

Overdraft fees

The data below, taken from a 2010 court decision against Wells Fargo Bank, illustrates how the bank manipulated the order in which it processed debit card transactions and checks, which depleted the customer's account more quickly and boosted the number of overdraft fees. The column at left shows what the balance would have been had the transactions been processed chronologically, resulting in a single overdraft fee of \$22. At right is how the bank posted the transactions — from highest to lowest — resulting in four overdraft fees totalling \$88. Wells Fargo has since changed its practices.

How the transactions took place

Starting balance: \$316.90

#	DESCRIPTION	AMOUNT	BALANCE
1	Subway Restaurant (debit card)	-\$11.27	\$305.63
2	Autozone (debit card)	-\$47.99	\$257.64
3	Autozone (debit card)	-\$17.23	\$240.41
4	Autozone (debit card)	-\$3.23	\$237.18
5	Autozone return (debit card)	\$17.23	\$254.41
6	IHOP Restaurant (debit card)	-\$26.51	\$227.90
7	Farmer Boys Restaurant (debit card)	-\$8.10	\$219.80
8	ATM withdrawal	-\$22.00	\$197.80
9	ATM fee	-\$2.00	\$195.80
10	Albertsons Supermarket (debit card)	-\$74.39	\$121.41
11	Online transfer to another account	-\$80.00	\$41.41
12	Check #1103	-\$65.00	-\$45.59

 Overdraft fee

Final balance: -\$45.59
Total fees: \$22.00

How Wells Fargo reordered them

Starting balance: \$316.90

#	DESCRIPTION	AMOUNT	BALANCE
5	Autozone return (debit card)	\$17.23	\$334.13
11	Online transfer to another account	-\$80.00	\$254.13
8	ATM withdrawal	-\$22.00	\$232.13
9	ATM fee	-\$2.00	\$230.13
10	Albertsons Supermarket (debit card)	-\$74.39	\$155.74
12	Check #1103	-\$65.00	\$90.74
2	Autozone (debit card)	-\$47.99	\$42.75
6	IHOP Restaurant (debit card)	-\$26.51	\$16.24
3	Autozone (debit card)	-\$17.23	-\$22.99
1	Subway Restaurant (debit card)	-\$11.27	-\$56.26
7	Farmer Boys Restaurant (debit card)	-\$8.10	-\$86.36
4	Autozone (debit card)	-\$3.23	-\$111.59

 Overdraft fee

Final balance: -\$111.59
Total fees: \$88.00