



# media release

3 March 2009  
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## New ATM fees: Beware the sting in the tail

CANSTAR CANNEX releases *deposit star ratings* report today.

From today, using an ATM not owned by your bank will clearly display fees you will incur if you proceed with the transaction.

While this certainly makes the fee structure much clearer than it has been in the past, you may not like what you see.

For instance, checking your account balance on an ATM not owned by your bank could cost you \$2. If you then decide to withdraw money at the same time, you're likely to be hit with another \$2 fee, depleting your account of \$4 in one go.

Under the new ATM reform system, which came into effect today, banks now have to reveal their direct charges and give you the option to either go ahead or cancel the transaction if you're not happy with the fee structure.

According to a survey conducted by financial products research group CANSTAR CANNEX, balance enquiry fees at ATMs not owned by your bank range from \$2 at the top end down to zero for institutions such as the Bank of Queensland and the RediATMS which service credit union customers.

In the majority of cases withdrawal fees are \$2, with nab charging \$1.50 and the RediATM network, \$1.75.

The sting in the tail is felt when you withdraw cash after checking your balance, incurring two fees at an ATM not owned by your bank.

### ATM Direct Charges

Institution	Balance Enquiry	Withdrawal Fee
ANZ	\$2	\$2
Bank Of Queensland	nil	\$2
Bankwest	\$1	\$2
Commonwealth Bank	\$2	\$2
Heritage	\$2	\$2
nab	\$0.50	\$1.50
RediATM	nil	\$1.75
St George	\$2	\$2
Suncorp	\$0.80	\$2
Westpac	\$2	\$2

source: [www.canstarcannex.com.au](http://www.canstarcannex.com.au), 3 March 2009, charges may vary depending on time and area.

“The new ATM system definitely makes fees more transparent for the consumer but it does serve as a wake-up call for consumers to tighten up their ATM practices,” CANSTAR CANNEX financial analyst Peter Arnold said.

With financial institutions currently adding more ATMs to their networks, it's likely that a wider spread of fee-free ATMS will be available before the April 3 deadline when banks have to report their partnership agreements to the Reserve Bank.

The main issues with the superseded ATM system were customer confusion over charges, and the lack of potential for competition to drive ATM fees down.

Previously, the fees charged by card providers to customers for using a “foreign” (one not owned by your bank) ATM averaged between \$1.50 and \$2.

Under the new system, initially these revised charges seem to be quite similar but it is hoped that the competition theory will prevail and prices will be driven down.

Whether or not this eventuates remains to be seen. The Reserve Bank has combated competition's worst enemy – barriers to entry – by removing the need for new players in the ATM market to strike interchange agreements with each of the card providers.

“In an ideal world, we would see an influx of new ATM providers spreading ATM coverage wider to bring prices down and improve accessibility in both city and rural areas,” Mr Arnold said.

“In the meantime, consumers should keep a close watch on their ATM transactions and save money by sticking to their own banks' ATM machines or getting into the habit of withdrawing extra cash during EFTPOS transactions.”

CANSTAR CANNEX today released its deposit star ratings report, outlining five-star products in savings and transaction accounts.

A total of 449 deposit products were researched and rated across four savings profiles (online saver, bonus saver, cash manager, junior saver) and three transaction profiles (electronic transactor, low transactor-full service, high transactor-full service).

Consumers can download this report on [www.canstarcannex.com.au](http://www.canstarcannex.com.au)

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#### About CANSTAR CANNEX:

Founded in 1992, CANSTAR CANNEX Pty Limited is Australia and New Zealand's premier researcher of retail finance information for over 350 institutions such as Banks, Building Societies, Credit Unions, Finance Companies, Brokers, Mortgage Originators, Life Companies and finance related Internet Portals.

CANSTAR CANNEX customers use the extensive database for competitor analysis as well as a means of disseminating their product range. This information is also distributed to print and electronic media for publication and to Agents, Accountants, Brokers and Internet Portals for use in advising their clients.

#### What are the CANSTAR CANNEX star ratings?

CANSTAR CANNEX researches, compares and rates the suite of banking and insurance products listed below. Results are freely available to consumers who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the CANSTAR CANNEX website at [www.canstarcannex.com.au](http://www.canstarcannex.com.au) if you would like to view the latest star ratings reports of interest.

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