

News Release

SCC urges crackdown on creeping ATM charges

For immediate release

For further information, contact: Bryan Christie, media adviser to the Scottish Consumer Council on 01620 825420 / 07788 583037 (mobile).

As the Treasury Select Committee gets ready to publish its report on cash machine charges (Thursday 31 March), the Scottish Consumer Council (SCC) urges ATM providers to stop dragging their heels and start giving people a fair deal for withdrawing their own cash.

With fee-charging cash machines now accounting for 40% of the market, SCC is concerned at the way the fee-charging cash machine market is spiralling out of control. ATM charges are now so prevalent they have even been identified in the standard basket of goods and services that are used to measure inflation. Some communities now have more fee-charging machines than free ones. And the hardest hit are rural communities where three in every four machines now charge customers to withdraw cash. Lack of access to free cash withdrawal facilities can be a huge problem for the poorest in society, and is another example of how 'the poor pay more' for basic goods and services.

Martyn Evans, Director of SCC says:

'Research shows that people on limited incomes prefer to manage their money on a daily basis, and so make frequent, small withdrawals. At a fee-charging ATM, a single withdrawal costs, on average, £1.50. This means consumers withdrawing £50 per week in five £10 withdrawals would pay over £30 a month in ATM fees. This is catastrophic for low-income consumers trying to manage a tight budget.

'Limited access to bank branches or post offices, because of closures, reduced opening times or lack of transport, means that some consumers are left with little choice but to withdraw from the 'hole in the wall'. It is essential that consumers with limited over-the-counter access to cash have free ATM access.'

SCC is also concerned about the lack of transparency on cash machine charges. External labelling of fee-charging machines is inadequate. Signs need to be bigger, well positioned and up-front about any potential charges. But transparency is only of use where the customer has a genuine choice about free or fee-charging ATMs.