



## Rising bank fees are setting records

By [Kathy Chu](#), USA TODAY

At a time when more consumers are struggling to pay their bills, large banks are raising some account fees to record levels.

Bounced-check fees, ATM fees, monthly service fees and balance requirements for interest checking accounts all hit highs in 2008, before adjusting for inflation, according to a survey released Monday by Bankrate.com., which tracks and compares bank products.

**THE BANK FEES STUDY:** [From Bankrate.com](#)

Even after adjusting for inflation, ATM fees stayed at their highest level ever, and minimum balance requirements for checking accounts hovered near records.

The high fees come at a time when banks are struggling to unload bad mortgage loans. Some analysts say that banks are making up for loan losses by charging higher penalties — and doing so more often — to bank and credit card customers.

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"The natural sort of assumption is that banks are having a tough time so now they're making it up through fees," says Greg McBride, a senior analyst at Bankrate.com. "There's certainly some truth to that. But bank fees have been going up consistently for 10 years."

For financially strapped consumers, the lesson is that "a lack of attention to (fees) is going to cost you more than at any other time," McBride adds.

For instance, consumers now pay an average of \$3.43 to use another bank's ATM, up 13% from a year ago (or 7% after adjusting for inflation).

It's not just the size of the fees that hurt consumers. In the past year, large banks have also "substantially changed the design of how they charge those fees to get more revenue," says Michael Moebs, founder of Moebs Services, a bank consulting firm.

More banks, for instance, are imposing lower fees for the first bounced check, but significantly higher fees each additional time consumers overdraw.

Nessa Feddis, senior counsel at the American Bankers Association, says fees are avoidable if consumers manage their accounts properly. An August survey of 1,000 consumers by the bankers group showed that the majority don't pay bank fees.

Separately, a GAO study released in January showed that while average overdraft and stop-payment fees had soared from 2000 to 2007, monthly maintenance charges for standard checking accounts had fallen. Also, the percentage of banks that offered accounts with no monthly fees rose during that time.