

From: Paul Russell

Subject: Debit Card Fees

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Proposal: Study on Disclosures of Debit Card Fees
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Comments:

@@@Secretary Jennifer J. Johnson:

Thank you for allowing me to comment on Docket No. OP-1196. In contrast to what a few of the bank executives are commenting, I would have to say that a majority of bank cardholders are unaware of these extra fees in place. The statements themselves are vague. They are "made aware" by the next bank statement (if they are the meticulous type) or the bounced check once it's too late (and this can result in extra fees imposed...by the banks, of course). My business bank now charges me two fees for using an ATM. It was entirely vague. The statement showed "\$1.50 transaction fee, \$1.50 transaction fee" on it. Obviously that was just so informative and I just know exactly what that extra \$1.50 was for; I am so aware of that extra fee because it is on my statement (what nonsense). I had thought I was accidentally getting charged twice because I wasn't informed about it from the bank during the Point of Sale (or in this case the ATM withdrawal). Once getting the statement with the fees imposed on it, it is hard to reach someone on the telephone who can actually help you.

Calling any large institution these days puts you directly into an automatic menu system. Eventually you'll come to a live person, but don't count on them knowing anything about your problem. I'll admit it is easier to get someone at a local bank; however, after talking to someone, being put on hold, talking to someone else, and then having a manager inform me that some extra fee was correct is infuriating to say the least. When did they bother to tell me about this fee? It was the fine print somewhere on an earlier document. I still haven't found it yet, but I'm sure a bank lawyer would be happy to show me in court. I wish I could charge my clients more money some hours I work without actually informing them until they get the invoice. I'm sorry, but

that's tantamount to stealing.

Ironically, I can see the point of ATM user fees. In fact, a consumer does have to "pay for the convenience." If the consumer wanted to avoid the ATM fee, then the consumer has to take money out during the proper business hours and stand in line like normal. However, banks (albeit not all banks) charge for checks. As they started charging a check fee they said it was due to the processing of those paper checks and getting them cancelled and back to the consumer. They offered the Debit card which is just like a check only faster and without the extra check fees. (The convenience is entirely negligible here because one can write out a check just as quick as one can go through the card-swipe process.) The consumer was "helping the bank" save on paper transactions by using these cards, and thusly not needing to pay an extra monthly fee for extra checks. Now that the consumer is dependant on the card more than the check (especially a consumer with arthritis or some other infliction), the banks now charge consumers extra without even the courtesy of disclosure on the receipt at the Point of Transaction sale. Signing up for a checking account, you know up front how many checks you may cash per month without fees.

The average consumers, especially those living paycheck-to-paycheck or college students or senior citizens, rely on the accuracy of sale receipts to balance their account books. I remember this well as a college student. Not all people with bank accounts can afford to hold large amounts of cash in them like the bank executives writing their comments to you. While at a store using Point Of Transaction sales, one usually keeps the receipt as a sort of "proof" of money taken out of the bank account. He or she writes that number into the checkbook later at home (the checkbook is at home, that's why the card is being used). Now we are being told this may not be the accurate number to enter into the account book.

The bank is actually taking out more of someone's money this way and can actually cause that person to bounce her account. Plus, as per the focus of these allowed comments, the banks now apparently aren't even informing their own customers at the Point of Transaction sale. Everyone just has to "remember" that Friday night's date also consisted of the extra \$1.50 for groceries, the \$1.50 for flowers, the \$1.50 for the movie tickets, and the \$1.50 for ice cream afterwards. That's hypothetically six dollars taken out of one bank account without expressed consent in just one night. Add a few more purchases over the weekend (which is probable) and it starts to show an unnoticed deficit that could bounce a legitimate paper check used for bills later in the month before the statement is issued. This, in turn, causes the bank to get even more of a consumer's money through the bounced check fees.

There is even the dual usage of the bank card that makes this more confusing to the average consumer. Did consumer Bob use the "credit" option or the "debit" option when purchasing the batteries at Wal-Mart last week? Bob can't recall, and now all he has is the receipt with a possible incorrect amount on it. He'll have to wait until the statement next month.

Additional disclosures (and by this I'm talking about at the Point of Transaction Sale so it can be stated on the receipt) would greatly benefit consumers because they would show exactly how much money was being withdrawn so it can be entered correctly into a check book. After all, that is why the receipt is given to a consumer at the Point of Transaction. It is there as a paper document the consumer needs to write into her checkbook for her records. Fewer, not more, checks will be bounced if banks are required additional disclosure for fees during the Point of Transaction sale.

I'm assuming that this doesn't seem to be realistic at the present time; so

then the banks should not be able to impose such fees until the discrepancy is fixed. I certainly do not want to have to explain to the IRS why my business receipts show differently than my bank statements. Furthermore, it should be up to the banks to spend their own money to fit the stores they want with these technologically advanced devices so that they can reap the extra fees they now want from their customers. When a consumer buys something with a Debit Card, it should show how much was debited from the checking account at the Point of Transaction sale, period. Even ATMs show you that much. Right now when someone purchases something, the digital display usually states the amount and then asks "is this correct?" or "do you agree to this fee?". However, now it won't be if these banks get their way.

They are already enjoying the low interest rates while charging me outrageous APRs like 24% because I was late on several payments in one year. I'm one of their best customers because I keep paying and paying, and sometimes forget to pay a credit card before traveling somewhere (making it "late" by the time I get back). And as one of their best customers I say they must disclose any extra fee they pass on to consumers.

Adding these hidden fees makes it more confusing to a consumer to remember how much is in his bank account. Also, contrary to what a few of the comments from bank executives have been stating, the monthly bank statements are not as crystal clear to consumers as they would have you think. Many times actual transactions authorized are just as vague as the general fees and it is up to the consumer to study the statement to verify. Unlike actual cancelled checks, debit or credit transactions do not always use "plain English" on the statement; sometimes they show things such as "Purch citgo8035 #7 Navarre" or "ATM DB Nonlocal." If they want to give consumers a crystal clear statement where everything is "disclosed" appropriately, they should emulate the telephone and cable bills I receive. I know every fee imposed on those bills. No cable or telephone bill I get shows fees with general terms like "maintenance fee" or "transaction fee."

I am closing this comment with just some last minute pleas and begs. Where does this end? Undisclosed fees during a check card Point of Transaction sale? Weren't the cards made for making the banks' lives easier? And this fee is how they thank us? Many banks have stopped sending consumers their cancelled checks (due to saving money) and even charge a fee for consumers to receive their cancelled checks (due to saving money). I already pay a monthly fee many times for not carrying the "minimum daily balance" in my checking account. I'm counting the days until the e-check carries a fee with it (as it requires no effort on their part at all to process them, much like the Debit cards in question). The whole banking process is starting to become inconvenient due to these "convenient" fees, especially when consumers do not know about them until the bank statement. Yes, I surely need to start making a spot underneath my bed to hold my money without these ridiculous undisclosed fees. I appreciate your time on this matter.

Sincerely,

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