

How to choose a bank

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Now that you've decided to start your own business, you're going to need a bank account for it. Sounds easy, right? Until you realise you have multiple options and no idea which is the best fit for you. Here are some things to consider before you make your decision.



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Make sure you know exactly what you want and need from a bank. Once you know this, you have a good starting point and can start to filter through banks' pricing plans and services to see which suits you best. What you need will obviously depend on your business, so do some research beforehand. Do you just want a transactional account? Or do you want a bank that can offer you business advice, for example?

Pick an established bank. A newly formed one may offer some enticing prospects, but the last thing you want is for your first business to suffer as your new bank is declared bankrupt. Our advice would be to go for a bank that's been around for a while and is relatively well known for peace of mind. Another thing to consider is that some banks specialise in business banking, and these are likely to be more suited to your needs than a bank which is more geared towards personal banking.

Evaluate the bank charges thoroughly. Consider long term fees, the stability of bank charges, and what different payment methods you'll be using, especially if you want to offer multiple payment options for clients (EFT, online purchase, cash etc). If you'll be making a lot of transactions, which is likely, then look for a package which offers low-cost fees in this area, or a reasonable amount of free transactions. If you're paying R15 per transaction, it will cut into your profit margin fairly substantially each month.

If you want to use electronic banking a lot, make sure you choose a bank that makes it easy to operate and run your account remotely. This is particularly useful if you travel a lot, don't live near to a branch, or will be running an online business. Similarly, if you don't have a reliable internet connection, you need to choose a bank which makes it easy for you to do things in-store (go and visit them to see which bank this might be!).

Shop around. Compare all of the banking options you have, weigh up the various packages they offer, as well as added benefits and any other factors which are important to you. Don't just choose the bank you're already banking with personally because it's easy. Below are the major banks in South Africa. Simply click the links to see their business banking offerings.

- [Absa](#)
- [Capitec Bank](#)
- [FNB](#)
- [Investec](#)
- [Nedbank](#)
- [Standard Bank](#)

Once you have an idea of the banks which might work for you, visit your local branch and ask to discuss the details with them. Take into consideration their customer service and how helpful the staff are. If you're still stuck, consider visiting wheretobank in order to compare your possible bank options.

After visiting your chosen banks, you should be ready to make your decision. Remember to consider price, professionalism, support and convenience, and decide what is most important to you.

ABOUT SOPHIE BAKER

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