

## ATM 50 Year Perspectives, by A. Lyle Elias

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After attending the ATMIA Conference 2017 in Orlando, Florida last week, it occurred to me how much the ATM has changed over the years. Although my memories of the early ATMs are somewhat vague, as the only account I had at the time was a savings account, and no one offered me an ATM card when my parents opened the account. In fact the ATM did not get much attention until the 80's when self-service technology started to catch on. How many of us remember Docutel, or Interbold for that matter?

Fast-forward to the mid 90's when the non-bank operated ATMs hit the US market and the retail "Off Premises ATM" gained traction. The U.S. ATM market was fragmented at the time with multiple competing regional ATM networks. Although the major card brands could already be accessed at Bank ATMs, most retail transactions were routed through the regional ATM brands that allowed for convenience fees. It was not until Visa/PLUS and MasterCard/Cirrus announced lifting their surcharge bans on 'April Fool's Day' (yours truly's birthday:) 1996 that the retail ATM market really took off.

Fast-forward to the present and we now have newer, faster and better ATM technology. ATMs still play a prominent role in safe and convenient cash access around the world, but the concerted attacks on cash are ever-present. As the world gradually moves from paper based cash to digital currency, the ATM industry should start innovating beyond card acceptance to supporting alternative payments. The US financial service industry has always been notorious for being late adopters, but the FinTech revolution will soon put an end to doing business the same old way. New ways of acquiring transactions such as ATM cardless and incentives based customer interaction will gain traction. Kudos to PAI's John Leehy and Donna Embry for leading the charge!

What's next? In my opinion it is the virtual ATM. For the foreseeable future the trend toward retail deployment and bank branch self service automation will keep the ATM relevant as dispensing and accepting cash-points, but virtual banking and the convenience electronic payments will eventually erode the consumer demand for cash, and eliminate the need for bank branches altogether. However, the demand for instant access to currency and universal acceptance will drive the demand for cashless near real time methods of payment that are fungible and irreversible. You can bank on that!

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