

10 questions to ask yourself about non-interest income

Before we get to the hard questions, let's get a few facts on the table. Banks and credit unions are facing daunting revenue challenges with:

- Unprecedented competition for consumer and business loans.
- Declining non-interest income.
- Fierce traditional and non-traditional competitors.
- Growing threats from fintechs and big techs who want to be the primary providers of financial services and have the brand equity and loyalty to make it happen.

There are no easy answers for overcoming these challenges – no silver bullet. And each challenge is complicated. There's no easy button or one-size-fits-all approach. But every financial institution's ability to achieve its near- and long-term goals for financial performance is contingent on non-interest income.

Meanwhile, generating non-interest income in the current environment means doing some of the basics of banking differently.

Routine fees charged for specific services are a significant component on non-interest income. Businesses have a higher tolerance for reasonable fees for important services like cash management, merchant services, and factoring. But fintechs and big techs are now conditioning them not to pay these historically tolerated fees.



Consumers expect free basic banking services, but many are willing to pay for specific financial services that:

- Have tangible value, like premium card rewards or safety deposit boxes.
- Provide a level of convenience that is perceived to be worth the fee, like wire transfers or using out-of-network ATMs.
- Directly improve their financial wellbeing, like loan processing fees or expedited payments that avoid late fees and protect credit scores.

financial health separates cardholder satisfaction

A combination of factors has put the brakes on overall cardholder satisfaction in 2025, according to a new J.D. Power study.¹ The ratings firm found that satisfaction across all types of cards is up just one point over 2024's edition, at about 61%.

Among financially healthy cardholders, satisfaction rose by nine points year-over-year. On the other hand, satisfaction among financially unhealthy users dropped by a point over the previous study.

Merchant surcharges on the use of cards is another major influence on cardholder satisfaction, especially with holders of rewards cards trying to figure out how to make the most of their benefits.

key reasons consumers switch financial institutions

- 39% = Excessive fees (industry averages for the three major fee categories all declined last year)
- 34% = Bad service experience
- 32% = Poor value for the money
- 15% = Better-tailored offerings and communications
- 7% = Inconvenient locations



Generating non-interest income in the current environment means doing some of the basics of banking differently.

According to MoneyRate,² industry averages for the three major fee categories are:

- Checking account maintenance fee: \$13.95 per month in 2025, which is down slightly from the previous six months.
- Overdraft fees: \$30.82 per transaction.
- Out-of-network ATM fees: \$4.55 for accountholders and \$7.50 for non-accountholders, down 1.7% from last year.

questions to ask

1. How do your fees compare with these industry averages and key competitors?
2. Do you have the technology to “know” your accountholder and provide profitable and competitive relationship pricing?
3. Do you have the technology to create seamless, meaningful bundles of financial services and appropriately price them?
4. Do you have a CRM/MRM solution that identifies the next-best product based on lifestyle or life stage?
5. Are you evaluating practical opportunities to charge for new technologies like specific real-time P2P or B2B use cases?
6. Do you invest in technologies that make it easier for consumers and businesses to do business with you – technologies like digital account opening, digital lending, instant-issue cards, and digital issuance to name a few?
7. Are you laser focused on the low-hanging fruit – like increasing interchange by motivating and rewarding debit card use or adding full-service credit to your cards program?
8. Do you foster a culture that trains, motivates, and rewards your frontliners to put on their sales hats including a successful strategy for soliciting and nurturing referrals?
9. Do you make adequate investments in marketing considering you now compete with the credit union down the street, the bank across the country, and the neo banks, fintechs, and big techs that are a tap away?



The industry average DDA monthly maintenance fee is \$13.95. The average overdraft fee has reached \$30.82, and the average ATM fee is \$4.55. How do your fees compare? What about your top competitors?

10. Do you participate in the marketing programs and leverage the marketing resources – many of which are free – that are provided by your technology partners, card networks, etc., highly targeted marketing programs and leverage the tremendous power of digital marketing?

Non-interest income will always be an important source of revenue for banks and credit unions of all charters and sizes. So start your non-interest income reinvention by:

- Keeping the financial wellbeing of your accountholders at the center of everything you do and every decision you make – that’s not how fintechs or big techs roll.
- Focus on digital payments and tokenized card transactions. The majority of card transactions are going down token rails, and that is signature interchange!
- Doing a deep dive on how contemporary technology and the right technology partners can help you succeed.
- Thinking outside of the box and investigating new products and services that generate alternative sources of income – cellphone insurance, for example.
- And don’t underestimate the power of Google. Consumers can find the ideal DDA or credit card for their specific needs in minutes.

Even in this challenging environment, there are abundant opportunities to grow non-interest income without raising fees. Remember “excessive fees” was the number one reason accountholders switched financial institutions last year.

connecting possibilities

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sources

1. *A Tale of Two Types of Credit Card Customers: Financial Healthy Cardholders Drive Gains in Satisfaction While Financially Challenged Cardholders Struggle*, J.D. Power Finds, J.D. Power, accessed January 20, 2026.
2. *Checking Account Fees Survey 2026: Analyzing Averages and Trends*, MoneyRates, accessed January 20, 2026.