

Automated Teller Machine (ATM) – One of the first banking technology change which had visible impact on the banking consumers –

ATM, what is the future, do we need them?

ATM – As per Wikipedia is “is an electronic telecommunications device that enables the customers of a financial institution to perform financial transactions, particularly cash withdrawal, without the need for a human cashier, clerk or bank teller”.

ATM was first came into existence is 1960’s and gradually moved to various countries and helped banks to ease some of the challenges of providing cash to clients. It also gave opportunity for customers to get money outside of the banking hours, also helped people to be mobile

Technology changes and its usage in banking

In the past many years Banking industry has significantly moved on, in the age of smart phones and age of internet, internet accounts have become virtual banks. Credit cards gives opportunity for customers to transact outside of the Banking hours and also gives credit to clients to help handle much of the transactions which was done using cash.

Today, mobile apps have come in along with it we see large of mobile wallet players in the market and telecom players coming in and facilitating purchases more on line and real time. There is helps non account manage transaction flow without going through accounts

As per McKinsey report, the mobile internet users are around 100 million and potential to grow to 700 million by 2025. Similarly around 1.5 billion transactions per year to around 12 billion by 2025 in India. I am sure this will be very similar in rest of the world and it will grow faster with more of the governments going digital way.

We also see Apple Pay, Google Wallet coming in which will work in parallel to cards in transacting money, many a similar options will only increase in time to come. This only shows that the digital revolution is here to stay and push away the older methods of transaction flow to the side.

Challenges, AML and ATM,

Are there any specific method apart from banks doing post AML check on the clients transaction to help track money post it is withdrawn. We constantly see or hear news about large amount of cash being available with citizens and it is either being handed over or picked from houses/individuals, how does ATM help control?

With every passing day and with ever increase in use of digital data, ATM usage in many a places have come down. There is also the threat of ATM being looted or robbed, many a places today we see people going ATM being robbed and at times it is life threatening. With greater threat, there is also a need to increase the cost by having manned ATM and also placing ATM in right location, which demands higher rent.

With the growth in digital wallet and increased threat to ATMs, we also see many of the ATMs getting closed simply because of lack of usage or not able to provide security.

Time Regulators and Banks come together to look at ATM and its future,

As per ATM association, around 3 million ATMs will be available for service by 2015, this provides governments, regulators and banks to help connecting people to outside world much more than ever....

What can we do with ATM?

What can be done with ATM and make it more connected to people and bring the same smile which it gave few decades back, should we upgrade and use it

- More as kiosk with more banking functionality instead of deriving cash
- Connect customers who are not on Net get connected to Net and are able to transact electronically
- Gets apps installed for people to use ATM and buy goods like from Amazon, e-bay etc
- Reduce the amount being withdrawn and limit to lower currency only
- Help reduce the cost of mobile bills by having ATM do functionality used out of mobile to help reduce the cost at the hands of mobile users – Not everyone can afford higher bills is the assumption....

Let us re-look at AMT and bring another revolution which can help man kind and take away some of the challenges ATM is causing to the society