



ATMs and Age Friendly Banking Services to Tackle the Ageing Population Boom

A white paper by Auriga

When it comes to demographic trends impacting financial services, there has been a heavy emphasis on how the Millennials or digital natives are going to shake up how people bank.

However, there is a bigger demographic tidal wave hitting the sector. On average the populations of major Western societies are getting older. For example, in the UK, in less than two years, the number of consumers aged 65 or over will rise by over a million and in little over 20 years one in seven people will be over 75 years of age.

So how should financial services adapt to a sharp increase in the number of older consumers?

The industry is beginning to respond to this trend with a root and branch review of how services are designed and delivered. For example, the UK Financial Conduct Authority (FCA) launched its Ageing Population Project in 2016 to consider the strategies that banks, and other institutions should adopt to respond to this trend.

Given ATMs and self-service banking is integral to how bank services are used today, what role can they play in meeting the needs of an ageing population?

Understanding Older Consumers

There are lots of significant indicators about how society is becoming more dominated by ageing consumers. The growth in the number of older consumers (55years+) is driven by major leaps in life expectancy. This means banks need to address both

how the “older old” – people aged over 85 years – is the fastest growing age group; and how the massive generation of people born between 1946 and 1964 – the Baby Boomers – is entering retirement in greater numbers.

Older consumers of bank service aren't all the same. However, there are some specific issues and obstacles that can be more relevant to older than younger consumers.

While it is important not to presume older consumers are vulnerable, there is evidence that as we become older we are more likely to have chronic conditions that affect our physical and mental capabilities. The UK FCA's Financial Lives Survey suggested that six in ten consumers older than 85 and two fifths of those older than 55 say they have a physical or mental condition lasting a year or more. By comparison, only 15% of adults aged 18-54 make the same assessment of their health.

These and other conditions of growing older – poorer eye sight, hearing difficulties – can affect decision-making, memory, and dexterity that are important attributes for accessing financial services effectively. Any changes in their capabilities to make decisions is exacerbated by how older people are going to be making complex financial decisions in later life.

Self Service Banking and Older Consumers

Again, it is important not to generalise and it is obvious that many, if not most, older customers

successfully use ATMs, which have been integral to how bank services have been delivered for over 50 years now.

Nonetheless, the ATM, like bank services generally, will need to adapt to serve older customers because of how they are changing physically and mentally. For an ageing consumer population some issues about using an ATM are going to become more common. Older customers can have problems with remembering their PIN, the speed at which screen instructions run and how instructions are set out. Arthritis also can affect dexterity and make it harder to use an ATM and in some cases to insert or retrieve a card. These conditions may be subtle, rather than extreme, but regardless of this can erode confidence with using an ATM even for those who have had little problems with using the device when younger.

The ATM industry itself has identified the need to make ATMs more accessible. In 2017, the ATM Industry Association (ATMIA) published its [“Maximising ATM Accessibility” guide](#). This sets out how banks have a lot more work to do to improve accessibility of ATMs to customers who are elderly.

When seeking to enhance the accessibility of ATMs, banks have two options: modify the physical hardware, or modify the software governing the ATM, or both.

The Centre for Accessible Environments (CAE) sets out nine guidelines to drive accessibility of ATMs ([ATMIA](#)). These cover the following:

- access and location
- location and layout of operating features
- operating features
- operating instructions
- screen design
- keypads
- card swiping, insertion and withdrawal
- outputs
- security and privacy
- installation, maintenance and operating arrangements

Changing physical hardware in the field is obviously difficult given the vast number and geographic dispersal of ATMs and how some many of the ATMs used by older customers to access their bank’s services are not necessarily operated by the bank but by third party networks.

New generations of ATMs offer more intuitive interfaces but the extent to which the difficulties with using an ATM are to do with the graphical interface can mean the solution is really about software. This

can mean a fleet of ATMs can be made more accessible to older customers through software redesign and upgrades done from cloud-based ATM software that allows new features and functionalities to be done remotely.

Advanced ATM software can dramatically improve the accessibility of ATMs in several ways.

One area that banks should focus their efforts on is providing a simple and intuitive user interface, with clear instructions at ATMs and in-branch self-service terminals.

Users should not be distracted or confused by superfluous messages – for example, overly intrusive marketing communications. Software can help here, by helping to create an advanced user interface adapted to users’ specific needs. This may be as simple as presenting the customer with a list of commonly-used targeted functions, instead of an overwhelming display full of lots of different options that are not relevant to them.

Software can also be used to create enhanced authentication systems, which is vital when we consider the difficulties that people may have when trying to remember passwords or distinguish legitimate communications from their bank with fraudulent messages. Other forms of assistance, such as vocal guidance for the visually impaired, can also be included in new software to boost their accessibility.

The key objective here is how, like other aspects of product and service design, the ATM channel is not simply designed for a notional average consumer. Ideally, the service should be personalised to take account of that customer’s specific needs and circumstance. When ATMs are part of a truly omnichannel strategy, this can be achievable with services driven by a 360-degree view of a customer.

Innovations in ATM software can resolve some of the vulnerabilities that can be over-represented in older customers.

Auriga, for example, has an app called “WWS Mobile” seamlessly integrated in its omnichannel banking suite WinWebServer (WWS) that enables users to access banking services via their smartphones, facilitating on-the-go interaction with the bank. Thanks to integration between mobile devices and ATMs, older customers who find it difficult to follow a visual interface can listen to instructions directly from their phone. This eliminates the need for banks to upgrade their ATMs with audio jacks to allow users

to listen to spoken instructions of “talking ATMs” when carrying out transactions.

Further ways to utilise an older customers smart phone to access banking services at an ATM could address the memory problems that some older customers report about remembering their PIN.

Evolving the bank branch for older customers

Studies regularly confirm older customers preference for accessing banking services in branches. According to the Social Market Foundation, older customers are more likely than younger ones to do all their financial tasks in a branch. The reasons for this are complex but are more than just about old habits. Older customers, like some younger ones, go to their branch for reassurance and a sense of security and confidentiality when conducting their financial affairs. Given how physical and mental changes may affect their capabilities and confidence in older age, it is likely that the current generations of younger customers are going to seek out face to face assistance in their financial affairs even as they are currently heavy users of mobile or Internet banking.

So how can the rise of older customers be squared with the massive pruning of bank branch networks?

The reconfiguration of bank branches is unlikely to be reversed but current plans for branch transformation could be the platform for developing more old age friendly branch services.

A major finding of the Age UK report was how older customers would appreciate more modern branch designs including all branch functions on the ground floor, better managed queues and more comfortable seating. And, these are the features of the new hybrid digital banks that are emerging in many markets in Europe.

The old teller line is totally removed and replaced by a core of smart self-service banking machines for cash retrieval, deposit and other functions. Around this digital banking area, space is being opened for informal or formal consultations with bank staff. New branch designs are making these spaces also more ideal for older customers who appreciate the time and space to consider their financial affairs.

A welcome desk is typically set up to enable staff to greet and check what exactly a customer is looking to do. The use of branch management solutions from Auriga enable staff to not only welcome but guide

older customers through using the self-service machines. They are aided by tablets devices to access customer data, recognise which customers are accessing a self-service device and be able to manage the setting up of one-to-one consultations.

Ensuring older customers have access to high quality advice is essential. The FCA report highlights how the cognitive changes associated with ageing can have an impact. While there is rarely a noticeable effect on everyday tasks, studies show cognitive change can become a problem when consumers become involved in complex, unfamiliar situations such as analysing information and making financial decisions. The over 85-year olds are particularly prone to this.

Access to face to face services within new hybrid digital banks are essential but banks can also trial the greater use of video communications to enable virtual face to face consultations. This can range from a purpose-built video conference room in a branch through to video interactions on a customer’s tablet, smartphone or computer. What’s also possible with some of these video conference services is an older customer’s friend, family member or professional adviser can join in the session.

Responding to the ageing population trend isn’t just a challenge for the banking industry but for wider society. Technology can help banks deliver personalised services that take account of a customer’s age and capabilities and thus provide a customer experience that’s attuned to what the customer requires rather than just the bank. Smarter ATMs and other smart self-service devices can assist older customers to look after their own financial affairs. Revolutions in how such systems are managed and updated as part of a more customer centric omnichannel approach can benefit older customers as much as they will for younger ones. The freeing up of branch bank staff from mundane transactional work means they can be redeployed to provide better in-branch personal support for older customers who want assistance to handle simple or complex financial requests.

