



Out-of-Network ATM Withdrawals Cost More Than Ever

Average Checking Account Overdraft Fee Just Shy of Record High

NEW YORK – October 2, 2019 – The cost of the average out-of-network ATM withdrawal has reached a new record high of \$4.72, according to the latest Bankrate.com Checking Account and ATM Fee Study, which has surveyed non-interest and interest accounts and their associated fees for more than 20 years. This all-in fee, which includes the ATM surcharge – the fee that ATM owners charge non-customers – as well as the penalty that banks charge their own customers to make out-of-network withdrawals, is up 33% over the last decade. Click here for more information:

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

Banks are charging non-customers more than ever to use their ATMs. The average ATM surcharge increased two percent to a new record of \$3.09, the 15th consecutive year establishing a new record. The average surcharge has increased in 20 of the past 21 years.

The good news is, the fee charged by the accountholder's own bank for using another institution's ATM has decreased two percent from \$1.66 to \$1.63, moving lower for the second year in a row. In fact, the number of banks and accounts allowing free out-of-network withdrawals is at a record high, although this still represents less than one-third of accounts (32%).

“While large banks have extensive ATM networks, many smaller banks and credit unions belong to nationwide fee-free alliances that may have significantly more ATMs available than even the ATM networks of big banks,” said Bankrate.com chief financial analyst Greg McBride, CFA. “One other option to withdraw money for free is to get cash-back at the point of sale when using a debit card. Banks don’t charge for that and very few merchants do either.”

ATM fees vary by region. Houston has the highest average out-of-network ATM fee of the 25 major metro areas examined in the study (\$5.58), while Los Angeles has the lowest (\$4.15).

Highest Average ATM Fee by Metro*			Lowest Average ATM Fee by Metro*		
1.	Houston	\$5.58	21.	Boston	\$4.29
2.	Atlanta	\$5.50	22.	Minneapolis	\$4.25
3.	Detroit	\$5.27	22.	St. Louis	\$4.25
4.	Chicago	\$5.14	24.	Seattle	\$4.21
5.	Philadelphia	\$5.11	25.	Los Angeles	\$4.15

**Reflects both ATM fees combined (those charged by the out-of-network ATM operator and*

those charged by the consumer's own financial institution)

Another type of fee on the rise, the cost of overdrawing a checking account increased for the 19th time in 21 years. The current average cost for non-sufficient funds (NSF) sits at \$33.36, just shy of the record of \$33.38 set in 2017. The most common fee remains \$35 for the 11th year in a row.

“Avoiding costly overdraft fees requires keeping close tabs on your checking account balance, and specifically the amount available for immediate withdrawal,” added McBride. “Slip-ups occur, so put in a line of defense by establishing a link between your checking account and savings account at the same bank so that money is immediately transferred into the checking account to cover any shortfall.

“For those with more than the occasional overdraft, an increasing number of fintech companies and neobanks are offering accounts that do not charge overdrafts and are worth considering.”

Overdraft fees also vary by metro area. For the third straight year, patrons in Philadelphia are burdened with the highest average overdraft fee (\$35.50), while Cincinnati’s fees are the most lenient compared to the rest of the major metros (\$30.95).

Highest Average Overdraft Fee by Metro			Lowest Average Overdraft Fee by Metro		
1.	Philadelphia	\$35.50	21.	Los Angeles	\$32.11
2.	Baltimore	\$35.05	22.	St. Louis	\$31.95
3.	Houston	\$34.61	23.	Minneapolis	\$31.74
4.	Atlanta	\$34.60	24.	San Francisco	\$31.44
5.	Phoenix	\$34.30	25.	Cincinnati	\$30.95

Ninety-nine percent of non-interest checking accounts are either free by default or can become free. Among non-interest accounts, 42% are free without stipulation, the highest since 2011, and 43% will waive the monthly fee (\$5.61, on average) based solely on direct deposit.

On the other hand, just seven percent of interest checking accounts are free by default. While 73% will waive the service fee (\$15.05, on average) with a minimum balance requirement – either across accounts or within the checking account itself – the average threshold is a hefty \$7,123, up nearly 13% from last year. Unlike non-interest accounts, just 18% of interest accounts will waive the fee with direct deposit alone. Interest earnings on checking accounts remain negligible, with yields averaging just .06%.

McBride recommends looking for a free account without a balance requirement to take care of necessary living expenses. Any additional rainy day funds should be placed in a high yield savings account (<https://www.bankrate.com/banking/savings/rates/>) for more substantial returns.

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 237 non-interest accounts were surveyed between July 8 – July 29, 2019.

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