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From: "Heidemarie" <havos@netactive.co.za>
 To: <banking@inquiry@compcon.co.za> *WRing*
 Sent: Thursday, January 03, 2002 2:42 AM
 Subject: Attn: Keith Weeks re curbing some banking practise

Dear ~~Keith~~ *Commissioner*

I am living in South Africa since 1991 (my husband is a South African) and I have yet to be able to balance my checkbook. Why? Because of the ridiculous charges that the bank just seems to add on. I lived in both England and the USA and Germany and in none of these countries did I have to deal with charges like stamp duties, admin fee, ledger fee, cash deposit fee, service fee, ATM fee, transfer fee, as well as interest and a percentage of the amount of the check written, which no matter how much of a financial whizz one can be is virtually impossible to remember what ones charges are.

Considering the average earning power in this country in the middle class is still about 1/6th to 1/10 of what is being earned in the UK or US and Europe, the banking client in South Africa is being charged about 10 times more than a client in the US would be charged.

Looking at the average wage here at about R4000 (optimistically) and being charged over R400 by the bank in fees monthly is outrageous. That is about 10% of ones earnings just going on having banking facilities and that is the amount people should be able to put into their savings account. However, even the savings account is being dwindled away by service charges, so it doesn't even pay to start a savings account with R100, which will cost you R110 if paid in cash and try and build it up. R75 for a returned check only because I couldn't balance the checkbook in the first place - considering earning Rand is an outrageous amount.

One has to ask oneself, why is Britain able to provide free banking? And why is the US charging very set amounts? My charges in my US account are \$7.50 per month (and mind that is based on earning US dollars) and this charge falls away if I have a balance of \$1,000 and I get paid interest. I do buy my checkbooks and if I write more than 3 cheques I pay 20cents per cheque no matter what the value of the check.

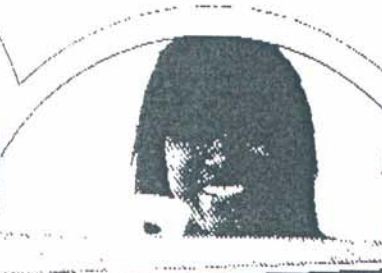
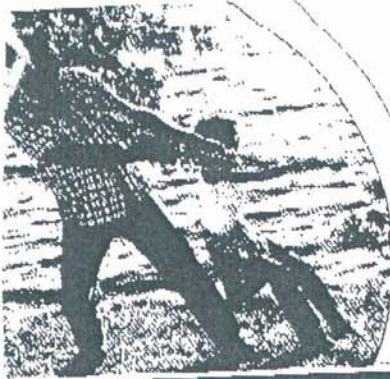
One could live with one charge of R7.50 per month service fee and R0.20 per check or withdrawal no matter what value and then one could actually balance ones chequebook.

There is no real service given by the banks - there is also a statement fee, and everytime I bring US dollars into my account I not only am given the lowest exchange rate, but then they charge a commission on top of a R95 service fee.

Charging on the value of a cheque would be rendered totally illegal in the US. I know because my last job was working for the Comptroller of the Currency, a division within US Treasury. We regulated National Banks. Another Division within Treasury regulated the other banks, but it's the Comptroller's office that would propose national banking policy which of course had to be endorsed by the Secretary of the Treasury and go through proper channels to become law. Aside of setting policy, it also policed investment, securities and bond trading at the National Banks - we had investigators out on a regular basis checking traders on banking irregularities or following up complaints from the public. These complaints would be acted upon very swiftly. It is the banks that paid a fee to the Comptroller of the Currency for its supervision. I do recall, although we were Civil Servants we were not paid from tax dollars but from fees banks paid to the Comptroller's office.

The way things are here in South Africa, there seems to be no regulation. One bank puts its fees up and the others follow. If one thinks of another fee to add to charge the public, the others follow. In my own case, if one thinks that I've been paying R400 per month = R4800 per year and that in the years I have been here (15) comes to R72,000, although the fees to begin with were a bit lower, I could have bought a flat on banking fees alone and that is quite unfair by comparison of earning power. There is no huge difference in being with one bank or another here in South Africa as they all are on the take of the consumer.

1/3/2002



MR AG VOS

4 REITZ ROAD
MILL PARK
6001

Greenbacks Account No: 9397-0105-0281
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ACCOUNT SUMMARY AS AT 13/04/2006

OPENING BALANCE	3,316
New Greenbacks	0
Bonus Greenbacks	0
Greenbacks Redeemed	0
Adjustments	0
CLOSING BALANCE	3,316

ACCOUNT STATEMENT

OPENING GREENBACKS BALANCE	3,316
TOTAL GREENBACKS EARNED	0
TOTAL GREENBACKS REDEEMED	0
TOTAL BONUS GREENBACKS	0
TOTAL ADJUSTMENTS	0
CLOSING GREENBACKS BALANCE	3,316

INFORMATION

According to your Nedbank Greenbacks statement you have not earned Greenbacks recently. Please note that, if the eligible spend on your card is zero for a period of five months, your Greenbacks account will be closed and any Greenbacks points forfeited. However, you may within three months of your Greenbacks account being closed request to reopen it, for which there will be a fee. Terms and conditions apply.

This is another example of forcing the consumer to spend money on his credit card or he'll lose out on a "Benefit" which he then has to pay for to be reinstated. I call this a "rip off" and a Scindle as

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NO consumer asked for this "Benefit" It's just something the bank concocted.

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CML Savage GT Serobe JH Sutechane (Tribunal) Company Secretary: GS Nienaber 15 08 2005

We subscribe to the Code of Banking Practice of The Banking Association South Africa and, for unresolved disputes, support resolution through the Ombudsman for Banking Services.