

Itumeleng Lesofe

From: A World of Options [worldopt@telkomsa.net]
Sent: Saturday, April 22, 2006 12:27 PM
To: Banking Enquiry
Subject: Invited comments`on Commission of Enquiry

Dear Sirs,

Thank you for the invitation, as aired on TV News on Friday, 21st April, for individuals to submit comments on the Commission of Enquiry pertaining to bank charges in our country. I am delighted that this Commission of Enquiry will, at long last, be able to conduct a thorough investigation that will result in a more equitable and less greedy application of these charges.

My comments are as follows:

- a) Each banking transaction is subject to a basic fee (my bank 's fee is R3.40) **PLUS** an additional charge based on a percentage of the transaction. This translates into each CASH deposit of R1000 costing R12,40 and its withdrawal being subject to the same transaction charge. *In my opinion, having to pay such exorbitant amounts to deposit and access your own money, can only be described as ludicrous and avaricious. This is in addition to the bank's monthly SERVICE FEE to which one's account is subjected.*
- b) It only requires one to imagine the scene at thousands of ATM's around the country on a Thursday, Friday and Saturday of each week, when most of our workforce has been paid. Seemingly neverending queues wait patiently to withdraw some of their hard-earned money for a minimum fee of R3,40. *It doesn't surprise me, as reported on the news, that bank fees constitute approximately 50% of a bank's turnover, and that our bank charges and banks' returns on capital are amongst the highest in the world.*
- c) This seemingly endless flow of money has resulted in banks literally throwing money at sponsorships (*some of which are well deserved*), advertising, television shows, sporting and other events in an attempt to woo a captive market to their particular bank whose fees and services don't vary greatly from their competitors.
- d) It has also resulted in remuneration levels of some top people bordering on the obscene. I refer particularly to a recent news item that reported a CEO of one of the top banks having received a remuneration for salary and bonuses in excess of R11million. *Call me old-fashioned, but I've either lost track of the value of our money or this guy is a "wunderkind". Either way, in my opinion, no-one but no-one's position merits that sort of money even if he's working 24/7/365.*
- e) They have become seemingly so immersed in the business of winning clients and making money that they have developed a type of tunnel-vision in this regard at the expense of the clients who enable them to function at these levels.
- f) While I agree that banks need to charge for the services that they render, it is essential that they review their practices, in the light of the long-term developmental interests of the country and its people, as a priority.

I thank you again for this opportunity of being able to air my views and wish your Commission of Enquiry all of the success that it deserves

Yours faithfully

BM Norris (Mr)