



CENTRAL BANK OF NIGERIA

Press Release

Public Communication On The Introduction Of Fees On Remote-On-Us ATM Transactions

The Central Bank of Nigeria (CBN) has noted some public comments on its recent circular in respect of fees/charges on the extended use of other banks' Automated Teller Machines (ATMs). These reactions have been mixed with most commentators showing great understanding and other stakeholders expressing clear lack of understanding of the rationale for this decision of the Bankers' Committee. Our intention in this public communication is to further explain the rationale and the critical need for this measure which has been taken in order to ensure that ATMs across the country continue to function to the satisfaction of all bank customers.

The following information will surely throw more light on the wisdom behind the introduction of the measures:

1. Cash withdrawal at the ATMs of a customer's bank is free
2. "Remote-on-Us" transaction is when a card holder goes to the ATM machine of another Bank other than his or her own bank to make a withdrawal.
3. December 2012: The CBN, in collaboration with the Bankers' Committee, transferred the payment of N100 fee

on "Remote-on-us" ATM cash withdrawal transactions to issuing banks.

4. The N100 was never removed. It was only transferred to customer's bank to pay, and this was intended to encourage/promote the use of ATMs nationwide.
5. Having sufficiently raised customers awareness, the first three "Remote-on-Us" transactions in a month are FREE for the card holder but PAID FOR by the issuing bank
6. The N65 charge only applies when a customer withdraws cash from another bank's ATM other than that of his/her bank. The N65 starts to apply from the 4th transaction at another banks' ATM in a month.
7. The charge is not intended to discourage financial inclusion
8. The CBN will not endorse any anti-customer policy
9. Charging of fees on interbank networks is a widely acceptable practice globally
10. **Reasons for ATM charges:**
 - To ensure customers get better services
 - To increase healthy competition among the banks
 - Transaction volumes at other banks' ATM have increased astronomically due to the free Cash withdrawal at other banks' ATM
 - The wear and tear as well as the frequency of servicing the ATMs have increased significantly.
 - Indeed, some Customers were beginning to abuse the use of ATMs through countless daily withdrawals;

- This development has led to increase in cash transactions, which negate the Bank's Cash-less policy.
- Maintaining ATM is expensive and it requires economic incentive for owners to deploy and maintain these machines.
- If a part of this cost goes unabated, the banks may be forced to reject transactions coming from their customers at another bank ATMs, thereby frustrating the interoperability of payment systems.

The CBN wishes therefore to reassure the public that the long term interests and welfare of all bank customers remain the goal of all banking policies.



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