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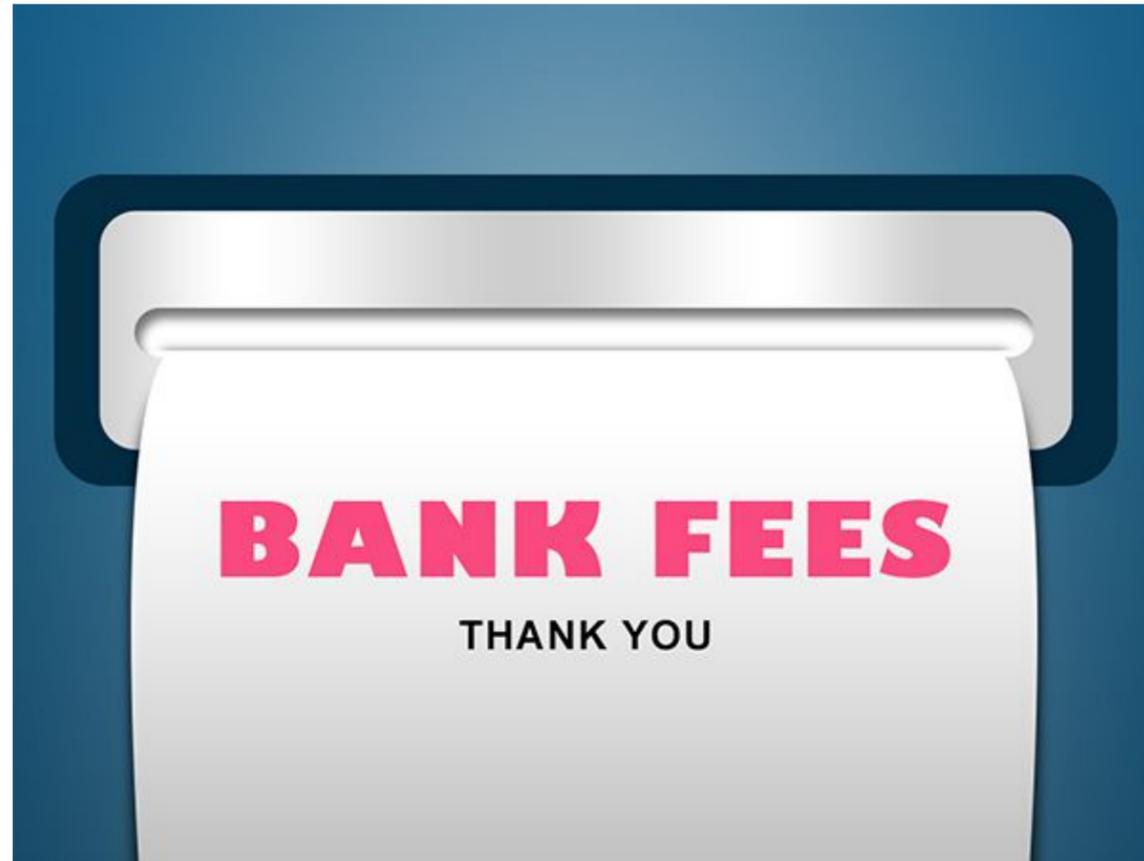
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How to Avoid Unnecessary Bank Fees



Navigating Your Financial Journey
February 10, 2017



By Sarah Netter

An overdraft charge here, two ATM fees there?banking fees add up quickly and often without you even noticing. And they can do real damage to your bottom line to the tune of hundreds of dollars a year.

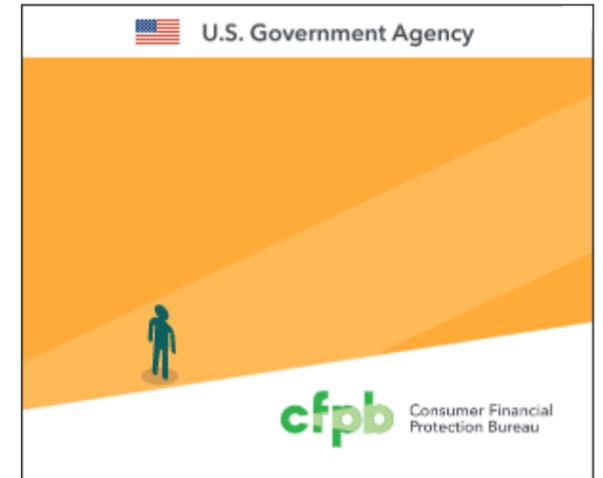
Kate Carleo switched to a bank that promised to reimburse her for any outside ATM fees.

?It was great,? she said. But her bank in Albany, New York, was later bought out by another bank, ?and now we only get \$6 of ATM fees reimbursed per month.?

Rather than switch banks again, Carleo said she tries to only use ATMs associated with her bank.

Banks are notorious for fees and charges, but [there are ways to avoid getting charged](#).

Overdraft charges



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even if you do not have sufficient funds to cover your purchases. Each time the account is overdrafted, you are assessed a fee. When you opt out, your debit card will be declined in an overdraft, but you will not be hit with a fee.

It's critical that consumers understand the rules," said Ed Mierzwinski, consumer program director of [U.S. Public Interest Research Group](#). "It cannot overdraft unless you agree to the bank's hard sell of overdraft protection."

And hard sell it typically is.

"Banks that were giving their employees incentives to sign people up are out there," he said. "So there may have been misleading marketing, unfair and deceptive marketing, at a lot of banks."

"If you do sign up, even unknowingly, he said, you get the "privilege" of paying \$38 for a \$3 cup of coffee—\$3 for the coffee, \$35 for the courtesy fee."

ATM fees

All ATM users know when they get charged a fee at a so-called "foreign" ATM—a machine not owned by their bank. A screen pops up asking the user to accept the fee, usually between \$3 and \$3.50, though much higher in casinos, on cruise ships and at theme parks.

"Most of the time that's only part of what you're paying," Mierzwinski said. "You also need to understand most banks also charge their own customer a so-called foreign ATM fee."

That's right, two ATM fees—one charged by the foreign ATM and one charged by your own bank.

There are a few ways to get around these fees, Mierzwinski said, but they take a bit of planning.

"Most credit unions don't charge other credit union customers," he said. "So if you are a credit union customer, you can save money by only using credit union ATMs."

Community banks will often offer a number of fee-free foreign ATM transactions. Customers just have to keep track of how many they've used to avoid fees.

The advertisement features the CFPB logo at the top left, with the text "Consumer Financial Protection Bureau" to its right. The main headline reads "YOU HAVE THE RIGHT to understand the bottom-line cost of college." Below this is a blue button with the text "THE CFPB CAN HELP". The central graphic shows a stack of green \$20 bills being pushed off a black ramp by a hand, with one bill falling. At the bottom, there is a small American flag icon and the text "U.S. Government Agency".

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when the customer keeps a certain amount of money in their accounts at all time.

?If you go below that for a millisecond, they?ll ding you,? Mierzwinski said. ?Failing to maintain a certain balance can be the biggest monthly hit.?

?It?s another way that banks typically make money. So if you have a bank with a very high minimum balance to avoid fees and you can?t maintain that balance, you?ll pay a monthly maintenance fee of something like \$12 a month at some banks,? he said.

To avoid these fees, you?ll want to find a bank with a low balance requirement or even no balance requirement. Many banks will also forgive the minimum balance requirement if you enroll in direct deposit.

And, again, look at banking through credit unions, which often have totally free checking.

And, as with any bank fee, you can complain and lobby to have it removed, but because this particular fee is such a big money maker, said Mierzwinski, ?I don?t think you?re going to get much sympathy.?

Bank checks

A smaller consideration than the others, maybe, but still a way to save some cash. You can get your checks printed at your local bank, but they will cost as much as \$20 versus an online company that will charge a fraction of that.

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