

Banks and bank accounts

What does a bank actually do with your money?

Answers and teaching notes

For the teacher

- **Aim:** Pupils know that a bank keeps money safe, moves it around and lends it out, can tell current and savings accounts apart, and can read a simple statement.
- **Curriculum links:** Financial Education Planning Framework, ages 9 to 11: how to manage money (bank accounts, debit cards and reading statements) and managing risks and emotions (keeping money safe). PSHE: economic wellbeing. Citizenship: how banks and money work. Maths: reading tables, adding and subtracting money.
- **Watch first:** the Penny Explains video “What does a bank do?” at pennyexplains.com.
- **Starter:** Ask: where is the safest place to keep £50? List the ideas, then ask what could go wrong with each one.
- **Support:** Read the statement in activity 3 together, one row at a time. For each row say “money in” or “money out”.
- **Stretch:** A borrower pays the bank £8. The bank pays a saver £3. How much does the bank keep? (£5.) Note for you: the FSCS protects up to £120,000 for each person in each bank. Pupils only need the idea that savings are protected.
- **Total:** 34 points. Suggested answers are shown in red; accept any answer that is well reasoned.

I can...

- [ ] I can name three jobs that a bank does.
- [ ] I can tell a current account from a savings account.
- [ ] I can read a simple bank statement.

Key words

Current account: an account for everyday money coming in and going out.

Savings account: an account for money you want to keep. It usually earns interest.

Debit card: a card that pays with money from your own account.

Bank statement: a list of the money that went in and out of an account.

Balance: how much money is in the account.

1 Quick quiz

4 points

Circle one letter for each question.

a) Which of these is a job that a bank does?

- **A** Keeps money safe
- B Sells train tickets
- C Makes school dinners
- D Chooses your pocket money

b) Which account is made for everyday spending with a card?

- A Savings account
- **B** Current account
- C Game account
- D Email account

c) Priya pays for a book with her debit card. Where does the money come from?

- A The shop's till
- B A loan from the bank
- **C** Her own bank account
- D The money box in her bedroom

d) A scheme called the FSCS protects money in UK banks. Up to how much for each person, in each bank?

- A £120
- B £1,200
- **C** £120,000
- D £120 million

2 What a bank does

5 points

Use the words in the box to finish the sentences. Use each word once.

lends · spends · protects · yours · theirs · safe · interest

A bank keeps your money **safe**. It also **lends** money to people and businesses. They pay it back with a little extra, called **interest**. In the UK, a scheme called the FSCS **protects** savings up to £120,000 for each person in each bank. The money you put in is still **yours**.

3 Read a bank statement

7 points

A bank statement lists the money that went in and out. Priya is 11. This is her statement from Bramble Bank for March.

Date	What happened	Money in	Money out	Balance
1 March	Balance at the start			£25.00
3 March	Pocket money	£10.00		£35.00
8 March	Book shop (debit card)		£6.00	£29.00
15 March	Birthday money from Gran	£20.00		£49.00

22 March	Cinema (debit card)	£8.00	£41.00
29 March	Moved to savings account	£15.00	£26.00
31 March	**Balance at the end**		**£26.00**

a) How much was in Priya's account at the start of March? 1 mark

> £25.00

b) How much money came in during March altogether? 2 marks

> £30.00 (£10 + £20 = £30)

c) How much did Priya pay with her debit card altogether? 2 marks

> £14.00 (£6 + £8 = £14)

d) Priya moved £15 into her savings account. Why might she do that? 2 marks

> To keep it for later so she is not tempted to spend it, and because a savings account usually pays interest.

4 True or false?

4 points

Circle True or False. If it is false, write it correctly on the line.

A bank looks after money, but it never lends any. **A bank also lends money to people and businesses.**	True	**False**
A debit card spends money that is already in your account.	**True**	False
It is fine to tell your best friend your PIN. **Keep your PIN secret from everyone.**	True	**False**
Money you put in a bank stops being yours. **It is still yours. You can take it out when you need it.**	True	**False**

5 What would you do?

4 points

Read the story, then answer the questions.



Priya's little brother Arjun keeps **£60** in a shoebox under his bed. He says: "Banks are for grown-ups. My money is fine here."

a) Give two reasons why a bank account could be a better place for Arjun's money. 2 marks

> Any two: it is safer from being lost, stolen or damaged; savings in UK banks are protected; a savings account usually pays interest; he can check his balance.

b) What would you do with the £60 if it were yours? Why? 2 marks

> Pupil's own answer with a reason, for example: keep a little at home for spending and put the rest in a savings account to keep it safe and earn interest.

6 Bank word search

10 points

Find the words. They go across, down or diagonally.



Penny says: Banks do not all pay the same interest. People often compare a few before they choose.

K	B	E	H	G	W	B	A	N	K	L
B	A	S	W	S	A	V	I	N	G	S
C	L	T	C	D	H	I	K	N	I	C
U	A	A	D	E	B	I	T	I	N	N
R	N	T	A	C	C	O	U	N	T	S
R	C	E	V	L	V	C	G	G	E	A
E	E	M	O	Y	L	E	N	D	R	F
N	S	E	P	V	R	E	G	E	E	E
T	F	N	O	K	E	O	N	E	S	P
U	G	T	I	T	U	E	S	A	T	S
F	G	D	E	F	L	Y	A	U	O	L

- ☐ BANK
- ☐ ACCOUNT
- ☐ SAVINGS
- ☐ CURRENT
- ☐ DEBIT
- ☐ INTEREST
- ☐ STATEMENT
- ☐ BALANCE
- ☐ SAFE
- ☐ LEND

7 Before you go

One thing I learned today

_____

_____

One question I still have

_____

_____

How sure do I feel?

Not yet | Getting there | Got it

Take it home



Ask a grown-up to show you a bank card (not the numbers!) or a bank statement. Can you find the **name of the bank**? Talk about why a **PIN** must stay secret.

© Penny Explains · pennyexplains.com · Free to print and copy for teaching.

FSCS limit correct for the 2026 to 2027 tax year.