



Industry Paper
Image Enabled ATMs

Drive Better User Experience & Improve Operational Margin at the Branch Level

Since the installation of the first automated teller machine (ATM) in the early 1970's, ATMs have become a staple in consumer banking technology. This technology has continued to evolve and customers now rely on ATMs for convenience and ease in accessing their financial institution, completing transactions without the need of a bank teller, at whatever hour of the day or night it is convenient for them.

The advancement of the software behind these image-enabled ATMs leaves such a small footprint and can run on virtually any piece of hardware, creating a simple, versatile and robust solution for the everyday banking customer.

“For tasks such as withdrawing cash or making a deposit the ATM is evolving as the primary customer touch point for banks, and a way for those banks to differentiate themselves from their competitors.”

- ATM Marketplace

Moving the market towards image-enabled ATMs remains an integral part of banks' strategies to address demands for more advanced machines. A service such as the ATM drives better user experiences by responding to society's fast-paced demands and needs for instant gratification.

Consumer demands for convenience and flexibility have become a competitive necessity for banks, as they utilize technology to simplify the transaction process and still improve their operational margin.

Self-service technology has evolved to such an extent that the only limit to what an ATM can do seems to be left up to the ambition and imagination of the market.

It is becoming more common for financial institutions to drive customers to self-service devices rather than the teller, as they roll-out new tools such as image-enabled ATMs. This process can seem overwhelming for the bank -- not only do their employees have to learn a new process, but their customers must feel confident in its abilities and in its effectiveness to complete the job, just as well as the teller they are accustomed to seeing.

Utilizing an image-enabled ATM with industry-leading software makes this process easy. Users can quickly and easily complete transactions whenever it is convenient for their schedules – and no longer have to succumb to branch hours. A secure proof of deposit is still delivered, and a seamless transaction is completed with just a few touches of the keypad.

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And while the customer reaps the benefits of self-service, deploying image-enabled ATMs allows the financial institution to differentiate itself from the bank down the street and even improve its operational margin. Smaller community banks can also compete with the larger institutions by delivering enhanced customer service and additional benefits through this self-service method.

Turning paper checks into electronic files enables banks to process the deposit faster, which makes funds available quicker and has further appeal for customers. By relying on cutting-edge software to automatically capture required fields from checks and related payment documents, banks expand their reach, serve more customers, and ensure customer confidentiality and confidence – tellers and other third parties are not required to key identifying information.

A2iA's proprietary IWR, Intelligent Word Recognition, technology lies at the core of the company's software toolkits. IWR recognizes entire handwritten words similarly to that of a human, matching them to a user-defined dictionary. Instead of looking at words letter-by-letter, IWR performs a deeper analysis and allows users to recognize, classify and index all cursive and complex documents with the same level of flexibility as printed or digital data.

Banks also reduce their risk of fraud. Industry reports describe empty-envelope fraud as the number one type of fraud affecting ATMs. However, image-enabled ATM's using advanced recognition technology can completely eliminate empty-envelope, as well as help stop check-kiting and closed-account fraud since processing times are drastically reduced. Once deposited, checks are imaged and validated for image quality and negotiability, without having to rely on input from the customer or teller. Images and relative transaction data are sent to the central check processing site, where item processing and a complete audit are executed for clearing purposes. As soon as the check is deposited, the image can be processed as a remote deposit item, resulting in faster processing and posting.

“An investment in enhanced ATM capabilities is certainly going to provide a significant payback. From a product differentiation standpoint, from customized ATM screens, to one-on-one marketing campaigns, to person-to-person transfers, and maybe even ATM integration with mobile banking applications the move to imaged deposits makes sense for the future.”

- Wesley Wilhem, Senior Analyst
at Aite Group

Market Demand is evolving.

A 2017 survey conducted by ATM Marketplace concluded that the ATM is expected to grow to be known as more than a one-dimensional tool to access cash. As the number of ATMs grows globally, the ATM will evolve to become an interactive touchpoint for consumers requiring secure, reliable access to cash, while also enabling transactions such as check and mixed media deposit, all carried out with an experience similar to the devices consumers use throughout the day, such as a tablet or smartphone.

A Worldwide Leader: Global Reference and Tens-of-Thousands of Deployments.

Known across the globe as a leader in the financial services industry, *a2ia CheckReader* boasts thousands of worldwide references, including more than 40,000 ATM deployments in North America alone. With more than 25-years dedicated to the payment systems market, 42 country-versions and 9 language-versions, *a2ia CheckReader* is trusted by the largest financial institutions throughout the United States, Europe, Latin America and Asia.



Driven by the Desire to Answer Your Customers' Needs

- ✓ Deposit checks directly at ATMs for immediate transactions, regardless of branch hours.
- ✓ Capture all data from checks and deposit slips, whether written in machine print, or complex cursive handwriting: no interaction required from the customer or the teller.
- ✓ Automate processes and eliminate post scanning costs.
- ✓ Mitigate risk and provide a secure proof of deposit.
- ✓ Determine check image quality, usability, and negotiability at the point-of-deposit.
- ✓ Integrate seamlessly, with a small foot print and no third-party technology.

A2iA is driven by the desire to develop technology solutions that answer customers' needs. By combining global industry expertise with innovation and scientific research and development, A2iA is the only company that develops, maintains and continues to improve its core, proprietary technology with no third-party engines.

A2iA's ability to deliver greater control and a lighter footprint for distributed capture applications allows financial institutions to benefit from a proven solution.

Industry analysts have explained that the best use for A2iA's Proprietary Intelligent Word Recognition, IWR, technology is to eliminate a high percentage of the manual entry of handwritten data that otherwise could be keyed only by humans.

How does it work?

When a check-transaction takes place at an ATM, the data from check-images are captured and securely transmitted to the financial institution. Deposits may also be memo-posted to the ATM processor. An encrypted file is then sent to the server, where *a2ia CheckReader* provides a verification of the check-image quality and usability, as well as, performs recognition on all data-points to determine if the checks negotiable. It is here, at the point of presentment, that mandatory information is deemed invalid or missing, such as Payor/Payee name, Courtesy Amount (CAR), Legal Amount (LAR), Date, MICR code etc. All checks captured at ATMs are uploaded to the financial institution for reconciliation with little to no input from the customer, instead of being stored in the ATM and imaged at a later time.

a2ia CheckReader: In a Class of its Own



42 country-versions and 9 language-versions: adapted to the local check-styles.



A small footprint.



Only check-processing engine to detect mismatched CAR/LAR amounts in real-time.



Allows for check image quality (IQA), usability (IUA) and negotiability in one simple call.



Speeds the availability of funds.



Reduces operating costs and required resources.

The advantages of self-service check processing are evident. Just as customers do not have to wait for a branch to open, institutions say that instant authentication of the check at ATM presentment reduces errors, minimizes fraud and improves customer service.