

BHARAT SCHOOL OF BANKING

AUTOMATED TELLER MACHINE (ATM)

Automated Teller Machine (ATM) is a **computerized** machine (**specialized computer**) that provides the **customers** of banks the **facility** to access their **accounts** for dispensing **cash** and to carry out other **financial** (e.g., remittances) as well as **non-financial** (e.g., balance check) **transactions**, without visiting the **bank branch**.

Services / Facilities provided by ATMs -

- Cash Withdrawal
- Account Information
- Cash Deposit (not permitted at **WLAs**)
- Regular Bill Payment
- Purchase of Vouchers
- PIN change
- Mini / Short Statement
- Cheque book request
- Loan Account Enquiry, etc.

Classification

ATMs can be classified depending on the **owner** and **operator** -

1. Bank-owned ATM

These are **owned** and **operated** by **individual banks**.

2. White Label ATM (WLA)

These type of ATMs are **set up**, **owned** and **operated** by **non-bank** entities (e.g., **NBFCs**). **WLAs** are authorized under **Payments and Settlement Systems Act, 2007** by **RBI**. These have following features -

- **Logo** displayed on the machine or premises will be of **WLA Operator's**. However, **customers** can use these ATMs, as of using other bank ATMs (bank other than **card issuing** bank)
- **Cash deposit** is not permitted in the **WLA** machine (as of now).

3. Brown Label ATM (BLA)

These type of ATMs are **set up** and **owned** by a **Service provider**, but **cash management (operation)** and **connectivity** is provided by a **sponsor bank** (**brand** of this bank is used on the ATM).

By using **BLAs**, banks have the opportunity to **cut** the huge **cost** of setting up of an ATM (bank-owned ATM)

Note :

ATMs - bank (owner), bank (operator)

WLAs - non-bank (owner), non-bank (operator)

BLAs - non-bank (owner), bank (operator)