

Itumeleng Lesofe

From: Elan Gamaker [elangamaker@yahoo.com]
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To: Banking Enquiry
Subject: Banking Fees

To Whom It May Concern

Firstly many thanks for launching this probe and for offering the public chance to have their say. Both are long overdue.

While it may not surprise the commission to hear that I feel bank charges in this country are generally too high and often unnecessary, I would like to offer the viewpoint on the matter from someone who has lived overseas.

I've lived in the Netherlands, London and New York, and nowhere have bank charges come close to equalling those of South African banks. This is particularly galling when considering the high charge of services in the US.

Banks in the UK do not charge for anything, except overdrafts and bounced cheques. Yet their banking system is not as advanced as ours and they still have many manual operations. Were are more electronic, where the majority of transfers happen via computer, yet charges are exorbitant. Why does it cost R6,50 (I'm with Standard Bank) for an online payment? This happens in a millisecond and uses no 'time' that can be attributed to expenses, such as paying staff (and webmasters aren't included here, as I pay R21 per month for the online service... but other banks charge nothing).

While I can accept the need to charge for cash transactions given our high rate of theft and cash-in-transit heists, the great differential of charges from bank to bank and overall high rate common to all banks suggests price fixing contrary to competition guidelines set up for an economy like ours. Banks seem to want fiscal freedom yet impose prices as though they're a monopoly (a guilty pleasure Telkom licks its lips to every day).

I would recommend that the commission enforce (for recommendations will go unheeded) a set rate based on reasonable returns and value for money, and set this across all banks (if all stationers sell magazines at the same price, the banks can do the same with transaction fees). Or, that banks be required to donate a minimum percentage of bank fees to charities specified by clients. At least I'll know where my money's going.

And finally, why, if I receive a cheque deposited into my account, do I pay R70 for the pleasure of the money appearing in my account a week later, the bank having earned at least as much in interest in the intervening days.

Banks in South Africa seem to realise charging customers hidden and high charges beyond their control is a simpler, better, faster way of making as much money as possible.

Kind regards
Elan Gamaker

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