

## Q/A - BATOPIN - CONC-PRP-22/0001

### **1. What is the Batopin cooperation, which was investigated by the Belgian Competition Authority (BCA)?**

The Batopin cooperation refers to the agreement between BNP Paribas Fortis, KBC, ING and Belfius, the four main banks operating in Belgium, with the aim of replacing their individual ATM networks with a single, neutral and independent network managed by the Batopin company.

The ATMs in the Batopin network are neutral, black-and-yellow ATMs bearing the "CASH" brand and are spread across various sites (also referred to as "CASH points" by Batopin, including street-side ATMs or ATMs installed in premises made available to Batopin).



Source: Batopin image bank, batopin.be 1

The aim of this cooperation is to streamline management and to optimise the geographical distribution of the ATMs belonging to Batopin's founding banks, which has resulted in a significant reduction in the number of sites and ATMs available in Belgium. In its initial configuration, the Batopin network consisted of 750 sites and 2,240 ATMs, representing a decrease of more than half the number of ATMs in the respective individual networks of the four founding banks.

### **2. Why did the BCA decide to open an investigation into the Batopin cooperation?**

The BCA opened an investigation to assess whether the Batopin cooperation was in compliance with competition rules. The BCA indeed has the power to investigate and, if necessary, identify possible infringements of competition law, which prohibits agreements between undertakings that have as their object or effect the significant restriction of competition on the Belgian market.

The goal of the BCA was to determine whether the Batopin cooperation, by eliminating competition between the four founding banks in their cash distribution services, could compromise accessibility to ATMs, the quality of services provided to users, and competition with other operators present in the cash distribution market.

### **3. What were the BCA's concerns at the time of opening the investigation?**

The BCA was concerned that the creation of a single ATM network would have the following effects:

- an increase in the distance users would have to travel to withdraw cash, due to the reduction in the number of sites and ATMs resulting from the cooperation;



- a possible deterioration in the quality of services, particularly due to increased use of the remaining ATMs, following the reduction in the number of sites and ATMs resulting from the cooperation.

The BCA also raised questions regarding the exchange of information between the founding banks and with other ATM operators at the time of Batopin's creation and since its establishment.

#### **4. What type of analysis did the BCA carry out?**

The BCA carried out an in-depth analysis of the potential **effects** of the Batopin cooperation agreement on competition.

To this end, the BCA has primarily developed models to assess the impact of the Batopin cooperation on users' access to ATMs (see Q5) and on the quality of services provided through the network (see Q6).

#### **5. How did the BCA assess the impact of the Batopin cooperation on ATM accessibility?**

To assess the impact of the cooperation on ATM accessibility, the BCA analysed the average distance a representative user would have to travel to reach the nearest Batopin ATM site by comparing two scenarios: one with the Batopin cooperation (factual scenario, reflecting the replacement of the founding banks' ATMs with those of Batopin), and one without the Batopin cooperation (counterfactual scenario, reflecting the continuation of separate ATM networks by the founding banks, that would have evolved in line with cash demand).

- The BCA first divided the Belgian territory into approximately 33,000 squares of 1km<sup>2</sup>, assuming a representative user is located at the centre of each square.
- Based on the location plan provided by Batopin for the end of 2025 and data provided by the National Bank of Belgium ("NBB"), the BCA calculated the distance each representative user would need to travel to reach the nearest Batopin ATM site (factual scenario).
- Using an alternative location plan for the ATMs of the four founding banks in 2025, which took into account changes in cash demand, the BCA calculated the distance travelled by each representative user to reach the nearest Batopin ATM site (counterfactual scenario).
- By comparing the distances from both scenarios, the BCA assessed the impact of the Batopin cooperation. As a result, the BCA came to the preliminary conclusion that the cooperation was likely to have a significant adverse effect on users' accessibility, due to the increased average distance a user would need to travel to access the nearest ATM site.

#### **6. How did the BCA assess the impact of the Batopin cooperation on network service quality?**

To assess the impact of the cooperation on **network service quality**, i.e. the user's experience at the ATM site, the BCA developed a quantitative and qualitative approach to determine whether, and to what extent, the Batopin cooperation could lead to a decline in the quality of cash access services:

- The BCA evaluated the impact of the Batopin cooperation on ATM usage intensity (measurable data), taking into account the number of ATMs available per site and the number of withdrawals. Again, the BCA compared two scenarios: one with the Batopin cooperation (factual scenario) and one without the Batopin cooperation (counterfactual scenario).
- Additionally, the BCA examined Batopin's incentives to maintain other, less quantifiable aspects of service quality, such as the availability of the requested denominations, the provision of additional ATM services ( balance enquiries, PIN changes, e-ID reading, etc.), the availability of other banking services on-site, as well as the cleanliness and security of the ATM sites.
- Based on its preliminary analysis, the BCA concluded that the deployment of the Batopin network could lead to an increase in average ATM usage intensity, potentially affecting users' waiting times and ATM availability. Furthermore, the pooling of the networks of the four founding banks could reduce certain incentives to maintain optimal service quality.

#### **7. What were the BCA's conclusions following its preliminary analysis?**

At the conclusion of its preliminary analysis, the BCA found that the cooperation could lead to an increase in the distance users have to travel to access ATMs and to a possible decline in the quality of services, particularly in terms of ATM availability and waiting times for cash withdrawals.

#### **8. Which commitments did Batopin and the banks BNP Paribas Fortis, KBC, ING and Belfius offer to address the BCA's concerns?**

In order to address the BCA's concerns, Batopin and the founding banks have committed, in particular, to:

- add 70 new ATM sites by the end of 2027, in addition to the 220 sites that Batopin had already planned to install following the agreement of 31 March 2023 between the banking sector and the government (see Q11);
- maintain a presence in the municipalities served by the Batopin location plan until the end of 2030;
- maintain, in any event until end 2030, coverage enabling 95% of Belgians to have access to an ATM within 5 km of their home and 85% of Belgians to have access to an ATM with a deposit function within the same distance (with exceptions)<sup>1</sup>;
- monitor withdrawal transaction volumes by site to check the intensity of use of the network;
- monitor network availability for withdrawals and guarantee a network availability rate of at least 95%;

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<sup>1</sup> Provided that the total number of withdrawals or deposits recorded across the networks of ATM operators in Belgium (according to the data collected annually by Febelfin) does not decrease, in 2026 and the subsequent years, by more than 20% over a period of any two consecutive calendar years.

- indicate the location of the nearest CASH Batopin point offering withdrawal or deposit services if an ATM is unavailable;
- ensure 24/7 access to ATMs (with exceptions)<sup>2</sup>;
- submit annual reports to the BCA on the implementation of the commitments, covering progress in the rollout of additional sites, presence in municipalities, and network coverage, as well as monitoring of the network's operation;
- continue to apply the necessary measures to avoid any exchange of commercially sensitive information within Batopin and with other ATM operators.

**9. Why did the BCA accept the commitments given by Batopin and the founding banks?**

To address the concerns identified by the BCA following its preliminary analysis (see Q4, 5, 6), Batopin has proposed concrete commitments to improve its network's accessibility and ensure a quality of service.

The BCA considered that these commitments sufficiently addressed the identified concerns and therefore made them legally binding.

When commitments are offered by the party or parties concerned and are likely to meet its concerns, the BCA can close an investigation, following market consultation, by declaring these commitments binding.

**10. Were the commitments offered by Batopin submitted for market consultation?**

Before accepting the commitments, the BCA submitted them for consultation to various market players, consumer protection associations, professional associations representing in particular small and medium-sized enterprises, representatives of the banking sector and other public authorities. These parties were given the opportunity to respond to a questionnaire and provide their comments.

**11. What does the agreement of 31 March 2023 between the government and the banking sector provide for, and what impact did it have on the Batopin cooperation?**

On 31 March 2023, the federal government, Febelfin and ATM operators concluded an agreement on access to ATMs. This agreement is independent of the BCA's action and the proposed commitments (see Q12 and 13).

This agreement is available on the FPS Economy website: [Access to ATMs - Agreement between the federal government and Febelfin | FPS](#)

In concrete terms, the market players concerned (card issuers and/or ATM operators), including Batopin, have committed to the federal government, until 31 December 2027, to:

- add 207 ATM sites and maintain this number until the end of 2027;

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<sup>2</sup> This policy does not apply to sites located in places where opening hours are not determined by Batopin (e.g. shopping centres, stations, etc.). Furthermore, Batopin reserves the right, for security reasons, to temporarily or permanently adjust the opening hours of specific sites.



- add 80 additional ATMs in the Brussels-Capital Region and in urban areas of the provinces where the number of inhabitants per ATM exceeds 2,500;
- create and/or maintain at least one ATM per municipality;
- allow holders of debit cards linked to a Belgian account to make at least 24 cash withdrawals free of charge within the eurozone;
- not impose additional charges on users for withdrawals (i) made with debit cards issued by a Febelfin member and (ii) for which the ATM operator is entitled to remuneration at least equal to the BeDebit remuneration - unless ATM operators not party to the agreement open one or more ATM sites on the Belgian market and apply separate charges to users for withdrawals;
- ensure that at least 1 ATM in each municipality is accessible 24/7 if it is a street-side ATM, with the possibility of closing at night if the ATM is located in a publicly accessible building;
- ensure the accessibility of ATM premises, taking into account the needs of disabled and elderly people;
- monitor the use (capacity) and proper functioning (availability) of ATMs, with all ATM networks being operational and available to users 95% of the time measured on a monthly basis and assessed by the NBB.

Batopin also committed to ensuring that 50% of its ATMs offer deposit functionality, in order to guarantee that at least 85% of the Belgian population has access within a maximum road distance of 5 km to an ATM offering this functionality.

Following the agreement of 31 March 2023, Batopin planned to expand its network to 970 sites (compared to the initially planned 750), including more than 2,500 ATMs by the end of 2025, covering both the sites provided for in the agreement and additional ones.

### ***12. Was the agreement of 31 March 2023 taken into account in the BCA's analysis?***

The BCA's investigation did not focus on the agreement of 31 March 2023 but only on the cooperation. However, it did take into account the additional sites and ATMs provided for in the agreement when analysing the impact of the cooperation on the distance a representative user would have to travel to the nearest Batopin ATM site.

The results of the analysis indicate that the agreement of 31 March 2023 significantly reduced the adverse effects for users, but did not eliminate them entirely.

### ***13. How do the commitments offered by Batopin differ from those set out in the agreement of 31 March 2023 between the government and the banking sector?***

The commitments offered by Batopin to the BCA differ from those set out in the agreement of 31 March 2023 in several respects:

- They only concern Batopin (and its founding banks), whereas the commitments set out in the agreement of 31 March 2023 apply more generally to ATM operators;
- They are legally binding on Batopin, may face a fine or reopening of the investigation in the event of non-compliance. Thus, even though some of the commitments are

similar to those set out in the agreement of 31 March 2023, they are now binding on Batopin and subject to monitoring by the BCA;

- They have a longer duration, since Batopin's commitments to the BCA apply until 31 December 2030, whereas the agreement of 31 March 2023 only runs until 31 December 2027. The 70 additional sites to be added under Batopin's commitments are also subject to a deadline of 31 December 2027.
- They are broader in scope:
  - Batopin undertakes to add 70 additional ATM sites beyond the network expansion announced following the agreement of 31 March 2023, which had increased the number of sites to 970. Batopin will submit annual reports to the BCA on the progress of the rollout of these additional sites, bringing the Batopin network to 1,040 ATM sites by the end of 2027.
  - In addition to the coverage commitment relating to cash deposits also included in the agreement of 31 March 2023 (but now binding and extended over time) aimed at ensuring that at least 85% of the Belgian population has access to an ATM offering deposit functionality within a maximum road distance of 5 km, the coverage commitments offered also relate to other aspects: ensuring Batopin's continued presence in the municipalities served by its location plan, and maintaining coverage guaranteeing that at least 95% of Belgians have access to a Batopin site offering cash withdrawals within a maximum road distance of 5 km. Batopin will submit annual reports to the BCA on municipal presence and network coverage.
  - In order to monitor the availability of its network (both sites and ATMs), Batopin has developed a monitoring methodology and undertakes to draw up a report for each calendar year from 2025 to 2030 containing data on the availability of withdrawal operations. Batopin will submit annual reports to the BCA monitoring the functioning of the network. These reports are intended to demonstrate how the commitments have been implemented.
  - Furthermore, by the end of 2026 at the latest, the screens of ATMs in the Batopin network will indicate, in the event of unavailability of the withdrawal or deposit function, the nearest CASH Batopin point where these services are available.
  - Batopin undertakes to maintain its sites open 24/7, with the exception of "cash shops", which will be closed between midnight and 6:00 a.m. This commitment does not apply to sites located in areas where opening hours are not determined by Batopin (e.g. shopping centres, airports, stations, underground stations). The commitment concerning opening hours under the agreement of 31 March 2023 established a 24/7 access policy for at least 1 ATM per municipality and only for street-side ATMs, with the option of closing at night when the ATM is located in a publicly accessible building.



- Batopin also undertakes to continue applying the necessary measures to prevent the exchange of commercially sensitive information within Batopin and with other market players.

**14. Can Batopin amend the commitments?**

Batopin may request authorisation from the BCA to lift, amend or replace one or more conditions or obligations, in particular in the event of difficulties significantly affecting the conditions for implementing the commitments. Any modification of the commitments must therefore be authorised in advance by the BCA, which is free to assess whether or not the circumstances justify such a request.

**15. Will the BCA monitor the implementation of the commitments?**

Yes. Monitoring mechanisms are foreseen, in particular by means of annual reports that Batopin commits to transmitting to the BCA concerning the implementation of the commitments. In the event of non-compliance, the BCA may intervene.

**16. Does the BCA's decision mean that Batopin has infringed competition law?**

No. The BCA closed the investigation by accepting the commitments offered by Batopin and declaring them binding, without ruling on the existence of a competition law infringement.

When the BCA closes an investigation on the basis of commitments offered by the party or parties concerned, it does not establish an infringement but merely identifies competition concerns that are addressed by the commitments.

**17. Can the BCA's decision be appealed?**

No. The decision to close the investigation based on the commitments offered by Batopin is not subject to appeal.

**18. What are the concrete benefits of the BCA's decision for users?**

Thanks to the commitments offered by Batopin and declared binding by the BCA :

- ATM accessibility will be significantly improved through the addition of new sites;
- Quality of service will be guaranteed due to improved network availability;
- Users will continue to have fair and efficient access to ATMs.