

CAC SURVEY RESULTS: COMMERCIAL BANK RATES AND FEES, AUGUST 2017

PRICE OBSERVATIONS, AUGUST 2017

Between July and September 2017, the Consumer Affairs Commission (CAC) conducted a survey of rates and fees charged as at August 2017 by the seven (7) commercial banks operating in Jamaica. Based on data obtained on rates and fees related to 28 commonly utilised services within six (6) broad product categories, the following observations were made:

PERSONAL SERVICES

- There were no charges for in branch withdrawals from basic savings accounts at **Sagicor, First Global, JN** and **JMMB** banks. The highest charges were J\$385.00 and J\$384.45 observed at the **Bank of Nova Scotia** and the **National Commercial Bank** respectively;
- In branch deposits at **Sagicor, CIBC First Caribbean International, First Global, JN, National Commercial** and **JMMB** banks were all free. However **JN Bank** had a charge of 0.40% for all deposits of J\$1M and over. The service was also free at **Bank of Nova Scotia** except for the Electronic Access Account which attracts a fee of J\$385.00
- No bank had a charge for dormant local currency accounts. However, **JN Bank** stipulates that the 'no charge' would only apply to accounts that are inactive for a period of 5 years or less.
- A local currency account stop payment/cancellation order from **JN Bank** attracts the lowest charge of J\$400. The highest fee of J\$480.00 was charged by **BNS** and **NCB**.

BUSINESS SERVICES

- Four banks provide deposit wallets. Deposit Wallets from **Sagicor Bank** attract the lowest charges; J\$2,950.00 for small wallets; J\$3,500.00 for medium wallets; J\$6,420.00 for large wallets.
- **FGB** has the highest fee for small deposit wallets (J\$6,500.00), **CBIC FCIB** has the highest fee for medium wallets (J\$7,750.00), and **BNS** has the highest fee for large deposit wallets (J\$9,010.00)

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- Audit Certificates (Auditor's Confirmation) from **First Global** and **JN Banks** attract the lowest rate of J\$2,500.00; **JMMB** has the highest rate at J\$3,961.00

E- FINANCIAL SERVICES

Credit Cards

- **National Commercial Bank (NCB)** has the lowest Annual Credit Card fee of J\$1,700.00 on its standard local card; **CIBC FCIB** has the highest at J\$6,500.00.

ATM Cards

- Consumers seeking to conduct electronic services using the bank's Automated Banking Machine (ABM) will experience the lowest charges at **First Global** and **JN Bank** as all their ABM services are free.
- No bank has a charge for deposit and balance enquiries. **BNS** charges the **highest** fee for ATM withdrawals (J\$60) while **CIBC FCIB** has the highest charge (J\$30) for mini statements.
- Declined attempts attracts the highest (J\$16) charge at **Sagicor Bank** and the lowest (J\$12) at **CIBC FCIB**.

Multilink

- **JMMB** customers using their bank's Credit Union ABM services via Multilink experience the lowest charges of J\$49.01 for approved transactions, while **NCB** customers experience the highest fee for the same service (J\$60.34);
- **CIBC FCIB** and **JN Bank** customers are charged the lowest rates of J\$30.00 for declined transactions, while **JMMB** customers are charged the highest rate of J\$37.67.
- **CIBC FCIB** and **JN Bank** charge the lowest fee (J\$30) for balance enquiries while **Sagicor Bank** charges the highest (J\$42).

Point of Sale

- **Sagicor Bank** offers the lowest charges for point-of-sale transactions using Proprietary SBJ machines: J\$12.00 if the transaction is approved and J\$8.00 if the transaction is declined. The bank also has the lowest charge of J\$11.00 for declined transaction using Multilink.

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- **BNS** charges the highest fee for purchases using the bank's machine (J\$60.00), **CIBC FCIB** charges the most for declined transactions using the bank's machine (J\$30.00) and when using multilink (J\$30.00). **JN Bank** also charges J\$30 for declined Multilink transactions.

Tele and Online Banking

- Consumers seeking to conduct Telebanking will experience the lowest charges with **First Global** and **JN Banks** since it is free for all available services;
- **BNS** charges J\$60.00 and J\$28.00 for their payment/transfer fee and merchant fee respectively;
- Online banking remains free of charge at all institutions.

MISCELLANEOUS

- **JN Bank** offers the lowest charges for manager's cheques to consumers who have an account with them (J\$300.00) while **CIBC FCIB** has the highest (J\$611.63). **NCB** has the lowest charge to consumers that do not have an account (J\$920.00) while **CIBC FCIB** has the highest (J\$1,400.00);
- **Sagicor**, **JN** and **JMMB** banks offer cheque encashment free of charge for the bank's cheques while for third party cheque encashment **JMMB** offers the service free of charge;
- **Scotia Bank** charges the highest rate of J\$385.00 for cheque encashment for both the bank's and third party cheques;
- Inward and outward International wire or Telegraphic Transfers attract the lowest charges at **Sagicor Bank** of J\$1,945.70 and J\$3,203.75 respectively;
- **JMMB** offers the lowest charges of J\$116.50 for in branch utility payments, while **Sagicor Bank** has the highest at J\$203.86 per bill.

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PRICE CHANGE OBSERVATIONS

Charges and fees observed by the Consumer Affairs Commission in August 2017 were compared to the fees published by the six (6) commercial banks¹ in operation as at February 2017. In general, it was observed that the majority of fees related to 28 commonly utilised services within six (6) broad product categories remained unchanged at most commercial banks. Some fees like those on dormant accounts and in branch payment of utility bills were removed at some banks; while some fees registered marginal to significant reductions and increases. The majority of the fee changes were observed at First Global (FGB) and CIBC FirstCaribbean International Bank (CIBC FCIB).

PERSONAL SERVICES

The majority of fees remained unchanged for personal services (In branch withdrawal and deposit, minimum balance violation; transfer between accounts, early closure and account dormancy) on savings accounts. However in respect of changes, it was observed that:

- Dormant account fees for all banks had been **removed**;
- **FGB removed** its \$200.00 charge on In Branch withdrawals;
- **FGB removed** its J\$300 charge for transfers between local currency accounts;
- **FGB had reduced** its Early Closure of Accounts fee by 71% (from J\$3,500 to J\$1,000).

CURRENT ACCOUNTS

All banks with the exception of **FGB and CIBC FCIB** kept fees constant for services related to current accounts (cheque books for personal and non-personal accounts; overdrawn accounts; returned cheques; account information/screen print; interim statements; stop payment /cancellation order). Changes noted were:

¹ This excludes JMMB Bank which commenced operations in August 2017. The commercial bank rates compared included Bank of Nova Scotia, CIBC FirstCaribbean International Bank, First Global Bank, JN Bank, National Commercial Bank and Sagicor Bank.
Commercial Banking Fees, August 2017
Prepared by Consumer Affairs Commission
November 2017

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- **FGB** had **reduced** their Local Currency cheque book rates by 33% (from J\$3,000/100 leaves to J\$2,000/100 leaves);
- **FGB** had also **reduced** its stop payment /cancellation fees on local and foreign currency accounts by 10% or J\$50 (J\$500 to J\$450) and 33% or US\$10 (from US\$30 to US\$20) respectively;
- **FGB** **reduced** their charge for returned Local Currency Cheques by 41% (J\$2,200 to J\$1,300);
- **CIBC FCIB** **increased** their charge for returned US Currency Cheques by 7% or US\$2.82 (from US\$38.18 to US\$41.00)

BUSINESS SERVICES

All banks with the exception of **FGB**, **CIBC FCIB** and **JN Bank** kept fees constant for services related to business accounts (rental of deposit wallets, audit certificates).

- **FGB's** rental charges for medium Deposit Wallets **decreased** by 13% (J\$8,000 to J\$7,000) while the rental charge on large wallet **went up** by 31% (from J\$6,500 to J\$8,500);
- The **CIBC FCIB** service charges for small medium and large packages were **reduced** by 17% (J\$3,000 to J\$2,500); 30% (J\$4,000 to J\$2,800) and 6% (J\$5,000 to J\$4,700) respectively;
- **JN Bank** **added** a J\$500 charge for interim statements.

LOAN SERVICES

With the exception of **First Global Bank** and **Bank of Nova Scotia**, all banks kept fees related to loan services (Commitment /acceptance fee, letter of undertaking, credit report, and interest on personal and commercial loans) constant. In respect of fee changes, it was observed that:

- **FGB** **increased** both its cash secured and non-cash secured loan acceptance fee by 233% (J\$3,000 to minimum J\$10,000);
- **FGB** however **reduced** by 25% (J\$10,000 to J\$7,500) the fee to prepare Letters of Undertaking on behalf of commercial/corporate customers.

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- Minimum interest rates at **BNS dropped** by 0.5 percentage points (8.49% to 7.99%) on secured personal loans and 1 percentage point (15.99% to 14.99%) on unsecured personal loans.

E-FINANCIAL SERVICES

FGB, CIBC FCIB and **NCB** registered changes in fees related to E-Financial Services (credit card annual fees and interest rates, automated banking machines, multilink, telebanking and online banking). The survey revealed that:

- **CIBC FCIB** and **First Global** minimum annual fees on local currency credit card **increased** by 63% (J\$4,000 to J\$6,500) and 23% (J\$3,000 to J\$3,700); while **NCB's** had a **decrease** of 11% (J\$1,900 to J\$1,700);
- **CIBC FCIB increased** their annual fees on international credit cards by 24% (US\$80 to US\$99);
- All other credit cards fees remained unchanged at the other banks;
- ABM Withdrawals, Deposits, Balance enquiries, Mini Statement and Bill payment remained unchanged for all banks;
- Fees related to using multilink machines (approved, declined, failed, balance enquiry) remained unchanged for all banks except for **CIBC FCIB** and **First Global Bank** where the transaction fee for approved multilink withdrawals **increased** by 20% (J\$50 to J\$60) and 16% (J\$47.50 to J\$55) respectively;
- The Point of Sale declined multilink fee at **CIBC FCIB increased** by 100% (J\$15 to J\$30); while the approved and declined Point of Sale transaction fees using the bank's machine remained unchanged at other banks;
- Telebanking fees remained unchanged at all banks;
- Online banking remained free of charge at all banks.

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MISCELLANEOUS

Among a range of miscellaneous services frequently accessed by the typical banking customer on a daily basis (certification of account balances, manager's cheques, cheque encashment, international wire or telegraphic transfer, photocopy of documents, standing orders and in branch payment of utility bills), **FGB, CIBC FCIB and Sagicor Bank** were the institutions which registered fee changes.

However it was noted that the fee for Certification of Account Balance for all banks remained unchanged.

- **FGB** customers requesting a manager's cheque from their bank can expect to **pay 20% less** in fees (J\$500 to J\$400); while the fees other banks charge their own customers remain unchanged;
- **FGB also decreased** the fee charged non-customers requesting manager's cheques by 31% (J\$1,450 to J\$1,000); the other banks made no change to the fees charged for this service;
- The cheque encashment fee for all banks remained unchanged. **CIBC FCIB removed** the fee (J\$120) for third party-cheque encashment for account holders;
- The fee to conduct an Inward Wire Transfer was **increased** by 1% (J\$1,922.25 to J\$1,945.70) at **Sagicor Bank**; **CIBC FCIB increased** this charge by 26% (J\$2,950 to J\$3,706.49); **First Global Bank increased** it by 13% (J\$2,000 to J\$2,250). Fees at all other banks remained unchanged;
- **CIBC FCIB's** Outward Wire Transfer fee **increased** by 84% (J\$2,950 to J\$5,416.49), while **FGB decreased** their fee by 32% (J\$5,000 to J\$3,400). Fees at all other banks remained unchanged;
- The fee at **Sagicor Bank** for local currency Standing Order **increased** by 24% (J\$291.25 to J\$360), while the fees at the other banks remained unchanged;

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- FGB removed its J\$50/page charge to photocopy document;
- CIBC FCIB removed its J\$198.29 fee on in branch bill payment.

END NOTES:

1. *The CAC was unable to access some rates and fees charged by some commercial banks. These were delineated as not available or “N/A”.*
2. *Comparable data was not available for all banks which limited the CAC’s ability to compares rates and fees or determine price changes.*