



Get the best bank account

With more than 120 banks to choose from, offering different services at different prices, perhaps it's not surprising that picking the right current account in France can be confusing

The government has taken notice, and a report published in July 2010 by Georges Pauget and Emmanuel Constans set out to tackle the issue of disparity in costs and services and the lack of transparency in personal banking. The banks are now supposed to spell out the fees levied on the ten main banking services in their literature, allowing consumers to make clear comparisons between banks. They also have to send out an annual breakdown of charges to customers to make it easy to compare their existing current account with other providers' offerings.

Nonetheless, choosing a current account remains a devilishly tricky task. For one thing, not all banks are marching to the same tune, and according to a study by consumer group *Que Choisir*, 42 percent of banks surveyed did not make the price lists available as they were supposed to. And even where they do, although you may be able to see who charges the most for services including a bank card, unauthorised overdrafts or for internet banking access, comparing the services and the way they are offered is still a tall order. Many banks list those key prices only to sell their services in packages, with one tariff covering the lot, making the list irrelevant. Bank branch systems are also hugely regionalised in France, so that prices can vary for banks with the same name in Brittany or Provence.

SHOPPING AROUND

In a market where prices vary so enormously – the fees for a bank card alone can range from zero to €159 a year, for example – shopping around can be a valuable, if frustrating, exercise. For people choosing a new bank account or considering changing banks, Daphne Foulkes, an independent financial adviser with the Spectrum Group based in south west France, says: 'Make a list of the services you use the most and make those the basis for your comparison.' It is highly likely that you will need a bank card and that you will want to make direct payments to pay for bills, for example. For many foreign residents, transferring money from overseas, and particularly from beyond the euro zone, is also likely to be a regular requirement, so if that's the case, add that to your list too.

Understanding financial jargon in your own language can be hard enough, so making sense of it in French can seem overwhelming, even to people with a good grasp of the language. 'If finding a bank with advisers who speak English or which can provide English paperwork, is important to you, then make that one of your requirements,' says Foulkes. It may cost more, but it is about getting good value for money, not just



the cheapest service, so that means choosing the right product for you at the best price. Some major banks, such as Barclays, HSBC and *Crédit Agricole* offer English language services for many, but not all, aspects of banking.

ONLINE BANKING

Another important point to consider is whether you are happy to bank online or want face to face contact with advisers, says Ludovic Herschlikovitz, director of the website *choisir-ma-banque.com*, which, as the name suggests, is designed

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to help you choose your bank. 'An online bank will undoubtedly cost less, but it is a question of personal preference,' he says.

Some people prefer to be able to walk into a branch and speak to someone in person, while others want to be able to access their accounts and move money about at whatever time of day suits them. But while you might imagine that choosing an online bank means signing up for an impersonal service with no contact with real human beings, that perception is not quite right. Herschlikovitz explains that a growing number of online banks in France assign named advisers to their customers, so that even though you can't walk into a branch you will still have a regular point of contact and always deal with the same bank employees, whether by phone or email.

You can even make an appointment to have a virtual face-to-face meeting with an adviser using video conferencing with the 'VisioRendezVous' service offered by online bank *Monabanq*. 'It's surprising,' says Herschlikovitz, 'online banks try to make sure a maximum of banking services are carried out online, but they are still moving more and more towards a personal service, while branch networks are becoming less personal.'

Another point to watch is the ubiquitous 'package' system found throughout French banks. The Pauget Constans report highlighted the proliferation of packages, which offer bundles of services to consumers and which are far more popular in France than elsewhere in Europe. A package will typically include a bank card, insurance against loss or theft of your card or cheque book, two free cheque books a year, all of which may be useful to you as a consumer. But there are also packages which link services that you may not need at all.

'Packages are becoming more and more prevalent and generally speaking services are oversold within them,' says Herschlikovitz. Foulkes agrees: 'I have had clients with products they are never likely to use linked to their current accounts, such as access to favourable credit rates. They are paying for them but they are of no use to them,' she says.

Packages make comparisons all the more complicated, since they group together products and services and so make like for like comparisons very difficult. Some packages do offer very good value, with a single charge covering everything you are likely to use and still coming with a lower fee than you might pay for a card alone with another bank – but as ever, make sure you read the details and ask questions before you sign up. Bear in mind, too, that since 2003 it has been a legal requirement for banks to sell each product separately, unless they are inextricably

linked, so you should not be told they are only available as a package.

If you don't yet have a current account in France, you may think you have your work cut out for you choosing one. But if you plan to switch banks, then things can be even harder. In France, 99.4 percent of the population has a bank account, one of the highest percentages in Europe, according to Herschlikowitz, and yet it also has one of the lowest rates of banking mobility.

CHANGING BANKS

Changing banks is not necessarily complicated, but it can be long-winded, with some banks not being quite as cooperative as they should be. In November 2009, the Fédération bancaire française announced a new service called 'Aide à la mobilité bancaire,' but things are still pretty immobile, according to *Que Choisir*. It found that 65 percent of advisers did not even explain the new service to clients who had come along

specifically to change banks.

'The new bank might do all it can to attract you, but the old bank will do what it can to stop you from leaving,' says Herschlikowitz. Many people keep their old bank accounts open for some months while they sort out the inevitable administration, he says: 'You still have to write to every organisation you make payments to so that they are aware of your new bank details, which can take a long time.'

In fact, leaving your old bank account open can be vital in certain cases. If you have an insurance product linked to your current account, for example, you will not be able to close that down as you can only cancel an insurance contract when it is due for renewal.

Similarly, beware of stray cheques. It's illegal to issue a cheque if you don't have the funds to honour it in France, and the same is true if the account is closed. If you do, you face 'interdiction bancaire', a serious business which could see you banned from using cheque books, payment cards, overdrafts or other credit on the account in question and on any other bank accounts you hold. Perhaps surprisingly, given the risks, cheques still make up 22.5 percent of payments, by volume, in France. If you make a habit of paying by cheque then keep a close eye on your stubs to make sure each one you have written has been accounted for before closing an old account and moving hook, line and sinker to a new one. **TFP**

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