

**BY EMAIL AND REGULAR MAIL**

July 23, 2004

Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20th & Constitution Avenue, N.W.  
Washington, DC 20551-0001

**Re: Docket No. OP-1196, Debit Fee Disclosures**

Dear Ms. Johnson:

The New York Public Interest Research Group (NYPIRG) submits these comments in response to the Federal Reserve Board's request for the public's opinion on whether the existing disclosures required by the Electronic Fund Transfer Act adequately inform consumers of fees imposed by a financial institution when a debit card the institution has issued is used to make a purchase from a merchant. The Federal Reserve Board also requested comments on the need for, and the potential benefits of, requiring additional disclosures in each periodic account activity statement to reflect fees imposed by account-holding institutions for debit card use, as well as, a disclosure on the transaction receipt.

NYPIRG is a not-for-profit, non-partisan research and advocacy organization established, directed and supported by New York State college and university students. Consumer protection, environmental preservation, fiscal responsibility, political reform and social justice are NYPIRG's principal areas of concern. For thirty years NYPIRG has conducted primary research on consumer financial issues and has advocated before federal, state and local legislatures and regulatory agencies to represent the interests of consumers, particularly those of low and moderate income, when they seek financial services. These comments are also on behalf of U.S. PIRG, the national association of the state PIRGs.

NYPIRG believes that current disclosure requirements on periodic statements are inadequate and urges the FDIC to require the disclosure of debit card fees as a separate category on the consumer's periodic statement. NYPIRG also urges that the FDIC

require point-of-sale disclosures to inform consumers that they may be charged a fee by their bank and that they should contact the financial institution that holds the consumer's account and has issued a debit card regarding their particular debit card practices. NYPIRG further recommends that financial institutions that assess a debit card fee disclose such fees on the receipt, regardless of when the fee is charged to the consumer's account.

There are 185 million plastic card carrying United States consumers. Plastic payments, including credit, charge and debit cards, now account for 53% of consumer purchases, compared to 43% in 1999.<sup>1</sup> A debit card allows the customer to avoid writing checks and allows a merchant to automatically deduct a purchase from a customer's checking account. Many debit cards are branded with either a Visa or MasterCard logo, which allows consumers to use the debit card at stores and on websites that accept Visa or MasterCard credit cards. This new convenience has become a revenue windfall for financial institutions. The FDIC recently reported in its *Quarterly Banking Profile* that credit card lenders, who had strong growth in both net interest income and non-interest revenues, registered the greatest improvements in profitability.<sup>2</sup>

As debit card purchases have become widespread, fees have recently become a national issue. A 2002 national survey conducted by *ATM & Debit Card News* found that in one year, 5 out of 27 debit card issuers surveyed added PIN use fees, while only one issuer eliminated a PIN use fee in the same time period. The Federal Reserve Bank of Kansas City believes the results of this survey suggest a broader increase in the use of PIN fees.<sup>3</sup> One out of three in-store purchases are now made with a debit card<sup>4</sup> and Visa- and MasterCard-branded cards generated \$576 billion in purchases and cash advances in 2003, which a 16% increase from the previous year.<sup>5</sup> These new fees mean that consumers now pay millions of dollars in debit card fees to financial institutions each year.

Moreover a recent settlement between Wal-Mart and other merchants and Visa and MasterCard regarding whether or not merchants had to "honor all cards" has opened the door to surcharging by merchants at the point-of-sale. The Wal-Mart settlement not only gives merchants the right to refuse offline debit card transactions, but also lifted the association rules that prohibited adding a surcharge to offline debit transactions, which

merchants may impose on customers in order to offset the higher processing fees associated with offline debit transactions.<sup>6</sup>

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<sup>1</sup> "Consumers Now Favor Credit and Debit Over Cash and Checks as Payment for In-Store Purchases." Press Release, December 16, 2003, <http://www.aba.com>.

<sup>2</sup> *FDIC Quarterly Banking Profile*, Fourth Quarter 2003, Federal Deposit Insurance Corporation.

<sup>3</sup> "A Guide to the ATM and Debit Card Industry," F. Hayashi, R. Sullivan, and S. Weiner, Federal Reserve Bank of Kansas City, 2003, p. 51.

<sup>4</sup> "Cash is Queen," [www.cardweb.com](http://www.cardweb.com), December 18, 2003.

<sup>5</sup> "Banner Year," [www.cardweb.com](http://www.cardweb.com), February 2004.

<sup>6</sup> "A Guide to the ATM and Debit Card Industry," F. Hayashi, R. Sullivan, and S. Weiner, Federal Reserve Bank of Kansas City, 2003, p. 51.

NYPIRG has been tracking the occurrence of debit card fees in New York State since 2002, when we first included a survey of debit card fees in our annual ATM fee report, *Always Taking Money*. Another survey of debit card fees appeared in our most recent report, *Pricey Plastic*. In *Pricey Plastic*, NYPIRG found that 89% of the New York banks surveyed assessed a fee for PIN based debit card transactions; the average fee was \$.70 and fees ranged from \$.10 to \$1.50. The survey also found that fees being assessed were only for online (PIN) transactions.

NYPIRG believes that the distinctions between the two types of debit card transactions are largely lost on most purchasers and that the differences create confusion amongst consumers. It is possible under the current fee practices by financial institutions that two customers of the same financial institution can have the same type of checking account, possess the same type of debit card, use the card in the same store, *but only one will be charged a fee because they chose an online (PIN) transaction*. And, due to the large amount of information contained on the typical bank statement, the existence and amount of the debit card fee may be ignored or overlooked by the consumer when reviewing his or her monthly statement.

Due to this debit card fee confusion NYPIRG advocates for the following regarding disclosures of debit card fees:

1. Debit cards fees disclosures on periodic statements:

The current regulation, §205.9 (b) (3)-1, states that a financial institution must disclose fees imposed on the consumer for an online POS debit transaction, but allows the fee to be aggregated with other fees. We urge the FDIC to make two improvements to the disclosures on periodic statements. First, financial institutions must be required to “unbundle” debit card fees so that consumers can comprehend and appreciate the cost of debit card transactions. Second, financial institutions should be required to not only line itemize the fees, *but there should also be a year-to-date tally of all debit fees assessed on the consumer account by the financial institution*. Debit card fees are currently still avoidable simply by choosing an offline (signature-based) transaction at the point-of-purchase. This itemization will give the consumer the ability to better assess what they are paying in fees and if this is an area where the consumer wishes to change their spending habits by choosing an offline transaction.

2. Debit card fees disclosures at point-of-sale:

Consumers should be warned at the point of sale that they might be charged a fee by their bank for debit card purchases and that they must contact their financial institution about its particular debit card fee practices. There are two components of point-of-sale disclosures: 1) signs and other disclosures that inform consumers about potential *fees prior to card use*; and 2) a receipt that conspicuously discloses information about the transaction and the amount of any fees assessed for use of a debit card.

The current regulation covering receipts provided at electronic terminals, §205.9-(a)-(1) only addresses a fee that is assessed at the point of the electronic transfer. However, financial institutions do not always assess that fee at the time of the transfer. The regulation should be changed to require financial institutions whose practice is to assess a debit card fee associated with a particular transaction to disclose that fee on the receipt for that transaction, whether or not that fee is assessed right away. Consumers often rely on these receipts to keep track of their spending, and provide an important check if there is a problem with the account being overcharged for an item. These receipts should accurately reflect the total cost of the transaction- item cost, applicable tax and any fees assessed.

The FDIC while addressing the issue of disclosures needs to also address disclosures in non-traditional settings, i.e., telephone and Internet purchases. The FDIC must take steps to ensure that adequate disclosures are required for use of debit cards in non-traditional settings.

Thank you for this opportunity to provide input on this emerging consumer issue. Along with this letter please find a copy of NYPIRG's 2004 report *Pricey Plastic*, which contains the most recent survey information regarding debit card fees in New York State.

Respectfully submitted,

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Enclosure

**PAYROLL  
CARD**

AN ONYMOUS  
1234567890

**Pre-Paid Card**

AN ONYMOUS  
1234567890

**ATM/Debit Card**

AN ONYMOUS  
1234567890

**Credit Card**

AN ONYMOUS  
1234567890

# PRICEY PLASTIC

**A Report and Survey  
of Plastic Card Fees**

**April 2004  
NYPIRG**

**New York Public Interest Research Group**

*Gift  
Card*

AN ONYMOUS  
1234567890

# PRICEY PLASTIC

## A NYPIRG Report and Survey of Plastic Card Fees

Spring 2004

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Special thanks to Li Howard, Trevett McCandliss and Martin DeBenedictis for the design and production of the cover and graphics for this report.

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The New York Public Interest Research Group (NYPIRG) is a not-for-profit, non-partisan research and advocacy organization established, directed and supported by New York State college and university students. NYPIRG's staff of lawyers, researchers and organizers works with students and other citizens to develop citizenship skills and shape public policy. Consumer protection, environmental preservation, fiscal responsibility, political reform and social justice are NYPIRG's principal areas of concern.

*This report would not have been possible without the help, support, research and work of Russ Haven of NYPIRG, Gail Hillebrand of Consumers Union and Ed Mierzwinski of USPIRG.*

# PRICEY PLASTIC

## A NYPIRG Report and Survey of Plastic Card Fees

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# PRICEY PLASTIC

## A NYPIRG Report and Survey of Plastic Card Fees

### Introduction

Paying by plastic can be pricey for consumers and profitable for banks. The Federal Deposit Insurance Corporation (FDIC) recently reported in their *Quarterly Banking Profile* that insured banks and thrifts<sup>1</sup> in the United States earned a record \$120.6 billion in 2003, easily surpassing the previous record total of \$105.1 billion set in 2002. The FDIC also stated in the report that the greatest improvements in profitability were registered by credit card lenders, who had strong growth in both net interest income and non-interest revenues. The same FDIC report also indicated that the amount of credit card loans that were non-current registered a sizable increase in the fourth quarter of 2003, increasing by \$2.3 billion (44 percent).<sup>2</sup>

There are 185 million plastic card carrying United States consumers. Plastic payments now account for 53% of consumer purchases, compared to 43% in 1999.<sup>3</sup> According to a recent survey, half of the adults (50 percent) reported carrying one to three plastic cards on a regular basis, while 30 percent say they usually carry four to six. However, the survey indicated that the number of plastic cards people actually have used is significantly higher. The global plastic card market tops \$4.7 billion with the largest plastic card market in North America.<sup>4</sup>

Credit and ATM/Debit cards top the list of Americans' most widely used plastic cards and banks are also moving very fast into pre-paid, gift and payroll cards.<sup>5</sup> The purpose of this report and survey is to identify the categories, prevalence and amounts of the fees associated with the use of several different types of plastic cards.

This report includes:

- (1) The results of an annual New York State survey of ATM surcharge fees, foreign (off-us)<sup>6</sup> ATM transaction fees, Debit Card point-of-sale (POS) fees and other ATM/Debit card fees;
- (2) A survey of pre-paid plastic card fees typically bearing the Visa or MasterCard logo and a description of the high activation, participation and transaction fees associated with them;
- (3) A survey of the annual percentage rates and fees credit cards assess and a description of the impact those have on consumers across the United States;



(4) A description of some of the fees that may be assessed for payroll cards; and

(5) A section on gift cards and their growing popularity and a description of the fees associated with the cards.

## **ATMs – Always Taking Money**

ATMs save banks enormous amounts of money because there are no employees to pay and maintenance of an ATM is significantly less than that of a full-service branch. Recent technological advances may further reduce costs of maintaining an ATM. Web-enabling of ATMs – retrofitting them with Internet-based technologies – are making ATMs cheaper and faster for banks to add new services to the machines and to operate and maintain them.<sup>7</sup>

Banks save money when consumers use ATMs, but they have failed to pass that savings on to consumers. Instead, while customers are using ATMs in increasing numbers, they have been hit with escalating and creative ATM fees. Bank ATM owners encourage consumers to use ATMs by emphasizing that they are cost savers to consumers and banks and touting the size of their ATM networks while at the same time making it very expensive for consumers to use those ATMs. Banks are: (1) increasing existing fees, (2) inventing new fees, and (3) making it more difficult for account holders to avoid fees.

NYPIRG's 2004 ATM fee survey results show that banks continue to charge consumers very high ATM transaction fees and that bank surcharges are nearly universal.

### **Bank-Owned ATM Surcharge Survey Summary**

**94% of bank-owned ATMs surveyed assess an ATM surcharge and the average amount of the ATM surcharge assessed by bank-owned ATMs surveyed that surcharge is \$1.55. Surcharges ranged from \$1 to \$2.50.**

### **Foreign ATM Withdrawal Fee Survey Summary**

**92% of banks surveyed assess a foreign ATM fee and the average amount of the foreign ATM fee assessed by the banks surveyed that surcharge is \$1.28. Foreign fees ranged from 95¢ to \$2.25.**

## **The Deceptive Double Dip: ATM Surcharge (\$1.55) + Foreign ATM Withdrawal Fee (\$1.28) = Charging Consumers Twice (\$2.83)**

ATM surcharge fees are unfair and unnecessary because the consumer pays two fees for a single transaction (charged twice) and banks collect two fees for one transaction (double dip).

When consumers use an ATM that is not owned by their bank (owned by another bank or an independent service operator "ISO"), they typically pay two fees for that transaction – the foreign fee and the ATM surcharge fee. Moreover, ATM surcharges create two flows of revenue for bank ATM owners: surcharge fee and interchange or network fee. A portion of the ATM fee consumers pay their own bank when they use another bank's ATM (the foreign ATM withdrawal fee) is retained by their bank. The remainder is distributed by their bank to the network, which retains a portion and distributes the remainder to the ATM owner. Even if the consumer's bank does not assess a fee (although 92% of the banks surveyed for this report do assess a foreign ATM withdrawal fee), their bank pays the network, which distributes a portion to the ATM owner.

Thus, with surcharging, the ATM owner collects two fees for one ATM transaction: one from the network (indirectly from the consumer) and the other directly from the consumer and the typical consumer pays two fees: (1) the foreign fee their own bank charges them to use another bank's (or non-bank ATM owner's) ATM; and (2) the surcharge assessed by the ATM owner and deducted from the consumer's account at the time of the transaction.

The combined fee is anti-consumer and can make electronic banking extremely costly. The two highest fees identified in our 2004 survey – a \$2.50 bank ATM surcharge fee and a \$2.25 foreign ATM fee – mean consumers may pay as much as \$4.75 to access their own money electronically.

### **ISO-Owned ATM Surcharge Survey Summary**

**100% of ISO-Owned ATMs surveyed assess an ATM surcharge and the average amount of the ATM Surcharge<sup>8</sup> assessed by ISO-Owned ATMs surveyed is \$1.55. Surcharges ranged from 75¢ to \$2.50.**

### **The ISO ATM Loophole**

Private ATM owners became increasingly prevalent after 1996 when the two major U.S. ATM networks, Cirrus (MasterCard) and Plus (Visa) began allowing banks to surcharge for ATM transactions on their networks. After that, owning an ATM

became a huge profit generator, instead of just being a cost saver, attracting private ATM owners to set up their own ATMs.

While there are more ATMs than ever, as privately-owned ATMs have become as ubiquitous as those owned by banks, there hasn't been price competition to make ATM transactions cheaper for consumers. Indeed, the average surcharge assessed by the both bank-owned and ISO ATMs included in this year's survey is \$1.55 per transaction.

Significantly this flood of private ATMs caught federal and state banking and consumer regulators completely off guard: A glaring loophole exists allowing private ATMs in New York and most other states to operate with no licensing requirements and virtually no oversight. In fact, anyone can purchase an ATM and connect it to the banking networks without notifying the State Banking Department—and you can buy one for as little as \$250.

There are real concerns for consumers and the general public when individuals and other businesses not overseen by banking regulators own ATMs hooked up to the national banking network. Because no one is regulating privately owned machines, it's possible to use the machines for identity theft;<sup>9</sup> and to evade taxes, launder money, and even fund dangerous and/or illegal activities with ATM surcharges.<sup>10</sup> The private ATM trade association claims it can't happen. However, there are documented cases of persons with financial fraud<sup>11</sup> and money laundering<sup>12</sup> convictions who purchased ATMs and connected them to the banking networks. These cases shine a spotlight on a huge loophole in the banking law.

### **Debit Card Point of Sale (POS) Fee Survey Summary**

**89% of the banks surveyed assess a debit card POS fee for PIN-based transactions. The average fee assessed is 70¢. The fees ranged from 10¢ to \$1.50.**

### **Debit Card Confusion**

Debit Card usage has increased dramatically in recent years. Nearly 1 out of 3 in store purchases are now made with a debit card.<sup>13</sup> In 2003 Visa and MasterCard branded debit cards generated more than \$576 billion in purchases and cash advances, a 16% increase over the previous year.<sup>14</sup>

A debit card allows the customer to avoid hand writing checks and allows a merchant to automatically deduct the cost of a purchase directly from a customer's checking account. Also, debit cards are issued with a Visa or MasterCard logo that

allows customers to make purchases like a credit card. However, the transaction amounts are automatically deducted from the consumer's checking account.

There are two types of debit card purchases. One type is an "online" transaction. This type of transaction occurs when a customer swipes their card in a point of sale (POS) machine and is required to enter their Personal Identification Number (PIN). The second type of transaction is an "offline" transaction. This transaction is treated like a credit card transaction. The customer signs for the purchase and the amount is deducted from the customer's checking account in a day or two.<sup>15</sup>

Our 2004 survey shows that debit cards often have hidden fees and other pitfalls. Our survey shows that 89% of the banks surveyed are charging customers POS fees if the transaction requires the customer to enter a PIN number. These fees can be as high as \$1.50 per transaction (the average debit card POS fee assessed by the banks in our survey was 70¢). However, if the transaction is put through as a credit then no fee is assessed.<sup>16</sup> Also, benefits that customers may receive if they use their debit card depend on how the transaction is processed. For example, the Citibank AAdvantage customer can only earn frequent flyer miles when the customer signs for the transaction.<sup>17</sup>

This can lead to "Debit Card Confusion" where two consumers could have the same type of bank account at the same bank, have debit cards that look identical, use those cards at the same stores and purchase the same exact items and, in the end, have drastically different results.

As with foreign ATM fees, banks receive fees for debit card transactions. These fees are paid by the store merchants that have either a POS machine or a credit card transaction machine. For an online transaction the bank receives a flat fee of 7.5 to 10 cents from the merchant. For an offline transaction the bank receives of up to 2% of the transaction.<sup>18</sup>

In recent years, banks have been heavily promoting debit cards. For instance, a recent promotion by Citibank offers customers the ability to earn frequent flyer miles with American Airlines with their Citibank AAdvantage Debit Card.<sup>19</sup> JP Morgan Chase Bank has also introduced and promoted a debit card that allows users to earn frequent flyer miles named Chase/Continental Airlines Banking Card.<sup>20</sup> This type of aggressive debit card promotion has resulted in huge increases in consumer debit card use.

In 2003 Wal-Mart and other major retailers such as Sears Roebuck and Co. and Payless ShoeSource, Inc., reached settlements with both Visa and MasterCard regarding a class action lawsuit filed in 1996 claiming that Visa and MasterCard violated federal antitrust laws and had been charging excessive fees for processing debit card transactions. The lawsuit also alleged that retailers were forced to automatically accept Visa and MasterCard logo debit cards if they already accept Visa and MasterCard logo credit cards.<sup>21</sup>

## Pre-Paid Card Fee Survey Summary

Pre-Paid Card Fees	Activation Fee	Annual Participation Fee	POS Transaction Fee	ATM Transaction Fee	Load Fee <sup>22</sup>
Percentage of Cards that Assess the Fee	87%	87%	70%	100%	53%
Average Fee Assessed in Each Fee Category	\$50.12	\$69.70	86¢	\$1.64	\$1.44

### **Pre-Paid Cards – The Priciest Plastic of All!**

Alternatives available to consumers who find it difficult to pay the high fees associated with maintaining a bank account as documented in this report, are often very costly. This is particularly disturbing in New York City's predominantly non-white, low-income neighborhoods where bank-owned ATMs and full-service bank branches are scarcer than in higher-income, predominantly white New York City neighborhoods.<sup>23</sup> Un-banked consumers often pay enormous fees to obtain snazzy-looking products like pre-paid Visa and MasterCard, which are often aggressively marketed to low-income consumers.<sup>24</sup> Our April 2004 survey showed that these products typically charge hefty activation fees, annual participation fees and per transaction fees. These fees are in addition to ATM surcharge fees and, since the card sponsors typically do not own ATMs, these card holders almost always are charged twice for one electronic transaction. The outrageous fees associated with this financial product make it a poor choice for struggling low-income New Yorkers.

### Credit Card APR and Fee Survey Summary

**The average annual percentage rate<sup>25</sup> (APR) of the bank-issued credit cards surveyed was 12.82% and the APRs ranged from 6.9% to 19.99%.**

**The APR of the store-issued credit cards surveyed was 20.2% and the APRs ranged from 16.55% to 23.85%.**

## The Credit Card Trap

There are some 1.2 billion credit and retail cards in use in North America. The average American household is solicited seven times a year by credit card companies.<sup>26</sup>

Consumer credit in the United States (revolving credit such as credit cards) rose at a seasonally adjusted annual rate of 2.5 percent in February 2004, following a huge 9.5 percent increase in January, the Federal Reserve reported recently. The February increase pushed total consumer credit outstanding to a record \$2.02 trillion, up by \$4.2 billion from January. At the end of 2002, American households owed an average balance of \$8,940 and Americans paid finance charges on an average balance of \$7,286, making the cost of credit card debt for the average household slightly above \$1,000 per year. Approximately half of all credit card holders pay only their minimum monthly requirements.<sup>27</sup>

Moreover, personal bankruptcies hit a record high in 2003, according to the American Bankruptcy Institute, and credit-card delinquencies hit a record high in the fourth quarter of 2003, according to the American Bankers Association.<sup>28</sup>

The \$750.9 billion in credit card debt that consumers owed at the end of 2002 includes \$660.9 billion for bank credit cards (VISA, MasterCard, American Express, and Discover) and \$90 billion for retail credit cards (store cards, gas cards, etc.).<sup>29</sup>

This report includes a survey of 13 bank-issued credit cards and lists their Annual Percentage Rates (APR) and fees for services such as cash advances and balance transfers. The APRs of the cards surveyed averaged 12.82% and ranged from 6.9% to 19.99% and the fees for cash advances and balance transfers are calculated as percentages of the amounts of the advance or transfer and are typically 3%. This report also includes a survey of 13 store-issued credit cards. The average APR of the cards surveyed is 20.2% and the APRs ranged from 16.55% to 23.85%.

According to Bankrate.com, consumers who have a \$2000 balance on their credit card with a 13% APR and pay the minimum monthly payment, will take 166 months (almost 14 years!) to pay off the balance and will pay \$1,350.60 in interest. Consumers with the same \$2000 balance on a credit card with a 18% APR who pay the minimum monthly payment will take 222 months (18½ years!) to pay off their balance and will pay \$2,615.43 in interest.<sup>30</sup> Those disturbing calculations make it easy to see how many Americans fall into a credit card trap each year.

## Bye Bye Paycheck!<sup>31</sup> – Payroll Cards

A relatively new entrant to the pricey plastic derby, payroll cards, are essentially “plastic paychecks.” It's another step toward a cashless society, but there's a debate about who ultimately benefits — employer or employee.<sup>32</sup> A payroll card is a card that allows you to access the money from your paycheck using a card that

looks like a bank debit card. The money is held in an account, and you withdraw it or spend it by using the card.<sup>33</sup>

Currently, about 2.2 million payroll cards are in use, double the number in circulation a year ago.<sup>34</sup> By next year, analysts estimate, there will be 3.5 million cards in use, and expect that number to double by 2006. The list of companies offering payroll cards includes such well-known corporate names as United Parcel Service, Inc.; Blockbuster, Inc.; Sears, Roebuck and Co.; Coca-Cola Co.; McDonald's Corp.; and Domino's, Inc.<sup>35</sup>

Introduced in the late 1990s, payroll cards have taken off in the past two years, especially as the two major credit card companies, Visa and MasterCard, started offering their own branded versions. That enabled workers to cash their pay wherever major credit and debit cards are accepted.<sup>36</sup> For companies, the advantage is clear. Electronically transferring funds to employees is up to 75% cheaper than issuing checks. However, for employees, payroll cards can come loaded with fees for any number of transactions — such as opening or maintaining an account, or withdrawing money from an ATM — although typically the first withdrawal of each pay period is free. Fees for balance inquiries, adding money or making a purchase have also cropped up. Consumer Reports estimates a payroll-card holder may fork over \$164 a year in fees.<sup>37</sup>

According to Consumers Union, there are many kinds of fees to watch out for. Fees may include:

- a monthly fee,
- a fee after a certain number of transactions,
- a fee for using the card at an ATM,
- a surcharge to the ATM owner,
- a POS fee for use at a point of sale such as a store,
- a fee for not using the card for a period of time (inactivity fee),
- a fee to replace the card,
- a fee when funds are put on the card account (load fee), and
- a fee to get your money back by check if you don't like the card.

One payroll card provider, according to Consumer Reports, even charges consumers a fee per minute to speak to customer service.

Fees make a big difference in whether or not a payroll card is a good deal for employees. A payroll card usually will cost less than using a check casher, but often will cost more than maintaining a bank account. Many payroll cards offer just one ATM withdrawal per pay period without a fee. Some employers pay all or part of the payroll card fees. Employers also can negotiate with the payroll card company to restrict the number and type of fees. Employees should ask their employers for a list of all fees before agreeing to a payroll card.<sup>38</sup>

## Don't Save that Gift Card for a Rainy Day

There are two types of stored value gift cards -- store-specific gift cards and general-purpose gift cards. You can use a store-specific gift card to buy merchandise from a particular store or through a store's website.<sup>39</sup> A general-purpose gift card from Visa, MasterCard or American Express may be used almost anywhere those cards are accepted.<sup>40</sup>

Twice as many American consumers purchased a gift card in 2003 compared to the previous year, according to a study commissioned by ValueLink, the gift and spending card service of First Data Corp. Forty-five percent of the adult population in the United States, an estimated 97 million people, purchased a gift card in the previous twelve months ending in August 2003 versus just 23 percent in a similar survey conducted for twelve months ending in August 2002.<sup>41</sup>

Gift cards are most widely purchased during the holiday season. For the holiday shopping season of 2003, an estimated 69.9% of consumers purchased gift cards, totaling an estimated \$17.24 billion (8% of all holiday sales).<sup>42</sup>

Gift cards, which are modeled after pre-paid calling cards, are based on existing plastic card magnetic stripe technology. This means all credit and debit card acceptance points have the ability to redeem stored value cards.<sup>43</sup> This is just one of the many reasons retailers prefer gift cards over their paper predecessor, the certificate. Additionally:

- Many retailers do not count gift cards as a sale, but instead wait until they are redeemed. This helps prolong the "holiday season" and boost sales in January or February.
- Cards have no value and are invalid until activated, so retailers can carry cards at the register.
- Gift cards cut down on returns.
- About two-thirds of recipients spend more than the value of the cards.
- Shoppers using gift cards are less interested in getting a discount, so the cards increase the sale of full-priced items.
- Roughly 10% of gift cards go unredeemed. That will translate to nearly \$4 billion this year. The unused balance, or "breakage," becomes free money to the card issuers.<sup>44</sup>

Bank-issued gift cards are quickly growing in popularity. They are prepaid cards issued by banks, malls or credit card companies that carry the logo of a major credit card company and can be used anywhere the brand is accepted. Bank-issued gift cards can come with fees that don't apply to debit cards, and though they look like credit cards, stored value cards are not protected by the laws that apply to credit and debit cards.<sup>45</sup> Since these cards are purchased for the amount stored in the card, the primary source of revenue of bank-issued gift cards is generated from interchange and service fees assessed for card activation, reloading value, ATM transactions and other miscellaneous fees. According to the American Bankers



Association Banking Journal, multi-use, reloadable stored value cards provide the greatest opportunity for interchange fee revenue.

According to Bankrate.Com, here are some store-specific and general purpose gift card fees consumers should watch for:

- Most gift cards expire within a year or two, although some may expire in six months. If consumers don't use all of the stored value and ask for a check to close the account, many institutions will charge \$15 as a "closure fee."
- Many gift cards allow ATM access. Some charge \$1.50 per transaction, but First National Bank of Omaha, for example, charges \$5 per transaction. Use the card at an ATM not owned by the bank that issues the card and consumers will very likely pay an additional fee.
- If the card is lost or stolen consumers will be able to get a new card for the remaining balance, but the "reissue fees" may range from \$4 to \$6.
- If consumers do not spend all the stored value within six months, most institutions will tack on a monthly "service fee" of \$2.50.<sup>46</sup>

The Gift Cards included in this report have fees similar to the ones listed above. Retailers say these fees are fair because they apply only to those who don't use the cards and they help cover maintenance costs for tracking gift card credits.<sup>47</sup> The fees assessed for failing to use the card in a timely manner mount quickly and drastically diminish the value of the card. Consumers who save the cards and fail to use them may be surprised to find the card nearly worthless when they do go to make a purchase with it.

## **A Tale of Two Wallets - Watch out for What's in Your Wallet!**

The plastic card fees and the APRs for the credit cards documented in this report can really add up for consumers. Because the fees are \$1 here, \$1.50 there and \$2 here again, many consumers do not realize just how quickly those dollars can become hundreds of dollars. Also, many consumers would be shocked to see how much they are paying in interest each year on their credit cards. This section of the report contains "A Tale of Two Wallets" and the wallets described contain plastic cards, which mount hundreds of dollars in fees and interest over the course of the year.

**Wallet #1:** Consumer's wallet contains two credit cards and one ATM/Debit Card. Plastic cards in the wallet would cost a total of \$375.45 for the year based on the following usage profile:

**Credit Card One:** Balance - \$1000  
 APR - 13%  
 Payments – minimum monthly payments

Total interest paid over the course of one year - \$120.32<sup>48</sup>

**Credit Card Two:** Balance - \$1000  
 APR – 18%  
 Payments – minimum monthly payments

Total Interest paid over the course of one year - \$170.41<sup>49</sup>

**ATM/Debit Card:** ATM Fees - \$67.92 per year (based on consumer making on average two foreign ATM transactions per month over the course of the year).<sup>50</sup>

Debit Card Fees - \$16.80 per year (based on consumer making on average two PIN-based POS transactions per month over the course of the year).<sup>51</sup>

**Total Cost for One Year for Fees and Interest for  
 Plastic Cards in Wallet # 1:      \$375.45**

**Wallet #2:** Consumer’s wallet contains one pre-paid card and three gift cards. Plastic cards in the wallet would cost a total of \$318.18 for the year based on the following usage profile:

**Pre-Paid Card:** Activation Fee - \$50.12 per year

Participation Fee - \$69.70 per year

POS Transaction Fees - \$20.64 per year (based on consumer making on average two PIN-based POS transactions per month over the course of the year).

ATM Transaction Fees - \$76.56 (based on consumer making on average two ATM withdrawals per month over the course of the year).

Load Fee - \$34.56 per year (based on consumer adding money onto their card on average two times per month over the course of the year).

Total Fees for One Year for Pre-Paid Card - \$251.58<sup>52</sup>

**Gift Card One:**<sup>53</sup> Expiration Fee - \$15

**Gift Card Two:** Service Fees - \$15 (based on paying a monthly service fee of \$2.50 for 6 months out of the year)

**Gift Card Three:** ATM Transaction Fees - \$36.60 per year (based on consumer making on average one ATM withdrawal with their gift card per month over the course of a year)

**Total Cost for One Year for Fees for Plastic Cards in Wallet #2: \$318.18**

## **Recommendations**

The continued record profits for banks—even in the face of a sluggish economy—shows that consumers need protections in the form of state and federal legislation and aggressive oversight of the financial services industry. Unfortunately for consumers, there are huge obstacles to realizing these protections. The first obstacle is the clout of the powerful banking lobby; the second the recent overreaching by federal bank regulators, who are attempting to preempt virtually all meaningful regulation of nationally chartered banks by states.

Nonetheless, the following consumer protections would go a long way to protect consumers and help generate real competition in the financial services industry.

### **Credit Cards**

Consumers need to shop smart for credit cards to ensure that they get the best rates and fees available to them and that the card's features fit their needs. Congress should require that credit card issuers conspicuously print on billing statements the amount of interest that would be paid over time if the cardholder pays off the balance by paying only the minimum payment each month.

### **ATM/Debit Cards**

Congress should pass legislation to require that consumers get information at the point of sale about the fees for using their ATM card for online and offline transactions. Moreover, Congress should require that consumers get a rolling and end-of-year tally of their ATM surcharge and debit card fees so they can keep track of their card usage in a meaningful way.

### **Regulation of Non-bank ATMs**

New York must follow Illinois, Maine, New Hampshire, Vermont, Wyoming and Washington, D.C. and close the private ATM loophole. Legislation introduced in the New York State Legislature by Assembly Banking Committee Chair Cathy Nolan (A.9654-A) offers a promising start. New York must pass licensing and registration

legislation, including requiring criminal background checks of private ATM owners/operators and the unregulated companies that service ISOs; require disclosures on ATMs of the networks that can be accessed at the ATM, the amount of the surcharge; the name and telephone number of the owner/operator for consumer complaints; mandate confirmation of licensing before allowing an ATM to hook up to the banking network; and require display of annual Banking Department stickers to provide consumer with some assurance that an ATM is registered with the state.

## **Gift Cards**

New York should follow Connecticut and outlaw expiration dates and dormancy fees for retail gift cards.<sup>54</sup> Current legislation introduced in New York by Senator Charles Fuschillo (S.5860) would mirror California law by prohibiting dormancy and other fees, except when a card was unused for 24 consecutive months and had only a minimal amount of money left on the card. Congress should pass similar legislation to sharply curtail bank gift card fees and expiration dates.

## **Methodology\***

**ATM/Debit Card Survey** - In March and April 2004, a team of field study participants surveyed bank-owned and non-bank-owned ATMs in New York State to determine whether the banks assessed a surcharge and the amount of the surcharge. Then, the field study participants visited local bank branches to obtain fee schedules with information about foreign ATM fees to withdraw money and to access account information, debit card fees and other notable ATM fees. Surveyors attempted to obtain fee information that was missing from the fee schedules off the banks' websites and/or from the New York State Department of Banking website. For the purpose of the ATM surcharge practices, data was calculated based on the number of ATMs surveyed. ATMs owned by the same bank or ISO were counted once per region (NYC, Long Island, Upstate NY) where they were surveyed unless they had different surcharging practices. The rest of the ATM fee calculations were made based on the number of different banks surveyed in the state.

**Pre-Paid Card Survey** - The information in the report on pre-paid cards was obtained from the fee schedules on those cards' websites and/or from the Credit Card Directory website.

**Credit Card Survey** – The information in the report on bank-owned credit cards was obtained from the Top Ten Bank Credit Card Issuers as of June 30, 2000, a list from cardweb.com; the NYS Banking Department and Federal Reserve surveys; the websites of the credit cards and by calling the credit cards companies in March 2004.<sup>55</sup> The information in the report on store-owned credit cards is secondary research obtained from bankrate.com; the Detroit News; and a survey and report on store credit cards that was released by Senator Charles Schumer (D-NY).<sup>56</sup>

**Gift Card Survey** – The information in the report on gift cards is secondary research obtained from the Massachusetts Office of Consumer Affairs and Business Regulation.<sup>57</sup>

\* Every effort was made to ensure the accuracy and completeness of the information included in this report. To the extent that surveyors were unable to obtain fee information in certain categories, those spaces were left blank on the data grids. The data grids are included in the attachments to this report.

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<sup>1</sup> Savings associations and their holding companies.

<sup>2</sup> FDIC Quarterly Banking Profile, Fourth Quarter 2003, Federal Deposit Insurance Corporation.

<sup>3</sup> According to a survey by the American Bankers Association and Dove Consulting.

<sup>4</sup> According to results from Standard Register's National Consumer Survey of Plastic Card Usage. The research found the following percentages of adult usage: credit cards, 89 percent; ATM cards, 61 percent; membership cards, 59 percent; debit cards, 37 percent; prepaid cards, 33 percent; prepaid phone cards, 29 percent; loyalty cards, 25 percent; and smart cards, 5 percent.

<sup>5</sup> A New Push For Plastic Payments, Forbes Magazine, Ari Weinberg, 03.09.04,

<sup>6</sup> ATM transactions made at an ATM not owned by the customer's own bank.

<sup>7</sup> Margulius, David, *Going to the ATM for More Than a Fistful of Twenties*, New York Times, January 17, 2002.

<sup>8</sup> Based on the average surcharge assessed by the ATMs surveyed that assess the surcharge.

<sup>9</sup> Unregulated ISO ATMs are, unfortunately, the perfect tools for identity theft and fraud. A recent example: Last fall, three men were arrested in connection with a rash of ATM frauds at machines across the country. The three had installed an ATM at a Manhattan grocery store that recorded the account and PIN numbers of everyone who used the ATM. After several months of illegally storing card information, they used the numbers to create counterfeit cards and stole over \$225,000 from 300 customer accounts.

<sup>10</sup> *See Criminals Focus on Weak Link in Banking: A.T.M. Network*, Walt Bogdanich, *The New York Times*, August 3, 2003.

<sup>11</sup> One of the gang members in the identity theft case described and documented in the above footnotes was later indicted in federal court. He had been previously convicted of financial fraud and deported from the U.S. back to Eastern Europe a decade ago. He managed to return to New York and purchase several ATMs without raising a red flag with the ATM service companies or the banking networks.

<sup>12</sup> A recent Dateline NBC special report revealed how a convicted money launderer could purchase an ATM and connect it to a banking network. The Dateline Correspondent and former felon, Randy Glass, hinted to salespeople that he planned to use the ATM for illicit purposes, and that he had a shaky financial history.

<sup>13</sup> *Cash is Queen*, www.cardweb.com, December 18, 2003.

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- <sup>14</sup> *Banner Year*, [www.cardweb.com](http://www.cardweb.com), February 2004.
- <sup>15</sup> "Debit Cards Still Confusing to Many Consumers" [www.bbb.org](http://www.bbb.org), 1999.
- <sup>16</sup> According to our 2003 and 2004 ATM/Debit Card surveys where we found PIN-based POS fees but did not find signature-based POS fees.
- <sup>17</sup> *Debit Card Section*, [www.citibank.com](http://www.citibank.com), April 2, 2002.
- <sup>18</sup> PIRG Consumer Watchdog fact sheet, [www.pirg.org/consumer/banks/debit/fact.htm](http://www.pirg.org/consumer/banks/debit/fact.htm), Aug 1997.
- <sup>19</sup> *Debit Card Section*, [www.citibank.com](http://www.citibank.com), April 2, 2002.
- <sup>20</sup> *Debit card section*, [www.chase.com](http://www.chase.com), March 31, 2003.
- <sup>21</sup> In re Visa Check/MasterMoney Antitrust Litigation, No. CV-96-5238. Visa and MasterCard agreed to pay over 3 billion dollars in damages and to end the forced acceptance of debit cards. Wal-Mart, as of February 1, 2004, no longer accepts MasterCard signature based debit transactions. <sup>21</sup> Wal-Mart Will No Longer Accept MasterCard Signature Debit Cards, [www.nacsonline.com](http://www.nacsonline.com), December 4, 2003. There is, however, at the time of the writing of this report, some question regarding whether the settlement will stand.
- <sup>22</sup> Fee to upload (or add) funds into a pre-paid card account.
- <sup>23</sup> New York City: Absence of Bank Branches in Communities of Color in New York City – 2002, Map Prepared by Neighborhood Economic Development Advocacy Project, [www.nedap.org](http://www.nedap.org) based on the U.S. Census (2000) and the FDIC 2002 Bank and Thrift Branch Office Data Book.
- <sup>24</sup> See Glenn B. Canner & Ellen Maland, *Basic Banking*, 73 FED. RESERVE BULL. 255, 257 (1987). See generally EDWARD L. RUBIN & ROBERT COOTER, *THE PAYMENT SYSTEM: CASES, MATERIALS AND ISSUES* 228-42 (2d ed. 1994). The National Consumer Law Center filed comments on the FRB's proposed amendments to Regulation E that stressed the potential importance of stored value cards to low-income consumers. See Comments of the National Consumer Law Center on the Proposed Amendments to Regulation E (Sept. 5, 1996) (on file with *The American University Law Review*). Phone SVCs have been popular with lowest income consumers, with consumers in ethnic neighborhoods with many individuals from foreign countries, and with individuals who do not have regular phone service. Corcoran, *supra* note 54, at 47; Noreen Seebacher, *Callers Beware: Some Firms' Prepaid Phone Cards in Trouble*, DET. NEWS, Apr. 10, 1996, at J4.
- <sup>25</sup> Post-Introductory rate.
- <sup>26</sup> According to the [American Consumer Credit Counseling \(ACCC\) Education Center](http://www.accc.org).
- <sup>27</sup> US consumer credit rises 2.5 percent in February, [www.chinaview.cn](http://www.chinaview.cn) 2004-04-07 06:46:25, WASHINGTON, April 7 (Xinhuanet).
- <sup>28</sup> "Are we too deep in debt?", Economists haven't been too worried about consumer debt; but could there be trouble down the road?, April 7, 2004: 3:12 PM EDT, By [Mark Gongloff](#), CNN/Money staff writer.
- <sup>29</sup> *Credit Card Debt* (3/13/03), Cardweb.com, Cardtrack online.
- <sup>30</sup> "The True Cost of Paying the Minimum", Bankrate.com.

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<sup>31</sup> *Bye-Bye, Paycheck*; Companies are steadily replacing paper checks with bank payroll cards; TIME Magazine, By BARBARA KIVIAT (Monday, Oct. 06, 2003).

<sup>32</sup> TIME, Kiviat.

<sup>33</sup> Questions for Employees to Ask About Payroll Cards, prepared by Gail Hillebrand, Consumers Union of U.S., Inc., West Coast Regional Office, *Prepared March 2004*.

<sup>34</sup> According to Aaron F. McPherson, research manager at Financial Insights, a Massachusetts market research firm.

<sup>35</sup> "From Paycheck to Plastic," By Caroline E. Mayer, Washington Post, 6 January 2004.

<sup>36</sup> Washington Post, Mayer.

<sup>37</sup> TIME, Kiviat

<sup>38</sup> Questions for Employees to Ask About Payroll Cards, prepared by Gail Hillebrand, Consumers Union of U.S., Inc., West Coast Regional Office, *Prepared March 2004*.

<sup>39</sup> Not all gift cards can be used for online shopping.

<sup>40</sup> Important exceptions, including airline tickets, may apply.

<sup>41</sup> The 2003 survey of 1,023 U.S. adults aged 18 or older revealed that consumer awareness of gift cards has reached 92 percent, a 13 percent increase over 2002. Nearly 6 in every 10 adults (59 percent) reported purchasing and/or receiving a gift card in the past year; a 22 percent increase over 2002 findings. Twice as Many Americans Purchased Gift Cards in 2003 than in 2002, Retail Industry, September 2003.

<sup>42</sup> Mohl, Bruce. "New Gift Cards Raise Concerns AG Warns They Sidestep State's Consumer Laws." Boston Globe, December 2, 2003.; Press Release. National Retail Federation. "Rapunzel Barbie Lets Down Her Hair, According to Latest NRF Holiday Survey." Nov 19, 2002. ; Press Release. National Retail Federation. "Gift Cards Emerge as Perfect Choice for Person with Everything". November 20, 2003.

<sup>43</sup> Munoz, Lisa. "Gift Cards Prove Their Convenience, But Some Have Strings Attached". The Seattle Times. October 12, 2003; Danforth, George. "Stored Value Cards and Financial Institutions." American Bankers Association Banking Journal. November 2003.

<sup>44</sup> Press Release. National Retail Federation. "Gift Cards Emerge as Perfect Choice for Person with Everything". November 20, 2003.; Engstrom, Tim and The Associated Press. "Fees Can Take Fun Out of Gift Cards". The News-Press, December 28, 2003. <http://www.news-press.com/news/business/031228giccards.html>. ; Cauley, H.M. "Guide to Gift Cards; Scrooge Lurks Inside Popular Holiday Gift". The Atlanta Journal-Constitution. December 18, 2003.; Futrelle, David. "Cardsharps". Money. December 2003.

<sup>45</sup> Mohl, Bruce. "New Gift Cards Raise Concerns AG Warns They Sidestep State's Consumer Laws." Boston Globe, December 2, 2003.; Cauley, H.M. "Guide to Gift Cards; Scrooge Lurks Inside Popular Holiday Gift". The Atlanta Journal-Constitution. December 18, 2003; Quote from Jean Ann Fox of the Consumer Federation of America.

<sup>46</sup> "Prepaid cards" -- nice gift, but watch those fees, by Laura Bruce • Bankrate.com -- Posted: May 6, 2002.

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<sup>47</sup> Danforth, George. "Stored Value Cards and Financial Institutions." American Bankers Association Banking Journal. November 2003.; Engstrom, Tim and The Associated Press. "Fees Can Take Fun Out of Gift Cards". The News-Press, December 28, 2003. <http://www.news-press.com/news/business/031228giccards.html>.

<sup>48</sup> Bankrate.com.

<sup>49</sup> Bankrate.com.

<sup>50</sup> Based on consumer paying the average surcharge and foreign ATM fee from our 2004 survey findings.

<sup>51</sup> Based on consumer paying the average PIN-based POS fee from our 2004 survey findings.

<sup>52</sup> Based on consumer paying average Pre-Paid and Surcharge fees from our 2004 survey findings.

<sup>53</sup> All of the gift card fees are based on the amounts found cited in our secondary research for this report. For gift card #3, we also used the average ATM surcharge in the calculation.

<sup>54</sup> See website of Connecticut Treasurer at [www.giftcardlaw.com/](http://www.giftcardlaw.com/).

<sup>55</sup> Sources used to obtain the Bank-Owned Credit Card Data: [www.cardweb.com](http://www.cardweb.com); [www.wellsfargo.com](http://www.wellsfargo.com); [www.mbna.com](http://www.mbna.com); [www.chasecreditcard.com](http://www.chasecreditcard.com); [www.fleet.com](http://www.fleet.com); [www.capitalone.com](http://www.capitalone.com); [www.americanexpress.com](http://www.americanexpress.com); [www.citibank.com](http://www.citibank.com); [www.discovercard.com](http://www.discovercard.com); [www.providian.com](http://www.providian.com); Sherry, Linda, *Consumer Action's Annual Credit Card Survey 2003*, [www.consumer-action.org](http://www.consumer-action.org), March 11, 2003; State of New York Banking Department, *Credit Card Survey*, [www.banking.state.ny.us](http://www.banking.state.ny.us), October 7, 2003; Federal Reserve Board, *Survey of Credit Card Plans*, [www.ny.frb.org](http://www.ny.frb.org), July 31, 2003.

<sup>56</sup> "Store Credit Cards: flashy perks, high rates," Lucy Lazarony, Bankrate.com; "New options make store credit cards more popular but high interest rates criticized" Karen Dybis / The Detroit News Sunday, December 21, 2003; 2002 Schumer Retail Credit Card Report.

<sup>57</sup> Press Release, Massachusetts Office of Consumer Affairs and Business Regulation. "Consumer Beware: Some Gift Cards Still Have Many Hidden Fees." December 2, 2003.



# **PRICEY PLASTIC**

## **A NYPIRG Report and Survey of Plastic Card Fees**

### **Attachments**

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# ATM Surcharges in New York - 2004

## Bank-Owned ATM Survey Results

Region	Bank ATM Owner	Location(s) of ATMs Surveyed, owned by Bank, in Region	ATM Surcharge Fee Amount Assessed by Bank ATM Owner
Long Island	Apple	Ronkonkoma	\$1.50
Long Island	Astoria Federal Savings	Rockville Centre; Happague <sup>1</sup>	\$1.50
Long Island	Atlantic	Hicksville	\$1.50
Long Island	Bank of New York	Old Westbury	\$1.75
Long Island	Bank of New York	Rockville Centre	\$1.50
Long Island	Bank of Smithtown	Centerreach; Lake Grove	\$1.50
Long Island	Chase	Rockville Centre	\$1.50
Long Island	Citibank	Hicksville; Rockville Centre	\$1.50
Long Island	Commerce	Hicksville	\$1.50
Long Island	Emigrant	Hicksville	\$1.50
Long Island	First Bank of Long Island	Huntington	\$1.75
Long Island	Fleet	Hempstead; Huntington	\$1.50
Long Island	Greenpoint	Centerreach; Rockville Centre <sup>2</sup>	\$1.50
Long Island	HSBC	Stony Brook <sup>3</sup>	\$1.75
Long Island	Long Island Commercial Bank	Islandia	\$1.00
Long Island	North Fork	Happague, Huntington	\$1.75
Long Island	Roslyn Savings Bank/NY Community Bank	Bellmore	\$1.50
Long Island	State Bank of Long Island	Old Westbury	\$1.50

<b>Region</b>	<b>Bank ATM Owner</b>	<b>Location(s) of ATMs Surveyed, owned by Bank, in Region</b>	<b>ATM Surcharge Fee Amount Assessed by Bank ATM Owner</b>
Long Island	Washington Mutual	Carle Place; Huntington <sup>4</sup>	FREE
New York City	Apple Bank	Bronx	\$1.50
New York City	Astoria Federal Savings	Brooklyn, Queens	\$1.50
New York City	Atlantic Bank of NY	Manhattan <sup>5</sup>	\$1.50
New York City	Banco Popular	Bronx; Queens	\$1.50
New York City	Bank of New York	Manhattan	\$1.00
New York City	Bank of New York	Queens	\$1.50
New York City	Carver Federal Savings	Queens	\$1.50
New York City	Chase	Bronx; Brooklyn; Manhattan; Queens	\$1.50
New York City	Citibank	Brooklyn; Manhattan; Queens; Staten Island <sup>6</sup>	\$1.50
New York City	Commerce	Brooklyn; Manhattan; Staten Island <sup>7</sup>	\$1.50
New York City	Emigrant Savings	Manhattan	\$1.25
New York City	First American International	Queens	\$1.50
New York City	Flatbush Federal Savings	Brooklyn	\$1.50
New York City	Great Eastern	Queens <sup>8</sup>	\$1.50
New York City	Greenpoint	Manhattan; Queens <sup>9</sup>	\$1.50
New York City	HSBC	Brooklyn; Manhattan; Queens <sup>10</sup>	\$1.75
New York City	Independence	Brooklyn; Queens; Staten Island	\$1.50
New York City	M & T	Brooklyn	\$2.00
New York City	North Fork	Bronx; Manhattan; Queens <sup>11</sup>	\$1.75

<b>Region</b>	<b>Bank ATM Owner</b>	<b>Location(s) of ATMs Surveyed, owned by Bank, in Region</b>	<b>ATM Surcharge Fee Amount Assessed by Bank ATM Owner</b>
New York City	Queens County Savings; NY Community Bank	Queens	\$1.50
New York City	Ridgewood Savings	Queens	\$1.50
New York City	S.I. Bank and Trust	Staten Island	\$1.50
New York City	Sterling National	Queens	\$1.50
New York City	United Orient	Queens	\$1.00
New York City	Washington Mutual	Bronx; Manhattan <sup>12</sup>	FREE
Upstate New York	Alliance	Cortland; Syracuse	\$2.00
Upstate New York	AmeriCU	Liverpool; Oswego; Syracuse	\$2.00
Upstate New York	Bank of America	White Plains	\$2.00
Upstate New York	Bank of New York	Larchmont	\$1.50
Upstate New York	Bank of New York	New Paltz <sup>13</sup>	\$1.00
Upstate New York	BSB Bank and Trust	Vestal; Syracuse	\$1.75
Upstate New York	Charter One	Albany; Vestal	\$2.50
Upstate New York	Charter One	Buffalo; Syracuse	FREE
Upstate New York	Chase	Dewitt; Liverpool; Oswego <sup>14</sup>	\$1.50
Upstate New York	Citibank	Buffalo <sup>15</sup>	\$1.00
Upstate New York	Citibank	Larchmont	\$1.50
Upstate New York	Commerce	White Plains	\$1.50
Upstate New York	Evergreen	Latham	\$1.75
Upstate New York	First National Bank of Scotia	Albany <sup>16</sup>	\$1.50

<b>Region</b>	<b>Bank ATM Owner</b>	<b>Location(s) of ATMs Surveyed, owned by Bank, in Region</b>	<b>ATM Surcharge Fee Amount Assessed by Bank ATM Owner</b>
Upstate New York	First Niagara Bank	Albany; Buffalo; Cortland	\$1.50
Upstate New York	Fleet	Albany; Buffalo; Fulton; Mamaroneck; New Paltz; Purchase; Syracuse; White Plains <sup>17</sup>	\$1.50
Upstate New York	Fulton Savings Bank	Phoenix	\$1.50
Upstate New York	Geddes Federal S & L	Syracuse	\$1.00
Upstate New York	Greater Buffalo Savings Bank	Buffalo	\$1.50
Upstate New York	HSBC	Alban; Oswego; Syracuse; Vestal <sup>18</sup>	\$1.75
Upstate New York	Hudson Heritage Federal CU	New Paltz	\$1.50
Upstate New York	Hudson River <sup>19</sup>	Albany	\$1.25
Upstate New York	Key <sup>20</sup>	Albany; Buffalo; Liverpool; Oswego; Syracuse	\$2.00
Upstate New York	M&T	Albany; Buffalo; Liverpool; New Paltz; Vestal <sup>21</sup>	\$2.00
Upstate New York	M&T	Syracuse	\$1.75
Upstate New York	NBT	Vestal	\$1.50
Upstate New York	Oswego County Savings	Oswego	\$2.00
Upstate New York	Pioneer Savings	Albany	\$1.50
Upstate New York	SEFCU	Albany; Syracuse; Vestal	\$1.25
Upstate New York	Solvay	Syracuse	\$1.50
Upstate New York	Trustco	Albany <sup>22</sup>	\$1.75
Upstate New York	Ulster Savings	New Paltz	\$1.00
Upstate New York	Vision's FCU	Binghamton	FREE

<b>Region</b>	<b>Bank ATM Owner</b>	<b>Location(s) of ATMs Surveyed, owned by Bank, in Region</b>	<b>ATM Surcharge Fee Amount Assessed by Bank ATM Owner</b>
Upstate New York	Wachovia	Larchmont; New Paltz	\$2.00
Upstate New York	Washington Mutual	Mamaroneck	FREE

### **Bank-Owned ATM Survey Summary**

**Total Number of Bank-Owned ATMs<sup>23</sup> Surveyed - 79**

**Percentage of Bank-Owned ATMs Surveyed that Assess an ATM Surcharge – 94% (74/79)**

**Average Amount of the ATM Surcharge<sup>24</sup> Assessed by Bank-Owned ATMs Surveyed – \$1.55**

### **ISO-Owned ATM Survey Results**

<b>Region</b>	<b>Independent Service Operator (ISO) Non-Bank ATM Owner</b>	<b>Location(s) of ATMs Surveyed, owned by ISO, in Region</b>	<b>ATM Surcharge Fee Amount Assessed by Bank ATM Owner</b>
Long Island	American Express <sup>25</sup>	Centerreach; Hempstead	\$1.50
Long Island	CAI	Garden City	\$2.00
Long Island	Cardtronics	Centerreach; Freeport; Garden City	\$1.50
Long Island	King Kullen <sup>26</sup>	Smithtown	\$1.00
Long Island	Triton/Sinem Ozden Corp. <sup>27</sup>	Selden	\$1.50
New York City	AA ATM	Manhattan	99¢

<b>Region</b>	<b>Independent Service Operator (ISO) Non-Bank ATM Owner</b>	<b>Location(s) of ATMs Surveyed, owned by ISO, in Region</b>	<b>ATM Surcharge Fee Amount Assessed by Bank ATM Owner</b>
New York City	A&A Food Market	Staten Island	\$1.60
New York City	Actors FCU	Manhattan	99¢
New York City	ATM World	Manhattan	99¢
New York City	Bagels & Buns	Staten Island	\$1.50
New York City	Bayside Exxon	Queens	\$2.50
New York City	Cardtronics	Manhattan	\$1.00
New York City	Cardtronics	Queens; Staten Island	99¢
New York City	Check Cashers	Staten Island	\$2.00
New York City	Checks & More	Brooklyn	\$1.50
New York City	Clarisa Deli and Grocery	Manhattan	\$1.50
New York City	E-Trade	Brooklyn	\$1.50
New York City	FCC	Staten Island	\$1.75
New York City	Forest Deli and Grocery	Staten Island	\$1.50
New York City	Global Reliant, Inc.	Brooklyn	\$1.50
New York City	Innovus	Queens	\$1.95
New York City	MMI	Queens	\$1.50
New York City	Money Making	Manhattan	\$1.75
New York City	Money Marketing	Brooklyn; Queens	\$1.50
New York City	Money Marketing	Manhattan	\$1.75
New York City	Money Technology Systems, Inc.	Manhattan	\$1.50
New York City	Nextron	Brooklyn	\$1.75

<b>Region</b>	<b>Independent Service Operator (ISO) Non-Bank ATM Owner</b>	<b>Location(s) of ATMs Surveyed, owned by ISO, in Region</b>	<b>ATM Surcharge Fee Amount Assessed by Bank ATM Owner</b>
New York City	Nextron	Queens	\$1.65
New York City	NYC ATM	Staten Island	\$1.50
New York City	Quest	Brooklyn	\$1.50
New York City	Quest	Manhattan	99¢
New York City	NOR Springfield	Queens	\$1.75
New York City	PBT	Queens	\$1.50
New York City	SHIK	Brooklyn	\$1.50
New York City	Specialized Financial	Queens	\$2.00
New York City	Triton	Manhattan	\$1.50
New York City	TRM Corp	Queens	\$1.50
New York City	Willowbrook Deli	Staten Island	\$1.50
Upstate New York	Access Cash	Cortland	\$1.95
Upstate New York	Access to Money	New Paltz	\$1.50
Upstate New York	Access to Money	New Paltz	\$1.75
Upstate New York	Atlas ATM	White Plains	\$1.50
Upstate New York	Card Capture Services	New Paltz	\$1.50
Upstate New York	Cardtronics	Syracuse	\$1.00
Upstate New York	Cardtronics	New Paltz	\$1.25
Upstate New York	Cardtronics	Buffalo; Cortland; New Paltz	\$1.50
Upstate New York	Cardtronics	Albany; Buffalo; Latham; White Plains	\$1.75



<b>Region</b>	<b>Independent Service Operator (ISO) Non-Bank ATM Owner</b>	<b>Location(s) of ATMs Surveyed, owned by ISO, in Region</b>	<b>ATM Surcharge Fee Amount Assessed by Bank ATM Owner</b>
Upstate New York	Chestnut Mart	New Paltz	\$1.50
Upstate New York	Convenient Deli	New Paltz	\$1.75
Upstate New York	Diebold	Oswego	\$1.50
Upstate New York	E-Trade	Albany	\$1.50
Upstate New York	E-Trade	Fulton	\$1.75
Upstate New York	Family Farm of New Paltz	New Paltz	\$1.50
Upstate New York	First National ATM	New Paltz	\$1.50 <sup>28</sup>
Upstate New York	First National ATM	New Paltz	\$2.00 <sup>29</sup>
Upstate New York	Golub Corporation	Cortland	\$1.50
Upstate New York	Granite Capital Holdings	Johnson City	\$1.75
Upstate New York	Innovus	Albany; Syracuse	\$2.50
Upstate New York	Larchmont Mini Mart	Larchmont	\$1.50
Upstate New York	Manley's Mighty Mart	Johnson City	\$1.75
Upstate New York	Mamaroneck Gas	Mamaroneck	\$2.00
Upstate New York	Money Tree	Syracuse	\$1.50
Upstate New York	National ATM	Albany	\$1.50
Upstate New York	Paper and Puff (PAP)	White Plains	\$1.50
Upstate New York	Pathfinder	Oswego	\$1.50
Upstate New York	PBT	Buffalo	\$1.50
Upstate New York	Power	Oswego	\$1.50
Upstate New York	Quest	Syracuse	\$1.25

<b>Region</b>	<b>Independent Service Operator (ISO) Non-Bank ATM Owner</b>	<b>Location(s) of ATMs Surveyed, owned by ISO, in Region</b>	<b>ATM Surcharge Fee Amount Assessed by Bank ATM Owner</b>
Upstate New York	Sonic	Syracuse	75¢
Upstate New York	Sunoco	Port Chester	\$1.75
Upstate New York	Tip Top Vending	White Plains	\$1.75
Upstate New York	TRM Corporation	Albany	\$1.95
Upstate New York	UMI Communications	New Paltz	\$1.75
Upstate New York	Wegman's	Johnson City; Buffalo	\$1.00
Upstate New York	WRG Service Inc.	Albany	\$1.50

### **ISO-Owned ATM Survey Summary**

**Total Number of ISO-Owned ATMs<sup>30</sup> Surveyed - 75**

**Percentage of ISO-Owned ATMs Surveyed that Assess an ATM Surcharge – 100% (75/75)**

**Average Amount of the ATM Surcharge<sup>31</sup> Assessed by ISO-Owned ATMs Surveyed – \$1.55**

## ATM/Debit Card Fees Assessed by New York Banks – Spring 2004

Bank Name	Foreign ATM Fees		Debit Card Point-of-Sale Fees <sup>32</sup>	ATM/Debit Card Replacement Fee	Additional ATM/Debit Card Fees
	Withdrawal Fees	Account Inquiry Fees			
Alliance	\$1.25	\$1.25	25¢	\$6.00	The \$1.25 fee is for all non-Alliance ATM transactions
AmeriCU	\$1.00	\$1.00	25¢	\$10.00 <sup>33</sup>	Also assess a \$2 PIN reminder fee; a \$1 Transfer fee at non-AmeriCU ATMs and a \$15 ATM/Debit Research fee <sup>34</sup>
Apple	\$1.50	\$1.00	\$1.50	\$5.00	Also assesses a \$10 ATM Deposit Adjustment Fee and a \$2 Unprocessed ATM withdrawal fee
Astoria Federal Savings	\$1.50	\$1.00	\$1.00	\$10.00	Also assesses a \$1 fee to obtain a mini-statement update at Astoria ATM
Atlantic	\$1.25	\$1.25	FREE	\$10.00	The \$1.25 fee also applies to Transfers made a non-Atlantic ATM
Banco Popular	SEE NOTE <sup>35</sup>			\$5.00	
Bank of New York	\$1.00		50¢	\$1.00	
Bank of Smithtown	\$1.50	\$1.00	\$1.00	\$10.00	
BSB Bank and Trust	\$1.75			\$5.00	
Carver	\$1.50	50¢	\$1.00	\$7.50	
Charter One	\$2.25	\$2.25 <sup>36</sup>	\$1.00 <sup>37</sup>	\$5.00	Also assesses \$1.50 monthly fee for ATM and Debit Cards; <sup>38</sup> a \$15 ATM deposit correction fee; and the \$2.25 fee is for all transactions at non-Charter One ATMs, which may include transfers.
Chase (Downstate)	\$1.50	\$1.50 <sup>39</sup>	50¢		
Chase (Upstate)	\$1.00	\$1.00	25¢ <sup>40</sup>		For some accounts, a 25¢-50¢ may be charged for Chase ATM withdrawals depending on balance maintained
Citibank (NY Metro Area)	\$1.50 <sup>41</sup>	\$1.50 <sup>42</sup>	FREE		

Bank Name	Foreign ATM Fees		Debit Card Point-of-Sale Fees	ATM/Debit Card Replacement Fee	Additional ATM/Debit Card Fees
	Withdrawal Fees	Account Inquiry Fees			
Commerce Bank	FREE	FREE	FREE	FREE	
Emigrant	\$1.00	\$1.00	\$1.00	\$7.00	Also assesses a \$9 Fee for ATM/POS transaction resulting in a negative balance
Evergreen	\$1.50	\$1.50	25¢ <sup>43</sup>	\$10.00 <sup>44</sup>	Also assesses a \$1 fee to obtain a mini-statement update at Evergreen ATM
First National Bank of Long Island	\$1.50	FREE	60¢	\$10.00 <sup>45</sup>	Also assesses a 50¢ fee for making an account balance inquiry at an FNBLI ATM
First National Bank of Scotia	\$1.00	25¢	10¢	\$10.00	Also assesses a \$10 fee for a lost PIN (personal identification number)
First Niagra Bank	\$1.00	\$1.00		\$5.00	
Fleet	\$1.00	\$1.00		\$5.00	Also assesses a 50¢ fee to obtain a mini-statement update at a Fleet ATM and a \$1 fee to obtain a record of your last 10 transactions at a Fleet ATM
Greater Buffalo				\$3.00	
GreenPoint	\$1.00	\$1.00	\$1.00	\$10.00	Also assesses a \$5 fee to obtain a new PIN (personal identification number); a 50¢ fee for a denied ATM transaction for insufficient funds; and a \$5 fee for an ATM Deposit Discrepancy
HSBC	\$1.00	\$1.00 <sup>46</sup>			Also assesses a \$1 fee to obtain an Account Statement Update at an HSBC ATM and a 50¢ fee to obtain a check paid status at an HSBC ATM
Hudson River	\$1.00 <sup>47</sup>		25¢	\$5.00	
Independence	\$1.00	50¢		\$7.00	
Long Island Commercial Bank				\$5.00 <sup>48</sup>	
Key Bank	\$2.00	\$2.00 <sup>49</sup>	25¢ <sup>50</sup>	\$5.00	Also assesses a \$1 fee to obtain a mini-statement update at a Key Bank ATM

Bank Name	Foreign ATM Fees		Debit Card Point-of-Sale Fees	ATM/Debit Card Replacement Fee	Additional ATM/Debit Card Fees
	Withdrawal Fees	Account Inquiry Fees			
M & T	\$1.75	\$1.50 <sup>51</sup>	50¢	\$10.00	Also assesses a 50¢ fee for each ATM mini-statement printed at a M&T ATM and a \$1 fee for each full statement printed at a M&T ATM
NBT	\$1.00	50¢		\$5.00	Also assesses a \$1 NBT Banker Cash and Check Card monthly fee
New York Community Bank	\$1.50 <sup>52</sup>	\$1.50	\$1.50 <sup>53</sup>	\$10.00	Also assesses a \$2 PIN replacement fee
North Fork	\$1.25	\$1.00	60¢ <sup>54</sup>	\$10.00	
Oswego County National Bank	\$1.00			\$5.00 <sup>55</sup>	
PathFinder	\$1.00 <sup>56</sup>	55¢			Also assesses a 50¢ fee for the rejection/denial of an attempted ATM transaction at a non-PathFinder ATM
Pioneer	\$1.00 <sup>57</sup>		50¢	\$5.00	
Ridgewood	FREE	FREE	FREE	\$10.00	Also assesses a \$5 PIN replacement fee
SEFCU	95¢	30¢	95¢	\$5.00	Also assesses a \$7.50 Deposit Correction fee; a \$15 fee for the deposit of an empty envelope and a \$15 fee for allowed ATM or a denied POS transaction with insufficient funds
SI Bank and Trust	FREE	FREE <sup>58</sup>			
Visions Federal CU	\$1.50	\$1.50	\$1.50		All the \$1.50 fees are assessed only after the first 5 such transactions per month – the first five transactions are free; Also assesses a \$1 debit card inactivity fee when debit card is not used at least once per month at POS
Washington Mutual	\$1.00	50¢			Also assesses a 50¢ fee to obtain a mini-statement update at a Washington Mutual ATM

## New York Bank ATM/Debit Card Fees Survey Summary Spring 2004

Survey Results	Foreign ATM Fees		Debit Card Point-of-Sale Fees	ATM/Debit Card Replacement Fee
	Withdrawal Fees	Account Inquiry Fees		
<b>Total # Banks Surveyed - 40</b>				
<b>Percentage of Banks Surveyed that Assess the Fee<sup>59</sup></b>	<b>92%</b>	<b>86%</b>	<b>89%</b>	<b>97%</b>
<b>Average Fee Assessed in Each Fee Category<sup>60</sup></b>	<b>\$1.28</b>	<b>\$1.07</b>	<b>70¢</b>	<b>\$6.97</b>

## PRE-PAID CARD FEES

Card	Activation Fee	Annual Participation Fee	POS Transaction Fee	ATM Transaction Fee	Load Fee
Eufora Associate Pre-Paid MasterCard	FREE	\$29.95	SEE NOTE <sup>61</sup>	\$2.00 <sup>62</sup>	\$1.00
First Vineyard Stored Value MasterCard	\$39.95	\$83.40 (\$6.95 monthly)	FREE	\$2.00 <sup>63</sup>	FREE
Four Oaks Pre-Paid VisaCard	\$89.95	\$47.40 (\$3.95 monthly)	50¢	\$1.50 <sup>64</sup>	\$1.00
IndiGOCARD Pre-Paid MasterCard	\$99	\$108 (\$9 monthly)	FREE	99¢	FREE
InstaBanc Platinum Pre-Paid Debit MasterCard	FREE	\$150 <sup>65</sup>	FREE <sup>66</sup>		FREE
LYFE Stored Value ATM Card	\$29.95	\$59.40 (\$4.95 monthly)	\$1.00	\$2.00	\$2.50
Merrick Bank Pre-Paid MasterCard	\$19.95	\$59.40 (\$4.95 monthly)		\$1.50	FREE <sup>67</sup>
NetSpend All Access Pre-Paid MasterCard	\$19.95 <sup>68</sup>	\$71.40 (\$5.95 monthly)	\$2.00 <sup>69</sup>	\$2.00	\$2.00 <sup>70</sup>
Pre-Paid Visa Cash Card	\$79.95	\$47.40 (\$3.95 monthly)	50¢	\$1.50 <sup>71</sup>	\$1.00 <sup>72</sup>

<b>Card</b>	<b>Activation Fee</b>	<b>Annual Participation Fee</b>	<b>POS Transaction Fee</b>	<b>ATM Transaction Fee</b>	<b>Load Fee</b>
Rush Visa Card	\$19.95	FREE	\$1.00	\$1.50	FREE <sup>73</sup>
Secure Deposit MasterCard	\$79.95	\$47.50 (\$3.95 monthly)	50¢	\$1.50	\$1.00 <sup>74</sup>
Super VIP Pre-Paid Visa Card	\$79.95	\$47.50 (\$3.95 monthly)	50¢	\$1.50	\$1.00 <sup>75</sup>
U.S. Bank Visa Buxx Card	\$15 <sup>76</sup>	FREE		\$1.50	\$2.00 <sup>77</sup>
Vaya Pre-Paid MasterCard	\$49	\$71.40 (\$5.95 monthly)		\$1.50	FREE
Wired Plastic Stored Value MasterCard	\$29.95	\$83.40 (\$6.95 monthly)		\$2.00 <sup>78</sup>	FREE <sup>79</sup>
<b>Percentage of Cards that Assess the Fee<sup>80</sup></b>	<b>87%</b>	<b>87%</b>	<b>70%</b>	<b>100%</b>	<b>53%</b>
<b>Average Fee Assessed in Each Fee Category<sup>81</sup></b>	<b>\$50.12</b>	<b>\$69.70</b>	<b>86¢</b>	<b>\$1.64</b>	<b>\$1.44</b>



Definitions:

Activation Fee – A one-time fee assessed to obtain the card. This fee is also called an application fee. Fee typically includes a membership fee, account set-up fee and a card issuance and embossing fee.

Participation Fee – A card maintenance fee assessed annually or monthly.

POS Transaction Fee – A point-of-sale fee assessed each time cardholder makes a purchase with their card.

ATM Transaction Fee – A fee assessed each time cardholder uses their card to withdraw money from an Automated Teller Machine. This fee is in addition to the ATM surcharge fee assessed by the ATM owner.

Load Fee – A fee assessed each time funds are uploaded into the account.

## CREDIT CARD APR<sup>82</sup> AND FEE SURVEY

Credit Card Name	APR		Annual Fee	Transfer Balance Fee	Cash Advance Fee	Over Credit Limit Fee	Late Payment Fee
	Introductory <sup>83</sup>	Post-Introductory					
American Express Rewards Green Card		None <sup>84</sup>	\$65	None <sup>85</sup>	N/A <sup>86</sup>	None <sup>87</sup>	\$30 <sup>88</sup>
American Express Blue Card	0%	9.99%-14.99% <sup>89</sup>	None	None	3% <sup>90</sup>	\$29	\$15 <sup>91</sup>
Bank of America Visa Platinum	8.9%	11.99%-16.99%	None	None	3% <sup>92</sup>	\$35	\$19 <sup>93</sup>
Bank One Personal Platinum Visa	0%	8.99%-14.99% <sup>94</sup>	None	3% <sup>95</sup>	3% <sup>96</sup>	\$35	\$15 <sup>97</sup>
Capital One Bank Mastercard		8.9%	None	None	3% <sup>98</sup>	\$29	\$29 <sup>99</sup>
Citibank Platinum Select Mastercard		9.99% <sup>100</sup>	None	3% <sup>101</sup>	3% <sup>102</sup>	\$35	\$15 <sup>103</sup>
Citibank AA Advantage World Mastercard		13.99% <sup>104</sup>	\$50	3% <sup>105</sup>	3% <sup>106</sup>	None	\$15 <sup>107</sup>
Chase Classic Card Visa/Mastercard	2.99%	13.49% <sup>108</sup>	None	3% <sup>109</sup>	3% <sup>110</sup>	\$29 <sup>111</sup>	\$15 <sup>112</sup>
Discover Classic Card		15.99%	None	15.99% <sup>113</sup>	3% <sup>114</sup>	\$15 <sup>115</sup>	\$15 <sup>116</sup>

Credit Card Name	APR		Annual Fee	Transfer Balance Fee	Cash Advance Fee	Over Credit Limit Fee	Late Payment Fee
	Introductory	Post-Introductory					
Fleet Classic Card Visa	0%	12.99%-15.99% <sup>117</sup>	None	None	4% <sup>118</sup>	\$15 <sup>119</sup>	\$35.00
MBNA Elite Rewards Mastercard		9.9%	None	2.9% <sup>120</sup>	3% <sup>121</sup>	\$15 <sup>122</sup>	\$15 <sup>123</sup>
Providian Platinum with Real Benefits Visa	0%	9.99% - 19.99% <sup>124</sup>	None	3% <sup>125</sup>	3% <sup>126</sup>	\$35 <sup>127</sup>	\$19 <sup>128</sup>
Well Fargo Bank Platinum Visa	0%-5.9%	6.90%-19.25% <sup>129</sup>	None	3% <sup>130</sup>	4% <sup>131</sup>	\$35	\$20 <sup>132</sup>

## **Store-Issue Credit Cards and their APRs**<sup>133</sup>

Ann Taylor – 22.8%

Banana Republic Card – 17.4%

Best Buy Card – 20%

Bloomingdales Card – 21.6%

Gap Card - 16.55%

Lerner New York – 22.8%

Linens 'n Things Card– 16.85%

Luxe Card – 17.4%

Nordstrom Card – 21%

Pier 1 – 21.6%

Sears – 21.9%

Radio Shack – 23.85%

Victoria's Secret – 22.8%

## Gift Card Fees<sup>134</sup>

Card Name	Inactivity Penalty	Purchase Fee/ Shipping Handling	ATM Withdrawal / Cash Advance	PIN Fee	Expired Card Penalty	Refund/ Lost Card Processing
Simon Mall VISA Gift Card	\$2.50 per month after 7 months	\$5.95	N/A	N/A	N/A	\$5.00
Charter One MasterCard Gift Card	\$2.50 per month after 6 months	N/A	\$2.00 per use	\$1.00 per use	\$10.00/ month after expiration	\$10.00
American Express Gift Card	\$2.00 per month after 12 months	\$3.95/ web purchase \$7.95/ phone purchase	N/A	N/A	\$5.95 for reissue	\$5.95 for new card
Discover Gift Card	\$2.50 per month after 6 months	\$5.50	N/A	N/A	N/A	No Refund of Lost/ Stolen Cards
Fleet Visa Gift Card	\$2.50 per month after 6 months	Varies depending on amount on card	\$2.50 per use	\$2.50 per use	\$15 processing fee to receive remainder of card amount after expiration	\$5.95 for replacement card

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- <sup>1</sup> Astoria Federal Savings branch in Happauge assesses a \$1 surcharge fee for mini-statement updates at ATM and the ATM screen disclosure includes an advertisement to open an Astoria account.
- <sup>2</sup> Greenpoint branch in Rockville Centre's ATM screen disclosure includes an advertisement to open a Greenpoint account.
- <sup>3</sup> HSBC branch on Middle County Road's ATM screen disclosure includes an advertisement to open an HSBC account.
- <sup>4</sup> Surveyor noted that despite a sign stating that Washington Mutual charges \$1.50 to non-Washington Mutual accountholders, a flash on the screen says there is NO charge to non-Washington Mutual customers. Surveyor also noted that the bank's screen was too fast to even read and simply dispensed cash without a prompt.
- <sup>5</sup> Surveyor noted that the signs and screen indicated that the ATM did assess a surcharge but did not disclose the amount of the surcharge and, in fact, indicated that ATM customers would find out the surcharge amount at the time of withdrawal.
- <sup>6</sup> Three Citibank ATMs surveyed in Manhattan (1) and Queens (2) included an advertisement encouraging ATM customers to open Citibank accounts on their sign or screen disclosures.
- <sup>7</sup> Surveyor noted that the Manhattan Commerce Bank-owned ATM surveyed did not disclose the amount of the surcharge.
- <sup>8</sup> Disclosure included an advertisement encouraging ATM customers to open Great Eastern Bank Accounts.
- <sup>9</sup> Greenpoint also assesses fees for non-acountholders who use their ATMs to check their account balances, obtain mini-statement updates and make check inquiries. The ATMs surveyed also included advertisements urging ATM customers to open Greenpoint accounts.
- <sup>10</sup> The ATMs surveyed contained advertisements urging ATM customers to open HSBC accounts.
- <sup>11</sup> North Fork also assesses fee to non-acountholders who check their balances or obtain mini-statement updates.
- <sup>12</sup> Surveyor noted that one of the Bronx Washington Mutual ATMs surveyed contained a disclosure that non-acountholders would be assessed a \$1.50 surcharge.
- <sup>13</sup> Disclosure contains an advertisement urging ATM customers to open Bank of NY accounts.
- <sup>14</sup> Some of the ATM disclosures contain advertisements urging ATM customers to open Chase Accounts.
- <sup>15</sup> ATM disclosure contains an advertisement urging ATM customers to open Citibank Accounts.
- <sup>16</sup> ATM disclosure contains an advertisement urging ATM customers to open First National Bank of Scotia.
- <sup>17</sup> Fleet also assesses the \$1.50 surcharge to non-acountholders who obtain mini-statement updates at their ATMs.
- <sup>18</sup> HSBC surcharge disclosures often included advertisements urging ATM customers to open HSBC accounts.
- <sup>19</sup> ATM also sells stamps - 84¢ per sheet
- <sup>20</sup> ATM also sells stamps-74¢ per sheet
- <sup>21</sup> Also processes EBT withdrawals through the Quest Network for \$1.50 per withdrawal. Some M&T disclosures contain advertisements to urge ATM customers to open M&T accounts.
- <sup>22</sup> Disclosure included advertisement urging ATM customers to open Trustco accounts.
- <sup>23</sup> ATMs are counted once per region (Long Island, NYC, Upstate NY) surveyed and more than once in the same region if they assessed a different surcharge amount at different locations in the same region
- <sup>24</sup> Based on the average surcharge assessed by the ATMs surveyed that assess the surcharge
- <sup>25</sup> Advertises that fee is waived if ATM customer is using an American Express Card.
- <sup>26</sup> King Kullen (KKGCI) is sponsored into the Plus Network by Lansing Automakers FCU.

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- <sup>27</sup> Also assess \$1.50 surcharge for account balance checks or check inquiries.
- <sup>28</sup> ATMs located at Gas Station and Deli in New Paltz.
- <sup>29</sup> ATM located in a Bar in New Paltz.
- <sup>30</sup> ATMs are counted once per region (Long Island, NYC, Upstate NY) surveyed and more than once in the same region if they assessed a different surcharge amount at different locations in the same region
- <sup>31</sup> Based on the average surcharge assessed by the ATMs surveyed that assess the surcharge
- <sup>32</sup> Past and this year's research has shown and shows that often these fees apply only to PIN-based POS transactions (point-of-sale transactions where customers enter their personal identification numbers at the time of purchase) and not signature-based POS transactions (point-of-sale transactions where customers just sign for the purchase as they would for a credit card purchase) leading to *Debit Card Confusion*
- <sup>33</sup> No charge to replace a worn card; fee applies to replacement of lost/stolen or abused card
- <sup>34</sup> Fee waived if no fault
- <sup>35</sup> This blank and the others that follow on this grid do not indicate that the service is free. When the surveyor identified a free service it is indicated as such. The blank indicates that, after an extensive search of the fee schedules provided by the banks and their web sites, the surveyor was unable to ascertain the amount of the fee. In some cases, the rhetoric in the banks' literature and on the web site indicated that transaction fees would apply but did not specify the amount(s) of those fees.
- <sup>36</sup> Fee schedule indicates that \$2.25 fee applies to transactions made at non-Charter One ATMs, which may include account inquiries
- <sup>37</sup> Fee schedule indicates that fee is not assessed for non-PIN based POS transactions
- <sup>38</sup> Monthly debit card fee waived if card is used three or more times a month or if card is linked to certain accounts.
- <sup>39</sup> Web site indicates normal account transaction fees apply
- <sup>40</sup> Depending on account, applies when customer's balance falls below minimum or when customer exceeds 10 transactions in a month.
- <sup>41</sup> Basic banking account holders assessed \$1 for non-Citibank ATM transactions
- <sup>42</sup> Web site says customers may be charged at non-Citibank ATMs for account inquiries
- <sup>43</sup> Fee schedule indicates that fee is not assessed for non-PIN, signature-based ATM/VISA POS transactions
- <sup>44</sup> Free is \$35 for a 48 hour replacement
- <sup>45</sup> Fee is \$20 for a "rush" replacement
- <sup>46</sup> Fee also applies to money transfers at a non-HSBC ATM
- <sup>47</sup> Fee also applies to money transfers at non-Hudson River ATMs
- <sup>48</sup> Fee is \$25 for a "rush" replacement
- <sup>49</sup> Fee also applies to transfers
- <sup>50</sup> Fee applies to PIN-based purchases but not to signature-based purchases
- <sup>51</sup> Fee schedule indicates that the \$1.75 fee will be assessed for each other type of transaction made at a non-M & T ATM
- <sup>52</sup> Fee also applies to transfers made at Non-NYCB ATMs
- <sup>53</sup> Fee applies to point-of-sale transactions with PIN but does not apply to POS transactions with signature
- <sup>54</sup> Fee assessed for a POS debit transaction performed with an NFB ATM Card, but the fee is not assessed for POS transactions performed with an Express Check Debit Card
- <sup>55</sup> One ATM/Debit Card replacement per year at no cost
- <sup>56</sup> Fee also applies to deposits and transfers at non-PathFinder ATMs
- <sup>57</sup> Fee also applies to deposits at non-Pioneer ATMs
- <sup>58</sup> Also free to obtain an instant statement at the ATM

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- <sup>59</sup> Blank spaces were not included in this calculation since surveyor was unable to ascertain whether or not fee is assessed for these services
- <sup>60</sup> Averages are based on the average amount of the fee charged by banks that charge a fee in that category
- <sup>61</sup> This blank space and the others that follow on this grid are due to the fact that the surveyor was unable to ascertain what the fees were even after an extensive search on the web sites for these cards. When the fees were FREE it is so indicated on this grid. In some cases, a fee was implied for the categories by rhetoric on the sites but a fee amount was not available.
- <sup>62</sup> \$2 for ATM withdrawals and \$1 for ATM account inquiries
- <sup>63</sup> \$2 for ATM withdrawals and \$1 for ATM account inquiries
- <sup>64</sup> \$1.50 for ATM withdrawals and \$1 for ATM account inquiries
- <sup>65</sup> \$99.995 for a generic, no-name card
- <sup>66</sup> Rhetoric indicated that there was no charge to make purchases or to load money on the card; rhetoric said nothing one way or another on an ATM transaction fee; rhetoric did say that standard transaction fees apply and it directed surveyor to the InstaBanc Debit Card Holder Agreement, which surveyor was unable to locate
- <sup>67</sup> for check, money order or electronic transfer; \$10 load fee for wire or phone transfer
- <sup>68</sup> shipping and handling for card
- <sup>69</sup> \$2.00 for PIN-based POS transactions and \$1.00 for signature-based POS transactions
- <sup>70</sup> for all loads except direct deposit, which is free
- <sup>71</sup> \$1.50 for ATM withdrawal and \$1.00 for ATM account inquiry
- <sup>72</sup> \$2.50 handling fee for loading card by mail
- <sup>73</sup> \$6.65 for load via Money Gram
- <sup>74</sup> \$2.50 handling fee for loading card by mail
- <sup>75</sup> \$2.50 handling fee for loading card by mail
- <sup>76</sup> \$10 for U.S. Bank Customers
- <sup>77</sup> load fees and ATM transaction fees waived for transfers from U.S. Bank accounts, credit cards or debit cards or when using U.S. Bank ATMs
- <sup>78</sup> \$2 for ATM withdrawal and \$1 for ATM account inquiry
- <sup>79</sup> Free for money orders, cashiers check or direct deposit loads; \$3.95 for in person payments; \$6 for swift pay and \$10 for wire transfer
- <sup>80</sup> Blank spaces were not included in this calculation since surveyor was unable to ascertain whether or not fee is assessed for these services
- <sup>81</sup> Averages are based on the average amount of the fee charged by the pre-paid card issuers who charge a fee in that category.
- 82 Annual percentage rate
- 83 Typically a lower rate used to lure customers. The rate usually remains in effect for about 6 months and then the post-introductory rate takes effect for the duration of the account.
- 84 Card has no interest rate because balance is due in full each month.
- 85 Balances from other credit cards cannot be transferred onto this card.
- 86 Cash advances on credit is not possible with this card.
- 87 No preset spending limit, balance due in full each month



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- 88 Or 2.9% of the delinquent balance.
- 89 depending on application review
- 90 3% of cash advance or \$5, whichever is greater
- 91 \$15 for balances less than \$100; \$29 for balances between \$100 and \$1,000; \$35 for balances over \$1,000
- 92 3% of cash advance with a minimum of \$10
- 93 \$19 for balances less than \$100; \$29 for balances between \$100 and \$1,000; \$39 for balances over \$1,000
- 94 depending on application and credit history review
- 95 3% of the amount of each transaction, but not less than \$5 or more than \$65
- 96 3% of the amount of the advance, but not less than \$10
- 97 \$15 on balances up to but not including \$250, \$35 on balances of \$250 and over or if you have already made one or more late payments in the last 12 months
- 98 3% of amount of the cash advance, but not less than \$5
- 99 \$29 if your balance at the time the late payment fee is assessed is less than \$1,000. \$35.00 if your balance at that time is greater than or equal to \$1,000
- 100 0% APR for balance transfers in the first 6 months, then 9.99%.
- 101 3% of the amount of each transaction, but not less than \$5.00 or more than \$50.00.
- 102 3% of the amount of each cash advance, but not less than \$5
- 103 \$15 on balances up to \$100; \$25 on balances of \$100 up to \$1,000; \$35 on balances of \$1,000 and over
- 104 The rate for purchases and balance transfers is determined for each billing period by adding 9.99% to the Prime Rate.
- 105 3% of the amount of each balance transfer, but not less than \$5 or more than \$50
- 106 3% of the amount of each cash advance, but not less than \$5
- 107 \$15 on balances up to \$100; \$25 on balances of \$100 up to \$1000; \$35 on balances of \$1000 and over.
- 108 Rate increases to 17.49% if cardholder has any Chase loan or account that has a payment overdue.
- 109 3% of the amount of each balance transfers, with a maximum charge of \$50 for the introductory period. After that \$50 per transaction
- 110 of the amount of each cash advance, but not less than \$5
- 111 Fee increases to \$35.00 is account payment is past due.
- 112 \$15 for a Balance up to \$150.00; \$29 for a Balance of \$150.01 up to \$1,200.00; \$35 for a Balance of \$1,200.01112
- 113 No charge for transfer until July 1. Then the standard APR is charged to the balance transfer
- 114 3% for each cash advance, with a minimum of \$5
- 115 \$15 on balances \$1,000 or less; \$35 on balances greater than \$1,000.
- 116 \$15 on balances up to \$100;  
\$25 on balances of \$100 up to \$1,000;  
\$35 on balances of \$1,000 and greater
- 117 determined on account opening
- 118 4% for each cash advance, with a minimum of \$5
- 119 \$15 on balances up to \$500 ; \$29 on balances between \$500.00 and \$1,000;; \$35 for balances \$1,000 and greater
- 120 2.9% of the amount of each balance transfer for the first 6 months. After that 9.9% of the amount transferred
- 121 3% for each cash advance, with a minimum of \$5
- 122 \$15 on balances \$500 or less; \$29 if balance is between \$500.01 and \$1000; \$39 if over \$1000.

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123 \$15 if balance is \$100 or less; \$29 if balance is between \$100.01 and \$1000; \$39 if balance is over \$1,000

124 depending on application and credit history review

125 3% of the amount of each balance transfer, but not less than \$5 or more than \$50

126 3% for each cash advance, with a minimum of \$10

127 \$35 if you exceed your credit line by 2% or more; no fee if you exceed your credit line by less than 2%

128 \$19 if balance is less than \$200; \$39 if balance is \$200 or more

129 Rates are determined on application and credit history review

130 of the amount of each balance transfer, but not less than \$5 or more than \$50 – no fee on balance transfers for the first 30 days

131 4% for each cash advance, with a minimum of \$20; with a minimum of \$5 at Wells Fargo ATMs, Wells Fargo Online Banking or Wells Fargo customer service windows

132 \$20 if balance is \$100 or less; \$29 if balance is between \$100.01 and \$1000; \$35 if balance is over \$1,000

<sup>133</sup> 2002 Schumer Retail Credit Card Report; Store Credit Cards: Flashy Perks, High Rates, Lucy Lazarony, Bankrate.com; New options make store credit cards more popular but high interest rates criticized, Karen Dybis / The Detroit New, Sunday, December 21, 2003

<sup>134</sup> Press Release, Massachusetts Office of Consumer Affairs and Business Regulation. "Consumer Beware: Some Gift Cards Still Have Many Hidden Fees." December 2, 2003.