



# ATM Fees

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## **Consumers have many ways to access their cash without incurring any fees, and most do.**

- Consumers' ATM usage is based on choice and convenience, and today they have more choices than ever. They can use their bank's ATM for free, use an ATM that's in the same "network" for free, get cash back when making a debit purchase or use an out-of-network ATM for a fee.
- When you pay an access fee, you are paying for the delivery of your cash where you are, when you need it – 24 hours a day, seven days a week.

## **The marketplace should decide prices for ATMs, not the government.**

- Price controls will give consumers fewer choices, inhibit innovation, put a halt to future ATM growth and shut down thousands of ATMs.
- In 2019, the "out of network" surcharge for using another bank's ATM rose slightly to \$3.09 compared to \$3.02 in 2018. The average fee from your bank for using another bank's ATM averaged \$1.63 per transaction, down slightly from \$1.66 in 2018. Combined, the average total cost of an out-of-network withdrawal is \$4.72.<sup>1</sup>
- Consumers who need to access their cash in a crunch appreciate the accessibility of using any ATM and are willing to pay for the convenience of using another bank's ATM.
- In many cases, fees for using "out-of-network" ATMs are reimbursed. Many banks offer a set amount of ATM reimbursement for account holders, limited either by dollar amount or number of transactions.

## **Competition and market-pricing created a dramatic increase in ATMs.**

- Since the advent of access fees in 1996, the number of ATMs has tripled to a total of more than 475,000, giving consumers more choices and more convenience than ever. Before access fees – or surcharges – were allowed, ATM growth had stagnated.<sup>2</sup>
- While estimates vary, there are now between 475,000-500,000 ATMs in the U.S., according to the ATM Industry Association.

## **ATMs are integral to customer choice, but they are not the only option.**

- ATMs are just one of the many options available to customers to suit their banking needs. People have 24/7 access to their money via online and mobile banking, while those who prefer in-person interaction (particularly for complex transactions) may visit a branch. People also have the option to bank via telephone or traditional mail.
- Banks have added a lot of value to the ATM card in the past 40 years. Now cards work not only across town and across the state, but also across the ocean. You can fly to Europe with nothing but an ATM card in your wallet.
- Banks' investment in new ATMs and enhancements to old ones costs billions of dollars. In fact, it costs a bank an average of \$1,100 per month to run an ATM on its own property and an average of \$1,700 per month to run one on someone else's property.<sup>3</sup>

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**Customer tips for reducing ATM fees:**

- Use your own bank's ATM. Nearly all banks offer free use for their own customers.
- Consider using the cash-back feature with a debit purchase. Many grocery stores and gas stations offer this at no charge.
- If you frequently use another bank's ATM, consider taking out more money each time so you have fewer withdrawals and thus fewer ATM access fees.

**Background:**

There are currently no government bills mandating price controls on ATMs. Bills have been introduced in Congress but have never passed. ABA opposes such legislation because price controls would inhibit innovation, ATM growth, and shut down thousands of ATMs set up for consumer convenience.

The first free-standing electronic ATM was installed in 1969 by Chemical Bank at its branch in Rockville Centre, New York. This device was the first machine to use the magnetic stripe on plastic cards.

Sources:

<sup>1</sup>2019 Bankrate Checking Account and ATM Fee Survey, Bankrate.com (October 2019) Retrieved from <http://www.bankrate.com/banking/checking/checking-account-survey/>

<sup>2</sup>ATM & Debit News (September 2009).

<sup>3</sup>Automated Teller Machines: Some Consumer Fees of Increased, conducted by U.S. Government Accountability Office (April 2013). Retrieved from <http://www.gao.gov/products/GAO-13-266>