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Cash deliveries to ATMs unaffected by strike

February 17 2011 at 02:39pm

The country's major banks gave the assurance on Thursday that cash deliveries to automatic teller machines (ATMs) were unaffected by the national truckers' strike.

Fears were expressed in some quarters that the country could face a cash flow crunch as the truckers' strike could result in the supply of cash to thousands of ATMs being cut off.

However, the country's so-called "big four banks" said that

Contingency plans had been put in place and that thus far cash deliveries had not been affected by the strike.

"FNB is currently not experiencing problems with re-stocking its ATMs. The bank planned for the possibility of this strike when the union first declared a dispute some two weeks ago.

We are monitoring the situation on an hourly basis. There is currently lower than average traffic on our ATMs as it is mid-month," a spokesperson for FNB said.

"We hope for an early resolution to the strike," he added.

Standard Bank also said that it had not been affected at this stage. "We have contingency plans in place for cash deliveries, etc.," a spokesperson said.

Dave Schwegmann, Managing Executive - Branch Network at Nedbank, said: "Nedbank is aware of the South African Transport and Allied Workers Union (Satawu) truck workers' strike. The bank can confirm that the strike has had minimal impact on our banking operations. As part of our business continuity processes, Nedbank has contingency plans in place to manage any fallout."

Absa's response was: "Absa is aware of labour action by transport workers. The bank has business continuity measures in place to minimise any possible impact on our customers. Absa will, however, monitor the situation closely in order to adapt our contingencies accordingly."

Independent ATMs are also able to continue serving customers due to their innovative cash recycling concept.

Marc Sternberg, MD of Spark ATM Systems, says many industries, particularly the retail and hospitality sectors, have realised the advantages of having independent ATMs installed inside their premises.

"The truckers' strike drives the point home. While many ATMs have already run dry, and with many more set to run out of cash in the coming days, independent ATMs will still be operating as no deliveries are needed to keep them filled.

"Instead, the cash is recycled on the business premises, cutting costs, ensuring customers always have access to their cash, and eliminating third-party deliveries and collections.

"As the ATMs are sited on a business premises such as a store, bar or a hotel, the machines are replenished by the staff using cash that is paid to the business for its goods and services.

"Further, the business's revenue benefits as much of the cash withdrawn from the machine is spent onsite and the business does not face the expense and security issues involved in receiving and delivering cash to a bank," Sternberg says.

Another significant advantage is that, as the ATMs are situated in well-lit store environments, they are safer for customers making withdrawals.

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Sternberg adds that the company is only too aware of the consequences for South African consumers and businesses if thousands of ATMs are empty.

"Around the globe ATMs are an integral part of people's lives and being deprived of access to cash can result in real hardship for people, particularly in rural communities where there is seldom an alternative to the neighbourhood ATM."

In economies such as Australia, Canada, the US and the UK, independent ATMs deliver more than 60% of cash dispensing services.

"In SA the demand has grown rapidly. Due to the tangible benefits for both the consumer and vendor, independent ATMs now represent over 15% of the market.

"Our banking system is well developed and ranked eighth amongst countries with a population of over 20 million, ahead of France and Japan, and we are destined to entrench ourselves as the gateway to Africa.

"Therefore, there is an enormous potential market for independent ATMs throughout SA and the rest of the continent," Sternberg says. - I-Net Bridge

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