

EVERYDAY ECONOMY IN SWEDEN

There's a lot to think about when being new in Sweden. As one of the world's most connected and digitized countries, it's essential to have access to three banking services: a bank account, a debit card and online banking.

You need a bank account for your salary or benefits. A debit card makes it easy to withdraw cash at vending machines or pay with in stores. The online banking makes it easy to get an overview of your finances and pay your bills online.

The basics

Bank account

You need a bank account to manage your personal finances. It can have different names: salary account, personal account or private account. The name matters less, but what is important is that it enables the following services:

- Deposits, such as salary or benefits
- Payments by account transfers and direct debit
- Cash withdrawals

Direct debit

Direct debit means your recurring payments are automatically deducted from your account, without you having to do anything, before each payment. In order for this to work, you must first give the bank your consent, a so-called direct debit mandate. This means you have approved that a certain payment may be deducted from your account.

Bank card

In order to manage the account efficiently, you also need a bank card. When you pay with the card or use it to make withdrawals, money is deducted from the bank account the card is linked to. With the card, you can do the following things:

- Pay in shops
- Pay online
- Make ATM withdrawals

Online banking

To pay your bills, such as rent, electricity and telephone, the easiest way is to also have access to online banking. With online banking, you can, for example, do the following:

- Look at your balance and get an overview of your finances
- Pay bills
- Transfer money to other bank accounts
- Get an electronic ID

Electronic ID document

Obtaining an electronic ID document is a natural next step to be able to manage your everyday finances digitally, and easily access important services. In Sweden, BankID is primarily used.

An electronic ID document is comparable to a passport and a driver's license. Most often, it's in your mobile (Mobile BankID), but you can also use it on your computer or linked to your bank token.

A bank token is a physical device that you get from your bank. It's used both for identification when you log into the internet bank, as well as for handling bank matters on the internet bank (approvals/signatures).

You can for example use BankID to sign agreements, make bookings, send applications, and make purchases. You can also use BankID in contacts with Swedish authorities. To obtain a BankID you need the following:

- Have a Swedish social security number
- Be a customer at one of the banks issuing BankID
- Be able to identify yourself with an approved Swedish ID document, such as a Swedish passport or national ID.

An alternative to BankID is Freja eID. It's a free, government-approved mobile e-ID that you can obtain without having a Swedish bank account. Freja can be used as a physical ID in the mobile phone and to log into more than 300+ services online. The information you provide during the registration process is used to generate a digital ID card. This means you can have an ID document on your mobile phone by using Freja instead of a physical ID. During registration for Freja, you need to verify your identity with a physical ID document.

Comparison of Digital ID cards: BankID and Freja eID

BankID

With BankID's digital ID card, you can nowadays have your ID directly in your mobile, which makes it just as secure but more convenient than before. To view your ID, just open the app and follow the simple steps. You can activate the digital ID card with your Swedish passport or national ID card through a few, simple steps in the app.

Freja eID

Freja eID also offers a digital ID card that is user-friendly and flexible. During registration, you take a selfie that becomes your ID photo, which you can later change, if you wish. Freja eID can be used for a variety of services online, making it a practical option for many users.

An important thing to keep in mind with electronic ID documents: never give anyone access to your BankID by sharing it or logging in with your personal code. It's the same as you would handle your passport, never giving it to someone unknown.

Also, never use your digital ID if someone who contacts you, asks you to do so. The authorities, banks, police or companies that offer BankID never contact you by phone, SMS, e-mail or similar to urge you to log into or download a new BankID. If, on the other hand, you are the one who has made contact, you may be asked to identify yourself.

Payments

You can pay in different ways when you buy something. You can pay directly with coins or with banknotes. It's called paying in cash. You can also pay by card. In Sweden there are a few different card types:

Prepaid card

These cards are like wallets, where you have to deposit money before you can use them. They are not linked to any bank account, but you load them with money in advance. It's like a bank card, but without a bank account.

Debit card (bank card)

To get a debit card, you must have a bank account. When you pay by debit card, the amount is deducted directly from your bank account.

Credit card

A credit card works much like a debit card, but at the end of each month you receive an invoice. You can choose to either pay the entire invoice all at once, or if you want, divide the amount into several installments. If you choose to pay in installments, interest will be added to the remaining debt amount, since you are borrowing the money from the credit card company (credit is another word for loan). The amount of interest you have to pay varies slightly between different credit cards.

Invoice

Another way to pay is by invoice. You will receive the invoice from the merchant from whom you have purchased something. Sometimes invoices are sent by mail, e-mail or directly to your internet bank. You pay the invoice after you have received what you have bought. Invoices are also called bills.

Some examples are bills for television, internet, and rent. You can also get a phone bill, electricity bill and bills from preschools and after-school leisure centers. The bill contains information about how much you have to pay to which account and when the money needs to be paid, at the latest.

In shops and online, you can also pay by credit card. It means you shop first and pay later. The bank doesn't withdraw the money right away from your account, but you will receive a bill at the end of the month.

Swish

Swish is a mobile app that you can use to send money from your bank account to another person's account. Many companies are also connected to Swish, which means you can use Swish as a payment method.

To send money through Swish, you need a Mobile BankID. It's easiest to connect via your internet bank. After you've connected your bank account with your mobile number, you can send money or send a request to get money. You can see the name of the recipient before you approve a payment with Mobile BankID. Swish works around the clock, but it's necessary that the person receiving the money also uses Swish.

Contactless payments

Almost all Swedish debit and credit cards support contactless payments. It's commonly called "blippa". To use a contactless payment, you only need to hold your card against a card terminal to make the purchase. You don't need to insert the card and dial a PIN code to confirm the transaction. To "blippa" is both secure and flexible and can be used

for payments up to SEK 400. If the amount is higher, you can still "blippa", but you will then need to enter your PIN code as well. Sometimes, for security reasons, you may be asked to enter your PIN regardless of the amount.

Digital mailbox

A popular, digital service is the Digital mailbox. It's exactly what it sounds like, a service that collects mail digitally that you would normally receive in your regular mailbox. Since it's a digital service, it comes with extra features that are both smoother and more secure than a physical mailbox.

More than 140 authorities and municipalities use digital mailboxes. Kivra is by far the largest digital mailbox in Sweden with over 20,000 connected companies. With Kivra, you will receive important mail digitally, such as invoices, tax returns, pension specifications and credit information.

Examples of affiliated authorities are the Swedish Tax Agency, the Swedish Social Insurance Agency, CSN and the Swedish Public Employment Service.

A practical feature is that you can pay the bills and invoices you receive, directly in Kivra. You don't have to keep track of paper invoices and enter long OCR numbers. All it takes is a few keystrokes. Getting a digital mailbox is easy and only takes a minute.

You can get the service on www.kivra.se. When you create an account with Kivra, you need to enter your social security number, mobile number and e-mail address. The digital mailbox is linked to your personal identity number. The contact information is used to give you notifications when you receive new mail in Kivra. Currently, the service is only available in Swedish and English.

Kivra recommends using Mobile BankID to create a Kivra account.

Further information

Digital wallets

More and more people are choosing to enter their card details in a mobile app. Mostly, because it makes it easy to use the mobile to carry out transactions, both online and in store. You usually already have your phone in your hand, which means that you don't have to take your wallet out of your bag or pocket. If you don't already have it in your hand, you probably have it in an easily accessible place. The most common mobile payments are made with Apple Pay, Google Pay or Samsung Wallet. It all depends on which manufacturer made the mobile.

Wearables

A growing market is so-called wearables. It relies on the same technology found in debit and credit cards to run contactless payments. The technology is built into different types of accessories, making it possible to tap and pay with rings, bracelets, watches, key chains and much more. You simply tap your wearable against the payment terminal instead of using your card, when you pay at checkout.

Great apps for mobile

BankID (Digital identification)

Swish (Send money digitally)

Kivra (Digital mailbox)

Bank

1177 (Health care contact)

Parking

Taxi

Public transport

Digital Wallet

Foodora/Uber Eats

Websites with useful information

The Swedish Migration Agency

In Sweden, the Swedish Migration Agency is the authority that considers applications from people who want to live in Sweden, visit the country, seek protection from persecution or be granted Swedish citizenship.

www.migrationsverket.se

Informationsverige.se – the guide to the Swedish society

This is a website about the Swedish society, with information about Sweden for asylum seekers and people who have recently been granted a residence permit. The information comes in several languages, and includes topics about financial support, and how the Swedish healthcare system works.

You get to know about social orientation, how to learn Swedish and information specifically aimed at you as a parent. You will learn which authorities you come into contact with when arriving in the country for the first time. You can also follow the procedure, from the moment you apply for asylum until you are involved in Swedish society, working or studying.

www.informationsverige.se