Most Americans Unaware of Impending Regulatory Changes Regarding Overdrafts

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Less than one in three are likely to opt-in for a fee-based service

While much has been written in the press about impending changes to the laws regarding the fees associated with bank-provided overdrafts, these messages are not getting through to most consumers.

Only one-quarter (27%) of consumers claim to know all about the new regulations.

Most have just heard a little (37%) or never heard of the changes (36%), meaning the banks still have work to do with their customers. This general lack of awareness of overdraft fees probably derives from the fact that only one in five Americans (19%) report having ever overdrawn their account within the past year.

These are some of the findings of a new Harris PollÂ® survey of 2,755 U.S. adults, surveyed online between April 12 and 19, 2010 by Harris Interactive.

Only 29% report that they are likely to opt-in for the fee-based service under the new rules. Half (51%) are not likely to opt-in, while 20% of those with an ATM or debit card say they still need more information to be able to decide.

Married women are more likely than single women to opt-in (31% vs. 23%) and households with children are also more likely than those without to do so (35% vs. 27%). This probably reflects the notion of "married and harried households," which would be more likely to pay for convenience-related services.

Attitudes towards banks
There is a sense of ill will towards banks. Over two-thirds (68%) believe that banks have been taking advantage of their customers by charging fees without getting explicit consent to do so. Having some of this overdraft protection in place may help.

Over half of those with ATM or debit cards (57%) would like to have the ability to decide on the spot whether to overdraft or not, based on the situation and the nature of the transaction. This type of banking flexibility goes a long way toward making customers feel as if the bank cares about them.

So what?
Consumer sentiment is largely negative in the banking industry as a whole. There is a need to focus efforts on rebuilding trust and building connection with customers. Transparency is key.

In general, the trend is that consumers are willing to remain with their existing banks but many are seeking a more local experience where they feel appreciated and secure in the service they are getting.
Again, an opportunity to build a stronger connection exists here but banks have to be willing to make the commitment to do so.

Willingness to opt-in to overdraft agreements is lukewarm for most segments of the population; however, consumers are not averse to discussing alternative options.

On-the-spot approval of overdrafts is enticing for many consumers, as are alternative agreements that help customers manage their finances more effectively.

Methodology
This Harris Poll was conducted online within the United States between April 12 and 19, 2010 among 2,755 adults (aged 18 and over). Figures for age, sex, race/ethnicity, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population.

Where appropriate, these data were also weighted to reflect the composition of the adult online population. Propensity score weighting was also used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments.

Therefore, Harris Interactive avoids the words "margin of error" as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys. The data have been weighted to reflect the composition of the adult population.

Because the sample is based on those who agreed to participate in the Harris Interactive panel, no estimates of theoretical sampling error can be calculated.

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