

A short guide to UK bank accounts

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Do you need a UK bank account?

If you are intending to trade in the UK, the short answer is YES. People in the UK will expect you to have a UK bank account. Not only does it give your business credibility in the UK, but if you have numerous transactions it will be cheaper to handle these locally, rather than through overseas bank transfers which are invariably costly. In addition (should you need to be VAT registered), having a UK bank account expedites the process.

Alternatively, you can specify pounds sterling (£) when setting up a bank account in your home country which, in some circumstances (e.g. trading directly from overseas with a single, large customer) may be appropriate.

How do you open a UK bank account?

Due to Money Laundering legislation the identity (and sometimes the source of the funds) used to open the bank account must be traceable.

In order to identify you, a UK bank will require:-

- Original passport
- 1 or possibly 2 utility bills (less than 3 months old, showing your current home address – this need not be in the UK).

The best way to open a UK bank account is to get your accountant to arrange a meeting with a commercial bank manager, so you can meet, explain your business, and go through and sign all the forms together.

Can't I get my home country bank to open an account through one of their branches in the UK?

Your existing bank relationships can help, but in reality few banks are truly global. Our experience has shown that our own relationships can smooth the process.

Other Relevant Considerations

Use a small balance (<£1,000) to open the account to avoid additional money laundering checks.

Simplicity is best in terms of the initial structure when setting up your UK entity (e.g. a single director who is sole share holder) as additional directors and shareholders can be added to the account once it is in place.

Use advisors connections to ensure good bank service.

Disclaimer:

This note does not contain a full statement of the law and it does not constitute legal advice. Please seek legal advice if you have any questions about the information set out above.