

Money Glossary

A-C

Account	Money that is kept in a building society or a bank. Keeping money in an account keeps it safe and it can make extra money called interest.
Asset	Anything that is valuable – something that is useful or earns money.
Balance	This means the amount of money you have in a building society or bank account.
Bank	A business that looks after your money. It also lends money.
Banknote	A piece of paper money where the bank promises to pay the amount of money shown on the note.
Bank (or building society) statement	A form that shows all the money that has been paid into your account and all the payments taken out. They are usually sent each month.
Bankrupt	When a person or a business is not able to pay back all the money they owe.
Bill	A document (piece of paper) that shows how much money is owed for something.
Block capitals	Clear separate capital letters – often needed when filling out forms.
Borrower	Someone who needs to get money from a building society or bank to use – but it has to be paid or given back later.
Bounced cheque	When a bank refuses to pay the person named on a cheque for the amount shown, because there isn't enough money in the account.
Budget	A plan of how much money can be spent on different things in an amount of time.
Building society	A financial organisation, similar to a bank where you can save your money or borrow money.
Capital	The money that you have that can be put into savings, property or investments, where it can make more money.

Money Glossary

C-E

Cheque	A printed piece of paper used for payments. Instead of using coins or paper money, this form uses the money kept in a bank account.
Cheque guarantee card	A personal plastic card (like a credit card) that is used with a cheque to make sure you are the cheque 'owner' and have money in your account.
Council tax	A tax paid to the local council for its services (for example, looking after parks, roads, libraries and collecting rubbish).
Credit card	A small plastic card used instead of coins or paper money to buy things. You buy then pay for them later when your credit card statement comes at the end of the month.
Currency	Another word for money but used to describe the money used in particular countries. In the UK, our currency is in pounds and pence.
Debit	Money taken out of an account.
Debit card	A small plastic card used instead of coins or paper money to buy things. You can only spend the amount that you have in your account.
Debt	Money that you owe to someone else.
Deposit	Money that you pay into an account, or when you pay a deposit for something you are buying, you pay a percentage of the total amount.
Deposit slip	A special form that shows your building society or bank how much money you are paying into your account.
Direct debit	An agreement with your building society or bank to pay regular bills from your account. The amount is not set but can alter from bill to bill.
Discount	An offer where some money is taken off the total cost to make it cheaper to buy.
Earn	To get money in return for doing work.
Employee	Someone who works for an organisation, company or other person and is paid for their work.

Money Glossary**E-I**

Expenditure	The amount of money that has been spent on goods or services.
Expenses	The sums of money that you need to have and to spend so that you can live.
Financial	Things to do with money.
Financial capability	Being able to manage your money well.
Financial records	Papers (documents) that keep all the information about money earned, spent or owed.
Fraud	A crime where people have tricked or lied to others to get money.
Gross	The total amount of money before anything like taxes or payments has been taken out.
Hire purchase	A way of buying something but instead of paying it all at once, you pay a small part of the total cost and get to use the item whilst paying the remainder over a period of time. There is usually extra 'interest' charged so the item will cost more in the end.
Income	The amount of money you earn or you receive as gifts.
Inflation	When prices and wages go up or increase.
Instalment	When the total amount you owe, is divided into small parts that you pay for over a period of time.
Insurance	Where you pay money to a company so they will pay you for the cost of something if it is lost, stolen or damaged in the future.
Interest	The extra money that is paid to you by a building society or a bank, when you save your money with them. Or the extra money you have to pay back when you have borrowed money.
Interest rate	The amount that you make on things is showed by a percentage of the whole amount.

Money Glossary**I-P**

Internet banking	When you can bank online through your computer instead of going to the actual building society or bank.
Invest	When you put money into a building society or bank, so you can make more money.
Loan	Money that is lent to someone else or you borrow, but it has to be paid back (often with interest).
Lump sum	A one off payment.
Minimum payment	The smallest amount that you have to pay on hire purchase or credit card payments.
Mortgage	A loan from a building society or a bank when someone wants to buy a house or flat.
Net	The amount of money left when you've taken out all your taxes and expenses.
Overdraft	An amount of money that a building society or bank lets you 'borrow', in case you spend more money than you have. The 'borrowed money' is usually charged extra for.
PAYE – Pay As You Earn	Where the tax you owe to the Government is taken off your wage before you get it.
Payee	The person, organisation or company that receives the money when you pay them by cheque.
Paying in book	The book of 'deposit slips' that you fill in when paying in money or cheques into your account.
Pension	The amount of money paid regularly to you when you have retired from work. The Government pay a part of this but the rest comes from money put aside from your wages throughout your working life.
PIN	A code of four numbers that you type in when you use a credit card in a shop or restaurant. (You must make sure you remember it, but don't share it with anyone else).
Profit & loss	Money made or lost by a person or business.

Money Glossary**R-Z**

Rent	An amount of money paid to an owner of a house or land so you can live or work in their property.
Repayments	The amounts of money you need to pay weekly or monthly until all the money you borrowed is paid back (and often with interest added).
Retail price	How much money goods or services are sold for. Businesses make money by buying at a lower 'cost price' and selling for a higher 'retail price'.
Savings account	An account with a building society or a bank in which you save money and make more with the 'interest'.
Social security benefit	Payments by the Government to people who are unemployed or unable to work.
Sort code	A six-digit number that identifies the branch of a building society or bank. It is usually seen on the bottom of a cheque.
Standing order	An agreement with your building society or bank to make regular payments of a set amount of money from your account to another person or company.
Store card	A card that is similar to a credit card but is given by a store to be used to buy things in that store only, using borrowed money.
Tax	Money paid to the Government to run the country with services like education, the military and the health service.
Telephone banking	Carrying out banking over the phone, instead of going into a building society or bank.
Tenant	Someone who rents the place where they live or work.
Transaction	A payment made from one person to another.
Transfer	Moving money from one account to another.
Utility bills	Bills for using the telephone, water, electricity and gas.
Withdrawal	Money taken out of your account.