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Banks like Kotak Mahindra, Axis Bank and others mulling iris-recognition technology for ATM transactions

By Rachel Chitra, TNN | Updated: Jul 19, 2016, 06.07 PM IST

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CHENNAI: Ever thought of looking an ATM in the eye to withdraw cash? Well, lenders like DCB Bank, [Axis Bank](#) and [Kotak Mahindra](#) are considering using [iris-recognition](#) technology for [biometric](#) authentication of transactions.

In a step towards financial inclusion, banks that have been beta-testing or using fingerprint-recognising ATMs on the ground say that while fingerprint scanners are effective, but there are drawbacks.

Quite a sizeable number of blue-collar workers and farm labourers who use ATMs have bruises, abrasions or cuts on their fingers.

"If the fingerprint is not an exact match, it could lead to rejection of a transaction. Even for the salaried class, it's quite possible for our fingers to be coated with a film of grease or dust. So iris-recognition is something we are looking at adopting as it's safe, non-invasive and foolproof," says Rajiv Anand, executive director and head (retail banking), Axis Bank.

The private lender recently launched its 'Thought Factory' in Bengaluru - a design lab for innovation that's testing adoption of new technology, including biometric identifiers.

DCB Bank, which was the first to launch fingerprint-identifier ATMs in India, currently has biometric ATMs in Mumbai, Bengaluru and six other cities in the country. The bank now plans to expand and at tach fingerprint scanners pads to its other 400-plus ATMs across India.

"We are keen on biometric authentication and iris-recognition is the next logical step," says Murali Natrajan, managing director, DCB Bank. The bank said it is in talks with a few vendors to provide this service.

"We are still in exploratory stages. But once we have everything in place, implementation shouldn't take too much time. For our fingerprint scanners, we took about four months to bring it live from the time we decided on it," adds Natrajan.

At Kotak Mahindra, which has an innovation lab in Bengaluru to beta-test new products and services, iris-recognition is something they are looking at entering.

"For now, we are looking at its usage in both ATMs and e-KYC's for Aadhaar authentication via the UIDAI database. There are quite a few players in the market for biometric devices, including Samsung's offering of smartphones with iris scanners. But we are looking at bluetooth connected biometric devices and will adopt only if our testing has depth and meets on-the-ground requirements 80-90 per cent of the time. The robustness and safety of the solution is our priority," says Deepak Sharma, chief digital officer, Kotak Mahindra.

There are two different approaches for transaction authentication - storing the customer's biometric signatures authentication, or riding on the public infrastructure of UIDAI. "But a lot of elements have to come into play -internet connectivity, telecom signals, accessing the UIDAI database.

Then again the choice of the device - whether we ought to use a smartphone or a tab, or stand-alone biometric devices. The transaction has to be seamless, instantaneous and follow through, which in the current infrastructure is a little difficult," says Kotak Mahindra's Sharma.

One of the biggest problems with the Aadhaar is sending the OTP to the registered mobile number. "A majority of SIM cards in India are

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still prepaid and not postpaid and people keep changing their number frequently or giving it to their spouse or children. So when the OTP is sent, many a time customers themselves have no clue as to which mobile number was linked to their Aadhaar card," says Sharma.

Another problem for the group is that on a lot of devices, the networks don't support biometric authentication. "Any miss in even one of the linkage points - be it the switch, the operator or the network - and the transaction will fail. We are an authorized user agency (AUA) with UIDAI, as are some of the other banks, and we route our requests via NPCI. So there is a lot of work cut out for us before we can implement iris-recognition," adds Sharma.

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