

First right of appropriation of funds order

This means you have the right to tell the bank how you want the money that will be paid into your account to be used.

If you don't give your bank instructions at the time of payment, then they may decide how the money should be used.

If your account is overdrawn and the £500 would be used to clear the overdraft you will need to write to your bank and advise them how the fund should be allocated. E.g. pay rent or utility bill.

How do I request a first right of appropriation of funds order?

You need to write to your bank at least seven days before your payment is due, making it clear what the payment of £500 should cover

For example, you may want to instruct your bank or building society:

"On or around **enter date of payment** I will receive a payment of £500 from my Local Authority to be paid into my current account number 0101010101. I am exercising my first right of appropriation over these funds and wish you to pay the following items from it: e.g £75 standing order payable to my landlord, Mr Smith on the 25th of the month."

Keep a copy of the letter in case there is any dispute later. You may want to ask your bank/building society for a written acknowledgement of your instructions.