



Industry Position Paper

Position: ATMIA does not support external disclosure of fees at ATMs in Australia, given that on-screen notification is both the international norm and suffices for full fee disclosure to customers.

Background

The Reserve Bank of Australia has been requested by the government for customers to be advised of direct charges at ATMs through external signage.

ATM service providers, however, believe the implementation of such a policy would be highly problematic for the following reasons:

Since cardholders are a largely “captive audience” during the ATM transaction, **onscreen** notification of the direct charge, if applicable, is highly effective, constituting, in the view of the global ATM Industry Association, a full and adequate notification.

Direct charges (DC) are variable, depending on factors like cash replenishment model at the ATM and the risk level at each location: therefore the administration of external signage will be complex and costly.

External signs for ATM fee notification have been shown in countries like the USA, which tried this practice and then revoked it, to be subject to sabotage and “frivolous” law suits by predatory law firms.

ATM service providers do not own all the ATMs they manage, since several merchants own their own ATMs¹; consequently, agreement with merchant owners would be an issue, especially given that the requirement of having a sign on the outside of the ATM was not included in any contracts with merchants.

The external signage would not be effective in several locations at night, where the light may be inadequate for viewing external signs.

Some ATMs have DC which can be variable depending on the location / time of the day. The proposed external signage could be confusing to some ATM users, not knowing what they would be charged depending on the time of day or night.²

¹ Retail ATMs, mostly operated by independent deployers as businesses, provide convenient and easy access to banked cash for cardholders in locations not covered by bank branch ATMs, close to where people live, work and shop, which is why these machines are so popular with the public.

² The successful approach by the Canadian Government has the on screen fee displayed boldly as the second screen to be seen, this approach allows for ample time for people to opt out of the transaction

Some smaller financial institutions have a sub-network arrangement with a bigger bank, meaning the proposed DC signage at the ATM would not be applicable, resulting in possible confusion for some ATM users.

Managing the cost of the signage system might end up warranting an increase in direct charges themselves. In particular, damaged / missing signage in remotes areas would be very costly to replace and may take some time to replace.

Proposal

ATMIA, the only international non-profit trade association for the ATM industry, submits that external fee signage at ATMs is unnecessary, difficult and costly to manage as well as open to sabotage and “frivolous” lawsuits. It is the international norm to disclose any fee or direct charge through an **on-screen notification**³ which is both adequate and effective during ATM transaction.

Disclosing fees on the screen for ATM transactions is accepted international practice for ATM deployers and ATMIA members. Similarly, within Australia it is a compliance requirement for all ATMs. As such, this practice is both adequate and effective.

About ATMIA

The ATM Industry Association (www.atmia.com) is a non-profit trade association serving all businesses and groups in the ATM industry. The association is made up of over 5,000 members in 65 countries. We currently represent well over 1.5 million ATMs internationally. For more information go to – www.atmia.com. ATMs provide a global electronic infrastructure of about 2.5 million terminals to distribute cash and other services to millions of cardholders and account holders.

³ One possible approach to the wording would be: “THIS ATM WILL ATTRACT A FEE OF \$2.50 (?) FOR CASH WITHDRAWALS AND BALANCE ENQUIRIES UNLESS YOU HAVE ANY PROMOTIONAL DISCOUNTS”.