

Banks and Credit Unions

Bank and credit union buying guide

Getting started

If you're like a lot of Americans, you have a checking account at one of the nation's four largest banks: Bank of America, Chase, Citibank, and Wells Fargo. Together, these four banks hold about 40 percent of all U.S. commercial bank assets, and they provide many benefits such as nationwide convenience (access to a total of 17,000-plus branches and more than 80,000 fee-free ATMs), state-of-the-art digital banking platforms, and sophisticated security systems.

But in our survey of some 49,000 subscribers, all four mega banks scored in the bottom fifth of our overall bank rankings, which consisted of more than 70,000 bank and credit union ratings.

It's not because their services were poor—our readers were satisfied with them overall. Rather, survey respondents told us they found better banking alternatives at more than 60 smaller banks—including some that operate mostly online. They were also more satisfied with the services they got at credit unions especially when it came to customer service and fees.

If you're happy with the services and fees at your current bank, you are fortunate. But if you are looking for an alternative, you have plenty of options. Here's how to find the best institution to meet your banking needs.

Shop around

If you have your checking and savings accounts, along with say, a mortgage or a car loan at the same bank you may get certain benefits, such as preferred interest rates and fee discounts. But when you buy a "product bundle" at a bank which contains a number of services rolled into one offering, it's hard to know if the fees you pay are lower than if you opted to get different services at different banks.

Most likely, you can save money by shopping around for the best deal at different financial institutions. That's what many subscribers in our survey do. Half of those in our sample told us they had a second bank or credit union. The reason: Almost 38 percent of our respondents indicated that they were able to get better rates for some services and products at other institutions than their primary bank or credit union.

A case in point: 37 percent of subscribers who reported that they had loans relied exclusively on the second institution for them. And 41 percent of those with investment accounts at banks or credit unions had them only at their second financial institution, not their primary bank or credit union.



How can you get the best service and the lowest fees? Follow this mix-and-match plan for maximum savings:

Basic checking and savings accounts

Look for a credit union that is a member of a network, such as the CO-OP system of 30,000 fee-free ATMs and 5,000 shared branches. Make sure it provides online and mobile account access. Our survey found that credit-union customers were among the most highly satisfied overall.

Start your search by checking the websites of the ones we rated to see whether you're eligible for membership. If you don't qualify for any on our list, go to mycreditunion.gov and use the "CU Locator" in the toolbar at the top of the page. Comparison shop by following the links to the credit unions' websites.

Certificates of deposit

Compare interest rates for certificates of deposit (CDs) at the primarily online banks we rated and at credit unions. Both types of institutions generally pay the highest rates. The best deal for the amount you plan to deposit and the period of time you invest for will vary based on the institution.

Auto loans

Choose a credit union for a car loan, because those institutions often offer the lowest rates—another good reason to join one. Get prequalified before you shop.

Credit cards and mortgages

Shop online if you are looking for a credit card or a mortgage because the market for these products is national. You don't want to limit your options by confining your search to, say, the bank where you have a checking account.

For credit cards, use a comparison site like creditcards.com; for mortgages, go to hsh.com. But check other sites to broaden your search. Bankrate.com provides rates for credit cards and mortgages, as well as auto loans and CDs. And if you're a member of Costco, be sure to explore the rates its mortgage lenders offer.

Brokerage services

Banks push their own investment services, but shop first at one of the higher rated firms in our most recent survey: Vanguard, T. Rowe Price, and USAA.

Prepaid cards

If you want a prepaid card, check Bluebird, offered by Walmart and American Express, or Liquid, offered by Chase. We rated both of them best among 23 reloadable prepaid cards evaluated in 2014, because of their low fees and terms. And both do almost everything that a checking account does.

Paper checks

Despite the increasing availability of digital banking, consumers still write a lot of paper checks. (Our most recent data shows that 18 billion checks were written in 2012). You don't have to get checks from your financial institution. Instead, we found bargain prices at Costco and Walmart. Check the prices online at those two retailers and compare them to the cost at your bank or credit union.

How to switch

It's not easy to switch banks. That's partly because many people have their checking, savings and other accounts at one bank and they are linked together. Banking services, such as direct deposit, automatic bill pay, and other services also make switching banks more difficult since it requires more work to activate those services somewhere else. And bank-account closing fees, rules, and other hassles are big enough obstacles that most folks find it easier to just stay put.

But it shouldn't be that way. Consumers Union, the policy and advocacy arm of Consumer Reports, has called on Congress and the Consumer Financial Protection Bureau to make it easier for customers to transfer funds, sign up for automatic bill pay service, and set up direct deposits to new accounts. Consumers Union also wants banks to eliminate unfair fees for closing accounts and to be prohibited from reopening closed "zombie" accounts.

But until regulators take action, here's how to switch banks as painlessly as possible:

1. Open a new checking account

Temporarily treat this as a secondary account at your new credit union, online bank, or smaller regional or community bank without closing the existing one. For mostly Internet banks, that's a relatively easy online process; for others, the process may take 30 minutes to an hour and require an initial deposit of \$50 or less.

2. Move direct deposit of your paycheck

Contact your employer to accomplish this. It may take your employer a few weeks to get your new bank information into its system. Direct deposit may also make you eligible for free checking. To get the new account up and running fast, you could use your old bank's online bill pay to transmit funds to your new account, or simply write a paper check to withdraw money from your old account and deposit it into the new one, but see steps 3 and 4 first.

3. Stop automatic bill payments

This can be easily done via the Internet if you've been using the bank's online bill pay feature, where you control when so-called "push" payments are sent out. If you auto-pay by authorizing a payee to "pull" the payment from your account, you'll need to contact the company and follow its procedures for stopping payment. Then we recommend that you never use that method again, so that you retain complete control of your account.

4. Keep the old account open

Be sure to keep your old account open until the last check you wrote has been cashed and has cleared.

5. Set up additional account features

Familiarize yourself with the digital features you need at your new institution and activate them. That includes services such as online bill pay, mobile banking, and alerts.

6. Close the old account

Kiss your old bank goodbye by visiting your home branch in-person. Zero out any remaining balance by having the old bank electronically transfer the funds to your new account, or by obtaining a cashier's check or cash. There should be no fee to close accounts you have had for more than a few months.

Bottom line

There are more banking options than ever so don't tolerate unpleasant or overpriced banking services. By upgrading to a better financial institution that matches your needs, you could save hundreds of dollars per year in fees, earn higher interest rates and pay lower loan rates, while getting better customer service. And you probably won't need to give up all the conveniences of using ATMs, banking online, and managing your accounts from your smart phone because even small community banks and credit unions now make these services available.

Ratings: Banks and Credit Unions

● ○ ○ ●
 Better ← → Worse

INSTITUTION	MAIN SERVICE AREA	READER SCORE	SURVEY RESULTS			
			Customer Service	Bank Communications	Consumer Complaints	Fees

MEGA BANKS

Chase	23 states	81	○	○	○	●
Wells Fargo	39 states + DC	78	○	○	●	●
Citibank	9 states + DC	78	○	○	●	●
Bank of America	35 states + DC	75	○	●	●	●

SMALLER TRADITIONAL BANKS

Frost Bank	TX	91	●	●	●	○
Synovus Bank	AL, FL, GA, SC, TN	89	●	●	○	●
First Citizens Bank	AZ, CA, CO, FL, GA, KS, MD, MO, NC, NM, OK, OR, SC, TN, TX, VA, WA, WV	88	●	●	●	○
FirstBank	AZ, CA, CO	88	●	●	●	○
Eastern Bank	MA, NH	88	●	●	○	○
Third Federal Savings and Loan	FL, OH	87	●	●	●	●
Umpqua Bank	CA, ID, NV, OR, WA	87	●	●	○	●
Arvest Bank	AR, OK, MO, KS	87	●	○	○	●
First National Bank of Pennsylvania	MD, OH, PA, WV	86	●	●	●	○
First Tennessee Bank	TN	86	●	●	●	●
Commerce Bank	CO, IL, KS, MO, OK	86	●	●	○	○
Zions Bank	AZ, CA, CO, ID, NV, NM, OR, TX, UT, WA	86	●	●	●	●
Hudson City Savings Bank	CT, NJ, NY	85	●	●	●	○
UMB	AZ, CO, IL, KS, MO, NE, OK, TX	85	●	○	●	○
Huntington Bank	IN, KY, MI, OH, PA, WV	85	●	●	○	○
People's United Bank	CT, NY, MA, ME, NH, VT	85	●	○	○	●
Union Bank	CA, OR, WA	85	●	○	●	●
Bank of the West	AZ, CA, CO, IA, ID, KS, MN, MO, ND, NE, NM, NV, OK, OR, SD, UT, WA, WI, WY	85	●	●	○	●
Rabobank	CA	84	●	●	○	●
BB&T (acquired Susquehanna Bank)	AL, DC, FL, GA, IN, KY, MD, NJ, NC, OH, PA, SC, TN, TX, VA, WV	84	●	○	○	●
Hancock Bank	AL, FL, MS	84	●	●	●	○
Webster Bank	CT, MA, NY, RI	84	●	●	●	●
PNC BANK	AL, DC, DE, FL, GA, IL, IN, KY, MD, MI, MO, NC, NJ, NY, OH, PA, SC, VA, WI, WV	83	●	○	○	●
Valley National Bank	FL, NJ, NY, PA	83	○	○	○	●
U.S. Bank	AZ, AR, CA, CO, IA, ID, IL, IN, KS, KY, MN, MO, MT, ND, NE, NM, NV, OH, OR, SD, TN, UT, WA, WI, WY	82	○	○	●	●

INSTITUTION	MAIN SERVICE AREA	READER SCORE	SURVEY RESULTS			
			Customer Service	Bank Communications	Consumer Complaints	Fees

SMALLER TRADITIONAL BANKS continued

TD Bank	CT, DC, DE, FL, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT	82	●	○	●	●
Comerica Bank	AZ, CA, FL, MI, TX	82	●	○	●	●
Associated Bank	IL, MN, WI	82	○	○	●	●
M&T Bank	DC, DE, FL, NJ, NY, MD, PA, VA, WV	81	○	○	●	●
Washington Federal	AZ, ID, NM, NV, OR, TX, UT, WA	81	●	○	○	○
Sun Trust Bank	AL, AR, DC, FL, GA, MD, MS, NC, SC, TN, VA, WV	81	○	○	●	●
Capital One	CT, DC, DE, LA, MD, NJ, NY, TX, VA	81	○	○	○	○
FirstMerit Bank	IL, MI, OH, PA, WI	81	○	○	○	○
Bank of Hawaii	HI	81	○	●	●	●
Regions Bank	AL, AR, FL, GA, IA, IL, IN, KY, LA, MO, MS, NC, SC, TN, TX, VA	80	○	○	●	●
Key Bank (in the process of acquiring First Niagara Bank)	AK, CO, ID, IN, ME, MI, NY, OH, OR, UT, VT, WA	80	○	○	●	●
New York Community Bank	AZ, FL, NJ, NY, OH	80	○	○	○	●
Citizens Bank	CT, DE, MA, MI, NH, NJ, NY, OH, PA, RI, VT	79	○	○	●	●
BMO Harris Bank	AZ, FL, IL, IN, KS, MN, MO, WI	79	○	○	○	●
First Niagara Bank (in the process of being acquired by Key Bank)	CT, MA, NY, PA	79	○	○	●	●
Fifth Third Bank	FL, GA, IL, IN, KY, MI, MO, NC, OH, PA, TN, WV	79	○	○	●	●
BBVA Compass	AL, AZ, CA, CO, FL, NM, TX	77	○	○	●	●
TCF Bank	AZ, CO, IL, IN, MI, MN, SD, WI	76	○	○	○	●
Santander Bank	CT, DE, MA, NH, NJ, NY, PA, RI	73	○	○	●	●
HSBC	CA, CT, DC, DE, FL, MD, NJ, NY, PA, VA, WA	66	●	●	●	●

PRIMARILY ONLINE BANKS

USAA	50 states + DC	95	●	●	●	●
Schwab Bank	50 states + DC	92	●	●	●	●
EverBank	50 states + DC	91	●	●	●	○
Discover Bank	50 states + DC	89	●	●	●	●
Ally Bank	50 states + DC	88	●	●	●	●
State Farm Bank	50 states + DC	88	●	●	○	●
Capital One 360	50 states + DC	86	○	●	●	●
E-Trade Bank	50 states + DC	84	○	●	●	○

● Better ← → Worse ●

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CREDIT UNIONS

Randolph-Brooks Federal Credit Union	South Central TX	95	●	●	●	●
Mission Federal Credit Union	San Diego area	95	●	●	●	○
Ent Federal Credit Union	Central CO	95	●	●	●	●
North Carolina State Employees Credit Union	NC	94	●	●	●	●
Pennsylvania State Employees Credit Union	PA	94	●	●	●	●
Star One Credit Union	Santa Clara County, CA	94	●	●	●	●
Wings Financial Credit Union	Atlanta, Detroit, Minneapolis-St. Paul, Orlando, and Seattle areas	94	●	●	●	●
Schoolsfirst Federal Credit Union	Los Angeles, Orange and San Bernardino counties (CA)	94	●	●	●	●
Navy Federal Credit Union	Worldwide	94	●	●	●	●
Security Service Federal Credit Union	CO, TX, UT	93	●	●	●	●
Digital Federal Credit Union	MA, NH	93	●	●	●	●
Washington State Employees Credit Union	WA	93	●	●	●	●
ESL Federal Credit Union	Rochester area (NY)	93	●	●	●	●
Logix Federal Credit Union	Burbank area (CA)	93	●	●	●	●
EECU	Ft. Worth area (TX)	93	●	●	○	○
America First Federal Credit Union	UT and southern NV	93	●	●	●	○
University of Wisconsin Credit Union	WI	93	●	●	●	●
Boeing Employees Credit Union	WA	93	●	●	●	●
Wright-Patt Credit Union	Cincinnati, Columbus, Dayton, and Springfield areas (OH)	92	●	●	○	●
Tower Federal Credit Union	Baltimore area	92	●	●	○	○
Alliant Credit Union	Chicago, Denver, Dulles Airport, Houston, Los Angeles, and San Francisco Bay areas	92	●	●	●	○
Georgia's Own Credit Union	Atlanta, Augusta, Savannah areas (GA)	92	●	●	○	●
Alaska USA Federal Credit Union	AK, AZ, CA, WA	92	●	●	●	●
Redwood Credit Union	North Bay and San Francisco areas (CA)	92	●	●	●	●
VyStar Credit Union	Jacksonville area (FL)	92	●	●	○	●

CREDIT UNIONS continued

Suncoast Credit Union	Tampa-St. Petersburg, Ft. Myers, and Naples areas (FL)	92	●	●	●	●
Delta Community Credit Union	Atlanta area	92	●	●	●	●
Hudson Valley Federal Credit Union	Dutchess, Orange, Putnam, and Ulster counties (NY)	91	●	●	●	○
Bellco Credit Union	Denver area	91	●	●	○	○
Bethpage Federal Credit Union	Long Island, NY	91	●	●	●	●
Golden 1 Credit Union	CA	91	●	●	●	○
Pentagon Federal Credit Union	DC, HI, MD, NC, NY, TN, TX, VA,	90	●	●	●	○
First Tech Federal Credit Union	CA, CO, GA, ID, OR, TX, WA	90	●	●	●	●
Coastal Federal Credit Union	Raleigh area (NC)	90	●	●	●	○
Patelco Credit Union	San Francisco Bay area (CA)	90	●	●	●	●
State Employees Federal Credit Union (NY)	Albany, Binghamton, Buffalo, and Syracuse, NY	89	●	●	●	●
Redstone Federal Credit Union	Huntsville area (AL)	89	●	●	●	○
Kinecta Federal Credit Union	South Bay region of Los Angeles County (CA)	89	●	●	●	●
San Diego County Credit Union	Orange, Riverside, and San Diego counties (CA)	88	●	●	●	○
OnPoint Community Credit Union	OR and Vancouver, WA	88	●	●	○	○
Citizens Equity First Credit Union	Central IL and Santa Clara County, CA	88	●	●	●	○
DFCU Financial	Ann Arbor, Detroit, Lansing, and Grand Rapids, MI	88	●	●	○	●
Space Coast Credit Union	East Coast of FL	88	●	●	○	●
Desert Schools Federal Credit Union	Phoenix area	86	●	●	○	○
The Summit Federal Credit Union	Buffalo, Rochester, and Syracuse, NY	86	●	●	○	●

Two banks are not shown because after our readers were surveyed, Charter One was rebranded as Citizens Bank and Susquehanna Bank was acquired by BB&T.

Guide to the Ratings: Financial institutions are ranked based on reader scores, which reflect overall satisfaction with the banking experience and aren't limited to the criteria in the table. Scores are based on the responses of 49,188 Consumer Reports subscribers who answered the 2014 Banking Survey, providing 70,920 bank and credit-union ratings. Results don't necessarily mirror the experiences of the general U.S. population. A **Reader Score** of 100 means that all respondents were completely satisfied; 80 means very satisfied, on average; 60, fairly well-satisfied. Differences of fewer than 5 points aren't meaningful. Ratings for **Customer Service** and **Bank Communications** (about new fees and bank procedures) are based on mean scores on six-point scales ranging from Excellent to Very Poor. **Consumer Complaints** are based on the percentage of customers who registered complaints about such matters as repeated solicitations, confusing or difficult voice-automated systems, problems with online transactions, and unresponsive service representatives. **Fees** reflect the percentage of customers who indicated that their bank had increased fees over the past three years.

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