



Global consumer perspectives on ATM safety

Foreword

Whether you call it a cash-point, hole-in-the-wall, Bankomat, pankkiautomaatti or flappentap, 2017 marked 50 years since the introduction of the automatic teller machine, or ATM, as they are more officially known. From their humble origins a half-century ago, ATMs have become firmly established as part of everyday life, providing not only access to cash, but an entire range of banking and financial services.

In 2015, the [World Bank put the number of ATMs worldwide](#)¹ at around 40 per 100,000 people, or one for every 2,500 people on the planet, a number that doubled over the previous decade. That equates to some 3 million ATMs around the globe. Asia shows the fastest growth in the number of ATMs, while North America has the highest penetration of ATMs, with more than 220 ATMs per 100,000 people.² And while it would be easy to think that the ATM's days are numbered as we move increasingly toward a cashless society, statistics highlight their importance. In the UK, for example, the [nation's ATMs dispensed £129bn in 2016, more than £2,000 per member of the population](#).³

And while the move toward a cashless society attracts a lot of attention – particularly in more developed markets – in real terms it's not happening as quickly as we might imagine. Cash in Circulation (CIC) ratios have remained steady for years, and in some regions, such as Asia Pacific and emerging economies, the amount of cash being used has increased. For many reasons – practical, cultural and emotional – cash is something that consumers across the globe are still attached to, and the vast majority of payments globally are still made with cash. And where cash is used, ATMs will continue to be needed.

It is clear, therefore, that the ATM will continue to be of ever-increasing importance to the overall relationship between a bank and its customers, and an essential part of a positive customer experience. As highlighted in the ATM Benchmarking Study 2016 from Accenture and ATMIA: "The ATM channel is still maintaining its central role as a core banking touchpoint with the consumer and has become an integral part of the banking omni-channel experience."

Sadly, however, wherever there is cash and access to banking systems, those with criminal intent are not far away. Whether it is a physical attack on the ATM itself in an effort to steal the money contained within, or criminals using stolen cards and details to access cash directly from a customer's bank account, crimes involving ATMs are on the rise. But for users of ATMs, the type of crime most obvious is being threatened or even attacked by petty criminals aiming to steal the money just withdrawn.

It is this aspect of ATM security that our research has explored. Addressing six countries across the globe – the US, the UK, France, Italy, China and Colombia – we surveyed more than 6,000 consumers regarding their perspectives on ATM safety and what might make them feel safer when using an ATM. This report, *Global Consumer Perspectives on ATM Safety*, examines the survey's findings and highlights the solutions that will ensure customer confidence in using ATMs for the next half-century and beyond.

We hope you find the report insightful, and we welcome your feedback.



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¹<https://data.worldbank.org/indicator/FB.ATM.TOTL.P5?end=2015&start=2005>

²Accenture and ATMIA 2016 ATM Benchmarking Report

³<https://www.theguardian.com/money/2017/jun/10/atm-touchscreen-technology>

Executive summary

In a world where we're regularly told that the use of cash is dying out, it seems that the message has failed to make it through to consumers. In our survey covering six markets – the US, the UK, France, Italy, China and Colombia – nearly half of the respondents said that they used an ATM to withdraw cash at least once a week.

And in the 50 years since the first ATM appeared, the growth in their numbers has been unstoppable, as has the variety of their locations. This is, of course, a critical part of their utility: customers don't know when they might need some cash, can't rely on the fact that they'll be near a bank, the traditional location for ATMs, and maybe feel more confident about using cash for payment in certain scenarios than an electronic transaction. Indeed, respondents in our survey cited that they more commonly used ATMs remote from banks – in shopping malls, airports, supermarkets, hotels, etc. – than those in a bank lobby.

But the principal aim of the research was to examine perceptions among consumers toward their personal safety when using an ATM. And while the ongoing usefulness of ATMs to oil the wheels of day-to-day purchases and to provide an ever-increasing range of banking services cannot be in doubt, it seems that we're still failing to deliver total confidence that consumers can feel safe when using them.

Three-quarters of the respondents across all markets said that they "occasionally" or "often" felt worried when making cash withdrawals from an ATM. Additionally, nearly two-thirds of people have actively chosen not to use an ATM at night for their own safety, and more than half cited suspicious people being close to the ATM as the reason. These are worrying statistics.

The research examines those measures that could be taken in helping consumers feel safer when using ATMs. Perhaps unsurprisingly, across all those surveyed, the presence of a security guard posted near the ATM was the measure that people saw as most adding to their feeling of safety. This was closely followed, however, by technological measures such as video surveillance, improved lighting and alarm buttons being more feasible, given the number of ATMs now installed across the globe.

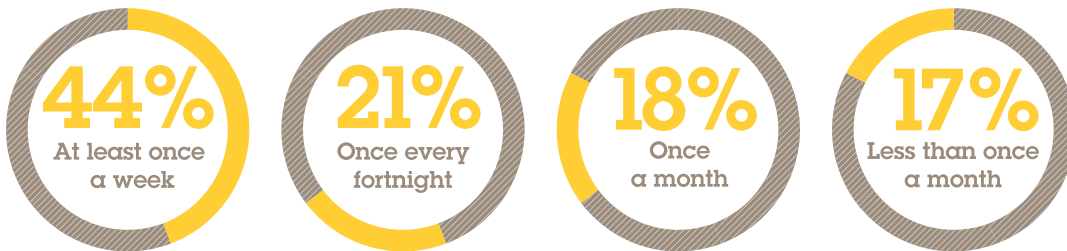


Consumer use of ATMs

Specific to cash withdrawals, the ATM remains a frequently visited facility for consumers across the globe, and where the vast majority of consumer payments are still made with cash, this frequency of usage is not surprising. Across all six markets involved in the research, nearly two-thirds (65 percent) of respondents used an ATM to withdraw cash at least once every two weeks, more than a quarter doing so at least once a week. In some markets, this frequency was far higher: the UK saw consumers visiting ATMs for cash most frequently, with 27 percent of people doing so several times a week.



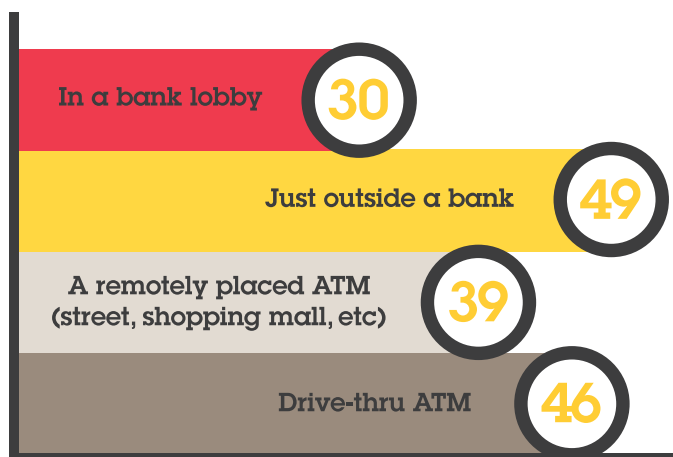
How often do you make cash withdrawals from an ATM?



In terms of where consumers use ATMs, we are seeing a split between those in or close to banks, and the growing proliferation of ATMs in more remote locations such as in the street, in hotels and restaurants, shopping malls, supermarkets and airports. There are significant differences between individual markets, however. In China, consumers are much more tied to the bank, with an overwhelming proportion of ATM use being in or just outside the bank, whereas in the UK the majority of ATM usage is in remote locations. The attachment in the US to the automobile is also evident, with the use of drive-thru ATMs being one of the most common. Overall, the message is one of convenience: consumers don't always know when they might need some cash, so will ultimately end up using ATMs in a variety of locations.



Where do you most often use an ATM?



* Multiple choice answer

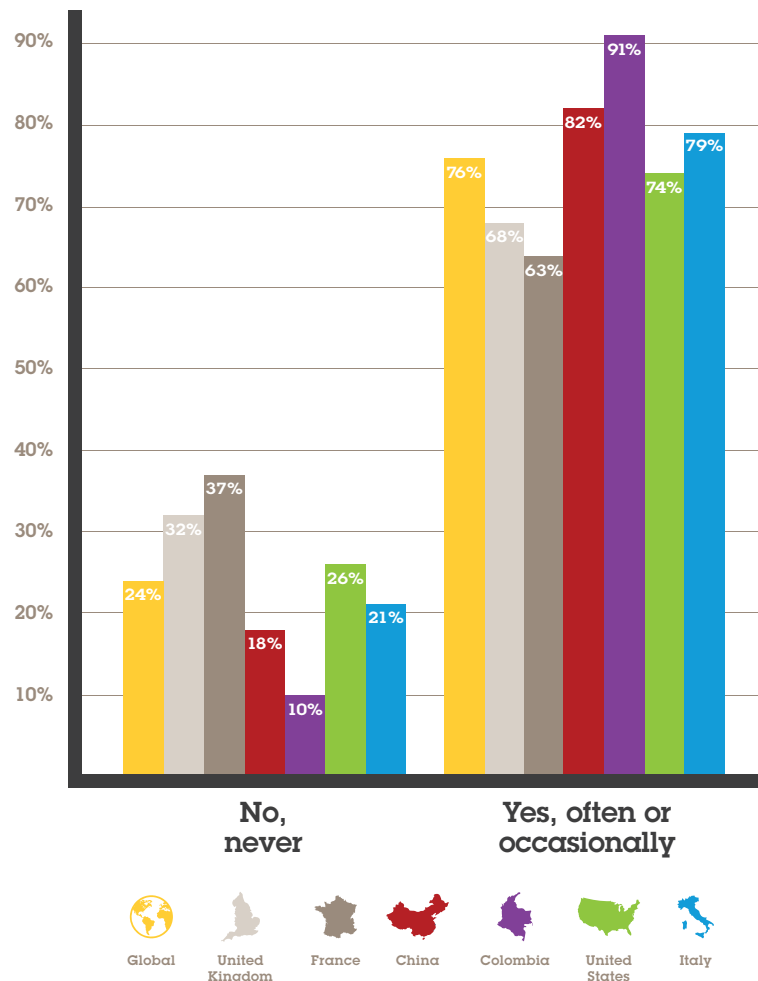
Personal safety

Our survey gauged general feelings toward criminal activities on city streets. Perhaps unsurprisingly, the findings varied greatly between different markets. On a scale of 1 (not worried at all) to 7 (very worried), 87 percent of consumers in Colombia and 64 percent in Italy rated themselves at a 5, 6 or 7, whereas in France this was as low as 22 percent.

More specifically in relation to the use of ATMs, more than three-quarters of respondents (76 percent) said that they were either "occasionally" or "often" worried when making a cash withdrawal from an ATM, with this number rising as high as 90 percent in Colombia.



Are you ever worried about making cash withdrawals?

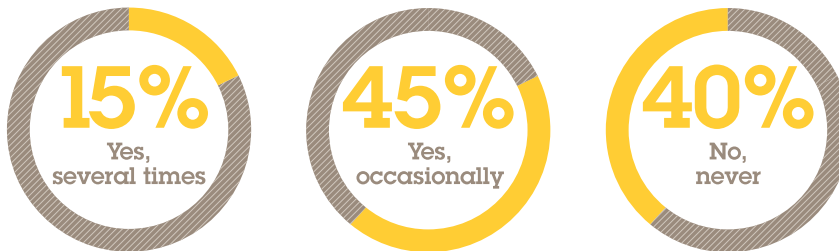


It is logical to think that consumers will feel safer using an ATM during working hours, when not only is it light, but there will be more people in the surrounding area. At night, it seems less safe since ATMs can often be positioned in dark streets and locations. This was evident in the results of the survey, where well under than half of respondents (41 percent) said that they had avoided using an ATM during working hours because they felt unsafe, as opposed to nearly two-thirds (64 percent) who had done so at night.

With regard to the reasons for avoiding using an ATM, 55 percent of survey respondents said that they had done so due to the proximity of suspicious people. More specifically – and more worryingly – when asked if during the past year they had worried about being robbed after having made a cash withdrawal from an ATM, 60 percent of people across all markets stated that they had been either “often” or “occasionally” afraid.



Have you during the last year been scared that you would be robbed after making a cash withdrawal?



It is unsurprising that the place where most people (63 percent) feel safest using an ATM is within the lobby of a bank itself, given the additional security measures that are likely to be in place, including surveillance cameras and often access only for cardholders. And as ATMs become more remote from the bank itself – in streets, shopping malls and other retail outlets, where additional security measures specific to the ATM are likely to be less common – consumers start feeling more insecure, with 61 percent stating that they feel the least safe at a remotely placed ATM.

Safety measures to build customer confidence

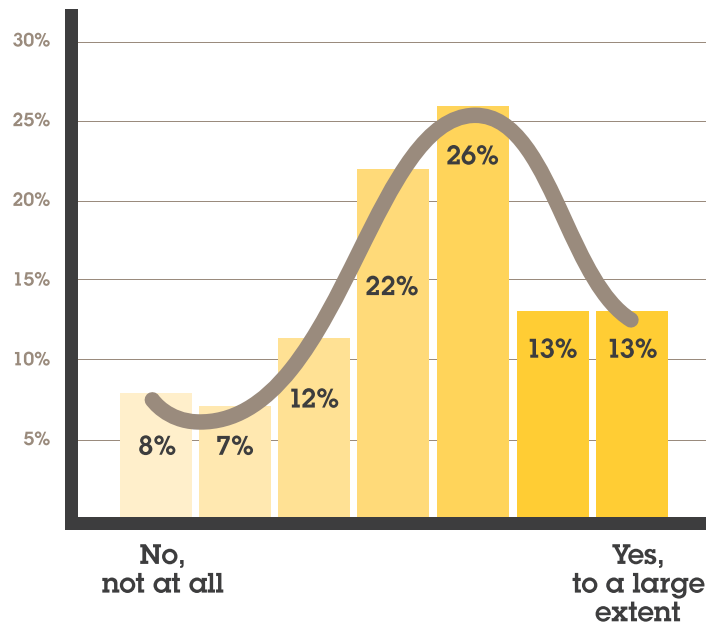
Banks and other providers of ATMs should have a keen interest in ensuring that customers feel totally confident and secure in their use; after all, an ATM will only deliver value to its provider if it is used regularly! And some of the solutions to customer confidence can be easy and cost-effective. When asked the question of whether a simple sign stating that video surveillance was being used for safety and security would make customers feel safer, rating answers from 1 (No, not at all) to 7 (Yes, to a large extent) more than half of respondents (54 percent) rated their answer at 5, 6 or 7.

Our survey looked at less superficial measures that could be taken toward improved safety and security, and consumer perceptions of each. While a security guard posted in the bank or near the ATM was seen as the most beneficial step across all countries, this was not the case in all markets. In the UK, the majority of people saw video surveillance as the improvement that would make them feel safer, with the same solution coming a close second in China to a personal alarm button to push.

Looking more specifically at video surveillance as something that might prevent crime in connection with ATMs, rating on a scale from 1 (No, not at all) to 7 (Yes, to a large extent), more than half of all respondents rated it at a 5, 6 or 7. Results also showed that people were happy to trade off the safety and security benefits of video surveillance against any privacy implications, with fewer than a quarter seeing it as having a significant negative impact on their privacy.



Do you think video surveillance could prevent acts of crime in connection with ATMs?



Conclusion

ATMs are clearly still regarded as an important mechanism for accessing banking services and a customer's money. But when three-quarters of people are worried about making cash withdrawals from ATMs, it is clear that banks, retailers and other providers of ATMs are failing to implement measures that will build customer confidence. This is something that needs to change if the ATM is to thrive over the next 50 years, as it has done for the past half-century.

In implementing any additional security measures, a trade-off between effectiveness and cost must always be made. While it would be nice to have a physical security guard stationed at every one of the world's three million ATMs, this is clearly not feasible. Similarly, however, while the mere presence of a sign stating that video surveillance is in place might be highly cost-effective, in reality how much of a deterrent to crime, and therefore customer confidence, might it be?

An integrated set of security and safety measures is clearly the most effective solution. Improved lighting has some benefits, and signage can help at a superficial level. However, video surveillance both around and embedded in the ATM is most likely to make customers feel safer in using the ATM without negatively impacting their perceptions of privacy, and will also act as a more effective deterrent to potential criminals. Should criminal activity take place – and sadly this is still an inevitability – video surveillance can enable an immediate response, potentially stopping the crime taking place, or at the very least aiding any subsequent investigation.

Ultimately, ATMs will not only continue to provide a useful service to consumers worldwide, their importance as a critical interface between a bank and its customers will grow. The question is, why would any bank want to undermine that relationship through a lack of confidence in personal safety, when it is such a simple issue to solve? Now is the time to act.

About Axis Communications

Axis offers intelligent security solutions that enable a smarter, safer world. As the market leader in network video, Axis is driving the industry by continually launching innovative network products based on an open platform – delivering high value to customers through a global partner network. Axis has long-term relationships with partners and provides them with knowledge and ground-breaking network products in existing and new markets.

Axis has more than 2,700 dedicated employees in more than 50 countries around the world, supported by a global network of over 90,000 partners. Founded in 1984, Axis is a Sweden-based company listed on NASDAQ Stockholm under the ticker AXIS.

For more information about Axis, please visit our website www.axis.com.