

## U.S. Banks Plan to Use Cellphones as a Substitute for ATM Cards

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Major banks like J.P. Morgan Chase, Bank of America, and Wells Fargo all have plans to roll out thousands of ATM machines this year that will be accessible using [cellphone technology alone](#).

These new machines give customers the ability to obtain cash or make deposits without the use of a traditional ATM card. Customers who are logged into their mobile banking apps on their phones can use N.F.C. (Near Field Communication) chip readers on the new machines in order to gain access to their accounts. J.P. Morgan Chase has already introduced this technology in several hundred ATM machines in four test cities across the United States. Bank of America already provides this service to users who have compatible phones and certain wallet apps, but they plan to bring this cardless option to [all of their machines](#) by the end of 2017.

With the introduction of this new technology comes both [security advantages](#) and disadvantages. One distinct benefit of using mobile technology instead of ATM cards will be a reduction in “skimming”, which is the process by which a scammer steals card information in order to access an individual’s bank account. However, this new innovation still has its flaws. A Chase customer recently had \$2900 stolen from her account when a thief obtained her login credentials, installed the Chase app on his phone, and used it to access her account at one of Chase’s new machines. Chase claimed it used this incident to strengthen its security measures.

In general, there is agreement that mobile ATM transactions are much faster than traditional card transactions. One bank even noted that its average transaction time dropped from 45 seconds to 10 seconds.

Many experts believe that ATM cards will remain a part of our financial ecosystem, but to what extent remains to be seen.