



# **BANK OF AMERICA PREMIER DEPARTMENT SUFFERS MAJOR CUTBACKS WITH MORE LIKELY TO COME**

## **WHAT THIS MEANS TO REGULAR CUSTOMERS AND ACCOUNT HOLDERS AT OTHER LARGE BANKING INSTITUTIONS**

Bank of America may lose some of its best clients in decisions it has made to change its policies for members in the premier department. Sources close to high level officials at the company state that Bank of America is cutting back on benefits offered to its mid-range clients. Bank of America is removing some of the perks that it offers to clients that hold between \$100,000 and five million dollars with Bank of America. When a bank makes cuts on its mid-range clients like this, it is a sign of complete desperation. With cuts very likely not to be made to its Private Bank serving customers with net worths upwards of five million dollars, more cuts and fees will likely be passed down to the lower-end customers very shortly.

In general, the more someone has on deposit with a bank, the more valuable a client he is to that bank. So, with the cuts being made to the premier department, the next step is to entirely stop waiving any fees for regular customers, and increasing fees in some areas, including overdraft fees, minimum balance fees, check fees, and the like. It is likely that the age of free checking accounts and free checks may be over. With these changes more and more customers will be looking to credit unions, online-only checking accounts, as well as more regional and local banks. The days of the huge banks may truly be coming to an end.

For members with a premier banking relationship with Bank of America, the customer service number available to you now will likely have less representatives, and thus, on hold times will likely increase. Many premier members have likely noticed inability for the representatives to entirely waive fees, and they have only been offering partial refunds recently. It looks like these fees will not be waived at all anymore. As of now, monthly account fees are still being waived and members will be contacted if that is changed. It seems to be just a matter of time. Additionally, the \$295 annual fee for the Accolades card is still being waived until further notice. Once again, indicating that unless the economy turns around, they will begin to assess that fee shortly. It was also mentioned that services that are normally handled by the personal client managers will now be handled by local banking representatives. On June 30th of this year, premier members will no longer receive better rates on deposit accounts than the general public. Additionally, and very surprisingly, the bank usually waives pay by phone fees when customers pay their Bank of America credit card over the phone. As of April 6th of this year that fee will no longer be waived. Bank of America is the only major bank that still charges fees for paying by phone.

Essentially, it looks like they are removing the entire Premier Banking and Investments program and replacing it with a private phone number for those customers to call to get help with their banking needs. It seems that this phone number will have similar, or possibly very slightly shorter hold times than the regular customer service number. The second largest bank in the United States is likely setting themselves up to lose several thousands or even tens of thousands of highly profitable customers. It seems that customer acquisition and retention is not a priority for banks right now, but this move to essentially wipe out an entire group of clients is unprecedented, and it will be interesting to see whether other banks are forced to follow suit.