

## AURIGA PERSPECTIVE

# ATM pooling agreements rising

*Cost efficiency and criticality of cash access underpin initiatives*

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In many countries, ATM pooling agreements are being implemented by banks to provide widespread cash services in an efficient and cost-effective way. Among these projects is Batopin, the Belgian ATM Optimisation Initiative, for which Auriga provides complete end-to-end ATM network management.

Digital payments continue to grow. At the same time, providing ATM services is becoming a costly exercise for banks because of the ever-increasing need for investment in logistical and physical security. Banks' margins are being squeezed, especially in Europe, but service must continue given the importance of cash as a means of payment. Much of the world's population still relies on cash, and authorities recognise the significant role that ATMs play in its provision. Banks thus need to ensure that they can offer widespread cash services to their customers in an efficient and cost-effective way. To do this, banks will need to review and modify their infrastructure while rationalising their networks.

ATM pooling agreements are being considered in many countries. Pooling involves two or more banks relinquishing the ownership of their ATM fleets to a separate entity. It is typically driven by the need to optimise the efficiency of ATM management whilst protecting cash provision for all communities, including those where the need for cash access remains high.

This is now a consolidated trend in northern Europe. In 2020 four of the biggest banks in Belgium joined forces with Batopin to develop a network of 2,240 bank-neutral ATMs. It aims to provide easily accessible cash dispensers, evenly distributed throughout the country, in places where citizens really need them. To prevent queues, multiple ATMs may be located in close proximity to one another in locations where there is heavy footfall and cash usage, such as on high streets, near hotels and restaurants, and at stations.

## Auriga enables Batopin to achieve its goals

Auriga has worked with Batopin to provide complete end-to-end management of its new ATM network, including software, comprehensive monitoring of the ATMs, transaction processing, and cash and asset management. To protect the network, there is an advanced state-of-the-art ATM security solution as well as a full incident and ticketing management system.

Batopin's new ATM infrastructure takes advantage of Auriga's multi-vendor approach for managing all channels consistently and with minimal effort regardless of the manufacturer of the ATM or self-service device. As a result, Batopin is able to upgrade existing machines with the latest network-neutral self-service solution and fully leverage Auriga's WinWebServer to enable the development of new functionalities alongside traditional cash withdrawal and deposit services.

Pooling initiatives provide a very good opportunity for modernising the ATM software infrastructure. Maintaining legacy infrastructure is one of the biggest costs for banks, as most still use those that were developed 30-40 years ago. Infrastructure renewal can extend the transactional capabilities of ATMs, potentially generating new revenue streams. However, this relies on having the right technology that can support all of today's requirements. It is therefore crucial to choose the right vendor partner with a robust, modern and flexible ATM-as-a-Service proposition capable of delivering the additional functions needed to manage the network for today and tomorrow.

ATM pooling initiatives are expanding around the world, and the scope of the agreements can vary from low-scale cooperation to complete management where all ATMs are absorbed by a single deploying entity. However, the benefits for both consumers and banks seem to be clear: it offers a pragmatic solution to ensure continued and economically sustainable access to cash, especially in the context of rising operational costs. ■

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