New Banks, Old Barriers: Will Fintech Innovation Finally Open Doors for Independent ATM Deployers?

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Fintech companies are pursuing federal banking charters while independent ATM deployers (IADs) continue to struggle for basic banking access. That contrast raises a central question: will a changing banking landscape create real opportunities for legitimate ATM operators, or simply add new institutions to a system that still hesitates to serve them?

For more than a decade, IADs have faced a persistent contradiction. They provide consumers with access to cash, often where traditional financial institutions have reduced their presence, yet many cannot reliably obtain commercial accounts, cash services, settlement support, or vault-cash arrangements. The problem is not that these businesses are inherently illegitimate; it is that cash-intensive operations are often viewed as not worth the perceived compliance burden.

The Regulatory Barrier Has Shifted, but the Mindset Remains

Operation Choke Point, launched during the Obama administration and discontinued by the Department of Justice in 2017, became associated with restricting banking services to categories of lawful businesses. Although the initiative ended, its legacy remains visible when banks reject cash-intensive businesses without weighing their transaction history, documented funding sources, or compliance controls.

Federal regulators have tried to clarify the issue. In June 2022, FinCEN stated that independent ATM owners and operators should not automatically be treated as higher-risk customers; banks should evaluate them individually according to their actual operations and risk controls. In March 2025, the OCC said it would stop examining banks for reputation risk and remove related references from supervisory materials.

Those are meaningful changes, but guidance alone does not change institutional behavior. An operator with 50, 100, or 500 ATMs may still struggle to find a bank willing to provide operating accounts, settlement support, cash services, or vault cash. Removing a regulatory obstacle does not automatically remove a bank's reluctance to manage due diligence and compliance responsibilities.

New Charters Could Help, but Not All Banks Solve the Same Problem

The financial-services landscape is changing quickly. In December 2025, the OCC conditionally approved five national trust bank applications involving Ripple, BitGo, Fidelity

Digital Assets, Paxos, and First National Digital Currency Bank. Coinbase received preliminary conditional approval for a national trust charter in April 2026, with its charter becoming effective in November. Revolut received conditional approval in received preliminary conditional approval for a national trust charter in April 2026, with its charter becoming effective in November. Revolut received conditional approval in September 2026 to establish a U.S. national bank, while Chime announced an agreement to acquire Stride Bank for approximately $590 million.

These developments show digital-first companies pursuing more control over their banking infrastructure. But a federally chartered national trust bank is not necessarily a traditional commercial bank. Depending on its charter, it may provide custody, fiduciary services, asset administration, and certain payment functions, but may not accept insured deposits, offer standard checking accounts, or provide commercial lending.

That distinction matters for IADs. A trust bank focused on digital-asset custody is unlikely to solve immediate needs such as vault cash, ATM settlement, or commercial operating accounts. A full-service bank with modern payment capabilities could offer more potential, but more federal charters do not automatically mean more institutions willing or able to serve the ATM industry.

Sponsorship Does Not Equal Full Banking Support

ATM network sponsorship and everyday banking are separate needs. A sponsor bank enables an ISO and its terminals to access participating EFT networks and helps maintain network compliance. Yet deployers still need operating accounts, settlement arrangements, cash-management services, and often vault cash.

The industry already has experienced sponsorship providers. Pathward, Prosperity Bank, Pueblo Bank & Trust, and Security First Bank have documented ISO sponsorship activities, while Herring Bank markets banking, settlement, vault cash, and cash-logistics services to independent ATM operators. Even so, a deployer using a sponsored processing program may still need a local or regional bank for deposits, currency access, fund management, and direct support from personnel who understand the ATM business.

Expanded Services Increase Both Opportunity and Complexity

Cash access remains the industry's foundation, but operators are also exploring deposits, bill payments, cardless transactions, digital-wallet integration, account funding, and API-connected financial services. These capabilities can create new revenue, strengthen retailer relationships, and extend financial access beyond traditional branches.

They also make banking arrangements more complex. A PIN-debit withdrawal, consumer deposit, and bill payment may occur at the same terminal but involve different transaction flows, settlement structures, and regulatory requirements. Depending on the service, deployers may need additional banking partners, payment facilitators, or specialized settlement capabilities.

This is where emerging fintech banks may become relevant. Institutions built around API connectivity, modern payments infrastructure, and integrated financial services could eventually provide more flexible partnerships alongside traditional ATM sponsors and processors. That does not mean they will automatically embrace cash-intensive operations, but it does justify looking beyond the institutions that have historically supported the industry.

Innovation Does Not Remove the Need for Sound Risk Controls

A new, technology-driven, or federally chartered institution is not automatically a better banking partner. Revolut, for example, experienced a customer-data breach in 2022 and separate security-related incidents in September 2026 involving fraudulent information requests and a third-party brokerage provider; Revolut stated that its own systems were not compromised in those September incidents.

The broader lesson is that innovation does not eliminate cybersecurity, operational, reputational, or compliance risks. IADs must continue to demonstrate strong cash controls, documented funding sources, effective reconciliation, and sound compliance procedures. The issue is not special treatment. It is fair, individualized evaluation based on actual business operations and risk profiles rather than assumptions triggered by the label “independent ATM operator.”

I’m not suggesting that every bank should be required to do business with every ATM operator. That’s not realistic, nor is it the point.

But legitimate businesses shouldn’t continue facing blanket reluctance from financial institutions when federal regulators have made it clear that these relationships should be evaluated individually and based on actual risk.

Here’s what I keep coming back to: The banking industry is finding ways to accommodate cryptocurrency custody, stablecoins, digital wallets, and increasingly complex fintech business models. Surely, we can find a reasonable and responsible way to provide banking services to legitimate businesses that dispense federally issued U.S. currency.

As financial services continue to evolve, the banking relationships supporting independent ATM deployers need to evolve with them.

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