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Deployers use different strategies for cash replenishment and servicing of branch and off-site ATMs

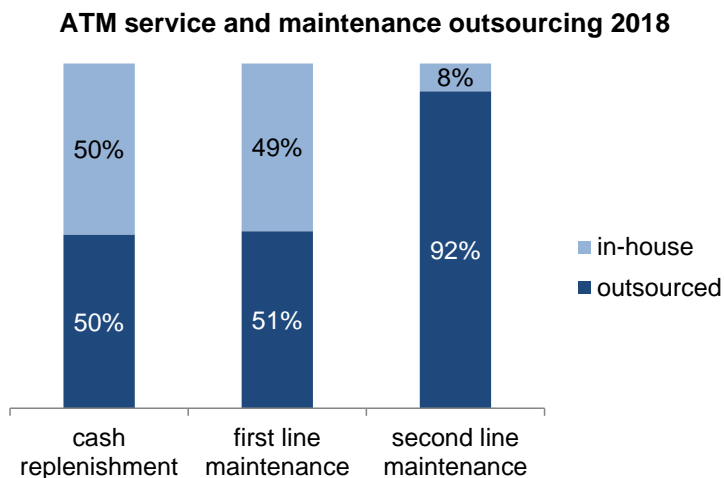
ATM operators are confident in their ability to deal with minor issues such as paper jams, particularly for branch machines, but they call on external expertise for more complex technical intervention. Overall, banks and IADs carry out cash replenishment and first line maintenance in-house for around half of machines, while second line maintenance is generally outsourced.

Cash replenishment and first line maintenance typically outsourced to the same provider

RBR's *Global ATM Market and Forecasts to 2024* report shows that worldwide, cash replenishment and first line maintenance are carried out by third parties for around half of ATMs.

Arrangements vary between deployers, but a common pattern is for banks to replenish and carry out basic maintenance in-house for their branch-based ATMs, while outsourcing these tasks for their off-site terminals. Many banks take the view that refilling their own branch ATMs is quicker and reduces downtime, while for non-branch locations, safety concerns and timing considerations tend to favour the use of external providers. It is perhaps not surprising, therefore, that the global shares of outsourcing for these two functions very closely match the proportion of ATMs installed off-site.

Deployers generally either outsource both cash replenishment and first line maintenance to the same provider, or keep them both in-house. While a variety of different types of company are involved in cash replenishment, it is most commonly performed by CIT firms, which refill three quarters of the ATMs for which this service is outsourced.



Source: *Global ATM Market and Forecasts to 2024* (RBR)

ATM manufacturers the main providers of second line maintenance

The study shows that, in contrast to cash and basic maintenance, more complex second line maintenance tasks are outsourced for 92% of all ATMs.

Outsourcing of this service is lowest in the UK, at 57%. This is due to the country's two largest ATM deployers (both of which are IADs) using in-house teams to maintain the vast majority of their ATMs; second line maintenance is performed by third parties for all UK bank ATMs, and for most of those belonging to smaller IADs.

In most other countries, second line maintenance is outsourced for over two thirds of ATMs, and in many markets it is universally performed by third parties; ATM manufacturers and their local distributors are by far the biggest partners for this service, followed by specialist maintenance providers.



PRESS RELEASE

Rowan Berridge, who led RBR's *Global ATM Market and Forecasts to 2024* research, remarked: *"Levels of outsourcing have increased over the last few years. Some large deployers – particularly IADs, which often deploy lower-spec machines – may find that economies of scale make having an in-house maintenance team worthwhile, but many ATM operators prefer to call in specialist support. Moreover, the ongoing advance of automated deposit technology means that banks will be more likely to need outside assistance in maintaining their increasingly complex machines. It will be interesting to see how the market for outsourced ATM service and maintenance develops over the next few years"*.

Notes to editors

These figures and insights are based on RBR's study, *Global ATM Market and Forecasts to 2024*. For more information about this report or to discuss the findings in more detail please email Rowan Berridge (rowan.berridge@rbrlondon.com) or call +44 20 8831 7311.

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