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NEWS

Allpoint No Longer an Underdog ATM Player; Network Continues to Become an Attractive Option for Credit Unions

By DAVID MORRISON
CU Times Reporter-At-Large

BETHESDA, Md. – ATM National's Allpoint Network, the upstart surcharge free ATM Network which has made a point of seeking out credit union members, has continued to grow and build bridges to different parts of the percolating ATM and EFT market.

The organization's biggest recent conquests have come in the form of links into the burgeoning prepaid card market. Allpoint will provide surcharge free service to cardholders of pre-paid MasterCard marketed by Austin-based Netspend and issued by McAllen, Texas-based Inter National Bank, and Allpoint has also revealed a deal to provide surcharge free ATM access to holders of Citigroup Electronic Financial Services' prepaid payroll card.

"With millions of customers spread across the country, payroll and prepaid debit card issuers are a natural fit for Allpoint," said Ben Psillas, President of Allpoint. "Allpoint's 25,000 ATMs coast-to-coast provide payroll and prepaid debit card issuers with broad and dense coverage and the ability to significantly expand their business nationwide. Allpoint also helps its payroll issuers address the compliance requirements of employers, at the same time providing their

cardholders with national surcharge-free access," Psillas added.

The company also announced the successful integration of the additional 1,000 ATMs, many of which are in



high visibility and high convenience locations, that Houston, Texas-based CardTronics purchased from the American Express Corporation. Cardtronics is one of the two major Allpoint ATM deployers, the other is E*Trade.



PSILLAS

Allpoint got underway in April 2003 and has signed up some significant credit unions, including the \$5.8 billion Pentagon FCU, based in Alexandria, Virginia. Ben Psillas, president of Allpoint, acknowledged that the network has taken off rapidly, but promised that it plans to keep its credit union focus. "We have a number of credit union agreements in

the pipeline right now," Psillas said.

One of Allpoint's hallmarks has been the unique way it has structured many of its deals with credit unions and others. Allpoint does not ask its

credit union deployers to simply give up the income from surcharged ATM transactions. Rather, Allpoint negotiates an agreement with the card issuer that provides the ATM deployer an income stream from the surcharge free transactions, income in addition to the interchange they receive already.

But while the broad details of each agreement remain the same, precisely how the individual deals might be structured and who pays what price can and have been structured differently.

In the case of Netspend, Psillas confirmed that the company is paying for the surcharge-free transactions in a bid to draw more customers to its prepaid MasterCard. In the case of Citigroup EFS, it is unclear whether the employer using the card pays or Citigroup pays. Citigroup had no comment on the question and Psillas estimated that the organization has so many employer clients that it also cuts different deals with different employers. "In some case is may be that Citigroup eats the fee and in some cases the employer might pick up part of it," Psillas said.

While Psillas wouldn't go into the details about any further business with the Citigroup giant, he did suggest that the deal with Citigroup EFS was Allpoint's foothold with the financial services giant and that the network expected more deals to come. "Other Citigroup organizations will be looking at how this works out," Psillas said.

—dmorrison@cutimes.com