

SPRING CLEAN

Make your bank work for you and not the other way round. Susanna Stuart decides to sort through her account clutter

Our money arrangements are like our wardrobes and once in a while it is worth having a sort out of old items. Recently, I did a spring clean of my banking arrangements to remove some clutter from my finances.

The clean-out was prompted by my partner's business cheque account going over its modest overdraft limit. Instead of forgiving us this rare occurrence, the bank we've been with since 1979 dishonoured five cheques and charged a \$25 dishonour fee on each of them.

Adding to the annoyance was the fact that the business had plenty of money in its savings account. In fact, I'd already arranged an online transfer from that to the cheque account but it hadn't gone through. One of the downsides of online banking is there is no paper trail to refer to when the system goes wrong.

It was time to add a new item to my to-do list: review the banking. I examined what accounts were on offer and what fees we were paying. It's quite a mission because there are so many options and from the customer's point of view, not much is expressed clearly.

These days, banking literature is full of snazzy but somehow interchangeable names for accounts – using words like super, smart and ready or, worse still, encore. What do they want? An ovation?

It would be easier if they used names like 'Low Fee Cheque Account' or 'High Interest but



You Need to be Over \$10,000 Savings Account'. But no, Encore it is.

By the time I'd waded through the clutter and talked to our bank I discovered two things. First: our business account was costing a lot more than necessary – yet the arrangements had been recommended to us by our bank.

Second: the bank was missing

some of our documentation with regard to signatories, causing problems whenever I tried to change something on our accounts. After so many years, they had no idea who we were.

My financial wardrobe was beginning to look like an Imelda Marcos collection of badly fitting and expensive shoes.

Let's talk about fees. They had crept upwards over the years and were the moths in our wardrobe, eating big holes into our funds. For example, if we make payments by direct debit we get charged for this. But doesn't the payee pay fees as well? The banks seem to be getting it both ways. Even increasing our modest overdraft limit will cost us \$100. On overseas transactions on personal credit cards there are now fees plus a margin on the exchange rate.

With a clearer picture of all the up-to-the minute products and fees, I met up with a consultant from our bank. He was willing to sort things out and we've been able to tidy up business banking arrangements and minimise the fees.

Even so, despite his urging, I've kept my personal banking at another bank. I may have cleaned out the clutter, but, should I desire a complete change one day, I want to have another outfit pressed and ready. ■



hints to reduce bank fees

- Paying bills online is cheaper, and you can check your account too (ordering a statement from the teller can cost you).
- Use Eftpos but try to do as much as you can at one time. This way you get one transaction charge, not two.
- If you use an ATM for cash, go to the one owned by your bank, otherwise you pay an extra 50 cents to take out your money.
- Remember, most accounts have a maintenance fee whether you use these accounts or not. Try to rationalise your accounts.