

## Parent and Carer Notes

### Lesson Title:

**What is a bank, and why does it matter?**

**Year Group:** Years 7–9

### What students learned and why it matters

In this lesson, students explored **what banks do and why they are important to society**.

They learned that banks are not just places to store money, but institutions that help society function smoothly and safely. Students discussed how difficult life would be if everyone had to keep all their money as cash at home, and how banks help reduce risks such as theft.

By the end of the lesson, students understood that banks help society by:

- **Keeping money safe**
- **Helping people save and grow their money**
- **Lending money** so people can buy homes, start businesses, or study
- **Making payments easy and secure** through cards and online banking

Students were encouraged to **evaluate these roles** and decide which they believe is most important, helping them practise reasoning, judgement, and explanation skills.

This matters because financial understanding helps young people:

- Make informed decisions in the future
- Understand how the economy works
- Develop confidence with money and financial services

### Key concepts and terminology explained

**Bank** – An organisation that looks after people's money and provides services such as saving, lending, and payments.

**Savings account** – A bank account where money is kept to earn interest over time.

**Interest** – Extra money paid by a bank as a reward for keeping savings with them.

**Loan** – Money borrowed from a bank that must be paid back over time.

**Mortgage** – A long-term loan used to buy a home.

**Vault** – A highly secure room used by banks to store valuable items and cash.

**Digital banking** – Managing money online using cards, apps, and websites rather than cash.

**Security** – Ways banks protect money, such as compensation schemes, encryption, PINs, and biometric data (fingerprints or face recognition).



## Discussion points to extend learning at home

- You could ask your child:
- Why do you think banks are important for everyday life?
- Which role of a bank do you think is the most important, and why?
- Would you rather keep money at home or in a bank? What are the risks of each?
- Why do banks charge interest on loans but pay interest on savings?
- How do you think banking might change in the future?

**Encourage your child to explain their thinking rather than just giving short answers.**

## Simple activities to try at home

- **Spot the banking:** Ask your child to notice how many times in one day money is used digitally (card payments, apps, online shopping).
- **Family banking talk:** Share how you use banks in everyday life (saving, paying bills, budgeting).
- **Interest challenge:** Ask your child to imagine saving £100 and discuss how earning interest might help it grow over time.