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## New features transforming function of ATMs

• **By Peralte C. Paul**  
COX NEWS SERVICE

ATLANTA — Get ready for the ATM re-evolution.

After 40 years of mainly taking cash and checks via envelope deposits, spitting out money and eating the occasional debit card, the ubiquitous automated teller machine is undergoing a massive makeover.

Now, some ATMs can take cash and checks in batches of up to 50 without an envelope and issue receipts that have the images of deposited checks. Others allow users to replenish prepaid mobile-phone minutes.

Newer technology allows users

to program preferences such as normal withdrawal amounts so the ATM “remembers” their financial habits. Others incorporate biometrics to recognize customers by using eye- or fingerprint-scans, which reduce the need for cards and personal-identification numbers.

ATM manufacturers and bankers say these changes are designed to cut transaction times, eliminate fraud and enhance banks’ opportunities to market services to customers and noncustomers. The offerings have been hastened by a general switchover to a Windows-based operating system, federal legislation that simplifies

electronic check processing and stricter security mandates from the MasterCard and Visa networks.

“If you look at it from the banks’ points of view, they want to retain their customer base, they want to gain new customers and they want to decrease costs,” said Alan Walsh, vice president of banking at Wincor Nixdorf, a leading U.S. manufacturer of ATMs.

The company is on a national tour promoting its envelope-less, bulk-check deposit ATM, which lets users deposit up to 50 checks at once or the equivalent number of paper currency — an industry first.

Wincor has sold 750 of the machines to Wells Fargo & Co., the San Francisco-based bank considered the industry vanguard in adopting new technologies.

“Banks have realized they need to provide additional functionality at ATMs,” Walsh said, explaining the push for the \$25,000 bulk deposit ATM. Competitors Diebold, based in North Canton, and NCR Corp., based in Dayton, also are marketing ATMs with functions designed to make them more utilitarian.

“In all intents and purposes, it’s kind of a bank in a box,” Walsh said.

ATMs are rarely profitable in

their own right. They cost from \$9,000 to \$50,000 apiece, plus an additional \$12,000 to \$15,000 a year in maintenance costs.

Even so, banks reduce some costs by incorporating the new features.

Check deposits without the use of envelopes, for example, reduce per-check processing costs from \$1.60 to 60 cents, said Jerry Silva, research director at Tower Group, a financial-services consulting firm.

The physical check could have come in contact with up to 15 people; electronic transmittal cuts the number of handlers to two, analysts say.

But ATMs are not all about

saving money, bankers say.

“It’s always been about offering lots of channels,” said Jonathan Velline, who leads Wells Fargo’s ATM banking business.

The goal isn’t to force consumers into any one channel but to make every conduit — online, telephone, in-branch or the ATM — comprehensive.

However, banks must retrain customers to look at ATMs as more than cash dispensers for the marketing efforts to work, Silva said.

“To get the consumer engaged at the machine, train me as a customer to pay attention to what’s on the screen,” he said.