

DIEBOLD INC (DIEBOLD) AND WINCOR NIXDORF AG (WINCOR) MERGER INQUIRY

Summary of a call with Nationwide Building Society (Nationwide) during the phase 1 inquiry on 12 July 2016

Background

1. Nationwide used automated teller machine (ATM) hardware supplied by NCR and had approximately [X] NCR devices in its ATM network. It used the NCR operating system which was integrated with Nationwide's IT systems and used [X] for second-line maintenance. It procured the hardware and software separately.
2. Nationwide had used NCR devices for [X] years. During that period it had also used Wincor devices but the last of these was taken out of service [X] years ago. At that time it had about [X] devices total and operated a multivendor software solution. It did not view the multivendor software solution as meeting its needs and it was [X]. It said this was because the [X].
3. It typically took around [X] to procure new software which was a significant commitment. [X].
4. Nationwide said it still engaged [X].

Other suppliers

5. Nationwide said it was aware that Nautilus Hyosung was being used by its competitors as an alternative to Diebold, Wincor and NCR. It did not have any details about Global Glory Solutions offering other than teller assist units.
6. Nationwide said it [X]. [X]. It was participating in the ATM Industry Association and Retail Banking Research conference in the UK [X].
7. Nationwide said that it was important to have confidence in the support and maintenance service provided by a supplier; and that the provider understood the device and was able to act quickly when confronted with unforeseen issues. It was important for such services to be based in the UK.
8. Being a hardware provider was less of a requirement for second-line maintenance, where there were credible alternatives [X]. A single supplier could provide first and second line maintenance. It had provisioned used

Siemens' engineering workforce as an independent maintenance provider for many years before migrating to NCR.

9. Nationwide said it had considered the [✂].

Companies servicing its competitors' devices

10. Nationwide said that most ATM engineers had worked for many of the maintenance providers at one time. Partnership agreements existed that meant knowledge could be shared amongst competitors. Consequently any real differences between suppliers were likely to be minimal. [✂].

Possible entrants

11. Nationwide said it was not aware of GRG Banking or OKI. It observed that Triton offered relatively small and simple ATMs for independent ATM deployers [✂]. [✂].
12. Nationwide said it did not see itself [✂].

View of the merger

13. Nationwide said it was surprised when it heard of the Diebold and Wincor merger as their approaches to hardware were very different. It will be of interest to see which products it consolidates and which it takes forward.
14. Nationwide said the [✂].