

**ALL INTERNET  
AND PHONE  
PAYMENTS TO BE  
FASTER FROM  
2012**



### What is happening?

From 1 January 2012, an EU-wide law change means that standing orders and phone and internet banking payments must reach the recipient's bank account by the end of the next working day. However, in the UK almost all such payments (made at any time of the day) will exceed this requirement, being made available within two hours through the Faster Payments service.

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### How is this different?

Even though the vast majority of internet, phone and standing order payments were already being processed as same-day Faster Payments, up until the end of 2011 about one in seven took three working days to go through. All of these payments will now be sent as Faster Payments and available within two hours, no matter when they are sent.

- **Internet and phone banking transactions**, including things like *paying credit card bills* and *tax payments to HMRC*, as well as *one-off payments to friends or businesses*.
- **Standing orders** - for example *rent payments, charitable donations, life assurance*

that you want it to arrive (in the past it would have been debited two days beforehand).

- **All consumer payments of £100,000 or over** will be processed using the same-day CHAPS system. Banks usually charge for these payments.

All payments from the UK to other countries in the EEA, either in pounds to euros, or euros to euros, will also benefit from quicker processing, arriving by the end of the next working day at the latest.

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### **How does my bank's Faster Payments value limit affect my payments?**

All electronic payments have to reach the recipient's bank account by the next working day, however they are processed. Some banks have a limit of less than £100,000 for Faster Payments, but if you aren't currently charged for the type of transaction you are making, you won't be in future either (provided your bank hasn't contacted you to inform you they are introducing a charge). [Click here to see your bank's Faster Payments value limit.](#)

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### **Will this affect cheques or Direct Debits?**

No. Direct Debits and Bacs Direct Credits will continue to work in the same way, as they already meet the new legal requirement. The new legislation only covers electronic payments, so cheque clearing timescales (known as the [2-4-6 rules](#)) are also unaffected.

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### **Are there any exceptions?**

No - all electronic payments will need to be sent in this quicker timescale, including those to or from a 'non-payment account'.

Non-payment accounts are those that have restrictive features such as notice periods for withdrawals or limits on placing or withdrawing funds. The difference for non-payment accounts is that the funds do not need to be made available immediately, only within a reasonable time period.

## What do I have to do to take advantage of the new quicker payments?

Nothing, the changes take effect automatically. From 1 January 2012, any payments you make by internet or phone banking (including standing orders) will arrive by the end of the following business day at the latest.

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## Do the changes affect the level of security and fraud protection I get?

No. Innocent victims of financial fraud are legally protected from financial losses, no matter what form of payment they use.

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## Anything else I should know?

As with any type of payment, it is important to make sure you provide the correct sort code and account number for a payment to be processed. If you use the wrong details, you could lose any money you send (although your bank will make reasonable efforts on your behalf to recover it).

## Where can I find out more?

For more information about your payment options, including step-by-step guides if you are new to internet banking, visit [www.payyourway.org.uk](http://www.payyourway.org.uk) or ask your bank.

You can also contact the Payments Council by post:

2 Thomas More Square,

London E1W 1YN

Or by email: [enquiries@ukpayments.org.uk](mailto:enquiries@ukpayments.org.uk)