

African Bank Ltd press release

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Swap high bank fees for high savings

July stands out as *National Savings Month* in South Africa, but the truth is that this pivotal way of building wealth should be part of our daily lives, says George Roussos, Chief Operating Officer at African Bank.

He points out that, ironically, one of the things people waste a lot of money on every day are the fees attached to the very processes they use to acquire money, like making a withdrawal from an ATM.

“People withdraw money unnecessarily. We are all guilty of this at some stage, but if you do it often, you will be shocked at what this ‘convenience’ costs in a month,” says Roussos.

“One of the reasons banks charge to make withdrawals from ATMs is because cash is an expensive commodity to have on site. Think of the resources it takes to print, safeguard and transport money to banks.”

As to why customers are often thrown by the high cost of bank fees at the end of the month, Roussos says this is because a): People don’t read the fine print when they open an account and b): The cost of transacting doesn’t immediately touch their pocket.

He advises the key is to be aware of your bank’s fee structure when you open an account and, more importantly, what you get for that monthly fee.

“If you do basic banking, then an account with a low monthly fee which is only charged when you transact is probably the best option,” Roussos says. “However, if you use your bank account for various transactions daily or weekly, look for an account that allows you to do multiple transactions under one umbrella fee.”

So, how else can you banish high bank fees from your life?

Only use your own bank’s ATMs

Drawing cash is fine once in a while, but beware the transaction costs are steep at other banks’ ATMs. It’s also risky carrying any amount of cash. Keep in mind that an ATM is also not the only place you can withdraw cash. Remember that withdrawing cash at retail till points can even be cheaper than at your own bank’s ATM. For convenience, we charge a flat fee at any Saswitsch ATM, which means you can use the ATM that is closest to you or the one with the shortest queue.

Avoid penalties

Always ensure you have enough in your account to cover your debit orders. Overdrafts are

a nice-to-have but there is usually a monthly fee, whether you use this facility or not.

Transact online

Not only is this convenient and time saving, it saves you money as internet banking is usually free. African Bank offers free internet banking to all its customers. Apart from the free transactions and convenience, online banking makes sense now more than ever, in a time when the simple act of queuing at an ATM can be a health hazard.

Swipe instead

Don't withdraw cash unnecessarily. Swiping your bank card is not only safer than carrying cash, but some banks even offer unlimited card swipes at no additional charge.

Read the fine print

Your bank is not hiding anything when it comes to bank fees. The problem is people seldom read the fine print. Take note of communication from your bank and be aware of fee structure changes that affect your accounts or the way you transact.

“Paying high bank fees every month adds up. Why not swap high bank fees for high savings?” Roussos concludes.

“Be aware of high bank fees, avoid unnecessary transactions and put the money you’ll save on fees into a savings account. Always make sure you are getting the best possible interest rate and keep your savings account separate from your transactional account.”

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