

# Money for Life

September 2004

Dear Readers,

With ATM machines you can make a deposit or loan payment, transfer funds between accounts, inquire about your account balance, get money on a trip, and much more. This month's newsletter includes tips and information from the FDIC on using ATMs.



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## Avoiding or Resolving ATM Problems



ATMs in the United States handle more than 10 billion transactions a year, and the overwhelming majority go smoothly. Sometimes, however, users encounter problems.

**ATM fraud.** To limit your liability for losses if a thief uses your card or makes a counterfeit card, immediately report the problem to your ATM card issuer. If you report that your ATM card is lost or stolen within two business days, your losses are limited to a maximum of \$50 for any unauthorized use. If you wait to report it, your potential liability goes up significantly. Depending on the circumstances, if you are an innocent victim of fraud and you promptly report the loss or theft of the card or an unauthorized transaction, many financial institutions will voluntarily hold you to no liability.



### **Incorrect amount on a statement for an ATM withdrawal.**

Always save your ATM receipts until you compare them to your monthly statement or you verify your transactions online. Promptly report any error no later than 60 days after receiving your statement.

**The ATM ate my card.** Immediately contact the financial institution that issued your card. You will probably receive a replacement card.

**The machine cheats you.** An ATM may give you too little cash, or no cash at all but the receipt indicates you got exactly what you requested. Immediately contact your financial institution to report the problem, even if the machine belongs to another financial institution or company. You may also want to alert the machine owner if possible. Keep a record of your conversations and follow up in writing.

**The deposit is incorrect.** When making a deposit at the ATM, record the transaction in your checkbook, including information about each check. Keep the ATM receipt and verify the deposit by reviewing your account statement or checking online. If you believe some or all of your deposit was mishandled, immediately contact your financial institution and follow up with a letter. If a check is missing, you might have to ask the check issuer to stop payment. Remember that deposited funds are not immediately available for you to withdraw; they will be subject to your financial institution's funds availability policy and federal schedules.

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## Avoiding Transaction Fees

The convenience of ATM machines sometimes comes with a cost. For example, withdrawing cash from an ATM that doesn't belong to your financial institution or that's not part of its ATM "network" can cost you anywhere from \$1 to \$4 per transaction. These small amounts can add up over time.

The following suggestions will give you the convenient service of an ATM while reducing the amount paid in fees.

**Use your own financial institution's ATMs whenever possible.** Practically all financial institutions offer accounts with free ATM transactions to their own customers. If there are accounts with an ATM fee, look carefully at the fees and choose the type of account that best fits your needs. If you plan to use ATMs a lot, consider an account with free withdrawals from one with many convenient locations.

**Take precautions before using another financial institution's ATM.** Look for an ATM indicating that it doesn't impose an "access fee" or "surcharge" to non-customers.



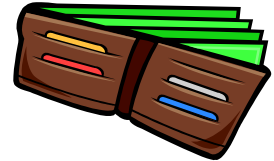
Your financial institution may be able to provide you with a list of those that don't charge a fee. Listings can also be found on internet sites for surcharge-free ATMs. Also become familiar

with the fees for using another ATM. Some have agreements not to charge ATM fees to each others' customers. If you're unable to use a surcharge-free

machine, you'll probably face two charges—one from the ATM's owner and the second from your own financial institution.

**Consider withdrawing larger sums each time.**

For example, make a single \$100 or \$200 ATM withdrawal instead of several \$20 or \$40 withdrawals.



**Get cash back when using your ATM/debit card to make a purchase.** You can often get cash back when you use your debit card for a purchase. Some stores also will cash a check free of charge or for a fee that would be less than you'd pay at an ATM.

**Avoid ATM-related mistakes that can trigger bounced-check fees.** Immediately deduct your cash withdrawals and store purchases, including any fees, in your checkbook. Also don't rely on the ATM for information about how much money is in your checking account. The balance will not include checks that haven't been paid yet or debit card transactions not posted to the account.

The federal Electronic Fund Transfer Act (EFTA) requires that consumers are told about ATM fees and other matters regarding transactions. Any ATM owner that imposes a surcharge for using its machine must disclose the amount of the fee and allow the user to cancel the transaction.

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