

NEWS RELEASE

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Nader Criticizes Wells Fargo's ATM Captive-Customer Ads, High Fees

Not only does Wells Fargo charge its customers high fees for using another bank's ATM, now it wants to force consumers to watch ads on its ATM screens during transactions. "Wells Fargo wants to make you watch ads and gouge you with ATM fees," Ralph Nader said. "We encourage consumers to avoid the ads and the fees by taking their business elsewhere."

On March 1st, Wells Fargo launched its ad-laden Express ATM Network, with 340 ATMs in San Francisco, San Jose, Marin, San Mateo, Contra Costa and Alameda counties in California. Wells Fargo boasts that its new Network is great for advertisers because "it gives them 100 percent of the consumer's attention and the ad is guaranteed to be seen." It says that the ads "will gradually roll out across the company's territory," which includes 6,248 ATMs.

"Wells Fargo wants to turn ATM users into captive ad watchers," said Gary Ruskin, director of Commercial Alert. "This is the latest example of how advertisers will stop at nothing to put an ad in your face."

Advertising to captive audiences is growing trend. Along with Wells Fargo, other notable purveyors of coercive advertising include Channel One and ZapMe!, which force children to watch ads in schools, Screenvision Cinema Network and Theater Radio Network, which force ads upon moviegoers, and the CNN Airport Network.

Floyd Miller, of Miller/Huber Relationship Marketing, defended the ATM ads to the *San Francisco Chronicle*: "As consumers continue to get bombarded by advertising messages everywhere, it's as viable a place as any."

Forty-five years ago, Charles Black Jr., the great legal scholar, wrote an essay on the dangers of coercive advertising schemes. "I tremble for the sanity of a society that talks, on the level of abstract principle, of the precious integrity of the individual mind," he wrote, "and all the while, on the level of concrete fact, forces the individual mind to spend a good part of every day under bombardment with whatever some crowd of promoters want to throw at it."

California Wells Fargo customers must pay a heavy \$1.50 surcharge for using another bank's ATM, according to John Golinger of California Public Interest Research Group (CALPIRG). California State Senator Betty Karnette (D-Long Beach) has reintroduced state legislation (SB 270) to ban these non-customer ATM surcharges. According to the *San Diego Union-Tribune*, "Perhaps not coincidentally, the lone Wells Fargo ATM that does not assess a noncustomer surcharge is located in the [Sacramento] Capitol basement, next to a coffee stand frequented by legislators and their staff members."

Nader pointed out that ATMs were promoted early on as saving customers time and money, because they kept bank costs low. Now, banks are using ATMs as a profit center.

Amazon.com, the online bookseller, is one of the first advertisers on the Wells Fargo ATMs. In a notable example of how commercialism can destroy integrity and credibility, Amazon.com recently admitted that publishers had paid as much as \$10,000 for the favor of having a book featured in the “Destined for Greatness” or “What We’re Reading” sections of its web page.

“Amazon.com is a leader in offensive advertising and marketing practices,” Ruskin said. “We hope consumers will reject their crass commercialism, and lack of integrity, by supporting local independent booksellers instead.”

Commercial Alert was founded last year to oppose the excesses of commercialism, advertising and marketing. The web address for Commercial Alert is <<http://www.essential.org/alert/>>.