



Sick of Paying Bank Fees? Do This...

Description

Don't be fooled: banks are in the business of making money. They provide us with essential services, sure, and they help us borrow for big purchases, such as buying a home. But nothing from a bank is free — not even a chequing account.

Last month, many of Canada's top banks — **TD**, **BMO**, **RBC**, **Scotiabank**, and **CIBC** — announced they were hiking up the fees on chequing accounts. Though the fee increases are small, many Canadians are tired of paying more in bank fees (especially since Canada's top banks reported soaring profits for the first quarter 2021).

So, what can you do about these fees? Quite a lot, actually. If you're sick of paying them, here are some ways to avoid bank fees.

1. Call your bank

If you've been a loyal client at a bank, call them and ask them to waive the fees.

[Use superb negotiation skills](#) and tell them you've identified numerous online banks that will charge you no fees for chequing accounts. Throw in a few compliments — like how much you liked their services and how you don't want to switch banks. Then see what they say.

It's not guaranteed to work, but it's certainly worth a try. Pro tip: do this over the phone, or, if possible, in person. Sending an email gives your bank time to write up a canned response. You'll get better results if you ask at point-blank.

2. Open a no-fee digital chequing account

If your bank isn't willing to negotiate, don't stick around. You have options.

Canada has plenty — *plenty* — of online chequing accounts (what some call “challenger banks”) that

charge no-fee and offer you unlimited transactions. Switching banks may seem like a hassle, sure, but if it means saving hundreds of dollars in fees per year, it's well worth it.

You still want to read the fine print, however. Digital banks may offer no-fee accounts, but they might not give you a debit card. Or you may pay higher fees in other areas, such as foreign transactions, ATM withdrawals, or balance transfers. Be sure to weigh any additional fees or inconveniences against the cost of having a chequing account at a big bank.

3. Keep the minimum chequing account balance

Finally, if you like your bank, and you don't want to switch to an online chequing account, check to see if your current bank offers no-fees for a minimum balance. Most banks will waive fees if you have a certain amount sitting in your account at the end of each day — usually, a few thousand.

Keep in mind: just as banks raise maintenance fees, they also raise the required minimums. And, even though holding a certain amount in your chequing account allows you to waive the fees, you're not going to earn anything off this money (the interest rates will be meagre).

Know the price of convenience

Having a chequing account with a big bank might offer some convenience, such as access to a wide network of ATMs or brick-and-mortar service in small towns. But be sure to weigh the fees against the rewards. If an online bank offers no fees, you might be better off opening a chequing account with them.

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