

Position: ATMIA^{1[1]} opposes federal or state legislation which would prohibit ATM owners from charging convenience-fees for cash withdrawals to cardholders accessing public aid benefits at ATMs.

ATMs provide a valuable service to all cardholders who wish to withdraw cash quickly and conveniently from their account, whether public aid recipients or not. An important reason why ATM owners should not be mandated to provide public aid recipient cardholders with “convenience-fee” free cash withdrawals is that ATM owners have numerous expenses associated with purchasing and maintaining ATMs. Such expenses include amortization of the ATM purchase, insurance coverage, communication, marketing, transaction processing, interest on cash inventoried inside the ATM, cash replenishment services, banking fees associated with cash replenishment, maintenance/service of ATM and rent for space leased.

Government legislation prohibiting ATM owners from charging convenience-fees for cash withdrawals would render a large number of ATMs economically unviable due to decreasing transaction volume and revenue, leading to many ATMs being withdrawn from service. This would adversely affect the immediate business and retail environments in those locations which benefit from the increased expenditure and availability of cash afforded by the presence of ATMs in the vicinity. It would diminish the convenience factor for thousands of cardholders who see it as their right to have access to their banked cash near to where they live, work and shop.

For many ATMs which remain, following such potential government legislation, ATM owners may find it necessary to increase the convenience-fee to “paying” cardholders in order to compensate for the public aid cardholders who would be exempt from paying such convenience-fees for withdrawing cash at ATMs. Many other ATM owners may choose to “block” ATM access from such non-paying public aid cardholders all together due to the net revenue loss generated by transactions from the cardholder base.

While the ATMIA and the ATM industry as a whole is sensitive to the needs of those individuals who receive public financial aid, it is important that federal and state legislative bodies understand and consider the financial burdens to be borne by all businesses and, eventually, consumers when implementing legislation which reduces the income earned by ATM owners.

ATMIA supports the right of consumers to have full access to ATM’s wherever they may be in service. However ATMIA believes that all cardholders, whether public aid recipients or otherwise, should be charged the same fees for accessing the same type of services at ATMs.

^{1[1]} The ATM Industry Association is a non-profit trade association serving all businesses and groups in the ATM industry. The association is made up of several hundred members in more than 30 countries. We currently represent over one million ATMs internationally. For more information go to – www.atmia.com and www.globalasa.com.