

# Here's how to avoid credit card fees



**Bill Moak**

CONSUMER WATCH

Most people who have credit cards pay fees. While a few credit card companies say they offer “no-fee” cards to their customers, many cardholders who fail to read the fine print are stuck with hundreds — if not thousands — in fees each year anyway. And since a lot of people just pay the bottom-line balance without examining their statements closely, they're likely to be unaware of just how much those fees cost them.

Planning to use your card while traveling abroad? It can cost you up to 3 percent of your purchase, meaning that \$1,000 shopping spree in Paris would cost you up to \$30 in fees. Getting a cash advance? While it might seem like an easy way to take care of unexpected needs, you could pay as much as 4.5 percent for that privilege (not to mention high interest rates on that money). Add on annual fees, late and overlimit charges paid routinely by many customers, and many people soon find they're bailing water on a sinking boat.

But a new study from Creditcards.com finds many cardholders could avoid paying those expensive fees if they just ask. It turns out that credit card issuers find themselves in a highly competitive environment these days, making it more important to try



DAMIEN MEYER, AFP/GETTY IMAGES

Credit cards holders could avoid some of those expensive fees.

to retain their customers. You could make that work for you, because they're often willing to waive fees upon request.

“I was surprised at the level of success, especially when it comes to asking for an annual fee waiver,” says Alex Johnson, senior marketing manager at FICO, creator of the widely used credit scoring system. “The takeaway is that you should always ask. The worst that can happen is that they'll say no. But the data show there's a pretty good chance they'll say ‘yes.’”

In the Creditcards.com study, fewer

than one in four cardholders (among the 952 surveyed) reported they had actually ever asked for fees to be waived. But among those who requested late fees be waived, nearly nine out of 10 reported success. And it doesn't just work for fees; it can also help lower your interest rate; almost 70 percent of people who requested a lower interest rate got one.

While credit card companies spend a lot on advertising to tout their rewards programs (such as airline mileage and cash-back rewards), a lot of them charge a hefty annual fee for partici-

pating. Savvy cardholders can often get their rewards-program fees lowered or eliminated, though, if they call and ask. But only a paltry 11 percent of cardholders even asked.

“People have far more power with their credit card company than they realize. Competition among card issuers is incredibly high these days and customer retention is a priority,” said Matt Schulz, CreditCards.com's senior industry analyst. “Don't be afraid to ask for fees to be waived or higher credit limits because, quite often, you'll actually get it.”

Policies vary by company, and most of the big banks issuing cards have complicated algorithms that help determine whether the customer service rep can help you when you call. Many companies (such as Discover) will routinely waive the first late fees, and possibly more, if you request it.

With these rates of success, you'd think customers would be catching on. Interestingly, though, Creditcards.com noted the percentage of people making requests has barely changed from the last two surveys in 2014 and 2016. Many people are unaware they can make such requests, and others get stymied by long hold times or find it difficult to deal with customer service reps. Whatever their reasons, they're often leaving good money on the table. But with a little patience and a plan, many customers find their credit-card companies might be willing to make a deal. It's a call worth making.

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