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Unfazed by card breach, NCR Corp sees no decline in ATM demand

KR Srivats

Navroze Dastur, MD of NCR Corporation India, in a file photo

ATM maker is now also supplying anti-skimming devices: Dastur

New Delhi, October 23:

ATM manufacturer NCR Corporation India does not see the recent card breach episode adversely impacting the demand for Automated Teller Machines (ATMs) in India.

Although the data breach was not good for the industry and could to some extent affect India's quest to become a cashless economy, the episode will not impact ATM demand, a top NCR India official said.

"We don't see this impact our business plans. It only brings to the fore discussion on what are the security measures that need to be put in place by banks. They have to look at how secure they are going to make their systems from these kind of attacks, cyber attacks and stuff like that," Navroze Dastur, Managing Director, NCR India, told *BusinessLine*.

Processor level

The data breach has happened at the level of a processor (at the end of the switch) where customer data has been compromised, he said, adding: "This would not impact NCR as we are not a processor company and do not have any role in this space."

As the government's financial inclusion efforts strengthen and more direct benefit transfer happens into Jan Dhan accounts, much cash will be required at the last mile.

"Whenever there is cash required at the last mile, then it is going to be typically an ATM that will fulfil this," Dastur said.

NCR Corporation accounts for a significant share of ATM installation in the country. Of the 2,20,000 ATMs installed in India, as many as 1,00,000 are from the company.

Original equipment manufacturers such as NCR have started supplying devices to banks to help prevent "skimming attacks" on their ATMs, said Dastur.

"Banks have started deploying such solutions (anti-skimming devices). This has been going on for the last one-and-a-half years. Breach at the ATM side is not that easy," he added.

When there are attempts to tamper with ATMs to capture data, such anti-skimming devices ensure that the machines shut down automatically.

While it has become common knowledge that as many as 32 lakh debit cards have been compromised in the recent episode, there has been data breach on the credit card front too, according to banking industry insiders. The data breach on debit cards is understood to have happened a few months ago and come to light now.

Dastur also said he sticks to the ATM market growth projections made recently by him. NCR expects India's ATM market to touch the 4 lakh mark by 2020.

The nation today has 130 ATMs per million people. This is expected to increase to 200-220 by 2020. In the US and China, the numbers stand at 1,500 and 350, respectively.

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