

WHITE PAPER

Banks putting human tellers in ATMs

Automated teller machines have served us well for more than 40 years now, but it's time for a reboot

We trust ATMs to dispense cash and accept deposits. It turns out these machines can do much more — both faster and more efficiently — when remote human tellers are involved in the transaction.

The new Interactive Teller technology from NCR does just that. With these new ATMs, customers can talk to a teller on a video monitor, allowing them to do things that wouldn't be possible otherwise. For example, if you lose or forget your ATM card you can prove your identity by showing the teller your driver's license. This is not a simple video chat. The teller on the screen is remotely controlling that machine and all of its functions.

Consumers' trust of this technology is off the charts

"We're creating a personalized interaction that's very secure, but also with very high functionality," said NCR vice president Brian Bailey. The virtual teller can see both sides of the checks as they're deposited. That means if you deposit a bunch of checks and forget to endorse one of them, the machine can return that specific check to you for a signature. Because a human teller is in control, an Interactive Teller machine can cash a check — to the penny — and vary the bills disbursed in any denomination you request. Want singles or five dollar bills rather than twenties? That's not a problem at this ATM.

Another benefit: faster service. Because the remote teller doesn't have to count the cash or physically enter the amount of each check — the machine does it — transactions happen more quickly.

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By Herb Weisbaum, NBC News contributor

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NCR has about 350 of these Interactive Teller machines in service right now. Bailey predicts the technology will be in widespread use within the next 12 months. "We're finding that consumers' trust of this technology is really off the charts," he told me. The executives at Coastal Federal Credit Union in Raleigh, N.C. believe in this technology. Their 15 branches no longer have tellers on site. They've all been replaced with Interactive Teller machines. "They're more convenient, faster and safer — robberies basically go away with this — and they allow us to provide better service," said Willard Ross, chief retail officer at Coastal Federal. "Customer response has been fantastic." By switching to this technology, the credit union was able to extend its hours from 7 a.m. to 7 p.m. seven days a week.



Steve Ferrani, who uses the machines at least once a week for his business deposits, appreciates the longer hours. And he likes having those deposits posted to his account sooner. It typically takes a day or two for a deposit made at a traditional ATM to be processed. The Coastal Federal interactive teller can verify the deposit in real time, so it can be credited that day.

By the way, these machines work like any other ATM unless the customer pushes a button to request a human teller. Analysts believe it's critical that customers decide when they want to do a totally self-service transaction and when they want some help. "If you make the teller available on demand, only when requested by the consumer, then those types of transactions are more likely to be done at the ATM," said Bob Beara, a senior analyst with the research firm Celent "And that's good for both banks and their customers."

Bank of America believes remote tellers will help it build a deeper relationship with its customers. In April, the bank began installing the first ATMs with what it calls "Teller Assist" in Boston and Atlanta. The bank plans to fast-track deployment of Teller Assist through 2014.

"This is the future of banking," said Shelley Waite, Bank of America's senior vice president for ATMs. She calls the new technology "groundbreaking" because it allows the new machines to do 80 to 90 percent of what a teller inside the branch can.

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Right now, customers using a machine with Teller Assist can talk to that virtual teller in English or Spanish. More languages could be added in the future. The feedback has been tremendous, she said. Some customers are surprised there's somebody right there who asked them about the weather and helped them with the transaction.



Herb Weisbaum is the Consumer Man.



ATM FAST FACTS

Half of all adult Americans use ATMs regularly.

Friday is the most popular day for ATM usage.

The typical ATM user visits an ATM 7.4 times a month.

The average ATM withdrawal is \$60.00.

2.5 million ATMs will be installed worldwide by 2013.