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## Don't Trust Your Banks: They Are Still Cheating



Dear Debbie,

I, like millions of your bank's account holders, was delighted to receive your letter dated March 22.

Despite my more than 30 years in the financial markets including 7 years as the EVP of the NYSE, and after two readings I was still unclear what you were really talking about in the letter. After spending considerable time trying to get to the bottom of it, I have realized that this is the point - this letter is not meant to be understood. This letter underscores for me, and millions of other bank customers, that nothing with the banks has changed and that past deceptive practices are still in force. Banks rely on this unclear and misleading content now just as they have for mortgage loans and credit cards.

In your letter you outline the rights of your bank and "other major banks" to reclassify accounts to lesser FDIC coverage without the consent of the account holder. No mention of the amount of the reduction and the current coverage of course. Is it from \$ 250,000 to \$ 100,000? I'm convinced that you have been advised by the "creative laboratory" of your communication and legal teams, that asking the customer whether he or she actually

wants to be reclassified is not needed and probably wouldn't be the wise thing to do. Oh, I am starting to get it now; of course you wouldn't ever want to ask your clients about a major decision affecting their account, right?

Your letter goes on to try to make this sound more perky saying but wait.... "you will be eligible for certain promotions in the future." Are you kidding? You withdraw coverage from millions of clients and then expect us to be interested in being bombarded by further misleading promotions? Promotions by whom? For what? Are you being paid to use your customer network to promote some sort of advertising? This isn't a game, this is people's bank accounts. Do you really believe that your clients are stupid?

On top of all this, you state that your bank has the right to require 7-days advance notice before permitting "a withdrawal" and of course you kindly indicate that "we never exercised this right in the past." Do you really believe that we will trust that you won't do it just because you never did it? You don't exactly have a convincing track record of following through on your word.

The only conclusion of your letter is that your bank is reducing the coverage by the FDIC of its client's regular accounts to increase its rights and make money through promotions. While at the same time you have a national advertising effort touting your care for customers and banking integrity. Are you reading your own ads?

In my youth all this was called lying. I understand that lying is no longer part of the vocabulary of banking and rather has just become common practice. I also learned as a child that if you lie often enough even you can't tell the truth from the fiction - perhaps all of our bankers need to go back to kindergarten and learn these life lessons again.

This type of abhorrent behavior more than justifies President Obama's proposal to create a federal agency to protect customers from their banks. Obviously we all need the protection.

You just don't get it, do you? Be candid and honest if you want to restore public confidence in banks.

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