

Retail-BCG Briefing

API Solutions

January 2018

BN060





Table of Contents

- 1 Background..... 3
- 2 API ATM..... 4
 - 2.1 Paradigm shift 4
 - 2.2 New infrastructure..... 4
 - 2.2.1 On-Us..... 4
 - 2.2.2 Traditional scheme solution 5
- 3 Conclusion 8



1 Background

Technology in the banking sector tends to demand own systems, massive investment and complex infrastructure solutions.

With changes in technology we now see break throughs which allow technology to connect, be connected and deployed simply, easier and more effectively.

This paper is designed to outline the options available to the banks.

2 API ATM

2.1 Paradigm shift

A new dimension has come to the banking technology market, driven by technology advances and new open platform approaches.

With the advancement of the internet, APIs have come to the fore as the new communication platform for devices. We see this with smartphones, tablets and computers.

Indeed each country is taking a different approach to API solution; some are taking a pragmatic approach and regulators are promoting 'Open Banking' API solutions as seen in the UK, <https://www.openbanking.org.uk>. This has benefits as it encourages all banks to communicate on a level playing field allowing customers to move easily from bank to bank and so is a more customer friendly solution.

Whereas in other countries banks and technology companies are ploughing their own furrow, so to speak, with their own bespoke solutions. This is not as customer friendly as one could hope but at least advances infrastructures.

If we look at the self service device market then we see APIs transforming the market by allowing new innovative solutions without the need for intensive and expensive integration projects.

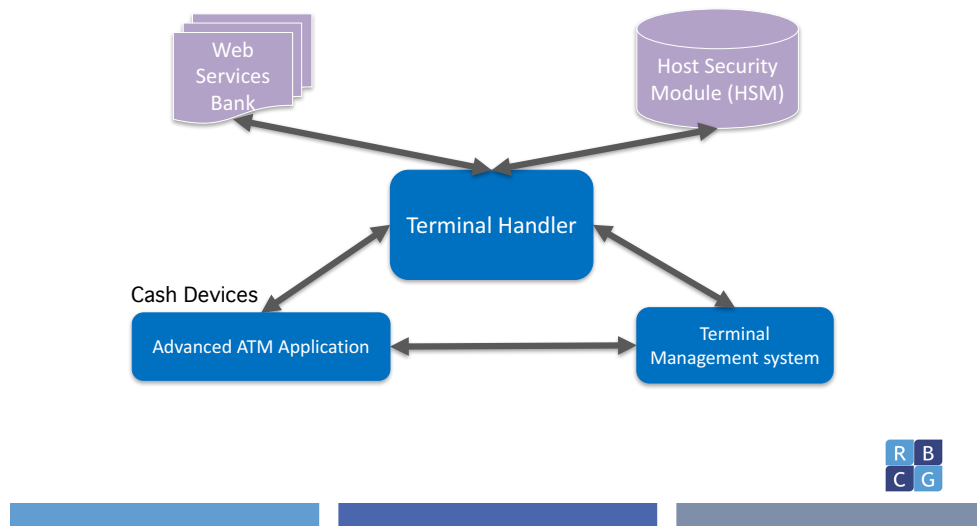
2.2 New infrastructure

With the advances in API and technology we can now see new solutions coming to the market which bring a new dimension to 'On-Us' and open banking solutions.

2.2.1 On-Us

For example an 'On-Us' solution could allow smartphones/tablets to talk to the cash unit to provide the functionality as defined in the banks App or online services.

Cloud based On-Us environment



Here the devices can provide Bank or Retail functionality inline with the App. Components include:

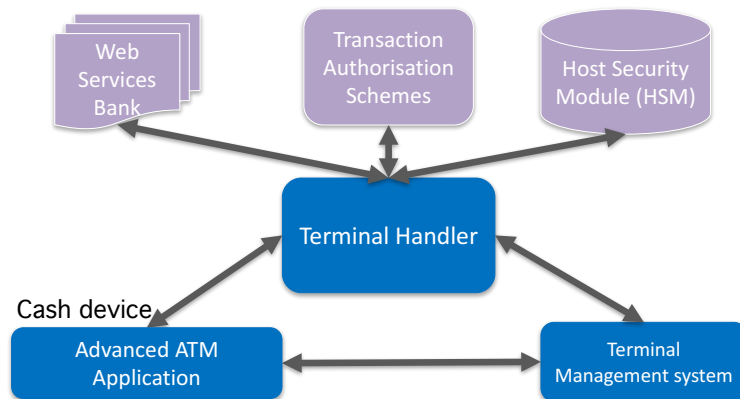
1. Driving device
 - a. POS unit as seen in small retail
 - b. Smartphone as provided by the client
 - c. Tablet as provided by the site or client
 - d. Any App based device with connection to the internet
2. Cash unit
 - a. Pure cash dispenser
 - b. Cash recycling unit for deposits
 - c. Drop unit for cheques or other paper based value items
3. Application
 - a. As defined by the retailer
 - b. As defined by the bank

Any combination of the above can be deployed today for use in an 'On-Us' closed loop environment.

2.2.2 Traditional scheme solution

Full open architecture as seen below, connecting to the traditional bank systems or card networks.

Cloud based 'On-Us' and Scheme solution



The above solution then allows the bank to offer traditional solutions as a cash dispenser or even cash deposit/recycling solution.

The devices that can be deployed can be traditional ATMs however we would encourage some new concepts such as a cash unit connecting to the clients smartphone or tablet allowing the functionality to be aligned with the bank internet or mobile application.

One example is seen below where a traditional POS unit can connect to a cash deposit and dispensing unit.



In a retail environment this could then look like:



The key elements of the solution include:

1. App
2. Cash unit
 - a. Dispenser
 - b. Deposit
 - c. Recycler
3. Master unit
 - a. POS terminal
 - b. Smartphone
 - c. Tablet
 - d. Other

3 Conclusion

The key point here is that devices can be deployed which allow the banks to meet their traditional branch services but in a cloud based solution.

We believe this can relieve pressure on the banks and allow solutions to be deployed effectively and without overheads while providing branch solutions.

Banks can consider deploying dedicated 'On-Us' solutions or these could also be combined with traditional payment schemes if required.

The scope and limits are purely down to the transactional set required to be deployed.



Retail-BCG

Retail-BCG specialise in the payments sector bringing innovation and expertise to the complex areas of payments and payment devices such as ATMs through our intimate knowledge of card schemes, regulations and operational models. Within our group we also operate an ATM outsourcing and BPO managed service for our clients. We bring to market new technology, new providers and new solutions which reduce operating costs and enhance service capability.