

How to build an effective ATM compliance program?

Although many ATM managers and banking executives have a general awareness of regulations affecting the ATM channel, many still do not have a formal process for monitoring and remediating issues that place their organization at risk. In preparation for writing this document, we interviewed multiple ATM channel managers to understand how they are dealing with Americans with Disabilities Act (ADA) compliance. One former manager, who had experience with claims made against its organization for ADA violations, shared some insight that is important to consider when evaluating an effective ADA strategy. While contending with these claims, the manager noted that the justice department wasn't only concerned with the bank's response to the violations, but also whether the financial institution proactively monitored and remediated issues on an ongoing basis to ensure they were doing their best to provide accessible ATMs for handicapped individuals. The message received was that it is reasonable to expect that errors will occur and machines malfunction, however, the absence of a formal process for mitigating these occurrences shows a deliberate lack of concern for complying with the regulations.

The following information reveals the steps that your organization can take to implement an effective ATM compliance program:

1. Create awareness internally of the risks associated with operating an ATM channel and the need for a process to continually review and remediate issues.

Americans with Disabilities Act (ADA) - ADA regulations pertaining to accessibility issues for people with physical impairments should be at the top of the list. Handicapped accessibility can refer to many impairments, however, the ability to make ATMs accessible for persons in wheelchairs and those with sight impairments most likely make up the largest percentage of these ATM users. Therefore, identifying ATMs that don't meet the standards for height & reach, clear floor space and accessible routes should be the highest priority. For those with sight impairments, it is critical that the ATMs have an operable and effective voice guidance system, including the ability to provide a screen blanking option to ensure privacy. These verifications represent only a few of the potential checks that should be reviewed during a standard ATM compliance audit.

Regulation E & CC - Although Federal Regulations for surcharge fee notices no longer are required to be posted on or near the ATMs, it is still necessary to provide these notices on the screen and audio tracks prior to a non-customer withdrawal transaction. These notices should be verified to ensure that they accurately reflect the most current fees assessed to non-customers. In addition, financial institutions are required to post a notice on their ATMs informing customers of the institutions funds availability policy. Many operators still apply decal notices on their ATMs that may be peeled off or have become faded by the sun.



Fraud & Security – data breaches resulting from skimming devices placed on ATM card readers have escalated in recent years. A formal verification process to check for the existence of these skimming devices and signs of possible tampering should be incorporated into a comprehensive compliance review. In addition, depending on the installation and location, there may be local laws requiring operators to adhere to special security and safety standards.

Customer Experience – Many ATM managers rely on someone at a branch or retail location to make them aware of unsatisfactory conditions at the ATM or its surroundings. Often times this information does not get reported, however, these issues may also go unreported for long periods of time or never get reported at all. Damage, lighting, cleanliness, hazards, operability, etc. are all

part of the customer experience and have a direct impact on the company's brand image. Just as banks strive for an enjoyable customer experience inside the branch they should be equally concerned about the experience at the ATM. Responsible ATM managers should implement a formal periodic feedback system including a database containing updated photographs to properly assess and remediate negative conditions at the ATM.

2. Identify internal & external stakeholders & build project team

Organizations that operate ATMs have various management structures, with some being more centralized than others. However, a successful compliance program normally requires that someone take ownership and oversee the coordination and implementation process. Normally, this person is the ATM business line manager with overall budgetary responsibilities. A comprehensive program will impact multiple areas within the organization, including but not limited to the following:

- ATM Line of Business
- Retail Banking
- Operations
- Facilities
- Security
- Risk
- Compliance
- Audit
- Legal
- Marketing
- ATM equipment & service vendors

Each of these areas plays an important part in the survey development process and should be represented on the project team.

3. Identify third party service provider

Onsite personnel should be an integral part of the ATM compliance program and should continue to be the first line of defense for identifying ATM related issues, however, a dedicated team of well-trained survey specialists offers many benefits that can't be achieved by on-site staff:



- A third party offers an independent and unbiased review of your ATMs which adds credibility to the process
- A third party will likely have specialized tools and training to complete a more comprehensive review and carryout additional tasks that a teller will likely be unable to perform.
- Using a third party with a dedicated, well trained field services crew will most likely produce more consistent responses and testing results than hundreds or thousands of untrained branch personnel
- A third party will normally provide a secure online portal where all survey responses and images will be available for immediate access

Consider choosing a company that has experience in the ATM industry and is knowledgeable about compliance related issues. A company that understands the ATM industry and your business needs will be in a better position to provide valuable insight into all areas of the program, including development, implementation and remediation.

4. Identify survey questions & testing requirements

Create a list of compliance issues that should be incorporated into survey. We have highlighted below some of the more essential verifications that should be included in a compliance survey:

- Wheelchair accessibility testing – Height and reach, clear floor space, turning radius, alcoves, access routes
- Voice guidance testing – operability, clarity, accuracy, volume control
- Audio Braille
- Reg E surcharge notifications
- Reg CC deposit notification
- Customer Safety notices
- Safety mirrors and visibility requirements for vestibule ATMs



Create questions and tasks relative to the current condition of the ATM and its immediate surroundings including:

- Damage to ATM equipment and signs
- Validate screen messages and branding are current
- Receipt printing issues
- Existence of skimming devices
- Lighting issues
- Operating status of the door entry readers
- Operating status of automatic door openers
- Operating status of the ATM
- Cleanliness of the ATM and peripheral signs
- Trash issues

Consult with Risk & Legal departments for feedback – It is important to have Risk and Legal personnel review the survey questions and testing procedures to ensure that the questions and responses will produce results that will adequately validate the compliance status of each ATM. Unlike building code laws, ADA regulations are part of a civil rights legislation and do not always provide concrete specifications for every possible scenario. Therefore, your survey program should be designed based on your organizations interpretation of these regulations relative to ATM accessibility.

Request input from all stakeholder areas to identify key metrics that should be incorporated into the survey program. The compliance survey is an opportunity for anyone with responsibilities relative to the ATM network to obtain and/or validate information about the ATM and its surroundings. Therefore, all possible stakeholders should be asked for feedback as part of the program development process.

5. Create and manage service schedules to optimize compliance, health & safety of network

Each type of installation may require more-or-less visits based on various factors, such as remote or branch, exterior or interior, branded or owned, etc. Although there are no legal requirements for how often ATMs should be surveyed, financial institutions will normally schedule a full compliance check at least once or twice per year by an approved 3rd party survey provider. Additional visits for cleanings, lighting, marketing updates may be added if budgets permit.

6. Identify Risk and assign accountability

As part of the ATM program development, questions should be assigned to departments and individuals within those departments for evaluating the responses and remediating issues. These issues can be prioritized based on the level of risk or customer impact (i.e. level 1, level 2, level 3) with each level having a suggested timeline for remediation.


7. Create process for collecting, reporting, tracking and remediating



Stakeholders assigned responsibility for survey questions should review results daily or weekly to begin identifying and prioritizing issues. Normally, data is available through the third party website as the surveys are completed. In some cases, the survey company can pre-designate responses that create email alerts when high priority issues are identified. It is the responsibility of each stakeholder to create action plans, assign tasks, and track remediation progress for their assigned areas. The team leader should consult with each area to ensure that action plans are on schedule and meeting the objectives of the program.

8. Develop & maintain a data management system

An important component of your ATM compliance program is the maintenance of a database that stores the results of the surveys, including images for each ATM. At the minimum, the database system should provide the following features:



The screenshot displays the ABS ATM Business Solutions web application. The header includes the ABS logo and navigation links: Home, Admin, Locations, Export Database, Training, Logout. Below this is a sub-header with Survey, Photos, and Upload links. The main content area is titled 'Update Survey Result 27546'. It contains a form with the following fields:

Terminal *	Location:	Survey Date *	Name *
D001	Main Street Office 123 Main Street Pottstown, PA 19464	10/06/2016 Entered: 10/06/16 Verified: 10/09/16	Smith, Chris

Below the form is a section titled 'INSTALLATION TYPE' with four rows of dropdown menus:

1 Type of Location?	2 Type of Installation?	3 Interior or Exterior?	4 Type of Signage on or Around the ATM?
B Branch Remote	D Free-standing Drive-Up	B Exterior	E None

Below this is a section titled 'NOTICES & INSERTS' with one row of a dropdown menu:

5 Network Notice Present Upon Arrival?
A Yes

- secure online access
- unlimited user logins
- archive capabilities
- data exporting
- filtering options for querying

9. Identify best practices and continue to improve & add value to program

Look for opportunities to piggy-back off of the survey program to accomplish other tasks that may otherwise require a second trip to the ATM. For example, bulb replacements, cleaning, notice and marketing updates, etc. This will undoubtedly be less expensive or free and will help offset the cost of the program.

Document everything. Any questions or procedures that aren't acceptable or adding value should be identified and revised before the next survey. A good survey company will always be looking for opportunities to continually make the survey program more valuable to your organization.

Continuously review regulations and update survey questions/procedures as necessary

10. Repeat – Don't become complacent.

Over time, and if done correctly, the survey program should lead to better overall results. This should not be an indication that your work is done. Instead, the survey process should be part of a business strategy to mitigate organizational risk and provide a clean, safe and accessible ATM network to your customers.