

ATM fees are changing

Written by Administrator

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ATM fees look set to come down for most (AUSTRALIA).
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From 3 March 2009, changes to the fees charged to use automated teller machines (ATMs) will increase transparency and competition.
Previously, secret interchange fees were passed between financial institutions and ATM owners when consumers used another bank or company's foreign ATM. Soon, all such fees will be unbundled, out in the open and charged directly.
From March, when you withdraw cash from a foreign ATM, you'll be charged a fee by the machine owner, and your own bank may or may not also charge a fee. It's hoped that the two fees combined will be lower than what you're currently paying.
The foreign ATM operator's fee will be displayed on screen after you enter your PIN, giving you the option to proceed with the transaction or cancel it at no cost. However, your own bank's fee for such foreign transactions won't be displayed, so check what it will charge.
There are around 26,500 ATMs in Australia, 43% of which are bank-owned; the rest by building societies, credit unions and other independent companies running machines such as Cashconnect, Kwik Cash, rediATM (owned by credit unions), Cashcard and iCash.
Part of the intention behind ATM fee reform is to let competitive forces take hold, resulting in lower fees for consumers, particularly in areas where there's lots of competition, such as capital cities.
However, CHOICE (Australia) is concerned that where there's less competition, such as in rural areas, casinos, pubs and clubs, we may see higher prices. We also believe financial institutions should remove foreign ATM fees altogether so consumers don't get slugged twice.