

The attached material is cited in Sam Osborn v. Visa Inc., No. 14-7004, slip op. at 3 (D.C. Cir. August 4, 2015); (citing , article by Linda Rodriguez McRobbie on Smithsonian.com webpage about the history of the ATM, available on 8/4/15 at <http://www.smithsonianmag.com/history/atm-dead-long-live-atm-180953838/>).

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The ATM is Dead. Long Live the ATM!

Usage is on the decline – so why are banks looking to the machines to save them?



Bradesco Bank ATM, Rio de Janeiro. (© Jon Hicks/Corbis)

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Automated teller machines, better known as ATMs, have been a part of the American landscape since the 1970s—beacons of self-service and convenience, they revolutionized banking in ways we take for granted today. They live to serve; we only really notice them when we can't seem to locate one.

But in recent years, the ATM no longer does something that no other machine could do and its days, some say, are numbered. Or is it? Because it looks like at the very moment ATM usage is on the decline, some American banks are doubling-down on their ATM investment.

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The “world’s first” ATM landed on a high street in Enfield, a suburb of London, at a branch of Barclays bank; there’s even a blue plaque on the outside of the building, still a Barclays, to memorialize the cash dispenser’s June 27, 1967, debut. The story goes that John Shepherd-Barron, an engineer at printing company De La Rue, came up with what was essentially a cash vending machine one Saturday afternoon after he missed his bank’s open hours. He was, notably, in the bath. Shepherd-Barron he approached Barclays with the idea, a contract was hurriedly drawn up ([over a “pink gin”](#)) and soon after, the new cash dispenser – with a £10 maximum withdrawal – sprouted up next to the bank. The machine transformed banking and Shepherd-Barron’s name went down in history: In 2005, he was made an Officer of the Order of the British Empire for his services to banking and the [obituaries after his death](#) in 2010 all called him the “inventor of the ATM”.

It’s a good story, although it’s almost certainly not true – “absolutely rubbish,” laughed professor Bernardo Batiz-Lazo, professor of business history and bank management at Bangor University, Wales, and the co-author of a book on the history of the ATM.

Shepherd-Barron was indeed part of the Barclays machine group, though, Batiz-Lazo says, there were several teams working independently to come up with a solution to the same problem: How can you get cash out of your bank after hours without resorting to robbery? It also wasn’t an idea that came from nowhere, eureka moment in the bath aside. Banks had been actively looking for a way to automate the teller process – Batiz-Lazo says that the individual engineers might not have known that anyone else was working on the same ideas, but the banks certainly knew. Moreover, ATM innovation had a number of clear predecessors. Batiz-Lazo pointed to American Luther George Simjian’s invention of the Bankograph in 1960, machine that would allow bank customers to deposit checks and cash into a machine and that spent a short time in the lobby of a New York bank (it didn’t catch on: “The only people using the machines were prostitutes and gamblers who didn’t want to deal with tellers face to face,” [Simjian supposedly said](#)). Other progenitors include the application of the magnetic stripe card in things like electronic ticket gates and innovations in self-service gas stations and vending machines.

There were at least two other groups working at the same time as Shepherd-Barron, although there’s some evidence that a cash-dispensing device popped up in Japan briefly even before the Barclays device made its appearance. Just a week after the Barclays cash dispenser was installed, a Swedish cash machine appeared; a month later, Britain’s Westminster Bank rolled out its cash dispenser. Over the next two