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Consumer groups, legislators push for state oversight of banking fees
By Christopher A. Szechenyi, Boston.com Staff, 05/18/00

BOSTON -- Denouncing FleetBoston Financial Corp. as "the evil empire," a group of consumer activists and legislators today expressed support for legislation that would require state approval for any new bank fees.

With a FleetBoston flag in hand and a photo of FleetBoston top executive Terrance Murray around his neck, an actor dressed as Darth Vader burst into a news conference this morning on Beacon Hill and bellowed: "You will pay to speak to my tellers. You will pay to write one of my checks."

The theatrical stunt was designed to illustrate how many of the activists feel about FleetBoston following its recent takeover of Bank Boston.

"We do see FleetBoston as the evil empire," declared Bruce Marks, the chief executive officer of the Neighborhood Assistance Corporation of America. "We've got to stop the dominance of one bank in this country."

State Rep. Jarrett T. Barrios, a Democrat from Cambridge, has introduced the Bank Fees Fairness Act, which would require the state Division of Banks to approve any new fees for federally-insured consumer checking and savings accounts.

Under the proposed law, banks would be required to justify any new fee hikes by showing that they reflect actual administrative costs.

A bank could also justify new fees as part of an effort to deter consumer misuse of a service or to meet standards for financial stability.

Barrios called some of the new charges FleetBoston recently announced "outrageous" and "predatory." He said "consumers have a right to be angry" because "competition no longer exists" as a result of "merger mania."

State Rep. Marie St. Fleur, a Democrat from Dorchester and one of the 21 co-sponsors of the bill, said FleetBoston's new fees to use an ATM machine and to write checks are particularly onerous for low-income customers who do not maintain large account balances.

Declaring his opposition to FleetBoston's prominence as the largest bank in the region, Barrios said: "If they're going to raise fees, it has to be justified."

A spokesman for FleetBoston could not be reached today for comment.

Officials at the merged bank have said in the past that fees, minimum deposits and charges for bounced checks will remain the same for many former BankBoston customers. They have acknowledged that charges may go up for some other depositors.

A spokesman for the Massachusetts Bankers Association said yesterday that the bill overlaps federal laws and would not survive a legal challenge.