



## Deadline for ATM Migration to EMV Looms: Are Your Machines Ready to Go?

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Most credit unions are doing a good job in transitioning their members to EMV-enabled cards. But while EMV card-equipped consumers are learning to make transactions in a new way, a number of **credit unions are still dragging their feet** when it comes to upgrading their ATMs to support industry EMV standards.

MasterCard's Oct. 1, 2016, liability shift to the higher security specification is **just 10 months away**, followed by Visa in 2017. That means **credit unions are in for a rude awakening** if they're not aligned with industry standards. After the liability shift, EMV card issuers will no longer bear the responsibility for ATM fraud associated with counterfeit cards. And as ATM skimming attacks continue to rise, **credit unions could lose hundreds of thousands of dollars** if their ATMs are limited to reading magnetic stripes.

Recent studies suggest the annual cost of card fraud in the United States is between \$8 billion and \$9 billion. While that figure encompasses a broad range of card-related fraud, NCR, one of the largest U.S.-based ATM manufacturers, reported in July that it has **seen an increase in ATM-specific skimming attacks**. Financial experts estimate the average loss per incident is close to \$50,000.

Credit unions understand these figures. However, their hesitation to make a switch stems from the fact that morphing traditional magnetic stripe ATMs into EMV-ready machines is neither cheap nor easy.

In overhauling a fleet of ATMs to be EMV compliant, **credit unions will need to purchase and install new card readers that support chip cards**, and upgrade support software as well as infrastructure. In some cases, credit unions will have to purchase newer ATMs to ensure EMV compliance. The more ATMs a credit union oversees, the more costly and time consuming the burden.

Fortunately, credit unions have another option: Offloading ATM management to a trusted solutions provider.

Outsourcing ATM management not only reduces management hassles, it also relieves the ongoing burden of ensuring your fleet of ATMs is compliant with regulations and security standards, including EMV. By not shouldering the burden of compliance-related ATM upgrades, organizations could save thousands in capital as well as ongoing program costs.

Whatever route a credit union chooses, the need to **modernize ATMs will only grow more urgent** in the next two years. Security standards will continue to evolve as technology grows more sophisticated. Therefore, staying ahead of the curve is **essential to protecting your business**.