



## ***PRESS RELEASE***

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### **Removal of Select Bank Penalty Fees And Charges**

The Reserve Bank of Fiji has confirmed the removal of a number of banking fees and charges that have been considered penal in nature, unfair or anticompetitive. This follows successful rounds of talks between the Reserve Bank and the Heads of Fiji's commercial banks and is in line with the planned reform that was announced in September 2011 with the release of ***Banking Supervision Statement No.8A: Accountability and Disclosure Guidelines on Interest Rates, Fees and Charges for Licensed Banks in Fiji.***

The Reserve Bank Governor, Mr. Barry Whiteside, explained that a number of fees and charges imposed by banks have regularly been highlighted by the general public, through direct complaints to the RBF and in the media, as being "unfair or unjust". He added that the Reserve Bank considered it important that the commercial banks address the cause of this perception and this culminated in the agreement to remove the following fees with effect from 1 January 2012: -

1. Inward dishonor cheque fee,
2. Early termination fee,
3. Insufficient funds fee,
4. Unclaimed monies fee,
5. Dormant account fee and
6. Over the limit fee for credit cards.

In addition to the above, the commercial banks have agreed to place maximum limits on the following fees: -

1. Account overdrawn fee: \$15
2. Late payment fee for credit cards: \$20
3. Outward dishonour cheque fee: \$25
4. Loan arrears fee: \$25
5. Commitment or holding fee: 1 percent

The changes are expected to impact on bank profitability, however, the Reserve Bank is confident that the concessions will be well received by the public and will contribute positively to continuing the momentum with regard to improving the disclosures and accountability of banking fees and charges.

Governor Whiteside expressed his sincere appreciation to the commercial banks for their continuing positive collaboration and cooperation and expressed his hopes that this will continue in the current full review of all other fees and charges which will be concluded soon.

**Reserve Bank of Fiji**