

How To Choose a Bank

By Mike Dunn

Choosing the right bank that fits your needs is much easier today because there are many more options available to consumers.

The first thing you may want to consider is the type of banking business that fits your needs. If you travel a lot and need quick access to branch offices in other locations, then a national or regional bank will be the best one to choose. If you don't travel that much, however, and you place an emphasis on customer relations and like the idea of personally knowing the personnel at the bank, then a small, local bank will suit you just fine. A lot of times, people prefer smaller banks for their friendliness.

Once the issue of local or regional bank is decided, consider the convenience factor. Look for a bank that is close geographically to where you live or work and offers the same or similar services as other banks in town. Or you may want to gauge your choice on the bank's accessibility. If you are on the road every day, for example, and a bank is located in a convenient spot along your regular travel routine that might be the best one for you.

Most banks have similar services these days, but there are some differences. A good way to check the services a bank offers is to look up its Web site. That will supply you with information about the types of checking and savings accounts that are offered, interest rates on loans, what special services might be available, etc. Know ahead of time what kinds of things you are looking for in terms of service and penalties and perks. Does the bank you have in mind offer online banking and/or ATM service? Does it offer free checking? Does it offer direct deposit? Is the bank's interest rate lower than its competitors? Answers to these and other pertinent questions can usually be found online. If you have narrowed your choice down to two or three banks in terms of convenience and the type of banking business you do, then visiting the Web sites of the banks could help you make your final decision.

If you have researched online and have evaluated potential banks in terms of convenience and service and still aren't sure which one to choose, and then take the time to make a personal visit. Are the tellers friendly to you? Are they professional? Do you think you would feel comfortable coming to the bank office and sitting down with a loan officer? Different banks sometimes have different hours when the lobby is open to customers. Which bank offers hours that work best with your work schedule?

If you have just moved to a new location, you may want ask neighbors which bank they would recommend. Use that to narrow your choices, and then do your own research based upon the factors listed above.

Something else that is important in terms of choosing a bank is to know yourself. What is your purpose in opening an account? Do you have a plan to build a savings account or do you just want an account so that you have a place to have your paycheck deposited or where you can get your paycheck cashed? Is earning interest important to you? Answering these questions honestly can help you not just in choosing a bank, but in gauging your own personality in terms of finances.

If you're serious about savings, then you will want a bank that offers the best opportunities to its customers for keeping money deposited there. But beware. Before you make any arrangements, be aware of what the penalties are for early withdrawals. If you know you might have difficulty leaving the money untouched, then you may want to consider a contract where the penalties are less severe even though the interest is not as high. Your banker can help you with these decisions, but in the long run, it is best to know yourself and make decisions accordingly.

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