

BANKING & PAYMENTS

BULLETIN

JULY 2024 | ISSUE 446



ATM numbers fall worldwide – but IADs continue to grow

UK fraudsters shift focus to social engineering and ID theft

Shared branches have the potential to benefit customers and FIs alike

Innovation can help FIs offer seamless, people-centred banking

Unified digital banking offers enhanced security and CX with CIAM

COUNTRY PROFILE

China





Does it ever make sense for banks to collaborate?

In early June, financial institutions converged in Charlotte, North Carolina (USA), for Datos

Insights' *Retail Bank Transformation Americas 2024* conference. Our review of the event on page 11 highlights the unifying theme of speakers and delegates seeking out seamless, people-centred banking.

Speakers addressed the challenge of meeting customer expectations, which digital experiences outside financial services increasingly define. A common refrain was the need for a differentiated value proposition – in customer experience (CX), product and beyond. Competitive pressures are clearly as strong as ever, and partnering with fintechs was identified as a key tool to accelerate innovation.

Physical channels remain critical: across case studies, panel discussions and fireside chats, speakers linked their approach to branch banking to their overall strategy and brand. The US regional bank crisis in 2023 served as a reminder that branches are not only critical for sales but also in raising stickier deposits.

And yet, changing consumer behaviour poses challenges. Many banks are reconsidering the fundamental purpose of the branch, prompted by falling traffic. Our article on shared branches on page 8 explores alternatives to the traditional proprietary model.

For US credit unions, shared branches are an established way of competing with regional and national players. But there is also growing interest in co-operation among larger institutions – especially in countries that have seen significant closures, like the UK and New Zealand.

Collaborating on customer-facing channels – and ceding some control of the brand and CX – is an important decision. This trend is most prominent with ATMs, as revealed in the brand new 2024 market report from Datos Insights' *Global ATM Intelligence Service*; highlights can be found on page 2.

The research reveals that financial institutions across Africa, Latin America and parts of Asia continue to expand their ATM networks, typically driven by competition to secure customers entering the banking system for the first time. Here, the idea of collaboration remains distant!

But in many countries, especially in Europe, cash access is no longer a competitive domain. Banks are agreeing ATM-as-a-Service contracts with third parties or selling non-branch machines to non-bank operators. In smaller markets, banks have jointly established 'pool' operators that optimise distribution for the shared customer base.

As consumer expectations and behaviours continue to change, banks need to regularly re-evaluate the fundamental question: What is core to delivering a differentiated brand and CX?

Tom Hutchings

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NCR Atleos www.ncratleos.com

Annual subscription (12 issues):

Printed and digital (unlimited users) £3,000

First published in December 1979

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