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Enhancing Financial Inclusion & Advancement
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The EFInA Explainer Series

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CBN 2025 Draft Guidelines on the Operations of ATMs in Nigeria
Misconceptions and Realities

Welcome to the CBN 2025 Proposed New Rules for ATM Banking in Nigeria

On October 9, 2025, the Central Bank of Nigeria (CBN) released an Exposure Draft of the Guidelines on the Operations of ATMs in Nigeria, updating provisions last addressed in the 2020 *Electronic Payment Channels Guidelines*. The new draft aims to enhance the reliability, accessibility, inclusivity, and security of ATM services, reflecting Nigeria's shift towards a cash-lite economy under the proposed *Payments System Vision 2028 (PSV2028)*. The Guidelines introduce clear operational standards for deployment density (number of ATMs per 100,000 people), reversal timelines, security, accessibility, and accountability. It also defines the roles of banks, Independent ATM Deployers (IADs), and Other Financial Institutions (OFIs).

What is new in the 2025 Exposure Draft?

The Exposure Draft is a callout of standalone guidelines on ATM operations from the 2020 Electronic Payment Channels Guidelines. The proposed guidelines reflect the CBN's intent to standardise ATM operations, reduce consumer complaints, and extend financial access through measurable obligations. Below are some marked differences between the guidelines contained in the Exposure Draft and the 2020 Electronic Payment Channels Guidelines.

Key Area	Old Rule (2020)	New Rule (2025 Draft)
Deployment Ratio	No explicit ratio, metric or minimum coverage standard was specified. Banks deployed ATMs at their discretion.	*At least 1 ATM per 5,000 cards issued* by 2028, with phased targets (30% in 2026, 60% in 2027, and 100% in 2028).
Accessibility	Fixed 2% of ATMs by each deployer should have a tactile graphic symbol for use by visually impaired customers.	*At least 2% of ATMs by each deployer must have tactile features* AND *accessible locations published online.*
Cash Availability	General uptime requirement, i.e. *"At all times"*. No SLA or fallback.	*Mandates "cash availability at all times" and maintenance SLAs with IADs.*
Data Reporting	Monthly deployment lists. "All ATM deployers shall submit monthly returns on their ATM deployments and activities to the Central Bank of Nigeria not later than the 5th day of the following month".	*Detailed monthly report to the CBN on the number, locations, and functionality status of ATMs, including uptime, cash availability, and accessibility features.*

Misconceptions and Realities

S/N	Misconceptions	Realities
1.	 *"Banks must install new ATMs everywhere immediately".*	The ratio is phased (30% by the end of 2026; 60% by the end of 2027; and 100% by the end of 2028). A large bank with 2 million cards must plan expansion over three years to achieve the rollout of 400 ATMs, prioritising underserved LGAs rather than adding more ATMs to urban malls.
2.	 *"Independent ATM Deployers (IADs) can operate without bank sponsorship".*	Not true! IADs still require bank partnerships for cash provisioning, but these partnerships ensure cash security and liquidity support, not control over ownership. A fintech deploying solar-powered ATMs in rural Kebbi can partner with a local MFB for cash replenishment while keeping operational autonomy.
3.	 *"The new rules make ATM use more expensive".*	Not necessarily. Fee transparency clauses require that all charges be displayed to customers before they confirm transactions. This is to prevent surprise deductions. The customer can decide to look for another ATM, or agent location, or proceed if he/she wishes.

4.		*"Accessibility only means making Braille available to people who cannot see".*	That is not true. Alongside braille, accessibility also includes audio prompts, height adjustments, safe lighting, and clear instructions on the screen for people with low literacy. Elderly users or individuals with low vision benefit from voice-guided menus and anti-glare screens to ensure they can use ATMs comfortably.
5.		*"Reversals are instant for all failures, meaning that your money will be reversed immediately irrespective of transaction type".*	The new guidelines require 24–48 hours, depending on the transaction type, and not instant reversals. If your GTBank card fails while using a Zenith ATM, the reversal may not occur immediately, but must happen within 48 hours.

Benefits of the Proposed Guidelines

For everyday Nigerians

1. Faster reversals will reduce frustration after failed withdrawals.
2. Safer, better-lit ATMs will encourage use at night or in low-traffic areas.
3. Transparent charges will prevent hidden costs.
4. The proposed improvement in security (CCTV and anti-skimming) will protect personal data and funds.

For the unbanked and underserved

1. More ATMs in rural and semi-urban areas through Independent ATM Deployers (IADs).
2. Accessibility features will support the visually impaired and low-literacy users.
3. Better dispute handling will build trust, motivating first-time ATM users.

For Financial Service Providers (FSPs)

1. Clear operational standards will improve industry discipline and reputation.
2. Domestic transaction processing will lower foreign network costs.
3. Performance reporting will enhance planning, analytics, and risk management.

Potential Impact on Financial Inclusion and Adoption

The guideline directly supports Nigeria's drive towards 95% financial inclusion by 2028 by:

1. Mandating ATM providers to always make cash available in all ATMS
2. Increasing trust in digital transactions through clear reversal timelines.
3. Encouraging innovation via IADs and fintech collaboration.
4. Creating employment opportunities through provisions for cash logistics and ATM maintenance services.

Indirectly, the proposed regulation will boost economic inclusion by ensuring that small traders, farmers, and transport operators in remote locations can access cash securely and consistently, further complementing agent banking.

Potential Challenges

Challenge	Potential Effect
Cost of compliance	Smaller banks and IADs may face high capital and operational expenses to meet deployment and security standards.
Rural infrastructure	Limited electricity and connectivity could delay rural ATM rollout.
Oversupply in urban areas	Strict "1 per 5,000 cards" rule may lead to redundant ATMs in already-served zones.
Consumer awareness	Low public understanding of reversal procedures and complaint channels could undermine trust.

What You Should Know and Do

If you’re a customer

1. Confirm fees before pressing “OK.”
2. Report failed withdrawals immediately; reversals must occur within 24–48 hours.
3. Use only ATMs with proper lighting and CBN notice tags.
4. Protect your card and PIN; never accept unsolicited help at ATMs.

If you're an Independent ATM Deployer (IAD)

1. Apply for CBN approval with your partner bank early.
2. Geo-tag your ATMs accurately (align with CBN’s Terminal Geo-Location Policy).
3. Maintain at least 95% uptime and document all maintenance activities.

If you’re a bank or fintech

1. Upgrade ATM networks for Payment Card Industry Data Security Standard (PCI DSS) compliance and refund automation.
2. Invest in solar-powered ATMs or shared cash-recycling units to manage cost.
3. Publish monthly ATM uptime and reversal performance dashboards for customers.

The 2025 Draft Guidelines on the Operations of ATMs in Nigeria represent a significant step towards establishing safer, fairer, and more reliable cash access points for Nigerians. While the guidelines require improvements in some areas, if well-implemented, they can significantly strengthen consumer trust, expand last-mile financial access, and promote inclusive economic growth. The final version must, however, strike a balance between inclusiveness and operational realities, and allow technology-neutral alternatives, such as agent cash-outs, cash recyclers, and smart kiosks, to contribute towards coverage goals. Ultimately, this draft guideline can become the cornerstone of Nigeria’s cash-lite and inclusive payment ecosystem, if paired with clear performance targets, flexible compliance models, and strong consumer awareness campaigns.

The EFInA Explainer Series is an advocacy tool that highlights transformative developments in Nigeria's financial services ecosystem, spanning policies, regulations, and innovations in financial products and services. Designed to educate and inform the public in an accessible format, the series draws on our vast knowledge, expertise, and network to clarify misconceptions and promote informed understanding and decision-making.

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