

Charles Frank

From: Classic Cape Tours/Newlands Guest House [garth@newlandsguest.co.za]
Sent: Wednesday, November 29, 2006 10:32 PM
To: Banking Enquiry
Subject: YOUR PUBLIC PROBE INTO BANKING PRACTICES : Commissions on Credit Card Transactions.

Dear Mr. Keith Weeks,

There are so many aspects to this subject that I have found it difficult to control my anger and actually get down to putting things in writing to you. EVERY ASPECT is a minefield for the small business, bordering on or actual usury.

In a survey which the AA Travel Guides are conducting on-line at present, I finally have a moment and one aspect on which to touch, namely that of Commissions on Credit Card Transactions.

My point to the e-publishers is that their survey, so called, on credit card acceptance is INCOMPLETE as there is NO ROOM for comment!

In my case I am only aware of a negotiated bank charge of 3,5% on transactions made via my SpeedPoint machine.

However, when FNB started to issue their monthly statements in a new format, I suddenly noticed that they rip me off to the tune of R300,00 *minimum commission* per month + 14% VAT even if there are no transactions, PLUS R185,00 + 14% VAT for the "lease" of the SpeedPoint machine in order to process the transactions. Once I have reached their minimum of R300,00, OVER AND ABOVE that I then pay 3,5% on the balance.

The survey asking what % I pay completely overlooks the reality which is a start-up expense of over R6000,00 a year just for the facility!!! This is a licence for FNB to print money.

It is highway robbery, it is unfair, in my opinion it is usury, I am a victim of having to have the SpeedPoint in order to conduct business and therefore a sitting duck for charges, it is non-competitive as one has no alternatives AND the help desk smugly advises, when challenged, that "we (banks) all charge" ... and "you signed a contract"; said contract was signed ten or twelve years ago and I certainly do not recall any mention of a set fee but suspect that the bank has a clause somewhere in there that says that they can screw business over whenever and at whatever rate they wish, now or in the future ... and one simply signs at the time because it is a formality required to normalize one's business.

What would the alternative have been if I had refused to sign, or refused to endorse one particular paragraph or sub-paragraph? No facility at all, that's what!!

Thank you for taking the time to read this - you may wish to advise on any course of action I may be allowed to take.

With sincere regards,
GARTH LUXTON
Classic Cape Tours &
Newlands Guest House
tel. +27 21 686 0013
fax +27 21 686 9216

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fax2email +27 86 633 8336
mobile +27 83 251 7274
tours@classiccape.co.za
www.classiccape.co.za
garth@newlandsguest.co.za
www.newlandsguest.co.za