

Accepted Manuscript

ATM foreign fees and cash withdrawals

Thierry Magnac

PII: S0378-4266(17)30032-8
DOI: [10.1016/j.jbankfin.2017.02.001](https://doi.org/10.1016/j.jbankfin.2017.02.001)
Reference: JBF 5093

To appear in: *Journal of Banking and Finance*

Received date: 6 March 2015
Revised date: 2 January 2017
Accepted date: 5 February 2017

Please cite this article as: Thierry Magnac, ATM foreign fees and cash withdrawals, *Journal of Banking and Finance* (2017), doi: [10.1016/j.jbankfin.2017.02.001](https://doi.org/10.1016/j.jbankfin.2017.02.001)



This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

ATM foreign fees and cash withdrawals

Thierry Magnac

Toulouse School of Economics
Université de Toulouse Capitole*

First version: March 2015

This version February 9, 2017

Abstract

We evaluate the impact of "foreign" fees paid by consumers on their cash withdrawals at Automatic Teller Machines (henceforth ATMs). These so called foreign fees are paid when consumers withdraw cash from ATMs which are not owned by their home bank. We take advantage of a natural experiment whereby (non linear) foreign ATM fees in one specific bank became suddenly applicable at one point in time. We also use this experiment to evaluate the substitutions between foreign ATM withdrawals and other home ATM or desk withdrawals as well as with payments by card. Using panel data on accounts, we first estimate average treatment effects on the treated before carrying on with the estimation of a simple structural model. The latter procedure allows us to compute the counterfactual impacts of changing the schedule of foreign fees. Impacts are sizeable on bank profits and consumer welfare.

Keywords: Cash holding, policy evaluation, costs of means of payment, treatment effects

JEL codes: C21, D12, G21

* *Address:* 20 Allée de Brienne, 31016 Toulouse Cedex 6, France, Tel: 0033561128871

Download English Version:

<https://daneshyari.com/en/article/5088114>

Download Persian Version:

<https://daneshyari.com/article/5088114>

[Daneshyari.com](https://daneshyari.com)