

**ATM Stamp Dispensing***compiled by Glenn H Morgan FRPSL*

**Y**ou can bank by mail, why not mail by bank?" so went a USPS representatives' quote at the launch of a new format stamp back in 1990. On 18 May that year, SeaFirst Bank of Seattle became the first of many subsequent US banks to offer its customers the opportunity of acquiring stamps while making a cash withdrawal from an ATM (Automated Teller Machine).

The story really began back in the early 1960s when Walsall Lithographic (now Walsall Security Printers) produced the world's first self-adhesive stamps for Sierra Leone and Tonga. They were of such unusual shapes for a postage stamp (bananas, coins and maps being some subjects), that the fact they were on a self-adhesive substrate was almost missed by collectors.

It was not until 1974 that the USPS became involved in pressure-sensitive stamp production. For their Christmas issue, they produced a pre-cancelled stamp with straight die-cut edges and radiused corners and a + shaped die-cut at the centre to prevent re-use. They were not a success and were actually regularly re-used due to the lack of postmark applied. With time, the stamps also self-destructed, becoming seriously damaged by ugly brown stains on the paper surface as the glue slowly perished. In the following years, adhesive quality improved and in 1988 Avery Dennison was awarded a research

contract to produce a sheetlet with the same size and characteristics of a dollar bill. The May 1990 ATM stamp sheetlet was the result.

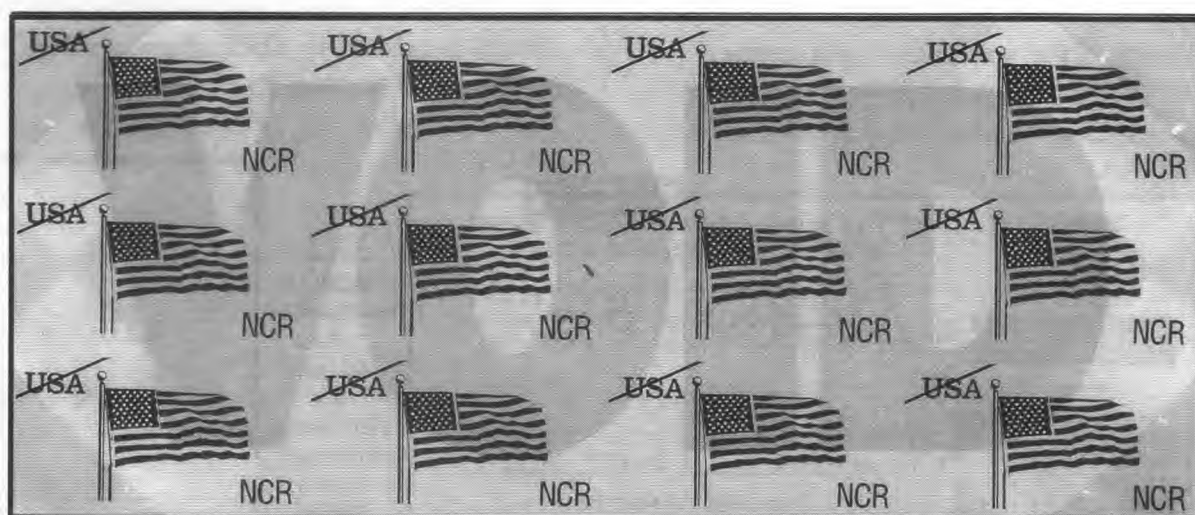
Environmentalists complained that the stamp, which was made of plastic, was not bio-degradable and so with the third issue onwards a paper version of the stamp was produced. The format continues to this day. Other countries became interested in the product and Singapore, Taiwan, Australia, France and Canada have each issued ATM stamp sheetlets. However, the love affair with this format did not last long in Australia or Canada, where they were fairly quickly removed from service.

This is an interesting area of collecting with the philatelist having the opportunity of acquiring supporting items, such as ATM receipts (showing stamp purchases), plastic transactional cards, ephemera (such as promotional advertising materials), etc.

Around 100 trial sheets from Australia exist with the kangaroo facing in the wrong direction to the issued sheetlet and various stamp printers have produced their own publicity sheetlets for distribution to potential clients, or for ATM testing reasons.

Although not British in origin, they do give a valuable insight into what was proposed abroad and what might have been over here.

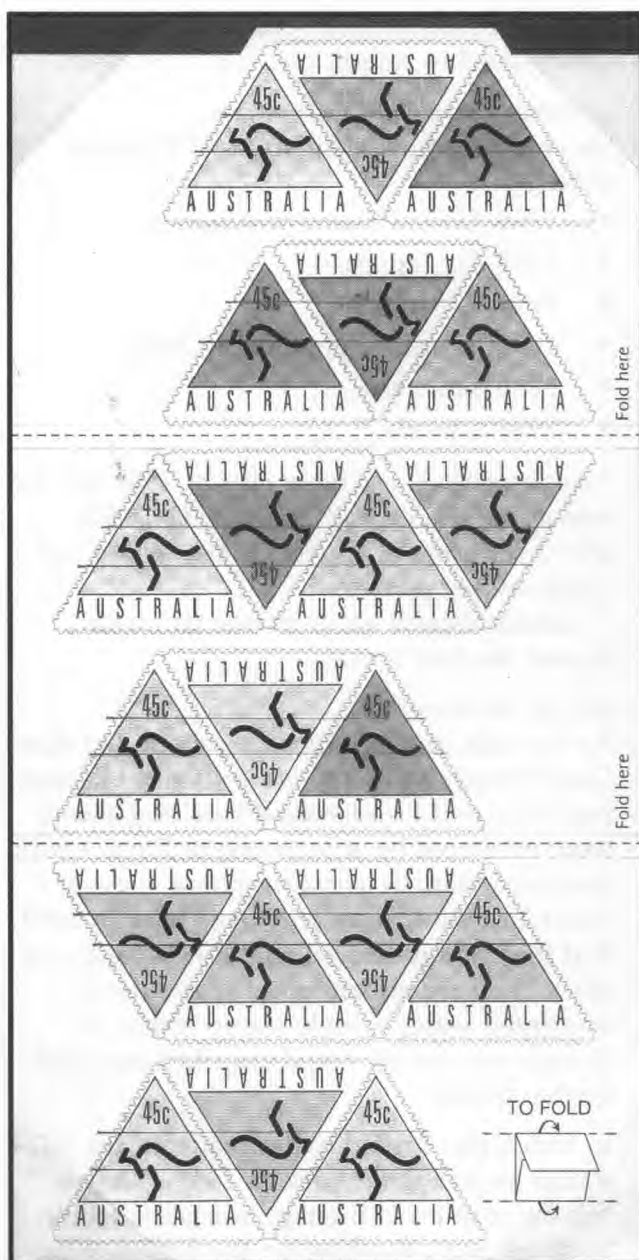
ATM dispensing is a slowly growing field



A dummy ATM sheetlet produced by machine manufacturer NCR for publicity purposes at trade shows

## ATM Stamp Dispensing

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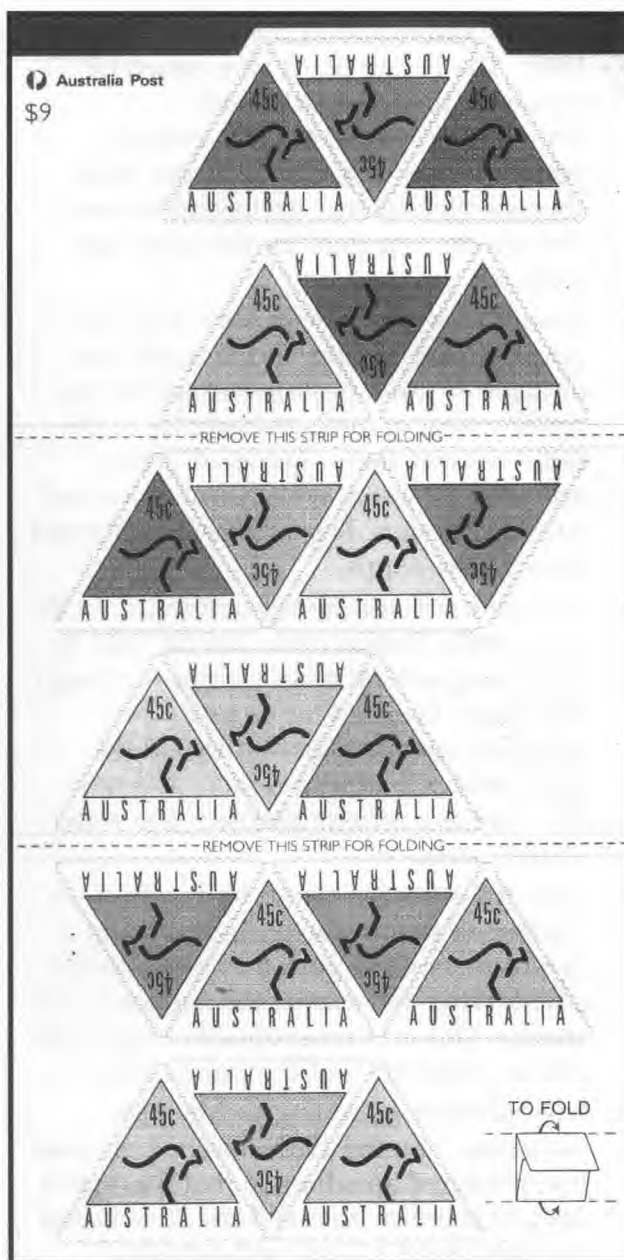


Dummy ATM sheetlet of approximately 100 error sheetlets with the kangaroos facing to the left.  
Note the defacing bars across each stamp and lack of sheetlet price and Australia Post logo.

with enough new material to maintain one's interest, but without too much to make you feel that it is unmanageable or exploitative. In due course, Royal Mail way well resurrect its ATM stamp project, although this format of booklet has long since been removed from the programme of proposed issues.

#### Stamp development

As a reader of the 'The Bookmark' Journal,



Issued ATM sheetlet with the kangaroos facing to the right compared to the error sheetlet alongside.

you probably know the background to stamps, but it is briefly recorded here to provide the chronology of events.

- Pre-1840, mail too expensive to receive. Before postal reforms by Rowland Hill, letters were sent based on the mileage covered and were paid for by the recipient, not sender. Many feared a letter, as they could not afford its cost.

## ATM Stamp Dispensing

(continued)

- Stamps introduced by Great Britain in 1840. The Penny Black was issued by Britain in 1840 - a world first. On gummed paper, initially without perforations - they had to be cut from sheets with scissors. An instant success. The sender now paid for the letter, not recipient.
- Stamps changed little in their first 150 years. Every country in the world was destined to issue postage stamps for the pre-payment of mail, all basically of the same construction - gummed paper activated by water, with perforations and a unique design. This approach continued through six reigns.
- Primitive self-adhesive gumming. In the early 1960s, Britain again led the field by producing self-adhesive stamps for Tonga and Sierra Leone. One or two other countries such as Gibraltar issued the occasional self-adhesive, more as a novelty than as a serious alternative to water-soluble gum.
- USA self-adhesive stamp trial in 1974. A Christmas stamp was produced using a pressure-sensitive gum that very quickly deteriorated and ruined the surface of the stamp. This was unacceptable to the Post Office, collectors and the public alike.
- Self-adhesive gumming technology improves. By the 1980s, Avery Dennison had perfected an adhesive that was stable under longevity tests and the U. S. Postal Service started to issue self-adhesive stamps as a trial. They found favour, not least on health grounds as AIDS had started to take hold and there were genuine fears about licking a stamp.
- ATM stamp sheet resembling \$ bill proposed by the USA. In 1988, the USPS commissioned Avery to design a self-adhesive stamp sheet with the size and feel of a US\$ bill that could be vended from any type of ATM.
- ATM stamps launched in 1989 by USPS. 1989 saw the introduction of the world's first ATM stamp sheet. It was on a plastic substrate, thus angering the ecologists.

A paper-based version soon replaced it, which quickly caught on.

### *Overseas participating countries*

Six countries have dispensed ATM stamp sheetlets.

- 1990 United States of America.
- 1993 Singapore.
- 1994 Australia.\*
- 1995 Taiwan, Republic of China.
- 1996 France.
- 1998 Canada.\*\*

\* *Advance Bank was taken over in 1998 and the new owner, St. George, removed the facility after a few months. Australia Post seeks a new stamp issuing partner.*

\*\* *Canada decided not to pursue its project beyond the trial period.*

### *British participation*

As far back as 1996, rumours abounded that Great Britain was set to issue stamps via cash machines and I understand that trial sheets were produced by at least one of Royal Mail's preferred security print suppliers. Indeed, I was told by a Questa employee back in 2000 that they had produced trial sheets for Royal Mail. They are understood to have used unprinted water soluble stamp labels, although my contact could (would?) not give further details

In fact, Great Britain had considered the ATM stamp format as far back as 1993 - I know this because I was the representative within Midland Bank working on the project with Royal Mail. Unfortunately, though, the bank decided that stamp dispensing was not a core activity prior to any trial sheets having being produced!

MasterCard and Visa still considers ATM stamp dispensing to be its number one non-cash vended item. Reports published by both organisations indicate that a global policy would encourage the dispensing of stamps via cash machines. Similarly, stamp printers are geared-up for production. Security printers in The Netherlands, Australia, Britain and France (at least) who do not currently produce ATM stamps are known to have



## ATM Stamp Dispensing

(continued)

undertaken production trials to get in on this potentially lucrative market.

### *Benefits*

For the stamp dispensing scheme to work, there has to be perceived benefits for the participating bank, postal administration and customer. These can include:

#### *For Bank*

- Additional customer service. Selling stamps at non-Post Office sites has gained considerable ground in recent years and has found favour with postal patrons.
- New revenue source. A transaction fee could be charged on top of the face value of stamps; this is quite normal overseas. Plus, if stamps are purchased at under face value there is usually 5% revenue.
- Differentiation from competitors. Banks could negotiate an exclusive deal with a Post Office for a set period where they were the sole vendor of ATM stamps.
- Positions bank as technological leader. Banks have a record of being innovators in the cards market.
- Sales to non-bank customers. Transaction fee income is generated from sales to non-bank users of the ATM network and encourages own customers to use the particular bank network of cash machines.
- Float on sales proceeds. Stamps would be ordered by the bank and paid for subsequently.
- Attracts new customers. The American experience is that Seafirst Bank, at least, gained customers as a result of selling postage stamps.
- Increases ATM traffic. According to American studies, the use of ATMs increases when stamps are dispensed. Siting of bank machines in PO lobbies. The US experience for Seafirst Bank was that they were allowed to site their machines in Post Office lobbies free of charge.

#### *For Postal administration*

- Greater number of outlets to sell stamps.
- 24-hour availability of stamps for its customers.

- Reduced retail stamp selling costs.
- Increased customer service and convenience

#### *For Customer*

- 24-hour, seven day availability of stamps.
- One-stop shopping convenience for stamps and cash.
- No queuing.
- Deferred payment if credit card used.
- No loose change needed as transaction charged to card account.
- Stamps are self-adhesive, so no licking or tearing.
- Convenient currency-sized sheetlets fitting into purse or wallet.

### *Production requirements*

The following production requirements are essential if an ATM sheetlet is to be dispensed without problem, time after time:

- Banknote sized sheetlets. Stamps need to be the same physical dimension as a standard issue banknote of the country in question.
- Smooth dispensing. Stamp sheetlets must dispense as smoothly as a banknote to avoid jamming within dispensing mechanism.
- Correct banknote thickness. Paper must closely resemble a banknote in thickness to avoid jamming.
- Correct roughness range. A banknote has a certain roughness that needs to be reflected in an ATM sheetlet to avoid 'double picking' and a loss in stock / revenue.
- Correct quality glue. The ATM stamps must not utilise glue that 'oozes' with time / storage. This would cause friction and affect dispensing ability. The worst-case scenario (if unlikely), is a solid brick of sheetlets in the hopper.

### *The stamp printers*

Production of ATM stamp sheetlets requires primarily a specialised paper. Most security printers could produce the stamps, for the printing and die-cutting techniques are standard to the printing industry.

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(continued)

Five printers are currently known to openly be in the market, either through producing actual ATM stamps or publicity sheetlets.

## Australia

- Pemara Labels, Melbourne. Producers of the Australian Kangaroo ATM sheet on an amazingly thick paper that one would not expect to be ATM dispensable, but clearly worked.
- Sprintpak, Melbourne. An Australia Post subsidiary, yet to produce live stamps. However, their Internet site records their ability to produce such items.

## France

- ITVF, Perigeux. The state-owned stamp printers that produce French DAB (ATM) sheetlets. It is believed that they use Avery paper supplied from America, thus avoiding the major hurdle to entering the market.

## The Netherlands

- Joh. Enschedé, Haarlem. This major stamp producer has produced promotional ATM sheetlets. They have yet to be awarded a contract to produce ATM stamps for any postal authority that they represent. (see the illustrations below).



Dummy ATM sheetlet produced circa 1996, the stamp like design depicts Mie An Phung, who is the wife of Louk Clavan; a senior manager at Joh. Enschedé, Haarlem.



Another dummy ATM sheetlet produced circa 1996, by Joh. Enschedé, Haarlem.

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(continued)

## United States of America

- Avery Dennison, Pasadena. Pioneers in ATM stamp development and the only company to have any sort of 'hold' on the market. They have printed ATM stamps for Canada, Singapore, Taiwan, USA and at least one other country that had an issue imminent in 1997, but which never materialised.

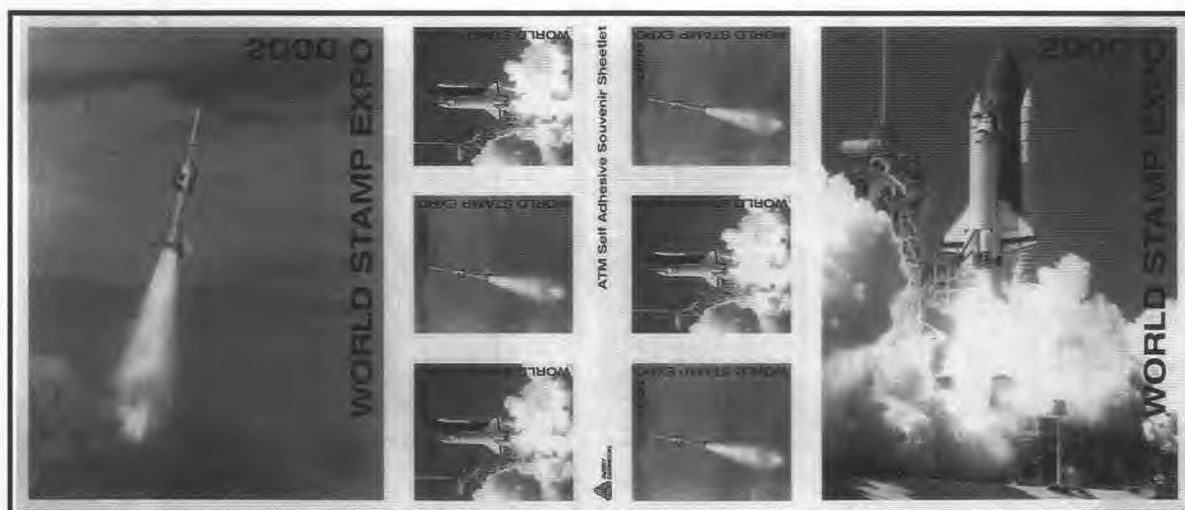
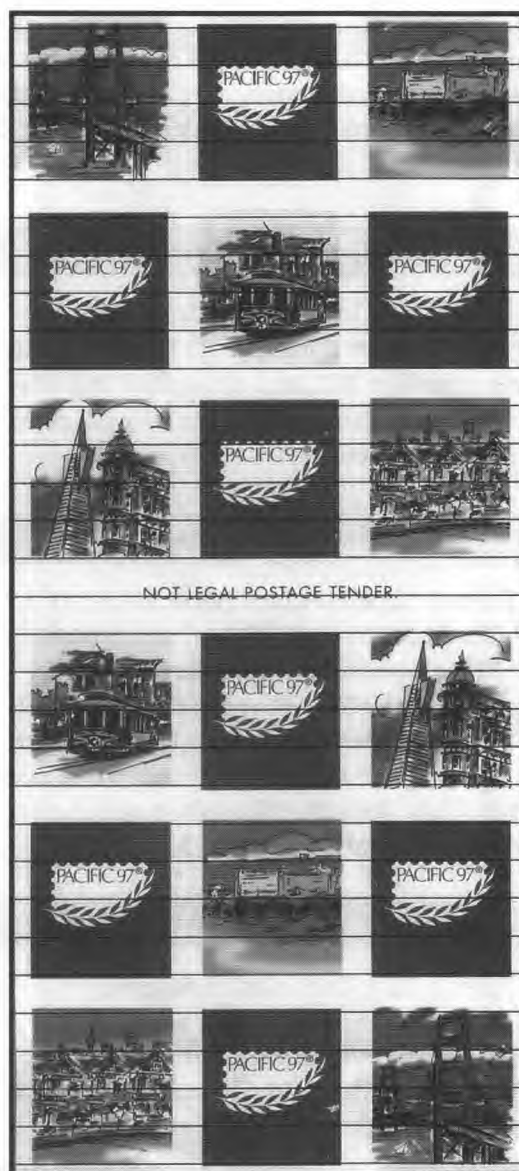
*Acknowledgements / Sources*

Thanks are due to the following sources for the assistance provided during the compilation of this article.

- Avery Dennison, Security Printing Division.
- Midland Bank Business Library, London.
- NCR Laboratories, Dundee.
- Private correspondence with post offices, security stamp printers, ATM manufacturers and/or suppliers, stamp collectors and ATM stamp dispensing banks worldwide.
- Publicity literature from post offices and banks taking part in the scheme.
- The philatelic trade press.

Right dummy ATM sheetlet produced 1997, by Avery Dennison for dispensing at the Pacific 97 stamp show.

*Note the defacing bars across each stamp.*



Dummy ATM sheetlet produced 2000, by Avery Dennison for the World Stamp Expo.