

Joint Accounts: What You Need to Know

What is a joint account?

A joint account is a bank account with two or more account holders. You might have one with a partner, family member or housemates. To ensure everyone understands the benefits and risks it's essential that you have an open respectful conversation with whomever you're planning to share the account with. You should all:

- ▶ **Read the terms and conditions** before you sign up and get a bank staff member to explain anything that isn't clear.
- ▶ **Be clear** about how money in the account will be used, how it will be accessed and by who.

Respectful Conversations

Before you open a joint account with anyone, it's essential **you know the other account holders well enough** to know how they behave with money

Sometimes people are pressured into opening joint accounts. One person might say, 'if you really trusted me you'd open a joint account' or 'opening a joint account with me would be a sign of your commitment to me'.

Such statements are a **red flag** –if someone is exerting any kind of pressure for you to open a joint account with them, this is a good reason not to. If you can't

have a respectful, honest conversation about money in daily life, a joint account won't make things better.

and realises her partner is financially abusing her.

BENEFITS: A joint account can help you keep up with shared expenses, as all the account holders can access money in the account and see all the transactions.

If one partner dies, the joint account funds go to the surviving partner who has continued access to the account. If the deceased partner had an individual account, that account may be frozen and take time to release.

Prevention of misuse

Generally, each person has a card to access the funds in a joint account. One of the main issues is that one of the account holders could withdraw all the money either via the card or online banking.

A **safety strategy** is to have limited funds in the account and only use it for groceries and household bills.

You could also **set up alerts for withdrawals** on the account. You would only get an alert after the money has left the account, but this is a way to keep track of all expenditure.

Respectful relationships & money

Spending habits and loans

How each person uses a joint account can impact on every other account holder. For example, if you wanted to take out a loan to buy a house, the bank would look at your spending habits. Banks take into consideration the amounts that are withdrawn from all your accounts and exactly what you are spending money on.

With a joint account, **what the other account holders do counts as your spending habits**. Essentially a bank wants to be sure that a customer can pay back a loan.

Relationship breakdowns

When there's a relationship breakdown, one person can ask the bank to freeze the funds while they either come to an agreement on how to divide the funds or get a court order to enforce this. But this does mean that neither partner would be able to access the funds in the account for quite some time.

This is another good reason not to have large sums of money in a joint account.

No one wants to be in a situation where they suddenly can't pay the rent or buy groceries because they're waiting on a court order

Family Violence

An alert system on your joint account sounds great if you're in a respectful relationship, but it's important to know that **alerts can be used for stalking purposes**. For example, your partner/ex-partner can track your geographic location via your bank transactions.

Financial abuse is family violence. If you have a feeling that something is not right, contact your bank about security on all your accounts. Contact WIRE for a supportive conversation about your situation.

To watch the videos go to:
www.wire.org.au/respectful-money-conversations/