

Banking Automation **BULLETIN**



Assisted self-service a smarter way to engage with customers

The impact of AI on the financial services sector

Digital payments in UK continue to gather pace

Financial technology still faces some consumer reticence

Branches: From fairly functional to hopefully holistic

Country profile:
Spain

Banking Automation

BULLETIN



Are we about to see a second wave of ATM growth in India?

On 6th June the Reserve Bank of India (RBI) announced it was setting up a committee to review ATM charges and fees. The review is in response to what the RBI described as “persistent demands” to increase fees following a dramatic slowdown in growth in the number of ATMs; RBR’s research shows that from 2011 to 2016 the number of ATMs in India increased by an average of 27,000 per year, but this fell to 5,600 in 2017 and just 700 last year.

Some commentators have speculated that the current ATM interchange fees of INR 15 (US\$ 0.22) for cash transactions and INR 5 for non-cash transactions could both rise by INR 2-3. The issue is sensitive, because in a country with 17 billion cash withdrawals annually (not all of which are not-on-us, so they do not all incur interchange fees) even a small change in the interchange fee has substantial cost implications. Initially this financial burden would fall on the banks, but ultimately it would increase costs for customers – which may be why the RBI announcement was only made after the recent Indian parliamentary elections.

ATM operating margins in India are notoriously thin, and a raft of recent RBI/government security requirements in areas such as anti-skimming, white-listing, operating system upgrades, secure fixing of ATMs and loading and transportation of cash have made the business case for ATM deployment extremely difficult, even for low cost white-label ATM operators.

A bright spot has been recycling ATMs – over 7,000 recycling ATMs were shipped in India last year as deployers turned to recyclers to boost operating margins. The interest in recyclers will continue, with Japanese manufacturer OKI announcing as recently as 26th June that it has won a contract to supply 3,500 recycling ATMs to SBI.

The committee is due to report back within two months – given the government and RBI’s ongoing commitment to growing financial inclusion, it seems highly likely that ATM interchange fees will increase. What impact this has on the number of ATMs in the country will be critically dependent on the amount of any changes in interchange fees. To stop the recent stagnation, they will need to more than cover the recent increases in operating costs, but given the vast number of cash withdrawals being made, have the potential to generate a second wave of ATM deployment.

Dominic Hirsch, Editor

2 TELLER AUTOMATION

Assisted self-service a smarter way to engage with customers

4 UK PAYMENTS FRAUD

Fraud rises even as security measures tighten

5 DIEBOLD NIXDORF PERSPECTIVE

Three old-school self-service strategies to ditch

6 AUSTRIAN ATMS

Two Austrian bank groups reduce ATM networks

7 UK PAYMENTS

Digital payments in UK continues to gather pace

9 FINTECH SURVEY

Financial technology still faces some consumer reticence

10 EUROPEAN FINTECH

Money20/20 examines the alchemy of fintech

12 ARTIFICIAL INTELLIGENCE IN BANKING

The impact of AI on the financial services sector

14 BRANCH BANKING

Branches: From fairly functional to hopefully holistic

16 NEWS BULLETIN

Banking, ATM and payments news

17 COUNTRY PROFILE

ATM and cards intelligence on Spain

21 CONFERENCE DIARY

Upcoming industry events from around the world

Editor Dominic Hirsch

Managing Editor Morten Jorgensen

Assistant Editor Tomomi Kimura

Contributors Chris Allen, Jerome Amara, Beatriz Benito, Eleanor Duerden, Alison Ebbage, Chris Herbert, Felix Kronabetter, Thomas Madden, Sankar Narayanan, Daniel Owens

Subscriptions Manager Abigail Milne

Advertising Managers Amanda Hardy, Felix Kronabetter

For all editorial and advertising enquiries:

Telephone: +44 20 8831 7300 Fax: +44 20 8831 7301

Email: bulletin@rbrlondon.com

Advertisers in this issue:

Auriga www.aurigaspa.com

Diebold Nixdorf www.DieboldNixdorf.com

Euronet Worldwide www.euronetworldwide.com

Spinnaker www.spinnaker.co.uk

Annual subscription (12 issues):

Printed and electronic (1-5 users) £1,500

Printed and electronic (6+ users) £3,000

Follow us: [in](https://www.linkedin.com/company/rbrlondon) [tw](https://twitter.com/RBRLondon) @RBRLondon

ISSN 1748-5304

RBR

393 Richmond Road

London TW1 2EF, United Kingdom

Banking Automation **BULLETIN**

Regular topics include:

- Artificial intelligence and big data
- ATM and cyber security
- Biometrics
- Blockchain and cryptocurrency
- Branch and digital transformation
- Cash usage and management
- Contactless and mobile payments
- Deposit automation and recycling
- Fintech innovation
- Interchange and merchant fees
- Merchant acquiring and EFTPOS
- Non-cash payments
- Open banking APIs
- Outsourcing and managed services
- Payment card issuance and processing
- Payment systems
- Regulation and standards
- Retail cash automation
- Self-service banking
- Teller automation and video banking



A unique source of news and analysis of key issues in banking automation, cards and payments

- Independent and authoritative insights from industry experts
- Detailed country profiles including proprietary ATM and cards market data in every issue
- Exclusive extracts from RBR's industry-leading market research reports
- Comprehensive industry conference diary
- Read by senior executives in over 100 countries worldwide

Published by RBR since 1979

The Bulletin keeps you on top of your industry agenda – can you afford not to subscribe?

For more information about subscribing or advertising please visit www.rbrlondon.com/bulletin

ORDER FORM: Banking Automation Bulletin

Please select one of the following subscription options:

| | 1 year (12 issues) | 2 years (24 issues) – save 15% | 3 years (36 issues) – save 20% |
|--|--------------------------------|-----------------------------------|-----------------------------------|
| Standard licence (1-5 users)* | <input type="checkbox"/> £1500 | <input type="checkbox"/> £2550 | <input type="checkbox"/> £3600 |
| Multi-user licence (6+ users + intranet)* | <input type="checkbox"/> £3000 | <input type="checkbox"/> £5100 | <input type="checkbox"/> £7200 |

*Includes digital edition plus one printed copy

Please send me information about advertising and advertorial opportunities

Payment method:

Please invoice me or By payment card Amex Diners Club Discover Mastercard Visa

Card number Expires Total amount payable GBP (£)

Cardholder name Cardholder signature

Your details:

Title (Mr, Ms, Dr) First name Surname
 Position/Department Company
 Address Postcode Country
 Tel Email VAT (TVA) number

Please complete and return this form to: **RBR** 393 Richmond Road, London TW1 2EF, UK

Tel: +44 20 8831 7300 Fax: +44 20 8831 7301 subscriptions@rbrlondon.com www.rbrlondon.com/bulletin