# The 5 Most Outrageous Examples of Hidden Charges Companies Pass Off on Consumers -- And How to Fight Back

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It seems like consumers are being squeezed from every angle these days. Our grocery bills are getting larger and other expenses going through the roof at the same time that many of us are losing jobs and having to downsize.

The Occupy Wall Street movement has helped spur a national dialogue about the financial sector’s role in the erosion of the U.S. middle class. But Wall Street mega banks aren’t the only corporations that have swindled American citizens; many of the companies we rely on for our food, transportation, and communication needs are also treating consumers unfairly by saddling them with a plethora of hidden fees and surcharges.

The average U.S. adult pays at least $942 each year in hidden fees, according to [research](http://seattletimes.nwsource.com/html/nationworld/2004254420_hiddenfees02.html) [3] conducted by the Ponemon Institute in 2006. Six years later, it’s unlikely that this number has gone down. If anything, industries that took a financial hit during the recession are passing more fees onto consumers than ever, regardless of whether they’ve recovered.

A comprehensive list of the sneaky fees companies palm off on consumers could go on forever, but here are five particularly egregious examples that every consumer should be aware of – followed by a list of ideas for fighting back.

**Station 1. Banks and credit card companies**

The financial industry is infamous for its shady fees, and with good reason. You’re probably familiar with many of the charges banks and credit card companies impose, for things like account overdrafts, cash advances, stop-payment services, balance transfers, purchases made outside the U.S., late payments, payments made over the phone, lost card replacements, account minimums, and even the “privilege” of speaking to a bank teller.

Credit card and bank fees have become both more common and more expensive in recent years, even as new regulations have sought to keep institutions from taking advantage of consumers. In fact, some of the newest – and sneakiest – charges are in direct response to government regulation. For instance, after [rules](http://www.huffingtonpost.com/2010/08/16/overdraft-protection-expi_n_682825.html) were passed in 2010 limiting banks’ use of overdraft fees, banks [responded](http://www.nytimes.com/2011/11/14/business/banks-quietly-ramp-up-consumer-fees.html?src=me&ref=business) by quietly increasing maintenance, wire transfer, and other fees and implementing new charges on services like mobile phone deposits. Banks have responded to consumer outrage in a similar fashion; after consumers revolted against Bank of America’s plan to introduce a $5 monthly charge for some debit card users (a plan other big banks intended to implement as well), the banks instead [turned to](http://abcnews.go.com/blogs/business/2011/11/after-debit-card-uproar-bank-look-to-sneaky-fees/) ATM surcharge increases to pad their bottom lines.

The fees are bad, but even worse is the fact that many of the charges are not disclosed to consumers. According to a recent [report](http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Safe_Checking_in_the_Electronic_Age/Pew_Report_HiddenRisks.pdf) from the Pew Charitable Trusts’ Safe Checking in the Electronic Age project, the ten biggest banks disclose an average of 49 fees on their websites – but there are many fees that are hidden, most commonly regarding account overdrafts. The report recommends that the new Consumer Financial Protection Bureau require banks to offer customers a one-page fee disclose box, as credit card companies are now required to do. (Although it is an [imperfect](http://www.forbes.com/sites/moneybuilder/2010/10/28/the-schumer-box-is-flawed/)  system, it's at least a start.)

**Station 2. Cell phone companies**

According to one [estimate](http://www.consumerreports.org/cro/money/credit-loan/hidden-fees-exposed/overview/), most American pay $300 a year more than they should for cell phone service. For anyone with a cell phone, that is not hard to believe. In recent years, carriers have greatly increased charges for directory assistance, text message overages, Internet access, and “early termination” of one’s contract, especially for smartphones and other hot devices.

Consumer Reports [says](http://www.consumerreports.org/cro/money/credit-loan/hidden-fees-exposed/overview/)  that one of the biggest ways cell phone companies rip consumers off is by encouraging them to sign up for plans that leave them with large quantities of unused minutes.

Cell phone companies have also been known to [charge customers for services](http://articles.moneycentral.msn.com/SavingandDebt/FindDealsOnline/HowToFightAllThoseHiddenCharges.aspx) that they do not yet offer and allow third-party companies to attach mystery costs to customers’ bills – a practice called “cramming” that has cost consumers at least $2 billion since the 1990s, according to a 2011 investigation by the Senate Commerce Committee. An accompanying report [concluded](http://www.dailymail.co.uk/news/article-2014744/Millions-hit-2billion-mystery-phone-charges-hidden-cell-bills.html) that often “customers do not know these [third-party] services have been set up for them and mobile providers are reluctant to clarify the process because they make money from the extra charges.”

**Station 3. The “grocery shrink ray”**

If you have the vague sense that you’re paying more but getting less at the grocery store these days, you aren’t imagining things. The Consumerist, a watchdog blog published by Consumer Reports, has been keeping an eye on the so-called “grocery shrink ray” effect since 2008. On the site, you can find [page after page](http://consumerist.com/tag/grocery-shrink-ray/) of blog posts documenting products that corporate food companies have quietly shrunk in size while charging consumers the same amount. [Salad dressing](http://consumerist.com/2011/08/kens-steak-house-increases-salad-dressing-bottle-size-doesnt-charge-more-or-brag.html) , [laundry detergent](http://consumerist.com/2011/08/extra-sneaky-grocery-shrink-ray-hits-sun-detergent.html) , [breakfast cereal](http://consumerist.com/2011/08/not-even-warm-and-fuzzy-cereals-immune-from-grocery-shrink-ray.html) , [shaving cream](http://consumerist.com/2010/06/grocery-same-size-ray-keeps-shaving-cream-same-size-lies-about-it.html)  – it seems that no product has been spared from the shady shrink ray effect.

At the beginning of last year, *Consumer Reports* magazine took an in-depth look at this trend and found that companies have reduced package sizes by as much as 20 percent. (Ivory dish detergent, which used to come in a 30-ouce bottle, now comes in a 24-ounce size; HaagenDazs ice cream containers used to hold 16 ounces, but now hold 14.) The magazine noted that most consumers are not aware of these tricks. “Manufactures make subtle changes to the packages but generally keep the price the same because when prices rise, buyers often seek cheaper alternatives,” noted a [blog post](http://www.packagingdigest.com/article/512158-Consumer_Reports_exposes_shrinking_packages.php) discussing the findings. “And the bottom line is that consumers are more attuned to changes in price than packaging.” The magazine’s advice? Pay attention to the per-unit price, and buy in bulk whenever possible.

**Station 4. Cable companies**

If you’re anything like me, you have a pretty dysfunctional relationship with your cable subscription. It costs a ton, and you don’t really understand what you’re paying for, but every time you think about sticking it to the evil cable company and quitting, the conversation comes back to “...but *Mad Men*comes back on in just a few months.” Netflix and Hulu are great, but for many of us they haven’t been able to replace that infuriatingly pricey cable box in our living rooms.

Why the fury? Because the whole cable (and satellite) TV enterprise is very anti-consumer. There are the awful cable plans, which force customers to pay for a-million-and-one channels they don’t care about in order to watch the three they actually want. This practice is known as bundling because you force the consumer to purchase more than just what they want. And in many markets, such companies are near monopolies, allowing them to pack customers’ bills full of hidden charges for cable boxes, DVR services, early termination, and repair services, even if the company’s products are to blame. Often companies will lure customers in with proclamations like, “Pay only $20!” Of course, they hide the real details of the deal ($20 a month for the first three months, then $80 a month, with fees X, Y, and Z) in the small print.

**Station 5. Airlines**

I saved the big daddy of hidden fees for last. Perhaps you’ve seen the commercials on TV lately that promise “perks” like a free checked bag if you sign up for a pricey membership club. The airlines are trying to pass off free checked bags – something that was a basic service just a few short years ago – as an exclusive “deal” that customers should feel lucky to get.

Hidden airline fees were always obnoxious, but airlines became much more flagrant about them after the recent financial crisis wreaked havoc on the industry. Fees for things like rebooking a flight have gone up, and it’s become more common not only to charge for checked bags but also for in-flight snacks. (As anyone who’s flown in recent years knows, long gone are the days on in-flight *meals*, except on the longest excursions.)

However, there is some good news to report on this front: it was just announced that the government is [forcing](http://travel.usatoday.com/flights/story/2012-01-10/Government-forcing-full-disclosure-on-airfares/52486078/1) airlines to disclose more of the taxes and fees that go along with each ticket, so customers will get a clearly idea upfront of what they’ll have to pay to fly.