

# Big Banks, Big Overdraft Fees

## The CFPB Defends Consumers Against Harmful and Deceptive Fees

*Bank revenue from overdraft fees is on the rise, and these fees are harming consumers that can least afford them. The Consumer Financial Protection Bureau can protect consumers from these and other harmful fees.*

### Overdraft Fee Revenue Is on the Rise

Overdraft fees – fees charged when consumers overdraw their account, often via a debit card transaction or ATM withdrawal – are a major source of consumer pain. Newly released data reveals that bank revenue from overdraft fees is on the rise: **Through the first three quarters of 2016, 626 large banks reported collecting \$8.4 billion in revenue from overdraft fees (and “bounced check” fees), an increase of 3.6 percent over the same period in 2015.**

### Through September 2016, Chase and Wells Fargo Collected More Overdraft Fees than any Other Bank

Through the first three quarters of 2016, the 10 banks that collected the most overdraft fee revenue were Chase Bank, Wells Fargo, Bank of America, TD Bank, U.S. Bank, PNC Bank, SunTrust Bank, Regions Bank, Branch Banking and Trust, and Woodforest National Bank. These banks collected \$5.7 billion in overdraft fee revenue, 67 percent of overdraft revenue reported nationally. Woodforest Bank is the only bank in the list that is not a large national bank; Woodforest, which as of 2013 located 89 percent of its bank branches in Walmart stores, has less than a fifth the number of total deposit accounts of any other Top 10 bank, and collected six times as much overdraft revenue per account as the national average.

### Banks Collecting Most Overdraft Fee Revenue Through Q3 2016

Rank	Bank Name	Overdraft/ NSF Revenue (millions)	Overdraft/ NSF Revenue per Account
1	Chase Bank	\$1,409	\$28.46
2	Wells Fargo	\$1,316	\$15.91
3	Bank of America	\$1,219	\$17.90
4	TD Bank	\$344	\$26.12
5	U.S. Bank	\$335	\$20.60
6	PNC Bank	\$267	\$14.43
7	SunTrust Bank	\$243	\$37.39
8	Regions Bank	\$242	\$37.19
9	Branch Banking and Trust	\$191	\$25.40
10	Woodforest Bank	\$125	\$108.16

*Non-sufficient fund (NSF) fees, usually charged for bounced checks, are reported along with overdraft revenue and account for approximately one fifth of the reported overdraft revenue total.*

## Banks Supervised by the CFPB Collect Less Overdraft Fee Revenue per Account

The Consumer Financial Protection Bureau was created for the sole purpose of protecting consumers in the financial marketplace. Since it began operations in 2011, the CFPB has worked to enforce consumer finance laws, secured more than \$12 billion in relief for more than 27 million consumers, and urged banks to offer account choices that safeguard consumers from overdraft fees.

In the first three quarters of 2016, the 94 banks under CFPB supervision that reported fee revenue collected 20 percent less overdraft revenue per account than banks not under CFPB supervision. There are likely a number of factors that could account for this difference. Nevertheless, lower revenue per account at large banks suggests that the CFPB's supervisory program is helping protect consumers from unfair overdraft fees.



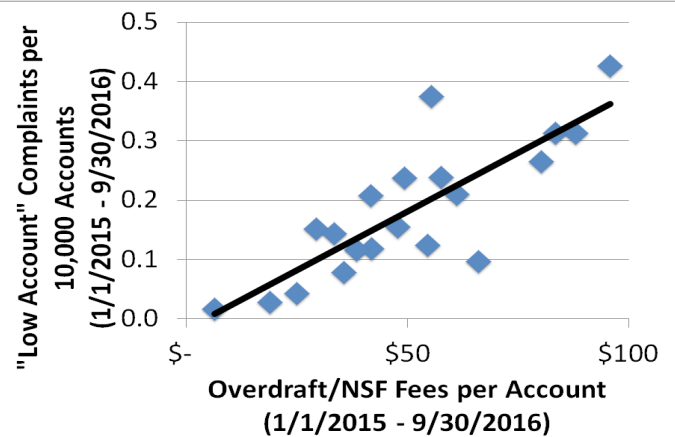
*The Consumer Financial Protection Bureau was created for the sole purpose of protecting consumers in the financial marketplace. Banks supervised directly by the CFPB (those with more than \$10 billion in assets) collect less overdraft fee revenue per account than the national average.*

## Americans Deserve More Protection from Unfair Overdraft Fees

Overdraft fees are a major source of pain for American consumers. Some overdraft fees are promoted misleadingly, and many banks continue to reorder transactions in order to maximize fee revenue. Overdraft fees also hurt consumers with limited financial resources, sometimes forcing them out of the banking system altogether.

The CFPB should continue its efforts to protect consumers, including by seeking a ban on the bank practice of reordering account transactions to maximize revenue. Federal policymakers should defend the CFPB against attempts to eliminate it, and should continue to ensure the CFPB has the resources, independence, and tools at its disposal to effectively protect consumers from overdraft fees, as well as from other predatory financial behavior.

## Banks with the Most Overdraft Fee Revenue Receive the Most Complaints



The CFPB allows consumers to file complaints about banks. An analysis of consumer complaints filed to the CFPB about "Problems related to my funds being low" reveals a relationship between number of complaints per account, and overdraft/NSF revenue per account.

Complaints per bank likely depend on a number of factors, including the customer base of each bank. However, this relationship suggests that overdraft fees are a source of unhappiness for consumers. This relationship also supports the Federal Deposit Insurance Corporation's assertion that high overdraft fees may harm public opinion of banks, posing a "reputational risk."

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