

ACCESS

Guide

Banking

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1. Opening a Bank Account

This guide focuses on banks in the Netherlands with an Expat Desk:

The types of accounts offered are:

- current accounts (*lopende rekening*)
- savings accounts (*spaarrekening*)
- foreign currency accounts (*vreemde valuta rekening*)

Other services that banks may offer include:

- debit and credit cards
- internet (*internetbankieren*)
- telephone banking (telefonisch bankieren)
- investments (*beleggingen*)
- private banking (banking for those who have at least €1m available to invest)
- insurance (*verzekering*)
- loans (*leningen*)
- mortgages (*hypotheken*)
- fixed term deposits (*lange termijn deposito's*)
- life assurance (*levensverzekering*)

Some banks offer tailored accounts for children, as well as private banking facilities. You can also open a joint account, possibly cheaper or more convenient than opening two separate accounts.

Anti-money laundering regulations have become stricter since 2004, this means that to open a current account or a foreign currency account you need to provide identification. EU citizens require a valid passport or an ID card, proof of residency from the *GBA (gemeentelijke basis administratie)*, a verification document such as a gas and electricity bill or a rental agreement with your address, proof of income and your Citizen Service Number (*Burger Service Nummer*) BSN, (previously SOFI tax number). These documents are not required if you only wish to open a savings account, however a savings account is always linked to a current account.

For non-EU citizens, registration with the IND (*immigratie- en naturalisatiedienst*) and a work permit are also required. If you open a joint account you must present the documents described above for both holders. Minors under 18 opening a current and/or savings account must be accompanied by at least one legal representative and their own identification should also be brought.

A bank account operates from the day it is opened. After opening a bank account you will receive postal notification when your bank debit card is ready for collection. You must go in person, taking your passport or other acceptable identification. Your PIN (Personal Identification Number) code will arrive separately in the post. This is a

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personal four-digit number used for all withdrawals and some bank transactions. This number will be chosen for you, but normally you can change it later at a bank cash machine (ATM). The card can be coupled with a credit card and an overdraft facility. The main banks operating an Expat Desk in the Netherlands are listed below. The Dutch Central Bank supervises all other banks. Note that ACCESS does not recommend any particular bank. Should you require further information regarding a particular bank, accounts and/or services mentioned, contact any of the banks listed below. Most staff speak fluent English.

- ABN AMRO BANK (information in English),
In the Netherlands, call 0900 0024 (€0.10 per minute) Option 4 for an English language menu.

From outside the Netherlands call: +31 10 241 1720

www.abnamro.nl

www.abnamro.nl/en/index.html (Directly to English pages)

- ING BANK (information in English)
+31 (0)20 541 5411
www.ing.com
- RABOBANK (information in English),
0900 9890 (€0.10 per minute)
www.rabobank.nl
- SNS BANK (information in English for internet banking),
0900 767 4357
www.snsbank.nl

Important telephone number in case of loss of bank cards

In case of theft or loss of cards from any bank telephone:

0800 0313 in the Netherlands (free phone in Dutch).

+31 30 283 5372 outside the Netherlands

To block a bank account:

ING Bank - press 1

Rabobank - press 2

ABN AMRO - press 3

Fortis Bank - press 4

For other bank accounts - press 9

2. Currency

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Bank notes

The local currency in the Netherlands is the euro. There are seven types of euro bank notes: €5, €10, €20, €50, €100, €200 and €500. They are in different colours and increase in size with denomination. Although euros are quite difficult to counterfeit, many businesses (especially petrol stations) will not accept bank notes of a higher denomination than €50, sometimes €20.

Coins

There are eight different types of coins. The one, two and five cent coins are copper coloured. The ten, twenty and fifty cent coins are bronze. The €1 and €2 coins are gold coloured with an inner silver coloured circle. There have been fewer one and two cent coins in circulation since September 2004, when most Dutch shops and businesses adopted a “rounding off” (*afronden*) system allowing them to round up or down to the nearest 5 cents when dealing in cash.

Regardless of the country of origin, you can use euros without the need to exchange them in the following countries: Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Republic of Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain. Monaco, the Vatican City, San Marino and Andorra also accept euros as cash.

3. Day-to-day banking activities

When using the bank account into which your salary is deposited, you can either make cash withdrawals or fill in forms, telephone the bank or use the internet to transfer money directly from your account into another of your accounts (such as a saving account), or into someone else’s account. (See ‘Direct debits/Standing orders’.)

The current account (*lopende rekening* or *rekening courant*) is typically used for day-to-day banking activities. You can deposit, withdraw and transfer money to other accounts. This account is generally used for paying for goods and services. Usually you do not earn any interest on a current account. Some banks require your salary to be paid into this type of account

4. How to pay?

PIN (Personal Identification Number)

With your account you will receive a bank card (commonly called a PIN card) and an accompanying PIN code, which you should keep secret. At the check-out points (*kassa*) in almost every shop in the Netherlands you will see a small numeric keypad. To pay with your PIN card, insert the card and enter your personal number. The amount that you have spent will be debited from your account immediately.

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You can also use the PIN card at a cash machine or an ATM, Automated Teller Machine (*geldautomaat*). You can find these machines in almost every town and village. Most ATMs will handle cards from other Dutch banks as well as the main international banks. The withdrawal limit may be lower if the ATM is not from your own bank and you may incur a service charge.

Your PIN card can also be used in ATMs abroad in most parts of the developed world, and is normally the cheapest and easiest way of obtaining foreign cash. Your PIN card can increasingly be used in normal shops throughout Europe to pay for goods, especially in the Euro zone where there is no transaction charge (assuming your bank does not charge at home).

Your PIN card and PIN code are generally needed to operate your online banking login calculator.

Chipknip

This is a form of electronic cash. There is a special chip on PIN cards that can be loaded up by transferring money from your current account and then used as an electronic wallet. The chip can be loaded at ATMs with the chipknip sign. Chipknip can be used for quick transactions and is very handy in car parks and for other small payments in phone boxes, or at any shop that displays the chipknip sign. Paying this way is quicker because you do not have to get authorisation each time you pay, only when you load up the card. Many car parks and parking meters now accept only Chipknip and coins, although the up-take in other commercial areas has been slow and disappointing for the banks. If your PIN card is lost or stolen, any chip money it may have contained is also lost.

Credit cards

The main cards offered by banks are MasterCard, VISA and Eurocard. These cards can be used in most of the larger stores and restaurants, but are still not as widely accepted as in the UK or US, and a credit card is not the normal way of paying for most Dutch people.

American Express and Diners Club are the other two main non-bank credit cards available in the Netherlands, but their acceptance is patchy and generally limited to tourist areas. In most local markets, supermarkets and small shops, cash or a debit (PIN) card is still the only way to pay. Normally, an application for a credit card will involve the bank contacting the Central Credit Regulation Office (BKR) to inspect your credit history and rating.

Accept giros (*acceptgiro's*)

This is commonly used to pay regular bills (e.g. for water and power). You receive an invoice and an *acceptgiro* form from the company concerned, sometimes with the payment details already filled in. You add your signature (*handtekening*) and fill in the

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number of your bank (or *giro*) account and mail the form to your bank. The bank pays the postage (ask your bank for special envelopes). You can of course drop it in the dedicated letterbox at the bank. You can also pay the *acceptgiro* via online banking.

Standing orders (*automatisch overschrijven*)

For regular payments of fixed amounts it might be more convenient to arrange for standing orders where you instruct your banker to make a periodic payment of a fixed amount (e.g. your rent or charity donations) from your bank account to a third party. If you want to stop or change a standing order, you have to call your bank or fill in a special form available at your bank. You can also set up a standing order by online banking.

Direct debits (*automatische incasso*)

Direct debits may be useful when paying bills which vary in amount (e.g. your phone bill). Blank forms should be obtained directly from, and returned to, the company or organisation concerned. It is usually a two-part form, with the second part to retain in case you want to stop the withdrawals. Allow up to four weeks for your form to be dealt with. If any changes need to be made or a transaction cancelled, you just fill in the appropriate details and send it to the bank which will stop the transaction immediately if needed. If you want to cancel a direct debit, you can fill in a red card that is available at your bank and send it to the company or organisation concerned. If you don't agree with a transaction, you can call the bank or fill in a yellow card that is available at the bank and send it to the bank. They will return the money to you (*storneren*). You have to do this within 30 days of the transaction.

Online banking (*internetbankieren*)

The closure of the smaller neighbourhood branches of banks throughout the Netherlands was partly responsible for the huge growth of online banking. More than 70% of Dutch consumers use internet banking and nowadays all Dutch banks offer this facility, usually available 24 hours a day, although some operate time restrictions. Not only is online banking easy for paying your regular monthly bills, but it offers you the possibility to monitor and manage your own bank account. Transfers into and out of your personal or savings accounts, international transfers, and managing your investments are just a few of the things you can do online. In some cases an incentive to trade online, more attractive rates of interest and/or reduced charges may be secured when transacting online or opening specific online accounts.

Foreign currency exchange (*wisselen van vreemde valuta*)

Most banks offer the possibility of buying and selling foreign currency. Usually you have to order it some days or a week before you need it. You can also go to a branch of GWK Travelex (www.travelex.com), where you can buy and sell foreign money immediately without prior notice. They also accept coins, which most banks don't. Be careful of the exchange rates and any commission charged; it may work out much cheaper to use your bank (PIN) card in a cash machine abroad. In general, cash obtained abroad by using a

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credit card in a cash machine will result in noticeable bank charges. Some countries have what Dutch banks call “weak currencies” and poor exchange rates are then offered for cash, often without the possibility of selling back any leftover money after your return.

5. Other forms of banking

Savings accounts (*Spaarrekeningen*)

If you have more funds than you need on a regular basis, then you may want to look at opening a savings account where interest can be earned. Some forms of savings account require a minimum amount to be deposited at the time of opening the account, while others may have restrictions on how much money you can withdraw on a daily basis. Some savings accounts can only be held in euros. **Note:** every resident in the Netherlands is required to notify the tax authorities of income derived from savings and investments. Some savings accounts have tax deducted at source by the banks. So be careful and check in advance what rules apply to you.

Investments (*Beleggingen*)

Most of the banks offer a range of investment alternatives. You can choose to either invest yourself or to select a number of managed funds. These funds will have varying risk profiles and varying minimum periods before they can be withdrawn. Depending on the bank, you can directly purchase shares on the Dutch Stock Exchange, as well as from some overseas markets. Managed funds will typically be managed by the bank’s own fund managers (and include investments in liquid assets, bonds, real estate and shares).

Loans (*Leningen*)

A range of loan facilities is offered by Dutch banks. Personal loans (usually for a fixed term and a fixed interest rate during the term of the loan), overdraft facilities and credit loans (the ability to withdraw as much as you need and repay in full whenever you can afford to do so) are typical. They offer various degrees of flexibility but it is best to discuss your requirements in detail with your bank before deciding which type of loan will suit you best. Insurance to protect your repayments is available, should you become unable to pay due to disability, unemployment, etc. Generally anyone between the ages of 18 and 69 years who is resident in the Netherlands and in possession of a residence permit is eligible for a loan. All loan applications are also checked and registered with the Credit Registration Agency (BKR). The loans must be fully repaid before leaving the Netherlands.

Mortgages (*Hypotheken*)

Even if you are only temporarily living in the Netherlands, it may be practical to purchase a house during your stay. The mortgage you are entitled to is dependent on your level of income. As a general rule, you can assume that you will be able to borrow between 3.5 and 4.5 times your gross annual salary (including any thirteenth month and holiday pay, excluding bonuses). The banks offer a wide range of mortgages. Whatever your requirements, go to your bank or a specialised mortgage broker (*hypotheek*

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adviseur) for personal advice. The Netherlands may have a higher house sales tax than in your country (6% in most cases), and estate agents' and solicitors' fees can be larger than you might expect at home. It pays to visit a bank or mortgage broker for free advice before you start considering buying property, to gain an idea of the total costs involved; a crude rule of thumb is that about 10% of the purchase price will be needed on top for various taxes and fees.

Telephone banking (*Telefonisch bankieren*)

Most banks operate telephone banking via the telephone, allowing you to check account balances, make transfers and review transactions for your account. Usually this is accessible 24 hours a day, seven days a week. Ask for an English-speaking staff member and make sure they understand what is being requested. Incorrect interpretations can be expensive.

6. Useful websites

European Union: www.Europa.eu.int

News and information source for expats in the EU: www.expatica.com

ABN AMRO bank: www.abnamro.com

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ACCESS guides available for downloading, free of charge, from the ACCESS website:

- Banking
- Childcare and playgroups
- Food from home
- Having a baby in the Netherlands
- Health care
- Housing and accommodation
- Inheritance and wills
- International primary and secondary education
- Learning the Dutch language
- Marriage , registered partnership, cohabitation and ending a relationship
- Obtaining a driving license in the Netherlands
- Post Office
- Public Transport
- Social Security
- Starting your own business
- Studying in the Netherlands
- Telephone, internet and television
- What to do when leaving the Netherlands
- Working in the Netherlands

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ACCESS did everything possible to ensure correct and up-to-date information. ACCESS cannot accept responsibility for any information that may have changed. If you need more information about this subject, please contact the organisations listed or look at the websites mentioned.