

From: Richard Warren, Portland, OR

Subject: Electronic Fund Transfers

Comments:

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Dear Federal Reserve Board:

I have had problems with overdraft "protection" and fees for the majority of the last 20 years. However, I think the latest situation I encountered tops them all for sheer stupidity. I bank at Washington Mutual (now CHASE) and have been mostly pleased until about 2 weeks ago, when I noticed an automatic transfer and \$12 "courtesy fee". I checked my account and spoke to an account representative. She told me that I had 2 "pending" transactions that would have overdrawn my checking account by \$0.08. (Yes, 8 cents. Yes, pending transactions, they had not gone through yet.) So they transferred enough money to cover the pending transactions AND their fee, and charged me \$12 for the "courtesy". I use on-line banking all the time and I have automatic notices set up to let me know when my account balance drops below a certain point (which is how I found out about this). I set it up that way so that I can go in and transfer the money myself, which I would've done. I spoke with the customer service rep at some length and she insisted there was nothing she could do. I emailed customer service, explained all of the above, and requested they reverse the \$12 fee. The amount of money is negligible (especially compared with the hundreds of dollars in overdraft fees I used to get in the "90s), but I could not allow their actions and their explanation to go unchallenged. I know times are tough but this incident seems desperate even for a bank. (A \$12 charge for a possible future overdraft of EIGHT CENTS on a PENDING transaction? Which, by the way, still hadn't gone through 2 days later.) I got a response from Chase in the form of a letter which reiterated what they did and their reason (which I already knew and in fact had put in my email to them). They have not reversed the fee. I will be switching banks, although I am clear the overall problem is not limited to a single bank (I had worse problems at the credit union I used to belong to), it is with practices throughout the banking industry. While this incident is certainly minor, involving miniscule amounts of money, in a way that makes it even more desperate. Banks would rather lose a customer over \$0.08 than reverse a \$12 fee? I guess as long as they can rely on industry-wide practices and a lack of regulation they figure customers have no choice. Unfortunately, they are mostly right. Regulatory intervention would be most welcome by most bank customers.

Sincerely,

Richard Warren