

Business Accounts for Sole Traders: The 60s Guide

This year will see 85,000 new businesses created as more people pursue flexible ways of working. Setting up as a sole trader is the fastest way to start a business and choosing the right bank account can make a big difference. Here's what you need to know

Personal Account

- Simple to use
- Low cost
- Limited functionality
- Varying interest rates

VS

Business Account

- Designed for business use
- Standing & transaction fees
- Efficiency & growth features
- Low interest rates

Sole traders make up nearly 60% of UK SMEs. FSB

1

Account Management

- Online set up
- Overdraft functionality
- Transaction limits

Core features of business accounts

2

Integrations:

- Accounting software
- Lending businesses
- Mobile banking apps

3

Business Functionality

- Payroll functionality
- Tax tracking
- Payment Security

4

Payments:

- Credit & Debit card payments
- Cheques
- Foreign Exchange & Alternative Payments

75% self-employed workers use personal accounts for business finances. Business Advice

Comparing Business and Personal Accounts



Pros



Cons

Personal Account

- One account for everything
- No fees
- Better interest rates

- May violate your bank's policies
- Mixes personal & business transactions

Business Account

- Optimised for business use
- Simplified bookkeeping
- Integrates with other business tools
- Builds credit & enables lending

- More accounts to manage
- Monthly and transaction fees
- Lower interest rates
- Can only be used for business purposes

How do I choose the right account?

Choose a provider:



High Street Banks



Online Challenger Banks



Digital Fintech Apps

How much do they charge?

Standing charges (monthly fees)
Transaction charges

Benchmark Costs

Monthly fee	£6
Cash deposit/withdrawal fee	£0.70 per £100
Transfer fee in/out	£0.30
Cheques in/out fee	£0.50

MoneySaving Expert

! Watch out for low-cost introductory offers that turn into hefty fees after the initial period

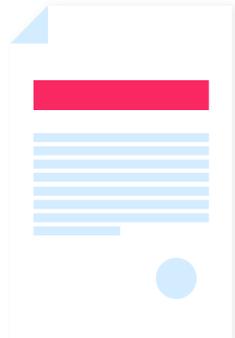
Do they have the right features?

- ✓ Internet banking
- ✓ Accounting integration
- ✓ Payment functionality
- ✓ Transaction limits
- ✓ Foreign exchange rates
- ✓ Alternative payments (eg Crypto)
- ✓ Overdraft terms
- ✓ Mobile app

! Worried about your credit? Skip high street banks and try online or fintech providers.

How do I apply for a business account?

Though many providers now let you conduct the whole process online, some still take 1- 4 weeks to open an account. Make sure you start the process before you need to take or send a payment.



Key documentation:

- Proof of identification
- Proof of address (eg bank statement or utility bill)
- Business details, including:
 - Registered address
 - Contact details
 - Expected yearly turnover

SafeNetPay's online-only business bank account was built with sole traders in mind. Get started in just 24hrs and start enjoying more flexibility, value and control. To find out more about how you can take your business to the next level, take a look at our available accounts today.