

## ***A Matter of Interest.***

***Business and Finance, 15 Oct 1998.***

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### **If you think you might be paying too many bank charges, Patrick Shallow can help you out**

Recent banking controversies have left Irish businesses large and small with anxieties about the interest and charges they pay their bank. While media reports have been emphasising the value of checking bank overdraft interest, most bank customers find it extremely difficult to do this as they don't clearly understand banking procedures. What is more, many businesses would prefer to avoid irritating their bank manager if their complaint is not justified.

With this in mind, Dublin-based banking consultancy, Finalysis, has come up with a software package which demystifies the Irish bank clearing system, picks up any errors or discrepancies in the interest charge you pay, and generally allows you to better manage your accounts. So says Patrick Shallow, managing director of the company which began life in UCD's Innovation Centre, but is now based in Ballsbridge.

"We had been advising the major corporates successfully on all aspects of banking for a number of years," says Shallow. "After the NIB affair, we were approached by a number of smaller companies, asking us if we could do a study for them giving them piece of mind in respect of their bank interest and so on."

It was decided that a study or consultancy review was not warranted, as it would be too expensive an approach for smaller companies. "So we consulted internally, and decided that the easiest way to approach these companies would be to put together some software which would enable them to do it themselves," says Shallow.

It was Finalysis' first foray into software development, and Raven Computing was identified as the software house that would best be able to assist and collaborate with the company in the venture.

"We set about designing a product which encapsulates all of the rules of the Irish banks clearing system," says Shallow. "Michael O'Duffy of DCU's Centre for Software Engineering was project manager on the venture, and he acted as a kind of nexus, articulating between ourselves and Raven, until we arrived at the finished product which is named Overdraft Interest Calculator - (OIC - "Oh I See", get it?)

According to Shallow, the low-cost Windows-based program is extremely user-friendly, and accessible to anyone reasonably numerate.

So how does it work? You read up your manual, sit down with your bank facilities letter (which sets out your bank charges, your penalties, your surcharges and your conditions), and input all the relevant data. From your bank statement you input the interest rates and the relevant transactions. The program analyses the overdraft interest charge and sorts it into the various elements like basic interest, excess penalties, set-off and the 30-day rule. It not only identifies any errors or misunderstandings with your bank, but also tells you which charges are avoidable in the future.

"Often a large amount of the interest you pay is unnecessarily incurred," says Shallow. "Some people aren't even aware of the 30-day rule. This product allows the client to understand bank

policies and empowers him, going forward, to manage his affairs more efficiently."

Shallow insists that the product is designed with this forward-looking approach in mind, and not simply to catch the banks out, although he recognises that it is the bank error aspect, in the context of the NIB affair, which has meant OIC has caught the headlines.

"That has been driving the product to some extent, for which we're grateful, but our emphasis remains on the forward view. This is not an exercise in bank-bashing. It is an exercise in empowering the client.

"Our interest is not so much in finding error or misunderstanding, although that is a bi-product. This company's business is strategic banking; helping the corporate client understand bank policies and enabling him to manage his or her affairs more efficiently. If in the process of this they find that the bank misunderstood instructions or made an error, then it is up to the client to take that up with the bank."

Bi-product or not, OIC certainly makes it easier to approach your bank should you find there is a serious misunderstanding or discrepancy in the interest charge levied. You can easily download all the relevant data and print it out, giving you a strong basis for dialogue with your bank manager.

And Shallow does admit Finalysis has in the past found significant bank errors, ranging from the hundreds of pounds to several thousand pounds, and banks have indeed refunded where these errors were identified and established. If you do find an error, Irish law holds that it is always for the creditor (the bank) to prove the debt, not the bank customer. So, if you have the figures and the bank sees otherwise, the onus is on the bank to prove it.

The Overdraft Interest Calculator comes in two models - OIC Corporate at £295, for the client who typically has ten or 15 accounts with three different banks, and OIC Personal for the small business, sole-trader or personal user. Priced at just £99, the latter is aimed very much at the mass market. Indeed, while OIC will initially be distributed by direct marketing, Shallow hopes to eventually market it as an off-the-shelf product in the retail sector.

Shallow claims the OIC will pay for itself within days of purchase. If this is true, he may be sitting on a goldmine.

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