

5

Reading Exam

ENGLISH FILE

EOI Exam Power Pack (Intermediate cycle)

PART 1

You are going to read some extracts from a consumer magazine article on banking. Match extracts 1–5 with sentences A–H. There are two sentences you don't need to use. Extract 0 is the example.

EXTRACT	0	1	2	3	4	5
SENTENCE	B					

				TOTAL	

EOI Topic: Money and finance
See: *English File third edition* Intermediate
 Files 2A, 8A

- A Banks don't always give clear information to people.
- B *Banks may increase their charges during a recession.*
- C Bank fees may be high when you travel.
- D Online banking is more reliable than traditional banking.
- E Banks can change your interest rates if you do something wrong.
- F Banks may have private access to information about potential clients.
- G You may pay fewer fees and earn more interest at a smaller bank.
- H Banks think students are generally bad for business.

PART 1

What you should know about banks**Extract 0, example**

The first thing that people need to know, especially in times of economic crisis, is that banks want dependable sources of revenue. That means that banks put up their fees if your account is in the red or if you're using another bank's cash machine to take out money. In the USA, for example, the average cash machine service charge doubled between 1998 and 2007, and in 2006 US banks made \$17.5 billion in overdraft fees.

Extract 1

If you are a student, be very careful when you choose your bank. Students are hot business for banks in terms of future customers. You'll find many banks right there on your university or college campus. Watch out for credit card issuers and for banks that have private deals with student associations allowing them to obtain your personal details. Increasing credit card debt among university students is a growing problem.

Extract 2

If you decide to go abroad on holiday, or for work purposes, you need to consider your banking options carefully. Most overseas transactions have large fees attached to them. For example, if you take money out from a cash machine abroad, you'll probably get hit by a big foreign transaction charge. Credit cards are much better value. Most charge 1% of the purchase price for each transaction, and the issuing bank may take as much as 3% for converting the currency.

Extract 3

Although you may have a credit card agreement with your bank, you can never be 100% sure on how much interest you will be charged. Most cards have what banks call a 'default rate' and this can be as high as up to 30%. Banks usually apply this if you've broken the rules, for example if you pay late twice within 12 months. There isn't much clarity on what criteria banks use to put interest rates up, and they can change the terms of your agreement as and when they want.

Extract 4

Dealing with banks is especially tricky when it comes to understanding the published documents which contain detailed information about their terms and conditions – what we know as 'the small print'. By law, banks must make all information about their practices absolutely transparent and available to their clients and prospective customers, but it can often be presented in a way that is complicated or unclear. Online banking is another problem area prone to abuse of the customer's trust. Banks use many different methods to process payments over the Internet, giving customers a false sense of security.

Extract 5

The fact that many banks have merged to create bigger entities isn't necessarily a good thing for consumers. Having your account at one of the top, big banks might be convenient for access to a multitude of branches or cash machines but this often comes at a price. In 2006, the ten largest banks in the USA made 54% from fees and services charges. They also paid an average interest rate of about 1.8% while smaller banks paid out up to 4.3%.