

## Consumers are Feeling the Pain of Rising ATM Fees. How Should Banks Respond?

*30% of all ATM withdrawals are made at out-of-network locations*

### About Personetics Insights:

A major part of our work is processing the data from millions of banking customers to better understand their behaviors and how they manage their day-to-day finances. We constantly analyze activities, spotting trends and collect customer feedback. Once we see a trend or pattern in our data, we use crowd sourcing to target relevant individuals and ask them specific questions to gain greater insights into their behaviors.

### ATM's visits are getting more expensive.

Recently, we looked at consumer behavior as it relates to cash withdrawals, and specifically at how consumers use their bank's ATM network to access funds.

Based on our data, most customers will take out cash from an ATM every 7 to 10 days using a combination of in-network ATMs and out-of-network ATMs (those owned by other banks or by independent operators).

As we all know, it's getting more costly for consumers to visit ATMs outside of their bank's network. The fees banks and credit unions charge non-customers for using their ATMs have soared 20% from an average of \$1.75 per transaction in 2007 to \$2.10 in 2012, according to a study conducted by the U.S. Government Accountability Office.

#### ■ How many consumers are choosing to use out-of-network ATM's?

Even with increasing fees, our data shows that 30% of all ATM withdrawals were conducted at out-of-network ATMs. And that includes customers who have accounts with large national banks with a significant number of ATMs in their networks.

#### ■ Why are consumers willing to pay fees to get access to their cash?

The main reason by far is convenience (75%). When they need the cash, they simply find the closest ATM and take the money out. And apparently making an ATM locator service available isn't enough. Our data shows that less than 50% of the customers who are using the bank's digital channels have used the ATM lookup service.



■ ***How can banks educate consumers on alternative solutions and help them save money?***

First, banks can make customers aware of available alternatives more proactively and **at the right time**, whether it's a more cost effective ATM that is just a few blocks away or a premium account with a fee waiver option to relevant customers. Secondly, banks can educate customers on the financial impact of their actions. Many customers are unaware of the total fees they are paying by using out-of-network ATMs. When asked to estimate the fees they've incurred using foreign ATMs, the common answer is **less than half of the actual cost**.

■ ***What's the benefit for the banks?***

Offering smart assistance helps build customer trust which increases revenues, drives utilization and strengthens customer loyalty. In fact, our data consistently shows that by offering smart assistance, such as a personalized recommendation for a cost-effective ATM, results in a significant increase in a customer's willingness to recommend an institution to friends and family (over 80%).

About Personetics:

Personetics is working with some of the largest banks delivering personalized, trustworthy customer experiences across all digital channels. We believe that by focusing on the individual's best interest, banks can improve their relationships with customers and achieve sustainable growth. For more information, visit us at [www.personetics.com](http://www.personetics.com)

## Contact Personetics

**London**

26 York Street,  
London, W1U 6PZ  
+44 7808 289001

**New-York**

445 Hamilton Avenue,  
White Plains, NY 10601  
+1 914 705 4507

**Tel-Aviv**

12 HaUmanim Street,  
Tel Aviv, 6789731,  
+972 3 7166318

[www.personetics.com](http://www.personetics.com)