

## What is overdraft protection? Why should you get it?

When you have overdraft protection and don't have enough money in your account for a purchase you're trying to make, the bank will cover what you're missing - and the purchase will go through.

The bank will charge you an overdraft fee (either monthly or when you overdraw) to lend you enough money to complete your transaction.

When you set up overdraft protection, the bank will check your credit history and set the maximum amount they will lend you (your limit).

This is a form of debt so the bank will charge you interest on your loan, in addition to the overdraft fee. This will still be cheaper than not having overdraft protection and paying a 'bounced payment' fee for an incomplete transaction.