

Mobile payments and tap and go might not mean the end for tellers

Written by The Conversation

Consumers are drawing out less cash and using other methods to pay for things such as contactless payments, but this doesn't necessarily signal the end of bank tellers or their automated counterparts.

There is conflicting evidence on whether or not banks are moving away from providing customers with a human face or an ATM.

Looking internationally, in 2016, Lloyds Banking Group in the United Kingdom announced that it was [closing 200 branches and planning to cut 3,000 jobs](#), as a result of changing customer behaviour. The number of transactions carried out in branches has continued to drop and Lloyds has continued to invest heavily in digital banking instead.

In contrast to this, Metro Bank, a new UK bank, has made the branch [the core of its business model](#), with long opening hours every day of the week and staffed stores. In 2015 Metro claim to have gained over 200,000 new customers, through its 42 stores and created 2,000 new jobs.

Domestically, the [latest Australian Bankers Association \(ABA\) statistics](#) reveal that in the year ending June 2015, the number of bank branches in Australia fell by 16, to 5,480 in total. The ABA data also shows that since 2001, Australian banks have increased their bank networks by 691 branches.

While this could partly be a result of some building societies and credit unions rebranding themselves as banks, it is also a reflection of the creation of sub-brands within the major banks. One example would be the Bank of Melbourne, which was acquired by Westpac in 1997 and relaunched in 2011. By April 2016 Bank of Melbourne had 106 branches spread around the state of Victoria, its 'local' brand helping to differentiate it from its competitors.

So there is still some emphasis on the human face of banking but what about the automated teller machine (ATM)?

According to the [Australian Payments Clearing Association \(APCA\)](#), there were 31,661 ATMs in Australia in December 2015, over 1,300 per million inhabitants, relatively high by international standards, the leader being Portugal with 1,540 per million inhabitants. ATMs in Australia have increased in numbers by around 20% since 2008 according [to the Reserve Bank of Australia \(RBA\)](#). However by contrast ATM transaction numbers have declined in recent years.

The total value of ATM cash withdrawals in Australia [in May 2016 were A\\$10,942 million](#). ATM cash withdrawals peaked at \$14,874 million in December 2008 and it has been suggested that consumers now require less cash, as they increasingly use [contactless payments cards at the point of sale](#).

In Australia the contactless payment threshold is high at \$100 and the speed and wide availability of this type of payment does free up consumers from having to carry cash.

Internationally digital payment apps are proliferating and as disrupters such as Google, Apple, Samsung and Facebook enter the financial services market. The ATM might be considered to be going the same way as the public telephone kiosk.

However ATM manufacturers such as Diebold see technology as giving the ATM a new lease of life to ATM's. Some of the innovations in ATM technology are eye scanners and fingerprint authentication instead of PIN numbers for security and ATM response to smartphone commands within close proximity. All of these are aimed at making the ATM experience both easier and safer, as well as negating the need for plastic cards.

The original bank branch teller is still the main customer facing employee of financial institutions and as such a key determinate of how customers judge the attractiveness of their chosen or potential provider of financial services. A recent [briefing by the Commonwealth Bank of Australia](#) revealed that four out of five of CBA's most profitable customers still use branches and that proximity to a branch remained important to them, because there were staff there who could help them with their more complex financial needs.

As customers we want it all; access to banking services anytime, anywhere and anyhow and that includes personal contact with a human being where necessary or desired. So bank tellers have a future if the financial services provider sees the value of human interactions at the point of service.

It seems the ATM also has a future. While we might not get [to the cashless society](#) , we are already moving to a less cash society.

This means that whilst we need less access to cash than before, we still need access to cash for a variety of economic and psychological reasons, such as cash being anonymous and reliable in a time of crisis.

ATMs will remain the customer's main access point for cash and indeed may evolve into multi-functional machines which provide customers with an even wider range of services and easier access than at present.

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