

25 July 2006

The ombudsman for banking services  
Fax: 011 838 0043

9 PAGES

Cc: Absa customer care  
Katrina  
Fax: 011 3507733

Cc: Juanita  
ABSA Private Bank  
011 675 6596

Cc: Competition Commission  
The Commissioner  
Fax: 012 394 4332

Dear Sir / Madam

RE: EXCESSIVE FEES CHARGED BY ABSA / INFERIOR SERVICE

My complaint is three fold, and I will itemize all areas of concern. First and foremost my details are the following:

Noelene Harding  
Cheque account: 405 200 4561  
Platinum one account: 405 966 1536  
Personal Banker: Zelda Verhoef (ABSA - Private Bank Clearwater )

1) Excessive fees

I have had a Platinum one account (405 966 1536) since June 2003. I had a facility of R190 000 and this package financed my previous home. This year I sold my home and bought a house for R2 million. I retained the same account, the old home was paid off and my facility increased to R2 million to fund the new home. The Platinum one agreement, contains a specific clause (9.1.2). This entitles the bank to levy an initial administration fee of .30% on the total / increased facility. I attach the contract hereto. In this regard my complaint is the following:

I have retained the same account. The previous debt was settled and a new facility on the account was granted. I was levied an initial administration fee on the first home, and should have just paid an administration fee on the increased facility on the same account which I have retained. Instead the bank has charged an initial administration fee on my first loan of R990 000, and now I am obliged to pay an initial administration fee again on the R2 million, whereas the same account has been retained and my facility has been increased to R2 million. I do not believe that it is fair to charge an initial administration fee again on the full amount again, as I am currently a Platinum one client. Only the increased facility should have been taken into cognizance. I have paid R6000 in initial administration fees, where I believe I should have paid R3030 on the increased facility, as

no new account was opened. The fact that I signed an unfair contract as a subservient party has no bearing on the fact, that this is an unfair, unclear and vague provision, which is non-negotiable in any event, and agreement thereto, does not by that very fact render it fair, it is actually more unfair due to the fact that it is non-negotiable, (contract alludes to ('on the total / increased facility')), where it should just be "increased". Where the bank argues that the property description has changed, even though the account number remains a long existing one does this still justify an initial administration fee of R6000 being charged on an account which has existed for 3 years, (hardly new) where an initial administration fee was already paid on the first R990 000 before and this should have just been a fee on the increased facility? **I thought initial was exactly that, initial non-recurring charges, and an additional fee should only be charged on the increased facility.**

On the 21 July 2006 an amount of R20 000 was transferred to my platinum one account.

R12 734 attorney's fees

R 6000 initial administration fees (which I am contesting, it should be R3030)

A remaining amount of R1873 is unaccounted for and I want that refunded to my cheque account.

**In this regard my total claim would be the amount of R 2970 which should be refunded considering that I should only have paid R3030 on the increased facility, and R1 873 which the bank cannot explain. Total refund R4843.**

2)The other source of my gripe with ABSA is that I am not informed of monies that will be taken off my account. My money is treated as the bank's. To this end **I have not been told:**

a)How much will be taken (bond) on the 1 Aug as registration occurred 18 July 2006.

b)When the insurance of R4 616 for my home will go off.

c)What will the bond instalment be from 1 Sept 2006, as interest rates have gone up.

When large amounts go off it comes as an unpleasant surprise due to lack of communication, and when I appear upset, and vocally so, the bank does not understand why! How can I budget if I am not forewarned?

3)Lastly. ABSA's fees are the highest in the world, and last time I checked we were an emerging market, and not the richest of countries! I have to pay fees of R244 a month for debit order, service fees (bad service), cheque (which I don't use), sweeping facility (which I have not chosen ) and set off fees (don't even know what that is). Why do we have to be subject to conditional selling, and standard contracts where we are subservient parties, having to accept excessive charges? Does this not perpetuate the problem we have with bank fees in this country. I am not using all services, but I have to pay for all, I pay R450 in monthly bank charges, plus excessive finance charges and recurring initial administration fees. This is unacceptable.

Noelene Harding

PH 011 375 3282

Cell 082 523 7888

Noelene.harding@za.prosperityhealth.com

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Cor Christiaan de Wet Street and Millennium Boulevard  
Strubens Valley Extension 12  
PO Box 331 Strubens Valley 1735  
Tel 011 997 1000  
Fax 011 675 6592  
Swift Address: ABSA ZA JJ  
http://www.absa.co.za

TRACKING MBYXT 90001070

MR DM & MRS NV HARDING  
P O BOX 2508  
CRESTA  
2118

05 June 2006

Absa Private Bank Platinum One

Dear Mr & Mrs Harding

We refer to the discussions between yourself and **Zelda Verhoef** of ABSA Bank Limited ("BANK") on ..... and are pleased to inform you that the BANK has approved a banking facility ("FACILITY") as set out hereunder.

1 FACILITY

The amount of the FACILITY is **R2000 000-00 (Two Million Rand)** and will be available on an account to be opened for you at the **Northcliff Branch** of the BANK ("LOAN ACCOUNT").

2 NATURE OF FACILITY

- 2.1 You will be able to make transfers from the LOAN ACCOUNT to the cheque account referred to in 5.
- 2.2 The LOAN ACCOUNT will be accessible via the cheque account by means of the Internet, Telephone Banking, Automatic Teller Machines or the Bank's credit or other cards.

*Handwritten notes:*  
R 10 734.00  
K 6 000.  
AH fees  
Setup fee.

BARCLAYS

PRIVATE BANK

ABS SA

*Handwritten:*  
12-11-06

3 REPAYMENT OF THE FACILITY

- 3.1 The facility must be repaid in monthly installments of not less than **R17 450-00 (Seventeen Thousand Four Hundred And Fifty Rand)**, which instalments may change due to changes in the Bank's prime overdraft rate or your financial position.
- 3.2 An amount of **R2000 000-00 (Two Million Rand)** of the FACILITY will be treated as a residential mortgage loan in respect of your residential dwelling situated at **Erf 303 Featherbrooke Estate Ext 2 Roodepoort (Res)** ("PROPERTY") - this is based on **90%** of our valuation of the abovementioned PROPERTY.
- 3.3 Should the monthly instalments as specified above fall into arrears, the interest rate applicable to the FACILITY will be reviewed.

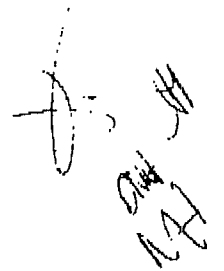
4 DURATION OF FACILITY

The FACILITY is granted -

- 4.1 on the above basis with an annual review of the terms and conditions thereof;
- 4.2 on the basis of, amongst other things, your current financial position disclosed to us and that the BANK, from time to time, may require updated information on your financial position.

5 CHEQUE ACCOUNT

It is an express condition of the FACILITY that you will maintain an active cheque account at the BANK ("CHEQUE ACCOUNT").

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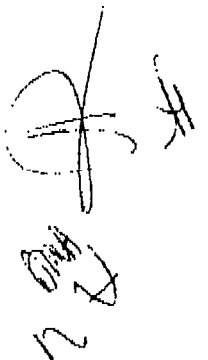
## 6 SET-OFF AND SWEEPING

- 6.1 The credit balance in the CHEQUE ACCOUNT will be set-off against the debit balance in the LOAN ACCOUNT whereupon interest will be calculated on the net balance.
- 6.2 At the end of each day the BANK will check the funds available in the CHEQUE ACCOUNT and sweep the necessary money from the LOAN ACCOUNT in order to keep the CHEQUE ACCOUNT at the minimum balance level you requested, but only for as long as the debit balance on the loan account does not exceed the amount of the total FACILITY.
- 6.3 Sweeping of account balances will be applied from the LOAN ACCOUNT to the CHEQUE ACCOUNT at a level of your choice.

## 7 SECURITY

It is a condition that

- 7.1 you will provide us with confirmation by an insurance company, acceptable to the BANK, that the total PROPERTY, including any improvements on the PROPERTY (including a sectional title unit), has been insured for its replacement value for all risks against which any such property will normally be insured;
- 7.2 should the insurance company not form part of the ABSA group of companies, the policy will need to be ceded to ABSA Bank;
- 7.3 the following additional security is required by the BANK, viz
- 7.3.1 1<sup>st</sup> Continuing Covering Mortgage Bond in the Capital Amount of R2205 000-00 plus interest and costs to be registered over Erf 303 Featherbrooke Estate Ext 2 Roodepoort;
- 7.3.2 Cession of Fire and Sasria Policy for the amount of R1689774-00 to be registered over Erf 303 Featherbrooke Estate Ext 2 Roodepoort;

Handwritten signature and initials, possibly 'JH' and 'R 2'.

## 8 INTEREST

- 8.1 The interest rates applicable to the outstanding amounts under the FACILITY will be calculated as follows and are payable monthly in arrear:
- 8.1.1 In respect of amounts equal to 80% (Eighty percent) of the loan related to the value of the PROPERTY, a rate equal to the Bank's prime overdraft rate, from time to time, less two (2) percentage points
  - 8.1.2 In respect of amounts outstanding not referred to in 8.1.1 but secured by the BOND or any of the securities referred to in 7.4, a rate equal to the BANK'S prime overdraft rate, from time to time, less one comma five (1,5) percentage points.
  - 8.1.3 In respect of any other amounts outstanding, except any amounts by which the amount of the FACILITY is exceeded from time to time, a rate equal to the BANK'S prime overdraft rate from time to time..
  - 8.1.4 In respect of any amounts by which the amount of the FACILITY is exceeded from time to time, a rate equal to the BANK'S prime overdraft from time to time, plus three (3) percentage points.
  - 8.1.5 Should
    - 8.1.5.1 you fail to comply with any term or condition of this letter;
    - 8.1.5.2 any cheque drawn by you or any other debit instrument issued by you or on your behalf be dishonoured for a lack of funds;
    - 8.1.5.3 any material deterioration in your financial position occur;
    - 8.1.5.4 should the monthly instalments, as specified above, fall into arrears,

and without derogating from the provisions of 12, the BANK shall be entitled to increase the interest rates

*[Handwritten signature and initials]*

referred to in 8.1.1 to 8.1.3 to a rate, which will not exceed a rate equal to the Bank's prime overdraft rate, from time to time, plus five (5) percent.

- 8.2 For the purpose only of calculating interest on amounts outstanding under the FACILITY, all balances (whether credit or debit), will be set off against each other so that interest will be calculated on a net balance on the LOAN ACCOUNT only.
- 8.3 Subject to 8.2, interest on any net credit balances will be calculated at a rate determined by the BANK (which rate will not be less than the BANK'S Call rate) from time to time.
- 8.4 Interest will be calculated on the daily balance capitalised monthly and payable monthly in arrear on an annual rate, as the case may be, on the LOAN ACCOUNT and the CHEQUE ACCOUNT and be debited or credited to the LOAN ACCOUNT.

## 9 CHARGES

- 9.1 The following fees will be payable in respect of the CHEQUE ACCOUNT and the LOAN ACCOUNT:
  - 9.1.1 R244,00 (two hundred and forty four rand) per month in respect of cheque and debit order service fees as well as sweeping and set-off fees, irrespective of whether a debit or a credit balance is reflected, which will be debited to the CHEQUE ACCOUNT.
  - 9.1.2 An initial administration fee of **R6000-00** which is 0,30% (as part of finance charges) on the total/increased facility of **R2000 000-00** will be charged.
- 9.2 This fees are subject to review from time to time.

*[Handwritten signature]*  
M. J. J. J.

10 CHANGE IN CIRCUMSTANCES

If at any time and from time to time circumstances beyond the Bank's control (except for changes in the rate of tax on the overall net income of the BANK) result in a decrease of the Bank's margin in respect of the FACILITY, the BANK after having given you at least 7 (seven) days' notice in writing, will be entitled to increase either the interest rate or the charges in terms of this letter so that the margin will be restored to what it

had been prior to such decrease, provided that if you deem such increase to be excessive, you may with 30 (thirty) days notice in writing to the BANK, declare your intent to withdraw from the FACILITY without any penalty, in which case you will be obliged to repay all amounts outstanding before expiry of the said 30 (thirty) days.

11 CONDITIONS

The BANK will require from you, in writing, from time to time such financial information and such other particulars as may be necessary to enable the BANK to assess your financial position.

11.1 Platinum account number 4059661536 to be closed.

12 BREACH

The BANK shall be entitled to cancel the FACILITY and demand immediate payment of all outstanding amounts under the FACILITY should

12.1 you fail to comply with any term or condition of this facility letter;

12.2 any cheque drawn by you or any other debit instrument issued by you or on your behalf be dishonoured for a lack of funds;

12.3 any material deterioration in your financial position occur; or

12.4 the monthly instalments, as specified above, fall into arrears.

*[Handwritten signature and initials]*

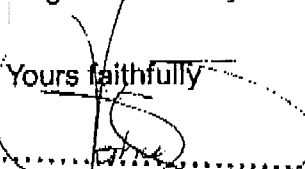
13 WITHDRAWAL

If the BOND is not registered due to your withdrawal after signature of this facility letter, you will be obliged to pay the BANK or the Bank's attorneys all costs incurred, including administration fees, attorneys fees, valuation fees and disbursements.

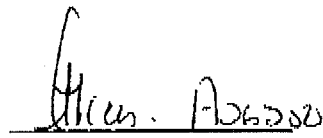
If you agree with the contents of this facility letter, please sign the copy thereof and thereafter send the signed copy to us at the above address.

Thank you for choosing ABSA as your financial partner. We look forward to a long and mutually beneficial relationship with you.

Yours faithfully

  
ZELDA VERHOEF  
2321388  
PERSONAL BANKER  
PRIVATE BANK ABSA  
STRUBENSVALLEY / 2500

On behalf of the BANK,  
duly authorised thereto

  
M. A. Abeyaratne

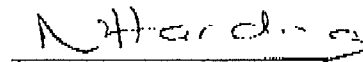
  
Peckenlie Steinhilber

On behalf of the BANK,  
duly authorised thereto

We, Noelene Vincenta Harding and Daniel Marcus Harding,  
agree with and accept the contents of this letter

SIGNED at Clearwater on 23 June 2006

  
DM HARDING

  
NV HARDING