

OHIO COMMUNITY BANK CHALLENGES NATIONAL MEGABANKS ON DEBIT CARD FEES

Local bank troubled over large-bank strategy -- protests actions by *paying* customers to use debit cards

Oct. 10, 2011 – The Peoples Savings Bank of Urbana, OH, is fed up with the big-box banks and is initiating a creative protest to call attention to debit card fees. Over the next three months, the bank in west-central Ohio will pay customers five dollars a month per account for using their debit card in each statement period. The objective is to call attention to recent actions of large megabanks and highlight the advantages community banks offer.

“Our customers voiced concerns over newly-initiated debit card fees by large banks and asked if we were going down the same path,” said Brice Kadel, Bank President. “Many community banks including The Peoples Savings Bank are not in agreement with these fees and practices. To demonstrate opposition to these fees and the important advantages of community banks over large megabanks, we chose to do something fundamentally different. Paying our customers to use our debit cards is the kind of symbolic gesture that eliminates their fears.”

Some large banks have made recent headlines by announcing new monthly fees on customers using their debit cards to make purchase transactions. The news has been met with universal opposition by customers that enjoyed the use of debit cards without prior fees or surcharges. In a recent TIME-Moneyland® poll of 1,000 respondents affected by the new fees, roughly 75% indicated they would switch banks to avoid the monthly surcharges – and it’s not just consumer posturing. According to JD Power and Associates®, almost two-thirds follow through. Some large megabanks are also altering account terms by raising minimum balances to further increase “gotcha” fees.

Dr. Charles S. Wingfield, Chairman of the Board at The Peoples Savings Bank, sees these business practices as detrimental to independent local banks and the communities they serve.

“The public image of many fine banking institutions is being questioned by the actions of a few,” Wingfield said. “We work diligently to differentiate The Peoples Savings Bank from the competition. The task is never-ending due to the media attention paid to large financial conglomerates. As a community bank that knows our customers as well as their children and grandchildren, we are doing business with our friends and neighbors. Strong banking relationships are about trust and respect -- not about nickel-and-diming our customers to death.”

Starting November 1st, The Peoples Savings Bank will credit \$5 to every customer account that utilizes one signature-based TPSB debit card transaction during the statement period. The credit may also be earned in December and January under the same terms, totaling a maximum of \$15 to every qualifying account. After January 31st, customers will continue to enjoy no-fee debit card transactions. With as few as three debit card payment transactions during the offer period, Kadel expects a positive response and is encouraging the bank’s customers to use TPSB debit cards as often as they choose. With less reliance on cash and checks, plastic is becoming the preferred payment method for consumers.

“Our goal is to raise awareness and remind our customers of how community banks do business,” Kadel said. “We offer computer banking, electronic bill-pay, telephone banking, and other services like the megabanks -- but in a manner that demonstrates a personal touch. While some large banks received bailouts, our founding principles have served the local communities in Champaign County for 119 years with sound values and financial practices.”

The Peoples Savings Bank of Urbana, OH, is a state-chartered, FDIC-insured, mutual savings bank in west-central Ohio. Located 50 miles west of Columbus, TPSB has served the greater Urbana area and all of Champaign County since 1892. With two branches, 26 employees, and \$97 million in assets, TPSB offers banking services to approximately 30,000 residents. The bank financially supports a wide range of causes and activities throughout the region including the Champaign County Fair, YMCA, Urbana University, Champaign County Senior Center, PAWS Animal Shelter, and all five county school districts. For more information about The Peoples Savings Bank, please visit <http://www.thepeoplesavingsbank.com>.

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