

## October 2015

### Fee Free Banking

#### Does it exist?

Yes it does. In 2012 the Australian Banker's Association conducted a review of available bank accounts after a barrage of customer complaints about the costs of banking. One result was the publishing of a list of banks that offer [basic bank accounts](#).

#### What is a basic bank account?

Aimed primarily at low-income earners, a basic bank account allows the customer to perform all usual banking functions without ever incurring a fee. Actual conditions may vary from bank to bank so it is important to check thoroughly before making a decision.

#### How much could you save?

According to a report in 2014, Australians were paying over \$1 billion per year in account keeping fees at a rate of up to \$120 per account – all this whilst there were up to 68 accounts with no fees.

The single biggest fee for most people is the foreign ATM fee (up to \$2 per time) which is also the easiest to avoid by simply planning ahead.

In short – if you are paying money to the bank for looking after your money – think about change. Start with talking to your existing bank about changing to a fee-free account. If you are not satisfied with their response, investigate some of the many other options that are out there.



#### Does free mean free?

Yes it does. For most of these accounts you are able to access your money as often as you like in the manner of your choosing – without charge. The notable exception occurs when you use an ATM from a different bank and the owner of that ATM will probably charge you for the service.

Some eligibility criteria may apply for some accounts, but none require you to maintain a particular balance in order to remain fee free.



*This Newsletter is produced and edited by John Bassett, a director of Seeds of Hope, Carrara and is presented as general information only. It should not be considered as financial advice.*

