



**Position: Major Independent ATM Deployers belonging to ATMIA<sup>1[1]</sup> support a fair, transparent and commercially viable direct charging model for ATM services in the Australian market<sup>2</sup>.**

Major independent ATM deployers who are members of the ATM Industry Association (ATMIA), whose ATM estates together make up just under 5,000 ATMs, a sizeable portion of total market share, support the principle of transparency in disclosing convenience fees being paid by ATM customers for ATM services in order to dispel any uncertainty in the minds of cardholders about the price they are paying for transactions carried out at ATMs.

Furthermore, the Association's key independent ATM deployers consider it correct to act sooner rather than later to replace the current interchange fee for "foreign"<sup>3</sup> ATM transactions in the Australian market with a more competitive and commercially sustainable direct charging or "convenience fee" model. As more than 50% of ATM transactions in this market are "foreign", this issue is of critical importance for the attainment of fair pricing for ATM services across all ATM networks in Australia.

The principal benefit of a convenience fee is that of flexibility to respond to market conditions and to customers' ATM usage patterns, bringing pricing more in line with costs and other commercial realities. In this model, the ATM owner can vary the transaction fee according to the cost of each unit being deployed, offering the customer more convenient and accessible ATM locations. An additional economic benefit of the convenience fee is that of increased competition between deployers; in other words, more commercial freedom to reach customers through varying locations, prices and ATM business models.

This kind of pricing flexibility combined with pricing transparency to the customer represents the fairest way to charge cardholders for ATM usage. Both the United States and the United Kingdom permit forms of surcharging in their ATM markets, although their respective models differ. There is a real opportunity for Australia to develop a best practice solution, drawing upon lessons learnt from the world's first countries to introduce ATM convenience fees. ATMIA is willing to share expertise on surcharging models from both the United States and the United Kingdom at any industry forum in Australia.

The ATM industry is vital to modern consumer economies since the vast majority of bank notes are circulated via ATM networks in advanced economies, underpinning the cash cycle. Availability of cash near to where people live, work and shop often enhances consumer spending in retail environments serviced by ATMs.

The majority of ATMIA's independent deployers in Australia favour and support the reform of the ATM fee regime in Australia and believe the Australian ATM market can be one of the most competitively dynamic in the world if a convenience fee is introduced for all "foreign" ATM transactions.

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<sup>1[1]</sup> The ATM Industry Association is a global, non-profit trade association serving all businesses and groups in the ATM industry. The association is made up of several hundred members in 50 countries. We currently represent over one million ATMs internationally. For more information go to – [www.atmia.com](http://www.atmia.com).

<sup>2</sup> This position paper does **not** reflect the views of all members of the ATMIA Asia Pacific chapter.

<sup>3</sup> That is, transactions effected at ATMs owned by banks or independent deployers other than the bank issuing the bank card being used for such transactions.