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HEADLINE: NEW CHARGES AT CASHPOINTS

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BODY:

MILLIONS of bank customers are facing a huge increase in cash machine fees.

Thousands of ATMs are to be sold off to companies that charge up to £1.75 a transaction.

The warning comes in evidence to the treasury select committee of MPs which today starts an inquiry into spiraling fees.

Consumers already pay an estimated £140million a year to use the cash machine network, a figure that is expected to soar.

Around 20,000, almost 40 per cent, of all the cash machines in Britain are now charging fees and they are expected to become a majority within months.

The fees are charged by companies operating ATMs in "convenience" locations such as train and Tube stations, shops, post offices and petrol stations.

Consumer organization Which? says customers hit hardest are those living in areas worst affected by bank branch closures, the so-called "cashpoint deserts".

Many communities are now four miles from a free cash point.

In addition, banks are now starting to sell their " non-branch" cash machines to companies that charge a fee.

These are often expensive to maintain and bring in little revenue. Earlier this year HBOS, owner of the Halifax and Bank of Scotland, sold 816 "non-bank" ATMs to the cash machine operator Cardpoint. Around 100 of these ATMs have now started to charge a fee with hundreds more due to "convert" next year.

"This could be the last Christmas when there are more free machines than fee charging ones," said Stuart Bernau, executive director at Nationwide, which is campaigning against the fees.

The National Consumer Council (NCC) also said that the fees are becoming a new tax on the poor.

It has demanded that LINK, the body that runs the banks' cashpoint network, draw up an ATM "map" to show areas where free machines are in short supply.

Suspicion about the growth in independent ATM operators has been deepened by their growing profits.

Last month Cardpoint smashed City forecasts with a trebling of annual turnover and a rise in pre-tax profits from £50,000 to £1.78 million.

However, the operators said they provided convenience and access to money but had to charge to cover the cost of security and maintenance as well as renting the site.

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