

Banking Automation **BULLETIN**



Is shared banking the future?

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Country profile:
Philippines

Banking Automation

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Is shared banking the future?

Hot on the heels of last month's discussion on access to cash, UK-based OneBanks has received a boost with the news that Glory, one of the world's largest cash technology solutions providers, has taken a 'significant minority stake' in the company.

Described as a shared branch innovator, OneBanks is essentially a fintech that works with UK banks to provide financial services in locations which are poorly served by existing infrastructure – often areas where traditional bank branches, post offices and ATMs have closed. It has a relationship with the Co-op, and so far three 'kiosks', as the company calls them, have been established in Co-op grocery stores, with plans to expand to 15 locations by end-2022 and 150 by end-2025. If the model proves popular, this does not seem unrealistic given that thousands of branches have been closed in the UK in recent years.

OneBanks kiosks are essentially micro-branches which include a member of staff and a multi-function ATM. OneBanks itself is not a bank, but uses open banking to facilitate multi-banking services. Aimed at both personal and small business customers, it can provide facilities such as cash deposit in smaller towns where banks can no longer profitably offer them as standalone entities. For people, especially business customers needing to conduct regular transactions, being able to avoid travelling longer distances is attractive.

It is still early days for shared banking in most countries. As an independent company, OneBanks does not have the challenge of competing bank interests, which can often constrain shared banking services where banks are co-owners, but ultimately OneBanks is still dependent on bank support to succeed.

Until recently, banks have been reluctant to embrace financial services provision through third parties, but in an increasing number of countries, they are taking the decision to close branches and remove ATMs while governments are putting more pressure on them to maintain financial services provision. Shared banking is a logical way forward.

It is too early to say whether OneBanks will succeed in its mission or whether this is the shared banking model that will ultimately win out, but the company has tapped into a growing need with impeccable timing. It is not much of a stretch to say that the prospects for shared banking have never been brighter.

Dominic Hirsch, Editor

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DIEBOLD NIXDORF PERSPECTIVE

QR Codes – changing the consumer banking experience

By Jeff Grace, UX Designer, Diebold Nixdorf

We saw a significant surge in the use of QR codes around the world in 2020. In fact, a recent survey by Statista found that close to 50% of consumers in the USA and UK have increased their use of QR codes since March 2020. QR codes are everywhere: at restaurants, replacing the once all-inclusive menu; in magazines, sending us to the latest workouts and recipes; on food packages, on direct mail and now even at the ATM.

An ATM? What can QR codes do at an ATM?

Diebold Nixdorf's Customer Experience Team chose to find out by conducting consumer interviews designed to explore changes and concerns with the ATM experience in a post-COVID world. By analysing people's experiences with contactless technologies such as QR codes and NFC, we have determined consumers are not only comfortable with the adoption of these technologies but expect to see them incorporated into their ATM experiences.

The study presented several key findings – one being that most participants' ATM habits have changed. The frequency of ATM visits decreased, and many had concerns about touching the device, leading them to take sanitary precautions such as wiping the buttons and screen. The vast majority of participants interviewed welcomed the adoption of contactless technology and preferred the QR code over NFC.

All participants stated they were familiar with QR codes and how they work, and they had used them recently either at a restaurant or in some other capacity. We also learned that where the QR code originates is an important factor. Given the choice between (a) using a scanner on the ATM to scan a QR code displayed on their mobile phone (similar to an aeroplane boarding pass) or (b) using their mobile banking application to scan a QR code presented on the ATM screen (similar to the menu in a restaurant), participants overwhelmingly preferred the latter.

They cited challenges associated with getting the QR code displayed on their phone to be scanned correctly and reported more poor experiences using this method.

Introducing the 'touchless ATM experience'

With this insight, Diebold Nixdorf leveraged QR codes to build a truly 'touchless' experience for the ATM using microservices and API technology. Microservices architecture enables specialty functions to be built within a standard app framework so the solution can be integrated into an existing digital banking application without any disruption to the consumer experience.

The result is the newest feature in our Vynamic™ Digital Cardless Transaction offering. It enables users to activate a QR reader within their existing digital banking application and scan a dynamic QR code on the ATM screen to identify their location and confirm the transaction using the banking application. They can withdraw or deposit their money without touching the ATM – it's a truly touchless experience.

Once developed, we engaged with consumers again to ensure that we had met the goals and expectations for the product. All participants were given the app and were asked to walk themselves through the process, from opening the mobile app to scheduling the withdrawal and then using the ATM to retrieve their funds. 100% of the respondents felt it was easy to use and that the steps were intuitive.

As we have sought to better understand the impacts of recent consumer behaviour changes, we have been able to identify ways to create more intuitive experiences, and the positive responses have provided reinforcement for the adoption. The result is not just a technology solution that allows for a more streamlined experience, but rather a digital foundation that allows consumers to control the ATM directly from the palm of their hand. Now that's true customer-driven innovation. ■

Learn more at [DieboldNixdorf.com/VynamicDigital](https://www.dieboldnixdorf.com/VynamicDigital).



Consumers are not only comfortable with the adoption of contactless technologies but expect to see them incorporated into their ATMs

