



PRESS RELEASE

London, 20th December 2022

ATM outsourcing remains a critical cost-cutting solution for deployers

Over half of ATMs across the globe now have their cash replenishment outsourced, as deployers look to third parties to increase the reliability of their machines and maintain profitability

North America sees high levels of cash replenishment outsourcing

RBR's *Global ATM Market and Forecasts to 2027* study reveals that half of the world's ATMs had cash replenishment outsourced to third-party providers in 2021. On a regional level, this figure is highest in North America where this service is outsourced for 81% of terminals. In the USA, it is particularly common for ATMs to be installed in business premises, where the machines have their cash refilled by the merchant as part of the installation agreement. By country, the highest level of cash replenishment outsourcing was seen in the Netherlands – a result of the recent shift in the country away from bank-deployed ATMs towards Geldmaat, a pooling agreement which outsources this service.

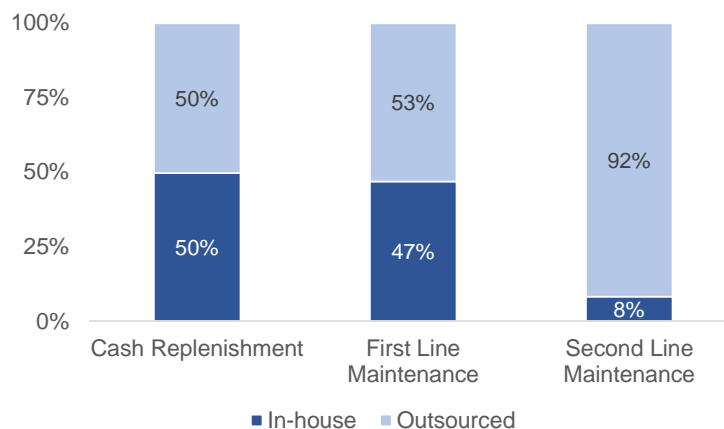
The study further shows that worldwide, 56% of third-party cash replenishment is provided by local CIT companies, with a further 28% provided by larger international CIT companies that are active in multiple countries. The remaining 16% of ATMs for which this service is outsourced have their cash replenished by merchants.

Basic maintenance is more frequently outsourced for off-site terminals

RBR's research shows that first line maintenance (FLM) was outsourced for 53% of ATMs globally in 2021, including 68% of off-site terminals. However, this worldwide figure conceals large differences between regions. In North America, FLM – which covers simple maintenance tasks such as the removal of paper jams – is outsourced for 88% of off-site ATMs, as well as two thirds of branch-based machines. By contrast, RBR's study shows that only 10% of terminals installed in the MEA region have FLM conducted by third parties, with only a few South African banks outsourcing this task for a portion of their off-site ATMs. This low figure is predominantly a result of the high number of branch-based terminals in the region.

There is also notable variation within individual regions, such as that seen in Asia-Pacific. In China, it is common for bank staff to carry out FLM for both branch and off-site terminals; Chinese banks have developed the skills to carry out FLM maintenance over time, as the country's IAD sector – historically a common partner for this service – has gradually disappeared. In India banks tend to outsource FLM work, a consequence of increasing brown-label deployment and a growing share of off-site terminals.

ATM maintenance outsourcing worldwide



Source: *Global ATM Market and Forecasts to 2027* (RBR)



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Use of third parties for second line maintenance continues to grow

92% of ATMs worldwide have second line maintenance (SLM) outsourced, according to the data in RBR's report. The level of technical expertise required to perform this more complex maintenance is the key driver behind such a high figure; small and medium-sized banks find it far more cost-effective to outsource SLM than hire staff with the level of expertise that SLM requires.

ATM manufacturers themselves frequently carry out this service as part of ongoing maintenance contracts with ATM operators, and are responsible for the SLM of 85% of ATMs worldwide for which this service is outsourced. Deployers that carry out SLM in-house are predominantly larger banks and IADs, which can often also act as third-party maintenance contractors for other ATM deployers.

Rowan Berridge, who led RBR's *Global ATM Market and Forecasts to 2027* study, commented: "*The continuing importance of ATM maintenance outsourcing worldwide shows that it is a vital tool for banks in providing reliable self-service options for consumers. In the coming years, outsourcing will be key in cutting costs and maintaining the viability of ATM networks across the globe*".

Notes to editors

These figures and insights are based on RBR's study, *Global ATM Market and Forecasts to 2027*. 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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