

Dump Your Bank Day: Can consumers put a serious dent in big banks?

Dump Your Bank Day, scheduled to coincide with Election Day, is similar to Saturday's Bank Transfer Day. This time, the Occupy Wall Street movement is behind it.

By Gloria Goodale, Staff writer / November 8, 2011

LOS ANGELES

Tuesday is Dump Your Bank Day. No, not that Bank Transfer Day, which took place over the weekend. This is a sister action from the Occupy Wall Street movement, scheduled to coincide with Election Day.

"What better way to send a message to our elected officials?" read an Oct. 11 posting that calls for moving money – on the same day that voters head to polls – from large transnational banks into community banks and credit unions.

Overall, the action is not nearly as well publicized as Saturday's call, which saw small-bank branches all over the United States swarming with disgruntled big-bank refugees.

Nonetheless, experts in the customer-service industry say big banks ought to be paying attention. "Big banks should be very nervous," says Laurie Brown, an international expert in customer service and author of the book "The Greet Your Customer Manual."

"It is now the second day within a week that angry customers around the nation are joining together to take their money out of the big banks, transferring their funds and their business to smaller, more customer-friendly credit unions."


Although industrywide data are still being calculated from Saturday's action, the broad participation and attention to the event suggest that enough of these movements could take down the large banks, Ms. Brown says.



Neither JPMorgan Chase nor Bank of America (BoFA) – two of the nation's largest banks – would comment on Tuesday's action, with BoFA spokeswoman Anne Pace saying via e-mail, "nothing to add."

A glance at the third-quarter report for Chase shows that consumer accounts, including everything from auto loans and credit cards to checking and savings accounts, make up nearly half of Chase's earnings – some \$2.010 billion out of \$4.262 billion. So theoretically, at least, a consumer walkout could put a serious dent in big banking, points out Minneapolis-based customer-service strategist John Tschohl.

"All these actions prove this really is the day of the consumer," he says. "Bank of America and other banks flexed their muscles too much," he adds, referring in particular to the recent move by Bank of America to impose a \$5 debit-card fee (which has since

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been rescinded).

The best strategy for consumers, Mr. Tschohl says, is to cut up their cards and mail them to the CEOs of their banks with a note explaining why they are closing their accounts. "It's very important to actually inform the higher-ups about your reason for closing the account. Otherwise, they just chalk it up to normal business movement," he says.

But it's possible that the impact of the recent movement may be negative in the short term for credit unions, says George Conboy, president of Brighton Securities, an independently owned, full-service financial firm based in upstate New York. That's because "it tends to be customers with smaller balances that are more concerned with bank fees," he says via e-mail. "Since those customers are less profitable, big banks may benefit, and credit unions may incur more cost."

He notes, "If credit unions end up attracting unprofitable customers, then their costs will rise and the credit unions may themselves have to impose more fees."

On Tuesday, the Credit Union National Association released a report saying that Saturday saw about \$80 million being recorded in new accounts and more than 40,000 consumers joining credit unions.

In the past month alone, CUNA notes, more than 650,000 customers have joined credit unions, which is a higher number than for all of 2010.

While the effect of this anti-large-bank sentiment will continue to be calculated through the fourth quarter, says Brown, "consumers have already achieved a huge success." The point is not to destroy banks, she adds, "but make them listen."

Prior to the power of the Internet to magnify one voice so effectively, "it was very hard to get big companies to listen to a single or even a few voices," she says. "Now, one person can start a movement and have thousands of people listening within minutes."