

Using Technology? Positively!

A SERIES OF FACT SHEETS

ON EVERYDAY TECHNOLOGIES AND OLDER CANADIANS

LOOKING AFTER YOUR MONEY: TECHNOLOGY AND BANKING

Fact sheet #3 looks at some of the changes in day-to-day banking and issues that have emerged. It also provides some tips for using new methods of banking.

Banking has changed dramatically in the last few decades due to technological advances. Many Canadians, including a growing proportion of older adults, now use telephone banking, internet banking or **automated banking machines (ABMs)** to carry out basic transactions. According to the Canadian Bankers Association, more than 60 percent of customers do most of their banking electronically. Fifty two percent of adults aged 55 and over have used a bank machine. There are more changes coming too, such as voice-activated automated banking machines (ABMs) that are being tested in many locations.


Automated Banking Machines (ABMs), also called **automated teller machines (ATMs)**, are often located inside or near banks, in grocery, and

other retail stores and in gas stations. To use an **ABM**, you must obtain a bank card and a **personal identification number (PIN)** from your bank.



You can deposit or withdraw cash, transfer funds to another account, pay bills or receive a printout of your balance and recent transactions. The easiest and most common transaction carried out at **ABMs** is cash withdrawal. Even if you prefer to talk to a human teller, **ABMs** can: save time if there are line-ups at the tellers' wickets, provide 24-hour bank services seven days a week and eliminate the need to carry large amounts of cash, especially when travelling.

Bank Cards - You can use your bank card at an **ABM** and to pay for purchases at a store that has **Interac direct**



payment service. At the cash register, you or the cashier will swipe your bank card (also referred to as your debit card) through a machine that electronically transfers money from your account to the store's account once you have keyed in your **PIN** and verified the transaction.

Drawbacks: The layout and function of **ABMs** and **Interac direct payment** machines can vary widely and may be confusing. Design features that would be helpful, such as non-glare glass, large print and clear, easily manipulated key pads are not consistently available. In addition, remembering **PINs** may be difficult for people who have experienced some memory loss.

Internet Banking is conducted on a personal computer. Most transactions except deposits or withdrawals can be conducted. You need your bank card and a pre-registered password. It can be done at any time of day from the comfort of your home and is convenient, fast and relatively safe.

If you have a touch-tone telephone, **telephone banking** can save a trip to the bank by allowing you to pay bills, transfer between accounts, and inquire

about balances and recent transactions. You must pick a telephone password and tell your bank which bills you wish to pay with this method. It is safe and saves time and energy, especially in bad weather. Remember, if you change your telephone number you must inform the bank so it can update your telephone banking information.

Safe Banking Tips

- ◆ Your **bank card**, also called your **debit card** is valuable. Together with your **personal identification number (PIN)**, it provides access to your bank account.
 - Never lend your card or reveal your PIN to anyone else.
- ◆ When selecting your **PIN**, never use your birth date or other numbers that may be written down in your purse or wallet, although it is a good idea to use numbers/letters that mean something to you. If you must write your **PIN** down, keep it separate from your bank card and disguise it in some fashion so it is not recognizable as a **PIN**. Don't panic if you forget or misplace your **PIN**. Simply go to your bank (take identification) and choose a new one.

- ◆ Privately owned “**white label**” ABMs are sometimes set up in stores or restaurants. They generally charge a higher fee per transaction than bank-owned **ABMs**.
- ◆ Be aware of your surroundings when using ABM machines, especially those that are located in poorly lit areas. Perhaps bring a relative or friend along with you.
- ◆ Have pension or income cheques **direct deposited** to your account. It is safe and convenient as your money goes into your account at the same time each month and a statement is mailed to your home. Remember to check your passbook or bank statement to make sure deposits have been made.
- ◆ When doing **telephone banking**, you must key in the long number from the front of your bank card. This is not your **PIN** or account number. It helps to write this number down before calling the toll-free bank number because it is sometimes difficult to read it from the card. When your transaction is completed, an electronic voice will give you a confirmation number. Do write down this number and the day’s date on your bill and keep it as a record that you have paid this bill.

Challenges Encountered by Some People

Despite the growth in electronic banking, not all customers are able to, or want to, use the new methods. In addition, improvements in the design and functioning of the technology are still needed in many areas. However, as banks face global competition and other pressures on their services, smaller branches in rural areas are being closed, leaving their customers with little choice but to use an electronic method for some of their banking needs. For Canadians in rural areas who may have little or no access to the closest branch in another town, this trend can pose serious challenges.

Using an ABM or internet banking may not be an option for other reasons, including those related to the natural processes of aging such as decreased vision or short-term memory loss, or perhaps a sense of mistrust towards technology and lack of access to training or a computer. Studies have shown that unless ABM technology is useful, convenient and safe, people tend to resist using it.

Sources:

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Fact Sheets in the Series

1. Series Overview
2. Telecommunications: Phones and More
3. *Looking After Your Money: Technology and Banking*
4. Computers: Getting Online — Using the Internet
5. For the Good of Your Health: Technology and Health Care
6. How Are Everyday Technologies Kept Safe?
7. Older Adults Mean Business!

Techno Terms

ABM - an **Automated Banking Machine**, also known as an automated teller machine (ATM), can carry out ordinary bank transactions such as deposits, withdrawals, transfers, account updates and bill payments. An ABM allows you to conduct these transactions 24 hours a day at your convenience.

Bank Card - (also known as client card, access card, debit card, ABM card, ATM card) a plastic card, issued by your bank. A bank card is necessary for ABM banking and to pay for purchases by using the **Interac direct payment** service. Your personal banking information is protected by your **personal identification number (PIN)**.

Interac Direct Payment - a technology that allows you to make a purchase using your bank card. It enables you to make purchases without having to carry cash.

PIN (Personal Identification Number) - a code, containing letters, numbers or both, that allows you to access your bank accounts using an ABM, the telephone or a computer.