

## Happy 40th Birthday to the modern day cash machine

**- World's first computerised cash machine unveiled at Lloyds TSB in Brentwood, Essex forty years ago**

**- Developed and manufactured by IBM in the UK**

**- Lloyds TSB now has over 3,700 cash machines across the UK processing ten cash withdrawals every second**

**London, UK. - 11 Dec 2012:** Forty years ago on the 11 December 1972, Lloyds TSB in Brentwood, Essex introduced the world's first computerised cash machine that allowed customers self-service access to their account. Developed in partnership with IBM in the UK, the machine was linked to a central computerised accounting system which could identify the customer using the card's magnetic stripe and a customer pin number. It could then check their balance before each withdrawal, give out variable amounts of cash and report the transaction back to the bank's computer system.

Initially, Lloyds TSB introduced five hundred of the new cash machines at a cost of £3.5 million. Today, Lloyds TSB has over 3,700 cash machines across the UK processing over a million transactions and dispensing almost £60 million everyday.

These early cash machines were unique in the world. Previous attempts to develop ATMs worked like emergency cash dispensers with no direct access to customers' accounts. For example, customers had to buy £100 worth of vouchers upfront, equivalent to over a £1,000 today, that they could exchange for cash at the machine. The early cash machines even kept the customer's card which was then either posted back to the customer, or had to be picked up at the branch.

Graham Lindsay, Group Director, Responsible Business at Lloyds Banking Group looks after the Group's Archives and was also a junior at the Lloyds TSB in Norwich when it got its first ATM outside the branch in 1976. Commenting on the anniversary, Graham said: "It's hard to imagine now, but back in the 1970s many people were paid weekly or in cash so customers had to queue up at branch counters whenever they wanted to pay in or withdraw money.

"The introduction of cash machines meant that customers were, for the first time, able to access their accounts themselves which was a huge change. I still remember explaining to customers how the new cash machines worked and the incredibly positive reaction we got from them."

Commenting on the anniversary, Ashley Machin, Managing Director, Group Digital, Lloyds Banking Group said: "The cash machine was the precursor for modern day digital banking. Not only did they introduce the idea of customers having self service access to their account, it was also the first time that customers' accounts could be accessed outside of the branch counter.

"It's amazing how much things have changed over the past forty years. Lloyds Banking Group has this week

reached its billionth log-on on its internet banking sites. The Group currently has over nine million customers registered for its online banking service, including three million customers registered for mobile banking.

“But no matter how popular digital banking becomes, our branches and cash machines still play an important part in how we serve our customers.”

Sir Anthony Cleaver, former IBM UK Chief Executive was a systems engineer based in London when he was tasked with the job of developing an automated solution to ease congestion in Lloyds TSB branches during peak times. Commenting on the anniversary he said: “The first real Automated Teller Machine was a breakthrough in retail banking. While automated banking has grown more sophisticated over the years, the Cashpoint's core features have stayed the same which shows how revolutionary this technology was in its day.”

Cleaver continued “The first cash point was the product of a close partnership between IBM and Lloyds. The Bank knew the problem they wanted to solve and put together a small team to work with my IBM team in London to develop the technical specification. We then worked with IBM's laboratories in the UK and US to build the prototype and manufactured the machines in Scotland.”

To celebrate the occasion Lloyds Banking Group Chairman Sir Win Bischoff and former IBM Chairman Sir Anthony Cleaver, unveiled a plaque together at the branch on Tuesday 11 December at 11am.

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