

Itumeleng Lesofe

From: Frank Dawber [nnorkie@tiscali.co.za]
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To: Banking Enquiry
Subject: BANKING ENQUIRY

To: Keith Weeks

From: Frank Dawber
Email: popmediaza@yahoo.com

I manage three companies, one of which is a BBBEE (Broad Based Black Economic Empowerment) company which requires that we pay many of our staff through direct internet cash payments into their bank card accounts and furthermore internet payments to small one man businesses which serve as subcontractors to our company.

These payments draw up to half % on each transaction and in addition an additional fee is charged when the receiving party draws the cash from their own cash card account.

These charges are tantamount to theft bearing in mind that when these small accounts are in credit they earn a minimum of interest whereas the Bank is, when lending it's money using all the cash deposits they have on hand charged between 17% and 21% on overdraft.

This is a severe penalty to the growth and development of the new developing SSME companies and contrary to Government policy of encouraging growth of small companies.

The imposition of penalties on banking accounts which on occasion exceed the overdraft limits is also outrageous to say the least.

We had a recent incident where monies due to the company were paid into an incorrect account at the month end, resulting in the company exceeding it's limit by +- R9000.00.

All the debit orders were returned to bring the account back into the overdraft limit.

This incurred a penalty of R1000.00 even though to the Bank account, was brought back into credit by further deposits within 2 days.

Based on interest charges this amounts to 11% per day or 4015% per annum.

No where in the rest of the Banking world do we find these kind of charges.

It would be of interest to all people and companies who operate a Bank account, if the four (4) major Banks could explain these charges and furthermore explain why in other countries e.g. England and America most current accounts i.e. cheque accounts do not carry anywhere near these kind of fees.

