Penny Explains

Key Stage 3 · Years 7 to 9 | Banks and accounts | About 35 minutes



Bank accounts, debit cards and credit cards

Whose money are you spending when you tap?

Name _____ Class _____ Date _____ Score: / 37

I can...

- [ ] I can explain the difference between a debit card and a credit card.
- [ ] I can explain the two meanings of the word credit.
- [ ] I can read a bank statement and say what an overdraft is.

Key words

Current account: an everyday bank account.

Debit card: spends your own money.

Credit card: spends the lender's money, which you pay back.

Balance: how much is in your account.

Overdraft: borrowing by letting your balance go below zero.

1 Quick quiz

4 points

Circle one letter for each question.

a) When you pay with a debit card, whose money are you spending?

(A) Your own, from your bank account
(B) The bank's, to pay back later
(C) The shop's money
(D) The government's money

b) When you pay with a credit card, whose money are you spending?

(A) Your own savings
(B) The lender's, which you pay back
(C) Your school's money
(D) Nobody's: it is free

c) How old must you be to get a credit card in the UK?

(A) 11
(B) 16
(C) 18
(D) 25

d) Which account is made for everyday money in and out, such as wages and card payments?

(A) A savings account
(B) A current account
(C) A loan account
(D) A pension

2 One word, two meanings

5 points

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

prize	limit	debit	saving	interest	borrowing	into

The word **credit** has two meanings. On a bank statement, a credit is money coming _____ your account, and a _____ is money going out. But buying something **on credit** means _____: you get it now and pay later, often with _____ added. A credit card lets you spend up to a credit _____ set by the lender.

3 Read Leo's bank statement

6 points

Leo, 13, checks his new account in his banking app. Use it to answer the questions.

Northgate Bank · Current account — **Leo Okafor · 1 to 31 March**

Date and details	Money out (debit)	Money in (credit)	Balance
1 Mar · Opening balance			£42.50
3 Mar · Card payment, Corner Shop	£3.20		£39.30
7 Mar · Pocket money from Mum		£20.00	£59.30
12 Mar · Card payment, Game Vault	£24.99		£34.31
15 Mar · Cash machine	£10.00		£24.31
21 Mar · Car washing for Mrs Ali		£15.00	£39.31
26 Mar · Card payment, bus top-up	£12.00		£27.31
31 Mar · Closing balance			**£27.31**

A made-up statement for practice. This account has no overdraft.

a) How much money came in to Leo's account in March? 1 mark

b) What was Leo's biggest payment out, and how much was it? 1 mark

c) How much went out of the account in total? Show your working. 2 marks

d) Did Leo's balance go up or down over the month, and by how much? 2 marks

4 Debit, credit or both?

8 points

Leo has a debit card. His sister Maya, 19, has a credit card too. Sort the facts.

Sends a bill each month | Can pay contactless | Has a secret PIN | Spends your own money | Interest if the bill is not paid in full | Spends borrowed money | Over-18s only | Money leaves your account at once

Debit card only	Credit card only	Both cards

5 What would you do?

6 points

Read the story, then answer the questions.



Leo ends March with **£27.31**. He spots headphones for **£35**. His account has **no overdraft**, so if he tries to pay, his card will be declined. His sister Maya offers to buy them on her **credit card** if Leo pays her back.

a) How much more money does Leo need? 1 mark

b) Maya's account has an arranged overdraft. Explain what an overdraft is. 2 marks

c) What would you do if you were Leo, and why? 3 marks

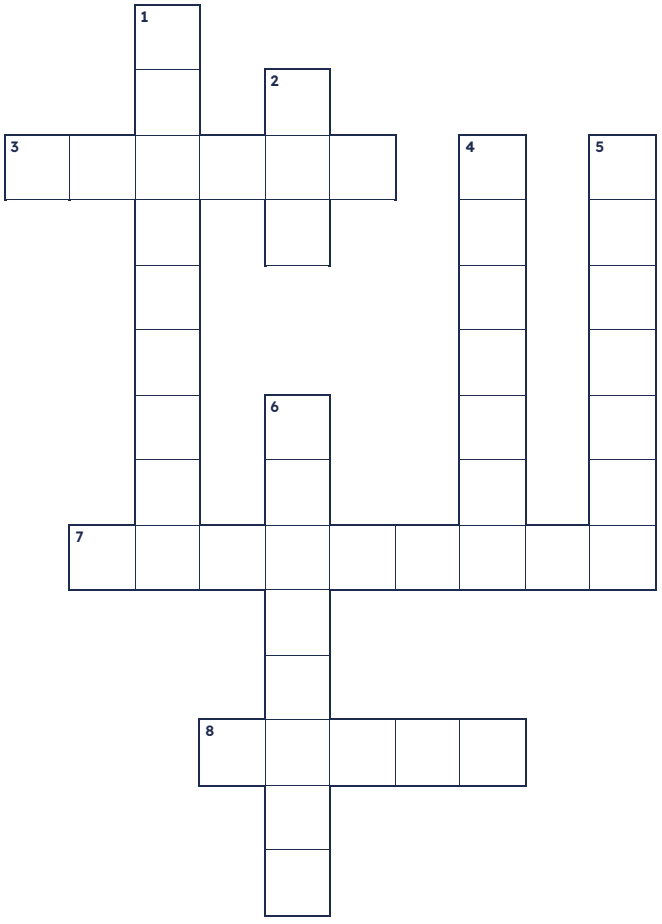
6 Banking crossword

8 points

Use the clues to fill in the grid.



Penny says: A debit card is a key to your own money. A credit card is a key to someone else's.



Across

3. Money coming in to your account. Also a word for borrowing (6)

7. A list of everything paid in and out of your account (9)

8. Money going out of your account (5)

Down

1. Borrowing by letting your balance go below zero (9)

2. The secret four-digit number for your card (3)

4. How much money is in your account right now (7)

5. The everyday account: a ___ account (7)

6. The extra charged when you borrow, or paid when you save (8)

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 an adult at home to show you a bank statement or banking app (they can hide the numbers). Can you spot a **debit** and a **credit**?

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Age rules checked November 2026. Education, not financial advice.