MoneySense
Making sense of money

8-12

My child's first Savings account

Children can manage their own savings account from the age of seven, so you can instil the savings habit early.

Savings first

Encourage your child to save first, when they receive their pocket money or allowance, not later in the week or month. Once they have a bank account, you could pop in together for them to deposit a small amount of their pocket money.

Everyone's app-y

Our children are far more digitally aware than many of us, so some banks have an app for children's bank accounts. These are very secure, but it is probably best if your child uses it on a home computer, rather than their mobile phone. Having such easy access to a statement of how their savings are building up is a great incentive.

"Having a bank account so young worried me, but our son was excited about the idea."

Mr J. Bayley, Essex

Two for one

Once your child has got into the habit of saving, they could open up a second savings account or Junior ISA. If they receive their allowance monthly, show them how to transfer a small amount between accounts a few days after they receive their allowance (by direct debit if the account allows it).

An education programme brought to you by
Royal Bank of Scotland

MoneySense
Making sense of money

8-12

My child's first
Savings account

Types of children's savings accounts

Instant Access Account (also called Easy Access Account)

- As the name suggests, your child can deposit and withdraw money from these at any time
- They usually have a lower rate of interest due to their accessibility
- Your child (or you) can usually open one with just a £1 deposit
- From the age of seven your child can manage their own account

Regular Savings Account

- These are designed to encourage regular saving and money has to be saved every month (often the same amount or more)
- They usually have a higher rate of interest than Instant and Easy Access Accounts
- If a payment is missed, the interest rate may go down
- From the age of seven your child can usually manage their own account

Junior ISA (previously called Child Trust Fund)

- In the 2021-22 tax year, children or relatives can deposit a maximum of £9,000 into this type of savings account
- Any interest earned is tax-free
- The child can only access the money when they reach the age of 18

The Virtual Bank teaches young people how banks work – click the link on the homepage at mymoneysense.com

"When my daughter was nearly nine and had been putting money away in her moneybox for a while, the time seemed right to open a bank account for her."

Mrs A. Thomas,
London N21

Top Tip

Your children learn from you, even without knowing it, so show them that you save. Put your loose change in a jar or have several jars with labels on them, such as: 'HOLIDAY', 'CHRISTMAS', 'NEW SHOES' etc.

Did you know?

Parents can give their child money to save, or invest it for them, but if that money earns over £100 in interest in any one year, the parent will then be taxed as if it is their own income. This is not the case with Junior ISAs.