



Banks Charge Non-Customers Record Amount to Use Their ATMs

Average ATM surcharge up for 14th straight year

NEW YORK – October 10, 2018 – Banks are charging non-customers more than ever before to use their ATMs, according to the latest Bankrate.com checking account and ATM fee study, which has surveyed non-interest and interest checking accounts and their associated ATM fees for more than 20 years. The average surcharge assessed by the ATM owner for an out-of-network transaction has risen for the 14th consecutive year, from \$2.97 to \$3.02, and has increased 53% over the last decade. Click here for more information:

<https://www.bankrate.com/banking/checking/checking-account-survey/>

The good news is, the fee charged by the accountholder's own bank for using another institution's ATM has decreased from \$1.72 to \$1.66, and more banks are decreasing this fee than increasing. Furthermore, 32% of the banks surveyed are offering free out-of-network withdrawals to their customers on at least one account, the most the survey has ever found.

In total, the average cost of an out-of-network ATM withdrawal – the surcharge, plus the fee charged by your own bank – is \$4.68, down a penny from last year's record high. This all-in cost has risen 36% over the past decade.

Overdraft fees are also down a tick to \$33.23 from \$33.38 last year. However, this is still the second highest on record, and despite the decline in the average fee, the number of fee increases outnumbered decreases in the survey. The most common fee remains \$35 for the 10th year in a row.

“While ATM and overdraft fees are down slightly overall, these charges can add up fast. They do, however, remain completely avoidable and with minimal effort,” said Bankrate.com chief financial analyst Greg McBride, CFA. “Knowing how much money is available to withdraw and finding the nearest in-network ATM is as easy as checking your smartphone.”

These fees vary by region, as well. For instance, Detroit has the highest average out-of-network ATM fee of the top 25 major metro areas (\$5.28), while St. Louis has the lowest (\$4.25). Patrons in Philadelphia are burdened with the highest average overdraft fee (\$35.30), compared to San Francisco whose overdraft fees are the most lenient (\$31.44).

Highest Average ATM Fee by Metro*

1.	Detroit	\$5.28
2.	Atlanta	\$5.19
3.	Houston	\$5.18
4.	Denver	\$5.06

Lowest Average ATM Fee by Metro*

25.	St. Louis	\$4.25
24.	San Francisco	\$4.27
23.	Chicago	\$4.31
22.	Milwaukee	\$4.34

5.	Tampa	\$4.97	21.	Miami	\$4.37
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**Reflects both ATM fees combined (those charged by the out-of-network ATM operator and those charged by the consumer's own financial institution.)*

Highest Average Overdraft Fee by Metro

Lowest Average Overdraft Fee by Metro

1.	Philadelphia	\$35.30
2.	Baltimore	\$35.05
3.	Houston	\$34.33
4.	San Diego	\$34.22
5.	Phoenix	\$34.15

25.	San Francisco	\$31.44
24.	Los Angeles	\$31.89
23.	Minneapolis	\$31.95
22.	Boston	\$32.05
21.	Seattle	\$32.10

Forty-one percent of non-interest checking accounts are free by default, up from 38% each of the past two years, but down from 73% a decade ago. The average monthly service fee (\$5.57) is the lowest since 2014, and the average balance required to avoid the fee (\$631) is the lowest since 2011. Fifty-seven percent of non-interest accounts will waive the monthly fee, including 40% that will do so based on direct deposit. Altogether, 98% of non-interest accounts are either free or can become free.

On the other hand, just eight percent of interest checking accounts are free without stipulation. While 74% will waive the service fee (\$14.35, on average) with a minimum balance requirement, the average threshold is a hefty \$6,319. Another 1 in 6 will waive the fee with direct deposit. Interest earnings on checking accounts remain negligible, with the average yield up to .07% from .06% last year, but down from .24% a decade ago.

“Rarely does a checking account pay enough interest to warrant maintaining a larger balance than necessary,” McBride added. “Instead, consumers should keep enough money in a free checking account to take care of necessary living expenses, and then park their rainy-day fund in a high yield savings account (<https://www.bankrate.com/banking/savings/rates/>) for much more substantial returns.”

Just 2.5% of all accounts assess a fee on debit card transactions at the point-of-sale, and in all cases, this is only for PIN-debit transactions. These fees range from \$0.35-\$2. Among accounts surveyed, signature-based debit transactions are never assessed a fee.

Methodology:

The survey group consisted of a total of 10 banks and thrifts in each of 25 large U.S. markets; 1 interest and 1 non-interest account, as well as their associated ATM and debit card fee policies, were surveyed from 244 institutions offering checking accounts; 238 interest and 239 non-interest accounts were surveyed between July 12 - August 10, 2018.

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For more information:

Ryan Feldman
Public Relations Specialist
ryan.feldman@bankrate.com
917-368-8637