Be Careful of Sneaky Bank Charges

Description

If weâ??re not careful about banking fees, weâ??ll be losing a lot more than we gain from the bank.

I learnt this first-hand when I didnâ??t monitor a savings account I had opened during my university days. I always thought just keeping it aside would be safe, but boy, was I wrong.

By the time I realised it, the bank had deducted hundreds of dollars from my account to pay for the â??account servicing feeâ?• (in other words, just keeping my money for me), as my deposit amount had dropped to below the required minimum balance.

This was completely new to me as Iâ??ve never experienced this with my POSB account before.

default watermark

I didnâ??t manage to pull up all the records, but hereâ??s one of them. The bank paid me a pathetic 2 cents in interest, while they happily deducted $10 from me. Thatâ??s almost like the equivalent of the bank getting 49,900% in returns from me just because I was an ignorant customer!

DETAILS OF YOUR CITIBANK ACCOUNT

Your Checking Details

[redacted]

Transactions Done

Txn Date	Value Date	Description	Reference	Withdrawals	Deposits
Apr	[redacted]	OPENING BALANCE			
Apr		ACCOUNT SERVICE FEE		10.00	
Apr		INTEREST EARNED (APR)			0.02
Apr		CLOSING BALANCE			
		TOTAL		**10.00**	**0.02**

The lowest daily balance of the month: [redacted]
You have accumulated 0 STEP-UP (Apr)
You have earned interest of SGD 0.08 since Jan 1 2014.

Hundreds of dollars had been taken away from me without my knowing it, all because I didnâ??t bother checking my monthly banking statements. You can bet that I always opened up every single banking statement and letter from then now. Even so, I never got to earn back the money they had taken away from me when I wasnâ??t watching.

You have earned interest of SGD 5.05 since Jan 1 2016.

Look at that pathetic interest paid over 12 months, which pales in comparison to the interest I get from my other savings accounts with other banks.

So ever since I became more financially conscious, Iâ??ve made several moves and changes â?? such as moving my money into savings accounts that pay out higher interest rates, cancelling my ILP, and being smarter about my credit cards.

What prompted this post? Well, the same bank recently just revised their rates again:

â?? Theyâ??ve TRIPLED their minimum banking amount requirement (for you to be exempted from their hefty account servicing fees)

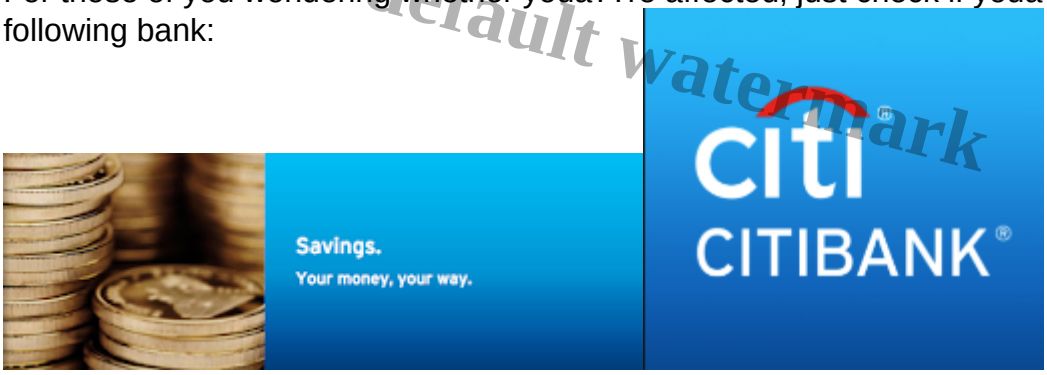
and

â?? Increased their account service fee by a whopping 50%!

Iâ??m now considering whether to cancel my account completely, put some money in there, or make my next investment purchases through them so that the total balance will meet their ~~insanely sky-high~~ requirements. Any thoughts?

For those of you wondering whether youâ??re affected, just check if youâ??re a customer of the following bank:

default watermark



If so, you now have about 2.5 months to make a decision / change.

Be smart. Donâ??t be silly like me to end up paying all that hundreds of dollars to the bank for nothing. It is a dreadful mistake which I still havenâ??t quite gotten over.

With love,
Budget Babe

Category

1. Bank Accounts
2. Savings