

The CNMC recommends facilitating cash withdrawal in shops using cards as an alternative to ATMs

- Over the last 15 years, 23% of ATMs have disappeared due to the closure of bank branches and the digitalisation of the banking sector.
- In Spain, 55% of municipalities, where 3% of the population lives, do not have an ATM.
- In other European countries, it is more common for customers to withdraw money in shops without having to use ATMs.

Madrid, 12 July 2022 – The CNMC makes a series of recommendations in the “**Study on ATM cash withdrawals**” so that citizens who are at risk of financial exclusion (rural areas and vulnerable groups) have easier access this type of service. ([E/CNMC/003/21](#))

Among others, the CNMC points out the need to adopt a **legal framework that promotes formulas** such as *cashback* or *cash-in-shop*, which are widespread in neighbouring countries, **allowing cash withdrawals in local shops** (see *explanation below*). In addition, the CNMC recalls that public support for cash access systems in rural areas can be provided through **public tenders and the granting of aid**, which should not distort competition.

The CNMC produced the Study on ATM cash withdrawals at the request of the [State Secretariat of the Economy and Business Affairs](#), following a [non-legislative proposal by the Economic Affairs and Digital Transformation Committee of the Spanish Parliament](#)

Alternative systems to ATMs

In the case of the cashback system, when the customer buys a product in a shop and pays for it with his card or through an app, they can ask the seller to charge them the purchase price plus an amount. This additional amount will be returned to them in cash. In the case of cash-in-shop, it is not necessary to link the cash withdrawal to a purchase.

The promotion of both formulas would facilitate the expansion of cash access points and the financial inclusion of those who do not have an ATM nearby.

Regarding the second recommendation of the report, the CNMC recalls that public procurement initiatives **and the granting of aid for the installation of ATMs or other cash access systems** should encourage competition and avoid driving out private initiatives. To this end, the CNMC recommends following its guidelines on [public procurement](#) and [public aid](#).

Likewise, the CNMC includes the following conclusions in the report:

- **Reduction of ATMs.** The number of ATMs in Spain has decreased by 23% in the last 15 years due to the closure of bank branches and digitalisation.
- **Reduction of cash use.** Younger and older people use cash the most. In 2021, less than 36% of citizens in Spain declared using cash as their most common means of payment, compared to 80% in 2014.
- **Rural areas without cash withdrawal services.** Although Spain is one of the European countries with the most extensive network of ATMs, 55% of Spanish municipalities (where 3% of the population resides) do not have an ATM.
- **Competition contributes to greater financial inclusion,** as it encourages operators to offer a wider and more comprehensive range of services.
- **The regulation of interchange fees** for cash withdrawals (interbank fees) may discourage the installation of ATMs. In addition, the significant differences in costs and the number of customers between ATMs make it challenging to establish fees that are appropriate for all cases without jeopardising the sustainability of ATMs with lower demand.
- **Low penetration of alternative systems.** Cashback and cash-in-shop systems are more developed in other European countries and have great potential to increase access to cash.
- **Public measures to encourage the installation of ATMs and other alternative cash access systems** (regulations, public procurement procedures and public aid) should be governed by the principles of efficient economic regulation and promote competition to achieve the best results.

The CNMC is an independent market regulator that guarantees and promotes the existence of effective competition that benefits consumers and users. This study has been carried out within the framework of the CNMC's competition promotion functions.

[\(E/CNMC/003/21\)](#)