

SERVICE FEE OPINION SURVEY

Canadians 19-55 Are Heavy Financial Transactors (Making 43.3 Transactions Per Month, On Average).

On Average, More Than \$21/Month Paid In Service Fees On Main Chequing Account.

Many (40%) Say Fees On Their Main Chequing Account Are Unfair.

Half (50%) Perceive Profits Made By Financial Institutions From Service Fees To Be Unfair.

January 17, 2005, Vancouver, BC — An Ipsos-Reid survey conducted on behalf of Coast Capital Savings shows that Canadians 19–55 are heavy financial transactors, making 43.3 transactions per month, on average. Chequing account holders in this age group currently pay \$21.50 per month, on average, in service fees on their main chequing account. A large minority (40%) feel that the fees charged on their main chequing account are unfair.

Asked more generally about service fees charged by all financial institutions, fully half (50%) of Canadians 19–55 believe that financial institutions make an unfair profit from the service fees they charge while 40% perceive financial institutions to make a fair profit from the service fees they charge and only 5% that financial institutions to make no profit from the service fees they charge.

These are the findings of an Ipsos-Reid telephone poll conducted November 18th to 24th, 2004 with a randomly selected sample of 800 Canadian residents between the ages of 19 and 55. The results are considered accurate to within ± 3.5 percentage points, 19 times out of 20, of what they would have been had the entire Canadian population 19– 55 been polled. The margin of error will be larger within regions and for other sub-groupings of the survey population. These data were statistically weighted to ensure the sample's regional and sex composition reflects that of the actual Canadian population 19– 55 according to the 2001 Census.

Canadians 19–55 make many financial transactions.

In a given month, across eight different types of transactions, Canadians 19–55 make, on average approximately 43 transactions (43.3). While some are light transactors (10% make 10 transactions or fewer in a given month), most (58%) make more than 30 transactions and a few (13%) make a great deal of transactions (more than 75 per month).

Canadians 19–55 rely heavily on the debit card (42% of all transactions).

Following is a summary of the findings regarding the use of eight different financial transactions:

- Canadians 19–55 make heavy use of the debit card, using it 18.5 times per month, on average, with fully 89% of Canadians 19–55 making at least one debit card transaction per month.
- This is comparatively stronger than use of the ATM or ABM at 10.2 times (23% of transactions), although penetration (87% use an ATM in an average month) for the two is similar.
- Internet is used 5.0 times per month on average (12% of transactions), although users (44%) are still in the minority.
- While consumers write fewer cheques in comparison (3.1 times per month, 7% of transactions), their use is more widespread (66% write at least one cheque in an average month).
- In-branch transactions using a teller are more limited – only about half (54%) of Canadians 19–55 use a teller in an average month for an average of 2.1 times per month (just 5% of all transactions).
- Automated telephone banking accounts for just 3% of transactions, with only 21% of Canadians 19–55 using it in an average month (average use is 1.1 times per month).
- Transaction by phone talking to a live representative is even less often used at 1% of transactions, with only 17% of Canadians 19–55 using it (average use is 0.5 times, on average per month).
- While use of pre-authorised payments from an account is fairly wide-spread (70% Canadians 19–55 do so in an average month), average use is fairly limited at 3.0 times. This means of financial transaction accounts for 7% of all transactions.

On average, chequing account holders pay \$21.50 per month in service fees on their main chequing account.

Among those able to tell us how much they pay, most (58%) are paying in the range of \$6 to \$20, although a minority are at either end of the spectrum with 14% paying between \$1 and \$6 and 15% paying more than \$20. Currently, 13% of chequing account holders tell us they pay nothing in service fees on their main chequing account, largely (51% of those who pay no fees) because they maintain a minimum monthly balance, although a number (29% of those who pay no fees, or 4% of all chequing account holders) believe they truly pay no fees on their account, with no conditions attached.

Chequing account holders 19-55 show dissatisfaction with service fees.

Four-in-ten 19-55 year old chequing account holders feel service fees charged on their chequing account are unfair (40%; 13% very unfair and 27% somewhat unfair). Six-in-ten (59%; 17% very fair and 42% somewhat fair) feel the fees they pay on this account are fair and the final 1% were unable to answer the question.

Many Canadians 19-55 perceive service fees by financial institutions in general to be unfair.

Canadians 19-55 were read three statements about service fees charged by financial institutions in general and asked which one most closely matches their opinion. Fully half (50%) of Canadians 19-55 perceive the **profit** that financial institutions make from service fees to be **unfair**. Four in ten (40%) of Canadians 19-55 perceive the **profits to be fair** while only 5% believe that financial institutions make **no profit** from service fees and only cover costs. The remaining 4% were either unable to express an opinion (2%) or felt that none of the three statements about service fees matched their opinion (2%).

Interest in free unlimited chequing account is high.

When asked if they would open an account with an institution that offered a truly free, unlimited chequing account, three-quarters (73%, with 35% being very likely and 38% somewhat likely) indicated they would be likely to do so.

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For more information on this news release, please contact:

*Catherine Dawson
Vice-President
Ipsos-Reid Corporation
604-257-3200
catherine.dawson@ipsos-reid.com*

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