

Kamogelo Seleka

From: Alison Ruth Joubert [Alison.Joubert@uct.ac.za]
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To: Banking Enquiry
Subject: banking enquiry

To whom it may concern

I see that the deadline for submissions has passed, but someone on the radio this morning (3 Nov 2006) suggested that people could still make submissions.

I have banked with Standard Bank for roughly 30 years.

About two years ago, I noticed that to withdraw R1000 of MY money from my Plusplan account (which used to be the SAVINGS account option with Standard Bank) I was being charged R16.00.

Outraged, I queried this, only to be told that (a) the new charges had been in effect for some time and (b) Plusplan was no longer a 'cheap' account to run and I should rather look at other options like some of the cheque accounts (the cheapest of these seems to cost about R75 a month which I don't happen to think is terribly cheap).

Well I started investigating other bank fees only to find that:

For a normal average person depositing a normal salary into a normal 'savings' account and making about 4 withdrawals a months you would LOSE

MONEY at all four major banks, including on their so-called low cost options like Mnanzi (if that is / was the name, which was a very limited

account). Significantly better, but still not providing you with any benefit from keeping money in the bank was PicknPay go banking. The only

way that actually PAID TO SAVE was Capitec bank. Withdrawal fees are minimal (I pay almost nothing to withdraw money from my Capitec account

even if I do so from an machine belonging to another bank) and interest

rates for positive balances go up to 10% depending on the balance.

The implications of this are huge. Here are some points:

(a) If Capitec can have such low charges and offer high interest rates on savings - why can't the big banks??

(b) It actually doesn't pay anyone in South Africa to save - it is ludicrous for the government to lecture the public about saving. Money in the bank LOSES you money - you don't earn enough interest to counterbalance the high charges.

(c) The poorer you are the more you pay (most banks charge more if you reduce your balance below a certain amount. (Capitec doesn't).

(d) If the big banks spent less are then rather revolting advertisements, perhaps they could charge us less..

I have a very simplistic attitude to banking. I want to put money in, take it out, pay bills and save. I have a PhD but I remain financially primitive, but I guess I grasp the more obvious facts. I earn a reasonable salary.

The vast majority of people in this country have very little education and very little money. Shame on the big banks for not making an HONEST effort to make their lot a little easier. When they do talk about their 'efforts' the smarmy corporate speak is enough to make one ill. Shame on them.

Regards and good luck
Alison Joubert

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