

## Automated Teller Machines

Automated Teller Machines (ATMs) are a common banking channel for consumers to make cash withdrawals and deposits or conduct a balance inquiry, 24/7. Over the year ending May 2015, there were 725.7 million ATM withdrawals.

There are over 31,000 ATMs in Australia, about half of which are bank-owned. The remaining ATMs are operated by other financial institutions such as credit unions, building societies and ATM deployers, and they will generally charge a fee to customers of banks.

Unlike other countries, Australia has universal access to ATMs which means you can use any ATM in Australia to withdraw money from your account. In other countries, bank customers might not be able to use all ATMs.

## ATM transactions

There are two types of ATM transactions:

- 1) Customer uses an ATM owned by their *own bank*
- 2) Customer uses an ATM owned by *another institution* (foreign ATM transaction)

## ATM fees

There are costs involved in providing ATM services, and these costs will differ from provider to provider, and location to location. These costs include:

- Equipment and installation costs
- Ongoing maintenance of the ATM
- Rental costs, where ATMs are not located on bank property
- Technology and security costs, ensuring the banking systems and electronic messages needed to underpin the ATM network are maintained and updated, and
- Cash handling costs, ensuring ATMs are routinely and securely stocked with cash.

It is important to note that ATM fees can vary depending on the type of transaction.

Customer uses an ATM owned by their <i>own bank</i>	Customer uses an ATM owned by <i>another institution</i>
The majority of transactions at bank ATMs are free.	Banks generally charge a fee for non-customers using their ATMs.  Fees vary but are commonly around \$2 per transaction.  The amount of the fee is disclosed on the screen and the person using the ATM has the option to not proceed and not pay the ATM operator fee. <sup>1</sup>

A number of smaller banks have a smaller number of ATMs (or no ATMs), so they have in place arrangements that allow their customers to make fee-free withdrawals from ATMs their bank does not own or operate. This is called a “networked ATM”.

<sup>1</sup>In March 2009, the RBA introduced major reforms to Australia’s ATM system for foreign ATM transactions: <http://www.rba.gov.au/payments-and-infrastructure/atms/access-regime/>



Strong banks – strong Australia

Latest figures show less and less people are using other banks' ATMs. Over recent years, the proportion of ATM withdrawals that customers conduct at an ATM owned by their own bank has been at very high levels – around 60%.

## Tips to minimise ATM fees

- Use your own bank's ATMs or a fee-free networked ATM.
- Contact your bank to find out where the closest networked or bank ATMs are to your home, workplace or places you frequently visit.
- Where possible, make your payments online, through your mobile banking apps, or over the phone to help limit your cash withdrawals. At the same time, you can check your account balance.
- Ensure you don't authorise a transaction that is too costly. In a foreign ATM transaction, remember the screen will disclose the ATM operator fee, and it is your choice to pay the fee or cancel the transaction. Some ATM deployers may charge higher ATM operator fees than \$2 per transaction.
- Consider using EFTPOS to get cash out when making a purchase, such as at a supermarket.
- Avoid using your credit card to withdraw cash, as you are likely to incur cash advance fees and interest charges.
- If you frequently use an ATM which does not belong to your bank, consider making larger withdrawals so that you incur fewer ATM operator fees.
- Choose a bank account that lets you complete ATM transactions at your own bank or a networked ATM for free. Some transaction accounts offer unlimited free ATM transactions for a flat fee, or a number of free ATM transactions before reaching a limit.