

Bátiz-Lazo, Bernardo. *Cash and Dash: How ATMs and Computers Changed Banking*. Oxford: Oxford University Press, 2018. 352 Pp.

Bernardo Bátiz-Lazo has written an authoritative and engrossing history of the ATM. While such a topic would appear to be of interest to only specialists, this book presents it in a way that will be interesting to all. Not only does it reveal how the ATM has played a vital part in the lives of all citizens, it also demonstrates how cash played a key role in consumers' lives for the majority of the twentieth century. Moreover, Bátiz-Lazo reveals how technological changes impacted the job market (with bank clerks being replaced by machines) and how the development of the ATM network made financial services a truly global venture for both consumers and business.

The book is organised chronologically, which helps the reader get a wider sense of how financial services have developed. Bátiz-Lazo notes that the idea of holding a bank account was a distinctly middle-class idea at the beginning of the twentieth century – an important fact, especially since many banks had discriminated against those from the lower social classes by preventing them from opening accounts up to this time. Consumers from the blue-collar professions would, if able, place their money in savings banks, such as the Trustee Savings Banks and also (in Britain) the Post Office Savings Bank.

When financial institutions first introduced automation to cash dispensing, the process still relied partly on human interaction. This only changed in the late 1970s, when the development of centralised banking computers circumvented this need. By the close of the decade, the complete automation of cash dispensing had largely been achieved.

A key aspect of the history of automated cash dispensing that Bátiz-Lazo highlights is the changing needs of consumers, and how banks had to evolve to meet these needs. With increasing numbers of consumers wanting access to their cash on demand, the processing of payments entirely in-branch became less and less feasible, especially since keeping branches open on weekends would incur additional staffing costs. The

deployment of cash machines was the natural solution, though the major banks differed on how to best operate these as part of a larger system. Moreover, when it became apparent that the cash machine was a potentially lucrative venture, a different battle ensued – a market battle to supply cash machines to the world’s major banks. Bátiz-Lazo outlines how businesses sometimes chose technology from their home markets, exhibiting a form of economic nationalism, while others were more open in their choices. Along the way, the development of a global ATM network was fraught with problems, such as mechanical glitches and software problems, which necessitated various refinements over the decades.

Bátiz-Lazo effectively shows that as the popularity of the ATM increased, an integrated global payment processing network became necessary to meet customer needs. He recounts the rise of Visa and Mastercard in detail, which, along with the development of the LINK network, resulted in lower fees (or in the case of UK domestic transactions, no fees) for debit card transactions, and was a boon to customers. This served to increase the number of transactions made at ATMs. Moreover, in the case of Visa and Mastercard, it ensured that customers could make withdrawals at ATMs across the world, provided that the machines supported these networks. While fees were associated with these transactions, it increased the convenience for customers. However, the apparent monopoly of card transactions by Visa and Mastercard has recently been challenged by a new Chinese competitor - UnionPay. Indeed, many businesses in Europe now accept UnionPay, primarily since it is more convenient for a growing market of Chinese consumers who may not have cards issued with a Visa or Mastercard logo. Nevertheless, a variety of complications remain for the ATM network. Outdated software has proven to be problematic. Furthermore, criminals have been able to infiltrate the ATM system and commit wide scale fraud. While updating newer machines has proven to be relatively straightforward (owing to their capacity to accept more complicated software), this has not been the case with older machines. Replacing these is a difficult proposition, as new machines are costly, and with the advent of mobile payment systems, consumer reliance on cash is declining. Another issue concerns maintaining cash machines in more isolated (e.g. rural) areas.

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These provide banking services in areas that otherwise would be disconnected from the system; yet in light of the small clientele they serve, their costs pose an issue for the financial institutions that provide them.

The book closes with some interesting food for thought. Bátiz-Lazo examines the debate surrounding the independent ATM deployer (IAD). First deployed in small convenience stores, and later in supermarkets and entertainment areas such as cinemas, these offered customers the increased convenience of a cash machine in locations where banks may not be willing to provide one. Yet customers would incur an additional withdrawal fee for transactions at such machines, sometimes as a percentage of the transaction. Bátiz-Lazo highlights the resulting ethical controversies, as well as debates regarding the provisioning and utility of such ATMs for consumers.

I would highly recommend this book to anyone who has an interest in the development of the financial services system, and how it responded to the changing needs of the consumer. It demonstrates how the banking system became global through the need to provide cash across borders, and in so doing, it simplified procedures for the customer. While the monopolies of Visa and Mastercard have now come under a renewed challenge from Asian competitors such as UnionPay, the bigger question going forward is how these companies will respond and adapt to the needs (and pressures) brought about by the move towards a cashless society. Bátiz-Lazo refers to this in his closing remarks, but this is something that will probably warrant another study in a few years. In terms of mobile payments, many Asian countries, especially China, are leading the way in mobile technology. While the debate regarding whether the economy will be cashless is ongoing, only time will tell whether the role of the ATM in society will be as central in the next half-century as it has been in the preceding half century.

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