

Don't count ATMs out just yet

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The automated teller machine might be an old and clunky piece of banking technology. But don't count it out just yet.

It's no shock that [banks](#) are investing heavily in their mobile offerings, as a rising number of consumers prefer to bank on smartphones and tablet devices. But banks are also still spending on upgrades to their ATMs, a decades-old tool they say remains very popular as customers continue seeking self-service banking options.

"Our clients still choose to use the ATM," said Shirley Edmond, regional manager for PNC Bank's Western Carolina operation. "They want to be able to bank when, where and how they like, and the ATMs afford them that opportunity."

Compared with a year ago, the bank's ATM transactions in the Charlotte metropolitan area are up, she said. "It definitely is a vital tool."

Here's a look at some recent ATM enhancements:

-San Francisco-based Wells Fargo announced that its credit card customers can now redeem the points they earn on their cards as cash from the lender's ATMs. Wells Fargo says it's the first major U.S. financial services provider to give customers that option. The bank also announced that, alternatively, customers can now use the ATMs to deposit their points into a Wells Fargo account or make a payment on a Wells Fargo loan.

"We've seen growth in ATM usage year over year for, I think, five or six years if not longer," Wells Fargo spokesman Kristopher Dahl said.

"That's both in number of transactions and the average transaction. We don't think the popularity of ATMs is fading at all."

-Charlotte-based Bank of America has been rapidly installing its new ATMs, whose signature feature is a video screen on which a customer can interact in real time with a teller in a call center. Customers can speak to the tellers in Spanish or English. Another noteworthy feature of these ATMs is they allow customers to cash checks for the exact amount, down to the penny.

According to the bank, it has more than 580 of the new ATMs already in use nationwide since it introduced them in 2013. At some locations the bank has replaced teller lines with the new ATMs when it converted some of its traditional branches in the U.S. into new "Express Center" branches.

"Consumers today really are driven by self-service," said Rob Aulebach, a Charlotte-based Bank of America executive who helps develop the bank's U.S. ATM deployment strategy. "They really want to try to do it themselves."

-In December, Pittsburgh-based PNC Bank converted two Charlotte-area branches into the bank's "universal branch" concept. As part of the conversion, PNC put its new ATMs inside the branches. The "Deposit Easy" ATMs allow up to 30 checks and 50 bills to be deposited at once without an envelope. The ATMs also allow bills to be withdrawn in \$1 and \$10 increments. Also, checks can be cashed at the ATMs if the customer has a PNC account.

The appearance of additional features on ATMs comes as banks big and small report declining numbers of customers going into their branches.

But some banks are hesitant to add more options to their ATMs out of concern it will mean longer lines at ATMs by increasing transaction times.

"That consideration comes up often, actually, and is cited by some banks as a reason for not deploying certain capabilities at ATMs, because of such strong evidence that their customers don't have much patience waiting in line," said Bob Meara, an Atlanta-based technology analyst for Boston-based research and consulting firm Celent.

Ed O'Brien, a banking analyst for Maynard, Mass.-based Mercator Advisory Group, said that even with the emergence of new payment systems, such as ApplePay, people are still using cash.

That bodes well for ATMs, he said.

"We think the ATM is going to be around for quite a while. ATMs are increasingly the way for consumers to get their cash."

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