unincorporated groups/clubs not eligible to apply.
HSBC	Charitable Bank Account HSBC	£5 per month plus percentage fee for cash deposits
Lloyds Bank	Community Account Business Lloyds Bank	Free for charities with annual income less than £250k £4.25 monthly charge for non-profit making clubs, societies and organisations with less than £250k annual income
Metro Bank	Community and Charity Bank Account Metro Bank	Charging £3 per month from December 2025 onwards. For community groups, charities, clubs and societies. Also eligible for CICs and not-for-private-profit companies limited by guarantee.
NatWest	Community bank account NatWest Business	Existing NatWest personal or business banking customers are eligible to apply for free banking on everyday transactions if your community account's annual credit turnover is less than £100,000. One signature must already be a customer otherwise the application will be declined.
Royal Bank of Scotland	Community bank account Royal Bank of Scotland Business	Existing Royal Bank personal or business banking customers are eligible to apply for free banking on everyday transactions if your community account's annual credit turnover is less than £100,000. One signature must already be a customer otherwise the application will be declined.
Santander	Treasurer's Bank Account Business Banking Santander UK	Fee free for registered charities £4.99 monthly fee for other not-for-profit organisations.
Triodos	Business and Charity Deposit Account Triodos Bank	Savings ('deposit') accounts only currently. They are not opening current accounts.
Unity Trust Bank	Ethical Business Current Account UK Switch Business Banks	Monthly fee of £6

*Information correct as of **November 2025**. This document will be reviewed and updated periodically.*



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