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### Banking Blog

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Banks giving ATMs the ax?

By [Claes Bell](#) · Bankrate.com

Friday, July 27, 2012

Posted: 10 am ET

Used to finding a Bank of America ATM whenever you need one? Don't look now, but that could be changing.

This year, Bank of America has cut a record 1,536 ATMs, or about 9 percent of its total stock, write Hugh Son and Zachary Tracer of Bloomberg:

Bank of America chose to pull most of its ATMs at malls and gas stations in part because those devices only dispensed cash and weren't available 24 hours a day, (Bank of America spokeswoman Anne) Pace said in an interview. Customers want to be able to deposit checks at an ATM, she said.

"It's about convenience and access, that's what the customers are looking for," Pace said. "People aren't banking 9 to 5, they are banking when it's convenient for them."

...

It costs banks an average of \$1,700 per month to run an ATM on someone else's property, compared with \$1,100 at a branch, said Tony Hayes, a partner at consulting firm Oliver Wyman in Boston. The difference stems from rental costs and fees for armored couriers to refill machines with cash, he said.

But is BofA's move an isolated event, or a sign that large banks are starting to abandon ATMs? Ann Carns of The New York Times Bucks Blog writes that it's more likely the former:

Other big banks say they have no plans to shrink their networks. JPMorgan Chase, the largest bank by assets, said it planned to expand its system. A Chase spokesman said in an email that the bank had more than 17,500 ATMs, "and that number will grow as we continue to build branches."

Citigroup has 10,428 Citi-branded ATMs, a spokeswoman said, including more than 6,000 machines at 7-Eleven stores, and has no plans to reduce those numbers.

Wells Fargo says it has about 12,000 ATMs since its merger with Wachovia, and has no plans for any changes.

U.S. Bancorp has 5,085 machines and has no plans to pull back on its network, a spokeswoman said.

Like Carns, though, I wonder about the long-term trend. Notwithstanding the old cliché, "cash is king," [cash has grown increasingly rare](#) as electronic payment methods like credit and debit become more ubiquitous.

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I think as technologies like smartphone-based remote deposit capture and person-to-person payments become easier to use and more widely adopted, there will be fewer and fewer reasons to seek out an ATM, in the same way that the rise of cellphones has killed off the payphone. After all, if you have a device in your pocket that can perform many of the functions of an ATM, why go out of your way?

But in the meantime, having an extensive ATM network customers can use without paying an annoying fee is one of the major ways large banks differentiate themselves from community banks and credit unions, and so they'll continue to invest in them for the time being.

What do you think? Is a big network of ATMs important to you? Are ATMs on their way out, or will people always want easy access to cash?

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William King

August 26, 2012 at 3:54 pm

It's all headed toward the Mark of the Beast. What are your plans?



sanderdog

August 25, 2012 at 9:36 pm

Bank America is no longer my bank. Took two months to rid myself of the big Leach. Their fees are outrageous. It cost me \$300 to close an IRA account that was paying 0.5 %, not 5% 0.5. Most banks charge about \$50 not a percentage of the face valued. NEVER do business with Bank of America or expect to be shafted sooner or later!



William White

August 25, 2012 at 5:33 pm

I have two daughter's and two grandchildren. I am a ATM Machine

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Marcie Geffner is an award-winning freelance reporter, writer, editor and blogger whose work has been published by MSNBC, CNBC, Yahoo! Finance, Fox Business, Bankrate.com, AOL Real Estate, ThirdAge.com, Fidelity.com, Inman News and dozens of major U.S. newspapers. She holds a bachelor's degree in English from UCLA and MBA from Pepperdine University.



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Claes Bell has covered banking, autos and a variety of personal finance topics for Bankrate since 2006. He blogs on autos, banking and CD rates.



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AnnMarie  
August 23, 2012 at 3:49 pm

I don't use any ATM's, don't use debit cards. They could remove all the ATM's and it wouldn't bother me.

I use a credit card for convenience, and pay it in full at the end of each month.



Arthur P. Kaske  
August 23, 2012 at 4:55 am

There it is, you said it, profit margin!



Dan  
August 22, 2012 at 9:13 am

Bank of America can do what it wants with its ATMs and they are perfectly within their bounds do to so. But that has to be one of the weakest explanations I've ever heard for anything as the reason they're removing the 1500 ATMs.

Here it is again:

Bank of America chose to pull most of its ATMs at malls and gas stations in part because those devices only dispensed cash and weren't available 24 hours a day, (Bank of America spokeswoman Anne) Pace said in an interview. Customers want to be able to deposit checks at an ATM, she said.

"It's about convenience and access, that's what the customers are looking for," Pace said. "People aren't banking 9 to 5, they are banking when it's convenient for them."

So . . . since customers want the convenience of depositing checks at an ATM, they're going to remove the 1500 ATMs that don't accept check deposits. And not replace them. Because that is somehow more convenient for customers.

Whatever.

I'm not a BofA customer, so I don't care about the ATMs. I just hate when companies (or, especially, the government) tries to convince us something is somehow for our own benefit, when it is obviously not. Geez. Just be honest, please.



Mark  
August 20, 2012 at 4:37 pm

With new and/or improved lending tools like re-hypothecation fractional reserve accounting banks are finding ever useful ways of seperating investors from their money. Removing ATMs are just one more way to do that. Rather than buy the riot gear to protect the ATM, better to remove the ATM altogether. And I'm sure congress, and the courts agree, this is yet one more step in the evolution of banking and, of course, white collar crime--as a legitimate business model.



Rd  
August 17, 2012 at 9:39 am

Working with ATM's for 30 years (Banks, credit unions, etc).. ATM numbers have been

going up every year.. This is a case where the white label (non-bank owned) are everywhere in the malls..etc.. It is just no longer profitable for the bank to keep these machines where they are not an extension of the branch.



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