

# Cheque Guarantee Card Scheme

Research to assess the impact of closure

December 2011

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December 2011

## **CHEQUE GUARANTEE CARD SCHEME – RESEARCH TO ASSESS THE IMPACT OF CLOSURE**

This report sets out the results of research to assess the impact of closure of the UK Cheque Guarantee Card Scheme. The research was commissioned by the Payments Council and undertaken by the independent market research agency Synovate. A separate briefing sets out the key conclusions that the Payments Council has drawn from this research, as well as the Payments Council's proposals for how these results will be incorporated into its future plans.

### **1 BACKGROUND**

In recent years, the use of guaranteed cheques has been continually declining, accelerated in particular by businesses that took the decision to no longer accept cheques as payment. Responding to this year-on-year decline, in 2009 the Payments Council took the decision to manage the decline of the Cheque Guarantee Card Scheme and prevent confusion amongst businesses and consumers by setting a timescale for its closure. The Scheme closed on 30<sup>th</sup> June 2011. Since this time, it has no longer been possible to guarantee a cheque by showing a guarantee card to the recipient; however, businesses have remained able to accept cheques if they so choose, and consumers continue to be able to write them.

As part of the post-closure activities, the Payments Council commissioned independent market research to review the impact of the Scheme's closure on:

- Businesses that had previously accepted guaranteed cheques; and
- Consumers who had previously used cards to guarantee any of their cheques.

The broad objective of the research was to explore:

- The extent to which former acceptors of guaranteed cheques have changed their behaviour following closure of the Cheque Guarantee Card Scheme (for example, Are they now less willing to accept cheques? Are they more willing to accept other methods of payment? How has the closure of the Scheme affected their business?)
- The experience of consumers when attempting to pay by cheque (for example, Have customers experienced a change in the number of businesses willing to



accept payment by cheque, or an increase in willingness to accept other payment methods?)

- How extensive is awareness of closure of the Cheque Guarantee Card Scheme?

## 1.1 About the Market Research

The Payments Council commissioned the independent market research company Synovate to conduct two surveys on our behalf:

1. *Business survey*: Telephone interviews with 501 businesses that were previously accepting guaranteed cheques.
  - Businesses in the survey were spread geographically across the whole UK
  - The survey actively targeted those businesses most likely to have been accepting guaranteed cheques prior to closure of the Scheme (ie those providing services to individuals, rather than to other businesses)
  - The survey was open to businesses of all sizes, but focussed particularly on sole traders, micro and small businesses
  - The fieldwork was conducted during October 2011, three months after closure of the Scheme.
2. *Consumer survey*: Telephone interviews with 600 consumers that were previously using a cheque guarantee card to guarantee cheques.
  - It was challenging to find consumers who had been using cheque guarantee cards prior to closure of the Scheme. 6,644 consumers were willing to take part in the survey but, when screened, only 600 of these were found to be users of guaranteed cheques.<sup>1</sup>
  - The consumer research included quotas to ensure that the opinions of older people were reflected, with a separate quota included for those aged 80 or over

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<sup>1</sup> It is therefore relevant to bear in mind that, whilst the survey represents the views of the 10% of consumers who were using guaranteed cheques prior to closure of the Scheme, the remaining 90% of consumers who had not been using the Scheme prior to closure would not be expected to have been affected by the change.



- Consumers in the survey were spread geographically across the whole UK
- The fieldwork began in October 2011, three months after closure of the Scheme, and was completed on 14<sup>th</sup> November 2011

## **1.2 Report Structure**

The remainder of this report is set out as follows:

- Section 2 presents the results of the business research
- Section 3 presents the results of the consumer research
- The Annex at the end of the report contains the questionnaires used in the market research



## 2 BUSINESS RESEARCH

This research explored the experiences of 501 businesses that were actively accepting guaranteed cheques prior to closure of the Scheme. In this way, only those businesses that had been making use of the Cheque Guarantee Card Scheme were included in the research.

The sampling approach targeted those businesses most likely to have been accepting guaranteed cheques prior to Scheme closure, (for example, excluding businesses that were exclusively receiving payments from other businesses). 28.5% of the 1,757 businesses contacted through the market research had accepted a guaranteed cheque in the previous 12 months, and so qualified to respond to the full survey. It should be noted that, had the sample not been targeted as it was, this percentage would be expected to be far lower, since businesses operating in the business-to-business sphere would not have been accepting guaranteed cheques.<sup>2</sup>

The research covered businesses of a variety of sizes. The following table shows a breakdown of businesses within the survey that had accepted a guaranteed cheque in the previous 12 months, by annual turnover.

**Table 1**  
**Businesses previously accepting guaranteed cheques, by annual turnover**

Annual turnover	Proportion of businesses in survey
Up to £49,999	32%
£50,000 - £99,999	16%
£100,000 - £249,999	13%
£250,000 - £499,999	10%
£500,000 - £999,999	4%
£1million- £1,999,999	3%
£2million- £4,999,999	1%
Refused	19%

*Base: All businesses accepting a guaranteed cheque in the past 12 months (501)*

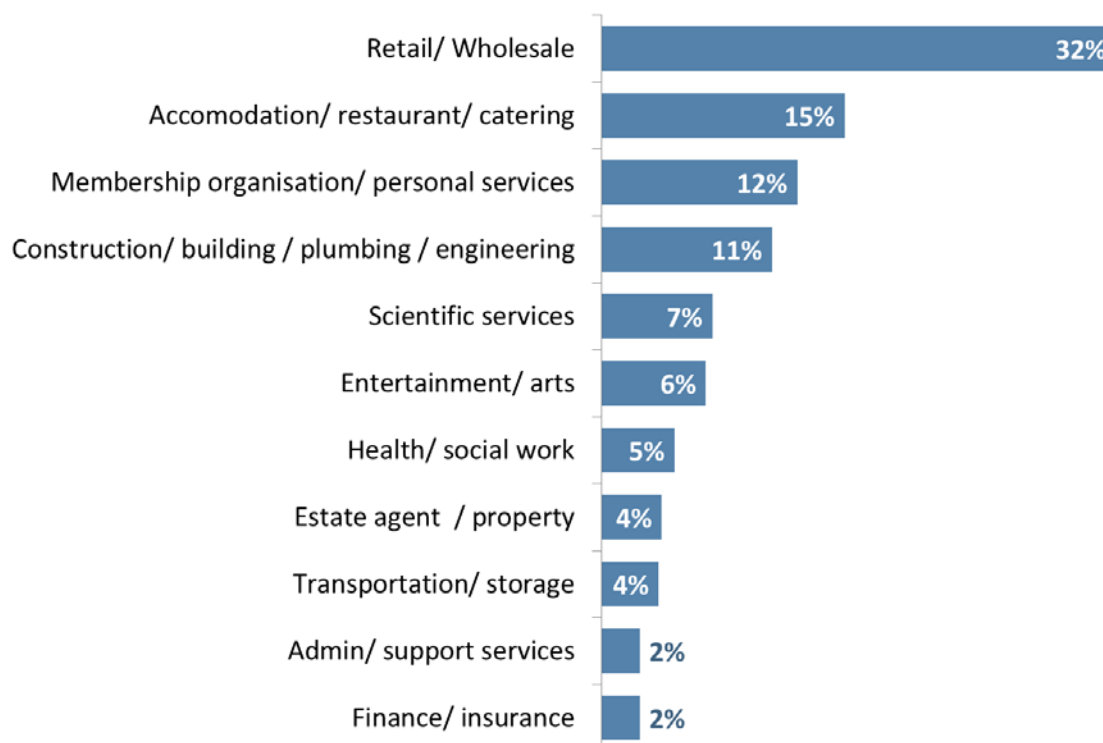
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<sup>2</sup> Under the rules of the Cheque Guarantee Card Scheme, businesses could not use a cheque guarantee card to guarantee cheques written to other businesses.



Businesses that had accepted a guaranteed cheque in the previous 12 months also fell into a variety of industrial sectors. The following diagram shows the breakdown of businesses that responded to the survey by industrial sector.

**Figure 1**  
**Businesses previously accepting guaranteed cheques, by industrial sector**



*Base: All businesses accepting a guaranteed cheque in the past 12 months (501)*

As we can see, the research covered a variety of industrial sectors, with retailers (including charity retail outlets) forming the largest individual group of businesses that had previously accepted guaranteed cheques.

In discussing the outcome of the research, we consider a variety of issues in turn:

1. Payments received by businesses prior to closure of the Cheque Guarantee Card Scheme
2. Business reaction to closure of the Scheme
3. Experience of businesses that have stopped accepting cheques



4. Experience of businesses that still accept cheques
5. Other payment methods accepted

## **2.1 Payments received by businesses prior to closure of the Scheme**

The research included questions asking businesses about their experiences prior to closure of the Scheme.

### **2.1.1 Cheques without an accompanying guarantee card**

All 501 businesses in the sample had accepted guaranteed cheques in the past 12 months.<sup>3</sup> However, guarantee cards were not always demanded by these businesses:

- 75% of businesses that had accepted guaranteed cheques in the past 12 months had also accepted cheques that were not supported by a Cheque Guarantee Card.
- On average, these businesses asked to see a Cheque Guarantee Card for about a third of the cheques they received, with about two-thirds being accepted without a Guarantee Card.
- Sole traders were more likely to accept cheques without a guarantee card, with 81% stating that they accepted cheques without a guarantee.

### **2.1.2 Guaranteed cheques returned unpaid**

Businesses were asked whether they had ever experienced problems related to guaranteed cheques being returned unpaid due to fraud or other reasons. 20% of businesses had experienced such problems.

Businesses were also asked if they had experienced any *other* problems when accepting guaranteed cheques. Two businesses mentioned problems arising where signatures on

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<sup>3</sup> Respondents were asked about their experience of using the Scheme in the previous 12 months in order to determine whether they had been actively using the Scheme, but without assuming that they were aware of its closure (or biasing the results of later survey questions on awareness of closure of the Scheme).



cheques did not match signatures on the card, or instances where the customer had forgotten to sign the card.

## 2.2 Business Reaction to Closure of the Scheme

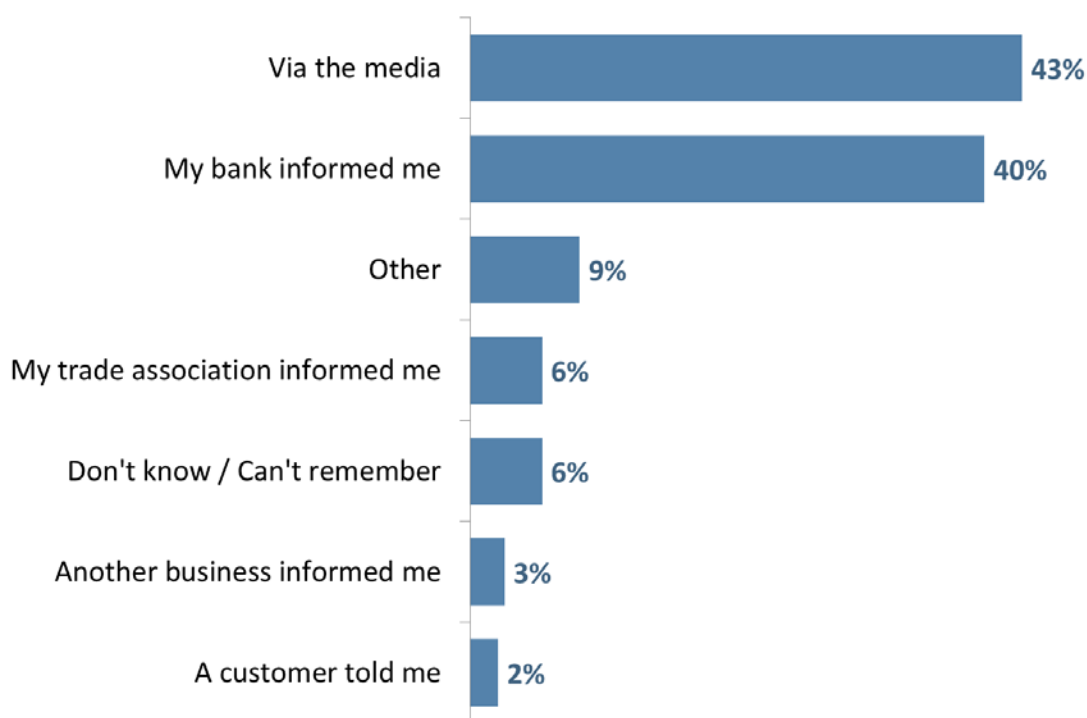
Businesses were asked a variety of questions in an attempt to understand their awareness of, and reaction to, closure of the Cheque Guarantee Card Scheme.

### 2.2.1 Awareness of Scheme closure

Of the 501 businesses questioned during the survey, 81% were aware that the Cheque Guarantee Card Scheme had closed.

Of those that were aware of the Scheme closure, the majority had either found out about it through the media or had been informed by their bank.

**Figure 2**  
**How did you discover the Cheque Guarantee Card Scheme had closed?**



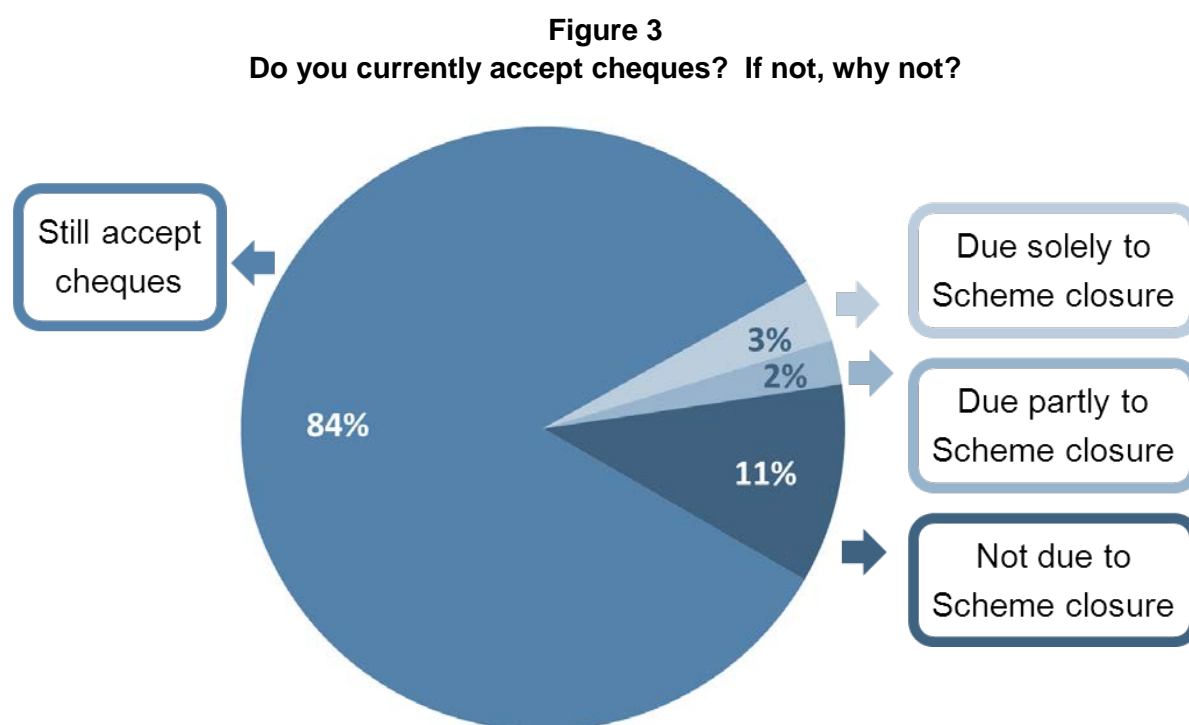
*Base: All businesses aware that the Cheque Guarantee Card Scheme had closed (404)*



## 2.2.2 Do businesses still accept cheques?

Businesses were asked whether they currently accept cheques as a payment method when dealing with face-to-face customer transactions. 84% of businesses in the sample (that is, businesses that had accepted cheques with a guarantee card in the past 12 months) said that they still accept cheques as payment.

The 16% of businesses that said they no longer accept cheques were asked why they had decided to stop accepting cheques.



*Base: All businesses previously accepting guaranteed cheques (501)*

As we can see from the above diagram:

- 3% of businesses that had accepted a guaranteed cheque during the past 12 months said they no longer accepted cheques solely due to closure of the Scheme.



- 2% of businesses that had accepted a guaranteed cheque during the past 12 months said that they no longer accepted cheques partly due to closure of the Scheme, but they also named other reasons that led to their decision.
- 11% of businesses that had accepted a guaranteed cheque during the past 12 months said that they had stopped accepting cheques but that this was due to other reasons (including fears about fraud, cost, and the preferences of consumers who no longer wished to pay by cheque).

The businesses that stated they have stopped accepting cheques were spread across a variety of industries. Of the businesses that had stopped accepting cheques either solely or partly due to closure of the Cheque Guarantee Card Scheme:

- Just under half were classified as 'retail trade';
- Around a quarter provided 'accommodation, restaurant or other catering' services; and
- The remainder conducted 'financial / insurance activities', 'membership organisations / personal service activity', 'arts, entertainment and recreation' or 'professional or scientific services'.

### **2.2.3 Accepting cheques from known/familiar customers or those whose address is known**

All businesses in the survey that had accepted a guaranteed cheque in the past 12 months but now no longer accepted cheques were asked whether they would still be willing to accept cheques from customers who were familiar or known to them, or from customers whose address was known.

- Among the 86 businesses in the survey that had stopped accepting cheques, **62%** said that they would still be willing to accept cheques from known or familiar customers or those whose address is known.
- Among the 29 businesses that said they had stopped accepting cheques either solely or partly due to closure of the Scheme, **60%** said that they would still accept cheques from known or familiar customers or from customers whose address is known.



## 2.3 Experience of businesses that have stopped accepting cheques

All 86 businesses in the survey that had accepted a guaranteed cheque in the past 12 months but now no longer accepted cheques were asked about the impact of this decision on their business.

### 2.3.1 Impact on business income

All businesses in the survey that had accepted a guaranteed cheque in the past 12 months but now no longer accepted cheques were asked if they thought that their business income had suffered directly as a result of the fact that they no longer accepted payment by cheque.

- **One business** in the survey thought their business income had suffered as a result of their decision to stop accepting cheques.
  - The business in question stated that only “a fairly small proportion” of business income had been lost.
  - This business stopped accepting cheques for reasons other than the closure of the Cheque Guarantee Card Scheme. Closure of the Scheme was not a contributing factor in its decision.
- **No other businesses** surveyed thought that their income had suffered.

### 2.3.2 Any other difficulties?

All businesses in the survey that had accepted a guaranteed cheque in the past 12 months but now no longer accepted cheques were asked whether any other difficulties (other than loss of revenue) had been caused solely by the fact that they no longer accepted payment by cheque.

- **One business** in the survey thought that they had experienced other difficulties due to the fact that they no longer accept payment by cheque.
  - When asked to describe the difficulties, this business said that the change had initially confused some customers, but that the business had addressed this by helping customers learn to use their debit cards.



- **No other businesses** surveyed thought that their decision to stop accepting cheques had caused any other difficulties.

### 2.3.3 Businesses receiving complaints from customers

All businesses in the survey that had accepted a guaranteed cheque in the past 12 months but now no longer accepted cheques were asked whether they had received any complaints from customers following this change.

- Of the 29 businesses that had stopped accepting cheques either solely or partly due to closure of the Scheme, **one business** had received complaints from customers.
- Among the remaining 57 businesses in the survey that had stopped accepting cheques but whose decision had not been influenced by closure of the Scheme, a total of **3 businesses** had received complaints from customers.

## 2.4 Experience of businesses that continue to accept cheques

All businesses in the survey that had accepted a guaranteed cheque in the past 12 months and continue to accept cheques without a cheque guarantee card were asked about their experiences.

### 2.4.1 Additional information requested from consumers

All businesses in the survey that had accepted a guaranteed cheque in the past 12 months and continue to accept cheques without a cheque guarantee card were asked whether they request that customers provide any information when paying by cheque (including, for example, proof of identity or the payer's contact details).

**27%** of businesses that previously accepted guaranteed cheques, and that still accept cheques now (without a guarantee card), ask for some form of additional information from customers, which may include:

- Address of payer
- Proof of identity
- Payer's name



- Payer's telephone number
- Request to see payer's debit card

#### 2.4.2 Use of commercial cheque warranty services

All businesses in the survey that had accepted a guaranteed cheque in the past 12 months and continue to accept cheques without a cheque guarantee card, were asked whether they currently use any other guarantee services such as TRANSAX Cheque Warranty for the cheques that they receive. **3%** of these businesses confirmed that they do make use of such services.

#### 2.4.3 Impact on proportion of cheques that bounce

All businesses in the survey that had accepted a guaranteed cheque in the past 12 months and continue to accept cheques without a cheque guarantee card, were asked whether they had noticed any change in the proportion of cheques that have been returned unpaid due to fraud or other reasons since the start of July 2011 (that is, since closure of the Cheque Guarantee Card Scheme).

- **95%** stated that there had been no change in the proportion of cheques returned unpaid
- Of the remaining 5%, some felt that the proportion of cheques returned unpaid had increased, some felt that it had fallen, and others were uncertain.

#### 2.4.4 Any other problems arising?

All businesses in the survey that had accepted a guaranteed cheque in the past 12 months and continue to accept cheques without a cheque guarantee card were asked whether closure of the Cheque Guarantee Card Scheme had caused their organisation any other problems (that is, apart from any effect on the proportion of cheques that bounce).

- **95%** stated that there had been ***no other problems*** arising from closure of the Scheme
- Of the 4% that stated they had experience problems, concerns related mainly to:



- concerns about verifying customers' ability to pay (particularly new or unfamiliar customers)
- concerns about the cost of accepting card payments
- fears about the long-term future of cheques

#### **2.4.5 Awareness of cheque clearing timings**

Businesses that had accepted a guaranteed cheque in the past 12 months were asked about their awareness of the time taken for the cheque clearing process to be completed. Specifically, they were asked whether they were aware that, at the end of 6 working days after paying a cheque into their bank account, they can be certain that the funds are guaranteed to be theirs and the cheque will not bounce.

- **63%** of businesses that still accept cheques stated that they were aware of this.
- Of the remaining 37% of businesses, half thought it was earlier than 6 working days, and a quarter thought it was later than 6 working days (or even that the funds were never guaranteed to be theirs). Most of the remainder were unaware of the details of this aspect of cheque clearing.

### **2.5 Other payment methods**

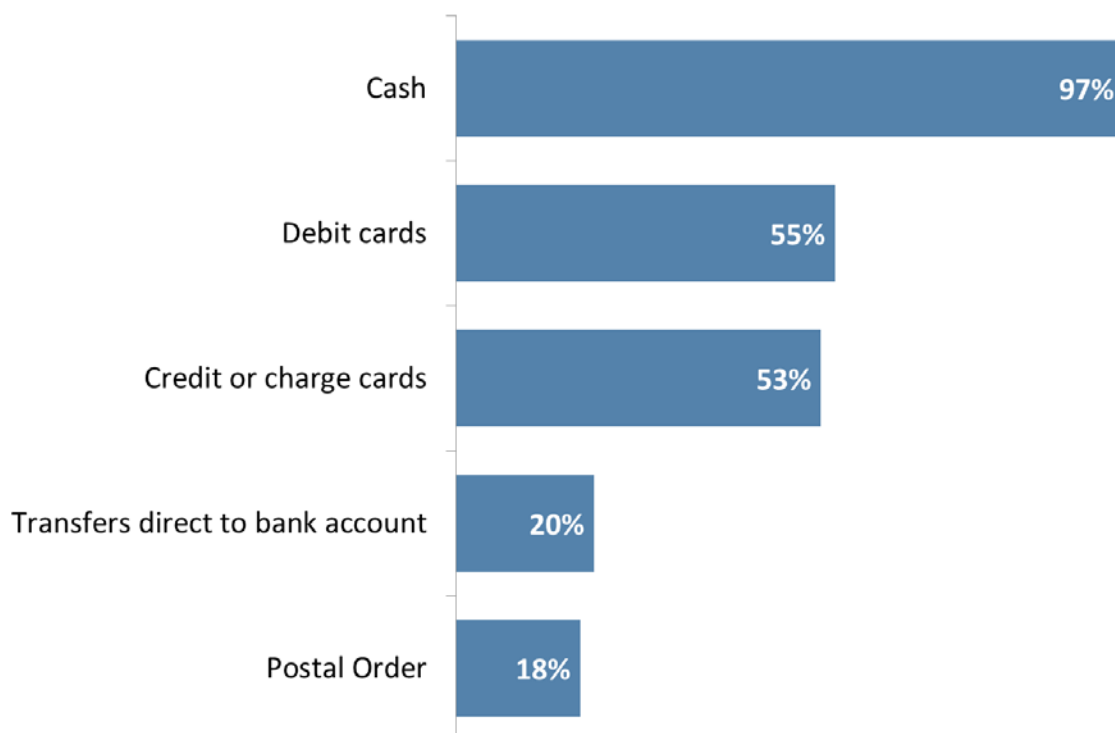
All businesses in the survey were asked about the other methods of payment that they accept and whether this has changed since closure of the Scheme.

#### **2.5.1 Payment methods currently accepted by businesses**

All businesses in the survey that had accepted a guaranteed cheque in the past 12 months were asked which forms of payment (apart from cheques) their organisation currently accepts from individuals in face-to-face transactions. The top five results are shown in the figure below.



**Figure 4**  
**Payment methods currently accepted**



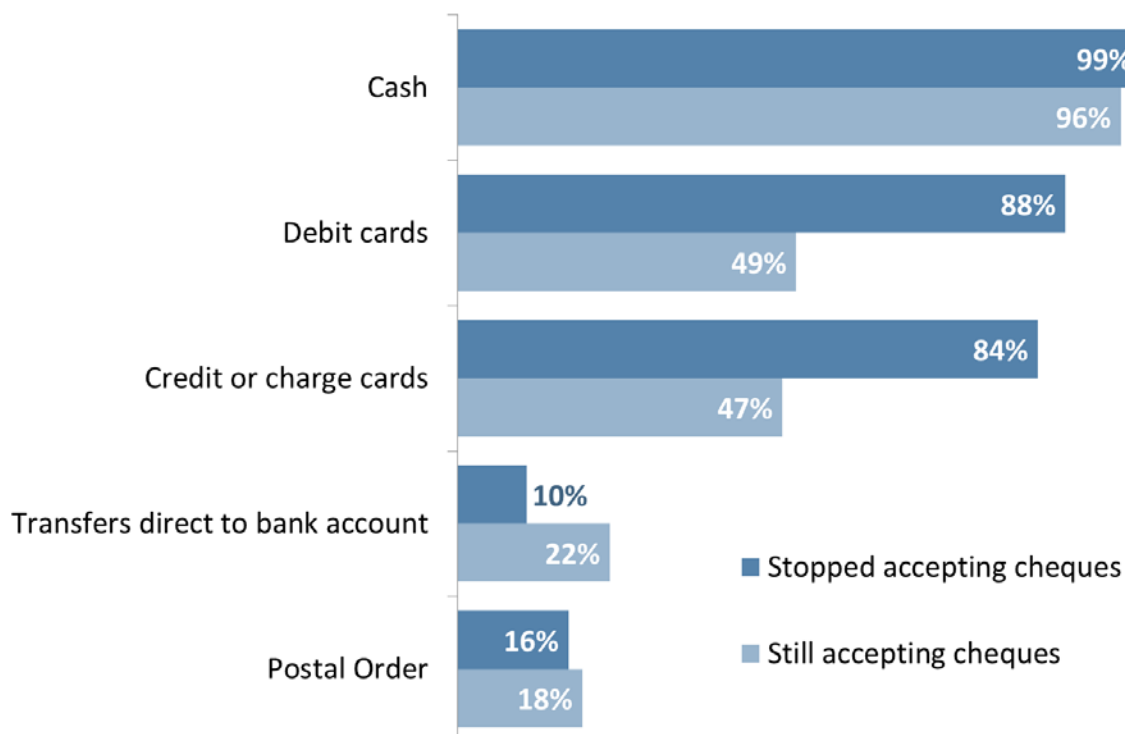
*Base: All businesses previously accepting guaranteed cheques (501)*

Almost all businesses accept cash, and just over half accepting payment by plastic cards.

A more detailed picture can be gained by dividing the sample between those businesses that continue to accept cheques and those that now no longer accept cheques.



**Figure 5**  
**Payment methods currently accepted:**  
**Businesses that still accept cheques vs those that no longer accept cheques**



*Base: All businesses previously accepting guaranteed cheques (501)*

Those businesses that have stopped accepting cheques (for whatever reason) are considerably more likely to accept payment by plastic cards, with 88% accepting debit card payments. In comparison, 49% of those businesses that still accept cheques also accept payments by debit card.

### 2.5.2 Change in payment methods accepted

The survey asked businesses whether they had started to accept any new payment methods due solely or partly to closure of the Cheque Guarantee Card Scheme.

Amongst those businesses that stopped accepting cheques either solely or partly due to closure of the Cheque Guarantee Card Scheme, only one business stated that they had started accepting new payment methods as a result of the closure of the Scheme. That



business had started to accept debit cards where previously it had not. None of these businesses stated that they had started to accept cash or any other type of payment as a result of closure of the Scheme.

This result, combined with the analysis above, suggests that most businesses that have ceased to accept cheques were previously accepting a variety of alternative payment methods, including payment by plastic cards.

Businesses that still accept cheques are less likely to also accept payment methods such as plastic cards.

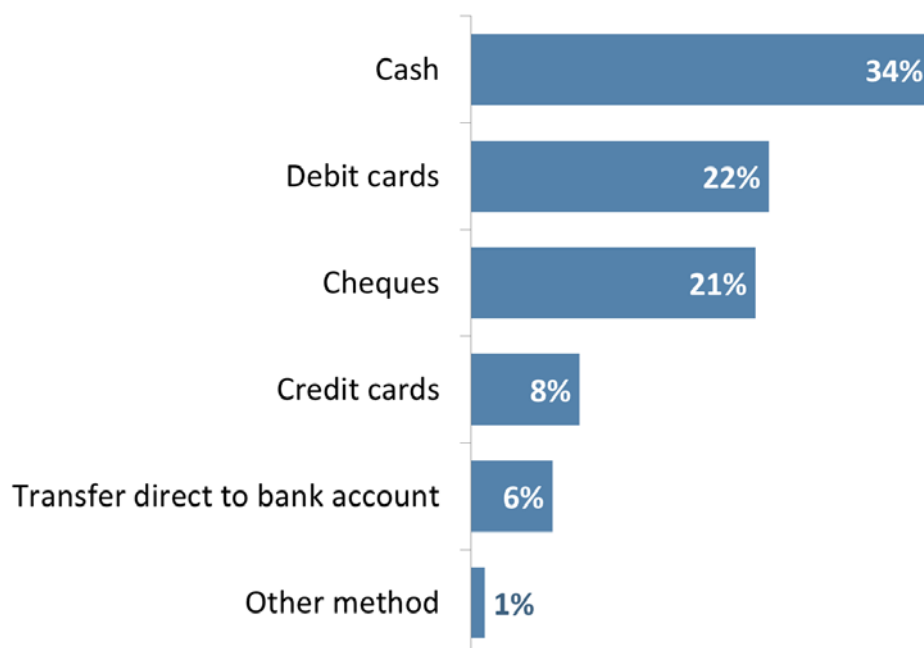
### **2.5.3 Most important payment methods accepted**

All businesses in the survey that had accepted guaranteed cheques in the past 12 months were asked which payment method currently makes up the largest proportion of revenue that the business receives.

As the results below show, cash is the most important payment method for a third of businesses, followed by debit cards and cheques.



**Figure 6**  
**Payment methods making up the largest proportion of revenue**



*Base: All businesses previously accepting guaranteed cheques (501)*

For those businesses that previously accepted guaranteed cheques during the past 12 months but now no longer accept cheques, the situation is slightly different. For these businesses, the results are as follows:

- *Debit cards* generate the largest proportion of income for **36%** of businesses that have stopped accepting cheques. This is a statistically significantly higher proportion than for those businesses that still accept cheques, for 19% of whom debit cards generate the largest proportion of income.
- Next most-important is *cash*, the most important method for **27%** of businesses that no longer accept cheques. However, there is no statistically significant difference in the relative importance of cash for businesses that have stopped accepting cheques compared to businesses that continue to accept cheques.
- The next most important method for businesses that no longer accept cheques is *credit cards* (responsible for the largest proportion of income received by **15%** of these businesses). Statistically, this is significantly greater than for those businesses that still accept cheques, for 6% of whom credit cards generate the largest proportion of income.



### 3 CONSUMER RESEARCH

It was challenging to find consumers who had been using cheque guarantee cards prior to closure of the Scheme. 6,644 consumers were willing to take part in the survey but, when screened, only 600 of these were found to be users of guaranteed cheques.

The market research explored the experiences of these 600 consumers that had used a cheque guarantee card to guarantee a cheque in the past 12 months.<sup>4</sup> In this way, only those consumers who had been actively using the Cheque Guarantee Card Scheme were included in the research.

The research included quotas aimed at ensuring that the experiences and views of older people were adequately reflected and could be separately analysed. This resulted in the final research including the views of:

- 108 people aged 65-79
- 114 people aged 80 or over

The survey also included people with a disability or long-term illness, with the final research including the views of:

- 118 people who stated that they had a disability or long-term illness that affects their day to day activities, of whom 20 said that they were not able to leave their home unaccompanied.

In preparing the combined results, individual responses were weighted together to ensure the views of all groups were reflected (and that the relative over-sampling of older people did not result in the views of younger people being under-represented).

In discussing the outcome of the research, we consider three issues in turn:

1. Use of the Cheque Guarantee Card Scheme prior to closure
2. Experience of consumers using the Scheme prior to closure
3. Experience of consumers following closure of the Scheme

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<sup>4</sup> As in the business survey, respondents were asked about their experience of using the Scheme in the previous 12 months in order to determine whether they had been actively using the Scheme, but without assuming that they were aware of its closure (or biasing the results of later survey questions on awareness of closure of the Scheme).



### 3.1 Use of the Cheque Guarantee Card Scheme prior to closure

#### 3.1.1 Consumers using cheque guarantee cards

Through the survey process, Synovate identified 6,644 consumers who were willing to take part in the survey. These consumers were asked some initial questions about their use of Cheque Guarantee Cards. Their responses were weighted together, and the results show that, of these 6,644 consumers:

- 82% stated that they had a UK personal bank account with a cheque book
- 60% stated that they had been issued with a Cheque Guarantee Card
- 10% stated that they had used a cheque guarantee card to guarantee a cheque in the past 12 months

The proportion of consumers that have used a cheque guarantee card in the past 12 months varies slightly by age, as shown in the following table:

**Table 2**  
**Consumers using cheque guarantee cards**

Proportion of respondents:	Consumers			
	All	16- 64	65-79	80 +
With personal account & cheque book	82%	81%	87%	86%
With cheque guarantee card	60%	59%	66%	54%
Used cheque guarantee card in past 12 months	10%	9%	12%	13%

*Base: All consumers (All=600, 16-64=378, 65-79=108, 80+=114)*

Older people are more likely than those aged 64 or under to have used a cheque guarantee card to guarantee a cheque in the past 12 months, with roughly one in eight people aged 65 or over using a cheque guarantee card, compared to around one in eleven of those aged 64 or younger.

The initial questions that were put to all 6,644 consumers identified a group of 600 who were actively using their cheque guarantee card prior to closure of the Scheme and were



therefore qualified to answer some more detailed survey questions about the impact of closure of the Scheme. However, when interpreting the responses given by these 600 consumers, it is relevant to bear in mind the following:

Only 10% of consumers had used a cheque guarantee card to guarantee a cheque in the past 12 months.

The views emerging from the consumer survey therefore represent the views of only 10% of all consumers in the UK.

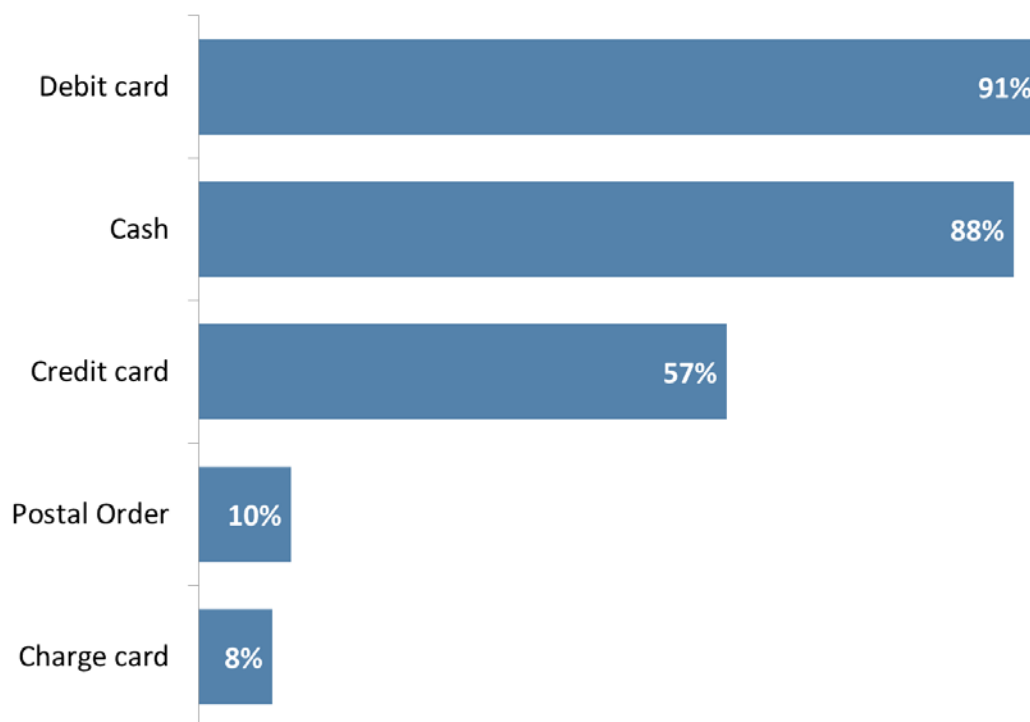
It is assumed that the remaining 90% of consumers would not be significantly affected by closure of the Scheme, since they were not actively using cheque guarantee cards prior to closure.

### **3.1.2 Other methods of payment used by consumers**

To set the research in context, we asked each of the 600 people in the survey who were identified as having used a cheque guarantee card to guarantee a cheque in the past 12 months what other methods of payment they have also used in the past 12 months to make face-to-face payments. The top 5 responses were as follows:



**Figure 7**  
**Payment methods used by consumers (apart from cheques)**



*Base: All consumers who had used a cheque guarantee card to guarantee a cheque in the past 12 months (600)*

As we can see, the majority of consumers who had used a cheque guarantee card in the past 12 months also made payments by debit card and by cash, and just over half also used credit cards.

It should be noted that use of different payment methods appears to differ by age. In particular, older people appear less likely to have made payments by plastic cards in the past 12 months. We can see this difference if we break down the above results according to the age of the respondent.



**Table 3**  
**Other payment methods used by cheque guarantee card users**

Proportion of consumers using:	Consumers			
	All	16-64	65-79	80 +
Debit cards	91%	93%	87%	67%
Cash	88%	89%	87%	82%
Credit cards	57%	59%	56%	48%
Postal orders	10%	11%	6%	10%
Charge cards	8%	8%	7%	10%

*Base: All consumers who had used a cheque guarantee card to guarantee a cheque in the past 12 months (All=600, 16-64=378, 65-79=108, 80+=114)*

As we can see, those aged 80 or over are less likely to have used a debit card in the past 12 months, although two-thirds of people in this group have still paid this way.

People aged 80 or over are also slightly less likely to have paid by cash and less likely to have used credit cards compared with people aged 64 or younger.

The full sample of 600 people included four who said that they only make payments by cheque and do not use any other methods of payment. All four of these people were aged 80 or over.

People with a disability or long-term illness also appear less likely than others to have used a plastic card to make payments in the past 12 months, with 82% having used a debit card and 49% having used a credit card.

### **3.2 Experience of consumers using the Scheme prior to closure**

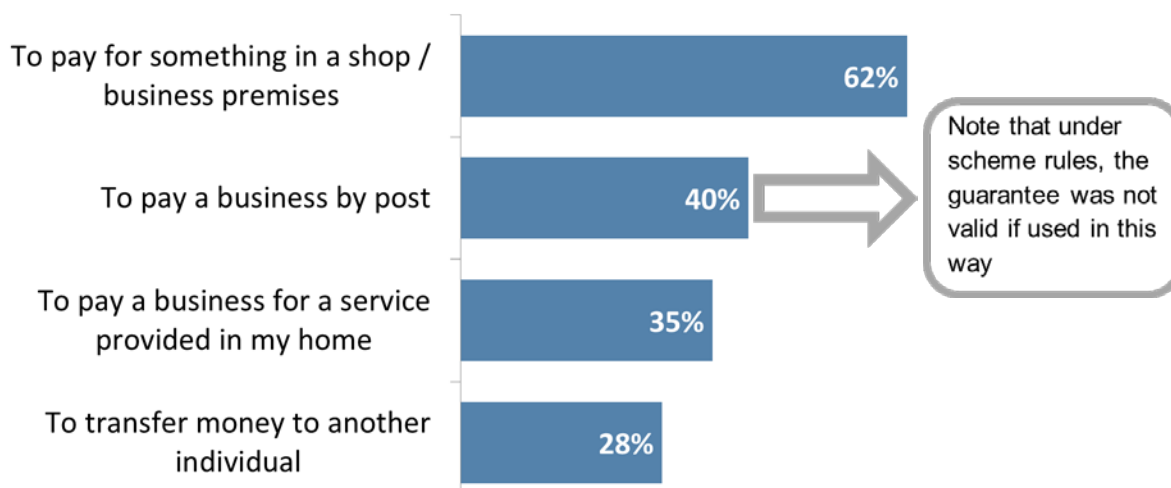
The 600 people surveyed who had used a cheque guarantee card to guarantee a cheque in the past 12 months were asked a variety of questions about the way in which they used the Scheme prior to its closure.

#### **3.2.1 How was the card used?**

All consumers were asked about the ways in which they had used a guarantee card to guarantee a cheque during the last 12 months. The results were as follows:



**Figure 8**  
**How were cheque guarantee cards used?**



*Base: All consumers who had used a cheque guarantee card to guarantee a cheque in the past 12 months (600)*

The most popular way to use a cheque guarantee card was to pay for something in a shop or other business premises, with over 60% of respondents having used their card in this way in the past 12 months.

However, 40% of cheque card users also stated that they had used their card to try to guarantee a cheque sent by post. This was not a valid use under the rules of the Scheme, and a cheque sent in the post in this way would not, in practice, be guaranteed.

We examined whether older people or those with a disability or long-term illness had been using their guarantee cards differently from other consumers. The results are shown in the following table.



**Table 4**  
**Ways that different groups used cheque guarantee cards**

Proportion of consumers using a cheque guarantee card to guarantee a cheque:	Consumers			
	All	65-79	80 +	With a disability / illness
To pay for something in a shop	62%	63%	66%	54%
To pay a business by post	40%	39%	42%	38%
To pay for a service in the home	35%	30%	29%	34%
To transfer money to another individual	28%	24%	28%	32%

*Base: All consumers who had used a cheque guarantee card to guarantee a cheque in the past 12 months (All=600, 65-79=108, 80+=114, With a disability/illness=118)*

There are no statistically significant differences between the way that older people used their cards to guarantee cheques and the general pattern of card use amongst the rest of the population of cheque guarantee card users.

There are no statistically significant differences between the way that people with a disability or long-term illness used their cards to guarantee cheques and way that other people used their cheque guarantee cards.

### **3.2.2 What else could the card be used for?**

All consumers who had used a cheque guarantee card to guarantee a cheque in the past 12 months were asked what other functions their card could be used to perform.

- 95% stated that their cheque guarantee card was also a debit card
- 85% stated that their cheque guarantee card was also a cash card that could be used to withdraw cash from an ATM



According to Payments Council data, at the point of closure of the Scheme 99% of cheque guarantee cards could also be used as debit or credit cards.<sup>5</sup>

The responses show that those aged 80 or over were less likely than others to state that their cheque guarantee card could also be used in other ways:

- 87% of those aged 80 or over stated that their cheque guarantee card was also a debit card
- 74% of those aged 80 or over stated that their cheque guarantee card was also a cash card that could be used to withdraw cash from an ATM

### **3.2.3 What else could the card be used for?**

Cheque guarantee cards could be used to guarantee payments up to a set limit, which was shown on the card. There were three 'levels' of guarantee card available, guaranteeing payments up to either £50, £100 or £250. In practice, 88% of cards had a limit of £100 or less.

Consumers who had used a cheque guarantee card to guarantee a cheque in the past 12 months were asked whether they were aware what their cheque guarantee limit was. The responses were as follows:

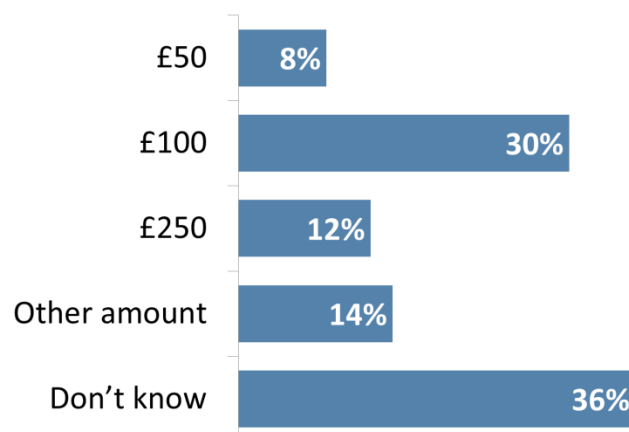
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<sup>5</sup> See

[http://www.paymentscouncil.org.uk/files/payments\\_council/minutes\\_of\\_payments\\_council\\_board/cheque\\_guarantee\\_leaflet\\_-\\_june\\_11.pdf](http://www.paymentscouncil.org.uk/files/payments_council/minutes_of_payments_council_board/cheque_guarantee_leaflet_-_june_11.pdf)



**Figure 9**  
**What was the guarantee limit?**



*Base: All consumers who had used a cheque guarantee card to guarantee a cheque in the past 12 months (600)*

These results show that many consumers were not aware of the value limit on their cheque guarantee card, with half of all consumers either stating that they didn't know the guarantee limit, or naming a guarantee limit other than on that was available (£50, £100 or £250 were the only three possibilities).

Older people were less likely to know the value of their guarantee limit, with over three-quarters of people aged 80 or over unable to identify the limit (60% did not know the limit and a further 16% gave a figure that was not possible).

People with a disability or long-term illness showed similar levels of awareness to the rest of the population of consumers who had used their cheque guarantee card to guarantee a cheque in the past 12 months.

### **3.2.4 Cheque use**

Consumers who had used a cheque guarantee card to guarantee a cheque in the past 12 months were asked how many cheques they had written in the most recent 3 months. They were also asked about the purposes they used these cheques for.



The average number of cheques written during the past 3 months by all people in the survey (that is, people who had used a cheque guarantee card to guarantee a cheque in the past 12 months) was **7.3** cheques.

Considering the results for different age groups, we see that people aged 65-79 wrote an average of **7.3** cheques over 3 months, whilst people aged 80 or over wrote an average of **9.6** cheques during the same period.

People with a disability or long-term illness appear to have written fewer cheques, with an average of **5.8** cheques over 3 months.

Consumers who had written at least one cheque during the past three months were asked about the purpose for which they had written cheques (regardless of whether a cheque guarantee card had also been used). The 10 most popular answers were:

1. To pay a bill by post
2. To make other postal payments – eg send gifts to relatives
3. To pay tradesmen in the home - eg plumber
4. To pay a friend or other individual - not by post
5. To pay for personal services eg dentist, hairdresser
6. To pay a bill at a bank or post office counter
7. To make a payment to a club or society
8. To buy something in a shop
9. To pay for childcare or children's school / leisure activities
10. To make a donation to charity

The results for older people were generally similar, except that older people were more likely to have written a cheque to make a donation to charity or to withdraw cash from their bank account.

The results for people with a disability or long-term illness were also broadly similar, except that these people less likely to have written a cheque to pay for childcare.



### 3.2.5 How often did businesses ask to see a cheque guarantee card?

Consumers who had used a cheque guarantee card to guarantee a cheque in the past 12 months were asked what proportion of the businesses that they paid by cheque requested to see their cheque guarantee card.

**A third** of consumers stated that no businesses at all requested to see their cheque guarantee card. For those aged 80 or over this rose to **47%**, suggesting that older people were in general less likely to be asked to show a cheque guarantee card and more likely to be able to pay by cheque without showing a guarantee card. For people with a disability or long-term illness, **40%** stated that no businesses at all requested to see their card (although this is an indicative result rather than a statistically significant difference).

Amongst all consumers, cheque guarantee cards were requested by approximately **30%** of businesses that they paid by cheque. For those aged 80 or over, this fell to **15%** of businesses. This reinforces the finding that older people were less likely to be asked to show a cheque guarantee card in support of a cheque payment.

## 3.3 Experience of consumers following closure of the Scheme

The 600 people in the survey who were identified as having used a cheque guarantee card to guarantee a cheque in the past 12 months were asked a variety of questions about their experience since the closure of the Cheque Guarantee Card Scheme.

### 3.3.1 Awareness of closure of the Scheme

Consumers who had used a cheque guarantee card to guarantee a cheque in the past 12 months were asked whether they were aware that the Cheque Guarantee Card Scheme had closed.

**57%** of all guarantee card users in the survey were aware that the Scheme had closed. For those aged 65-79, **60%** were aware that the Scheme had closed, and for those aged 80 or over, **55%** were aware. **53%** of people in the survey with a disability or long-term illness said that they were aware that the Scheme had closed. However, these are not statistically significant differences in awareness.

For those who were aware that the Scheme had closed, they were asked how they discovered that the Scheme had closed. The most important sources of information were banks and the media with each accounting for informing **43%** of those who had used a



cheque guarantee card to guarantee a cheque in the past 12 months and were aware that the Scheme had closed. For people aged 80 or over and people with a disability or long-term illness, information from banks was more important than information from the media.

### **3.3.2 Have consumers found that businesses have stopped accepting cheques?**

Consumers who had used a cheque guarantee card to guarantee a cheque in the past 12 months were asked whether any of the businesses they previously paid by guaranteed cheque had stopped accepting cheques since the start of July 2011, that is, following closure of the Cheque Guarantee Card Scheme.

- **12%** of the consumers in the survey said that at least one business they previously paid by guaranteed cheque now no longer accepts cheques. (On average, these consumers who identified a change in acceptance felt that just over half of the businesses they previously paid by guaranteed cheque no longer accept cheques).

To set this in context, it is important to recall that the 600 consumers in the survey in themselves are representative of the 10% of UK consumers who have used a cheque guarantee card to guarantee a cheque in the past 12 months. As such, this result translates to around **1% of all UK consumers who have experienced a business that they previously paid by guaranteed cheque deciding to stop accepting cheques since closure of the Scheme.**

For people aged 80 or over in the survey, **6%** have experienced a business deciding to stop accepting cheques since closure of the Scheme.

### **3.3.3 What reason have businesses given to consumers to explain why they have stopped accepting cheques?**

Those consumers who stated that a business they previously paid by guaranteed cheque had now stopped accepted cheques were asked whether the business in question had given a reason for this decision.

- **5%** of the 600 consumers in the survey said that at least one business they previously paid by guaranteed cheque now no longer accepts cheques due partly or solely to the closure of the Cheque Guarantee Card Scheme.

Apart from Scheme closure, other reasons given to consumers by businesses for their decision to stop accepting cheques included:



- A change in business policy
- Due to fraud
- Because of the length of the cheque clearing process
- Because of increasing costs
- As a result of their experience of cheques bouncing

### 3.3.4 Changes in consumer purchasing habits

Those consumers in the survey who stated that businesses they had previously paid by guaranteed cheque had decided to stop accepting cheques were asked whether they had changed their purchasing habits in order to seek out businesses that will still accept payment by cheque.

- **2%** of the 600 consumers in the survey stated that they had changed their purchasing habits to seek out businesses that still accept payment by cheque.
- Amongst older people, fewer than **1%** of consumers had changed their purchasing habits to seek out businesses that still accept payment by cheque.

### 3.3.5 New methods of payment accepted by businesses

Consumers who had used a cheque guarantee card to guarantee a cheque in the past 12 months were asked whether they felt that businesses had started to accept new methods of payment since the beginning of July 2011.

- **36%** of the 600 consumers in the survey felt that businesses had started to accept new methods of payment
- Older respondents were less likely to feel that businesses had started to accept new methods of payment. **26%** of respondents aged 65-79 and **20%** of respondents aged 80 or over felt that businesses had started to accept new methods of payment.

When asked which new methods of payment consumers felt that businesses had started to accept, by far the most popular answer was debit cards, named by just over half of those



who thought businesses had started to accept new payment methods. Other payment methods were mentioned (including credit cards, cash, charge cards and postal orders), but with less frequency.

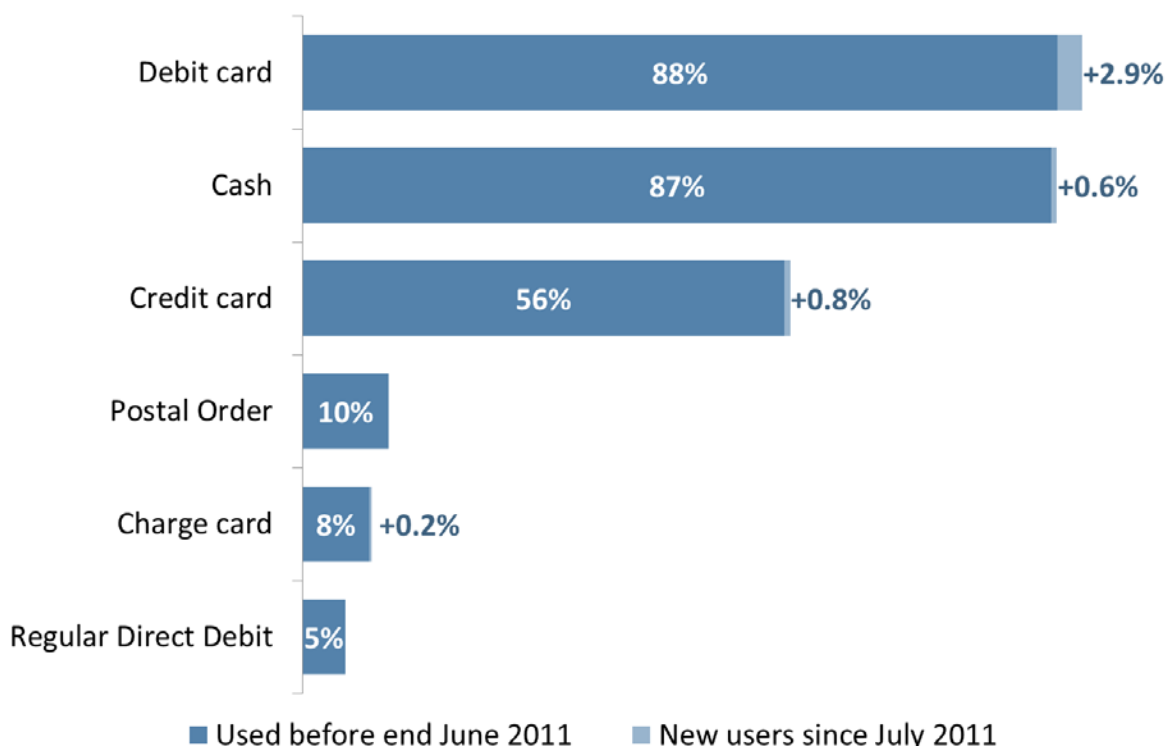
### **3.3.6 New payment methods used by consumers**

In addition to asking about the payment methods that have been used by cheque guarantee card users, the market research also asked respondents about any changes they had made to the payment methods they use since closure of the Cheque Guarantee Card Scheme.

Considering all 600 cheque guarantee card users surveyed, a number stated that they have recently started to use new methods of payment that they did not previously use. The following diagram shows the proportion of cheque card users who have also used other methods of payment during the past 12 months, broken down to show the proportion of respondents who said that they have only started using each payment method since the start of July 2011 (that is, since the closure of the Scheme).



**Figure 10**  
**New users of different payment methods**



*Base: All consumers who had used a cheque guarantee card to guarantee a cheque in the past 12 months (600)*

These results show that **3%** of respondents to the survey stated that they had started to use debit cards since the start of July 2011. **0.8%** stated that they had started to use credit cards, **0.6%** that they had started to use cash, and **0.2%** that they had started to use charge cards.

This picture does not necessarily reflect the impact of closure of the Scheme, however, since consumers may have changed their behaviour for a number of reasons. In an attempt to reflect the impact of the Scheme closure on consumer payment behaviour, the responses given by those cheque guarantee card users who stated that businesses they had previously paid by guaranteed cheque had now decided to stop accepting payment by cheque were separately considered. Of these respondents:

- **3 consumers** said that they had started to use debit cards where they had previously not used them (**0.6%** of respondents to the survey).



- **1 consumer** said that they had started to use cash where they had previously not used it (**0.2%** of respondents to the survey).
- There were **no other reports** of consumers who had experienced businesses ceasing to accept cheques adopting new methods of payment that they had not used before closure of the Scheme.

These results suggest that the closure of the Scheme has not led to significant adoption of different payment methods by consumers. The majority of the changes reflected in Figure 10 above arose due to changes in payment methods used by cheque guarantee card users who had not experienced any change in businesses willing to accept cheques.

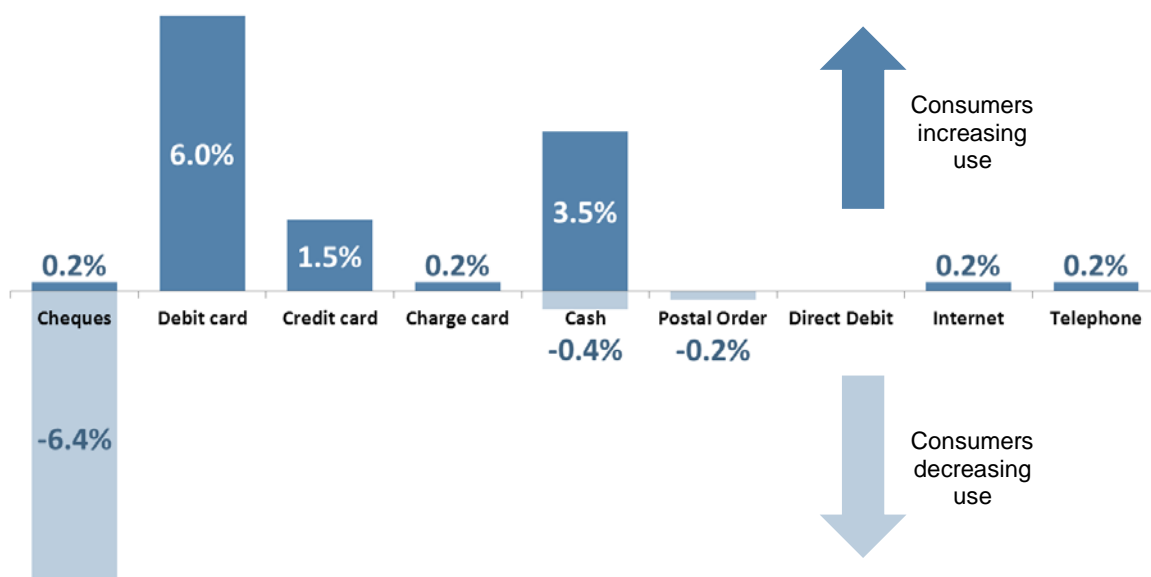
### **3.3.7 Increases/reductions in payment methods used by consumers**

As well as considering instances where cheque card users had started to use new payment methods, the survey also explored whether cheque guarantee card users had increased or reduced their use of different payment methods since July 2011 (that is, since closure of the Cheque Guarantee Card Scheme).

The following diagram shows the proportion of cheque guarantee card users who had either increased or decreased their use of different payment methods, *and* who stated that businesses they had previously paid by guaranteed cheque had now decided to stop accepting payment by cheque.



**Figure 11**  
**Proportion of cheque card users reporting increased/decreased use of existing payment methods and who have experienced businesses deciding to stop accepting cheques**



*Base: All consumers who had used a cheque guarantee card to guarantee a cheque in the past 12 months (600)*

These results show that **6%** of cheque guarantee card users had increased their use of debit cards *and* had reported that businesses they previously paid by guaranteed cheque had decided to stop accepting cheques.

**3.5%** of cheque guarantee card users had increased their use of cash *and* had reported that businesses they previously paid by guaranteed cheque had decided to stop accepting cheques.

Overall, most cheque card users have continued to use cheques to make payments without using a cheque guarantee card. For those consumers who have experienced a situation where a business they previously paid by guaranteed cheque has now decided to stop accepting cheques, the survey results appear to suggest that most consumers have diverted the affected payments to debit cards, although there is some increase in use of cash and other payment methods. Few consumers have changed their purchasing habits to seek out businesses that still accept cheques. The results for older people suggests that they have shown a smaller increase in use of cash than younger consumers.



It is relevant to bear in mind that the survey only represents the views of the 10% of UK consumers who had actually been using the Cheque Guarantee Card Scheme prior to closure. The remaining 90% of consumers had not been using the Scheme prior to closure, and as such would not be expected to be affected by the decision.



## **ANNEX – SURVEY QUESTIONNAIRES**

**CHEQUE GUARANTEE CARD SCHEME CLOSURE RESEARCH**  
**JN: 111454**  
**POST PILOT V1 COMMENTS**  
**BUSINESS**

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**Introduction and Screening**

**KEY:**

GREEN CAPITALS= SCRIPTING INSTRUCTIONS  
BLACK CAPITALS= INTERVIEWER INSTRUCTIONS

Good morning/afternoon. IF NAMED SAMPLE: Please may I speak to [INSERT RESPONDENT NAME].

Please may I speak to somebody who is responsible for decisions concerning the types of incoming payments you accept at this organisation?

**IF REFERRAL NAME GIVEN AT Q2, PLEASE SHOW THIS REFERRAL INTRO:**

Good morning/afternoon. Please may I speak to [INSERT NAME GIVEN AT Q2] ?

My name is ..... and I am calling from Synovate, an independent research agency, on behalf of the Payments Council. We are conducting a survey amongst businesses to find out the different methods of payments you receive at this organisation. We would be most grateful if you would help us with this research which should take no more than 15 minutes on the telephone. Would now be a convenient time to conduct the survey with you?

**READ OUT IF NECESSARY:**

The Payments Council is the organisation which sets the strategy for UK payments. It was set up by the payments industry to ensure that UK payment systems and services meet the needs of payment service providers, users and the wider economy

**IF THE RESPONDENT AGREES TO PROCEED, PLEASE READ:**

Before we start, I'd just need to let you know that your call may be recorded for training and quality control purposes.

1. Can I firstly confirm that you deal with payments you receive at this organisation?

Yes ..... 1  
No ..... 2

**ASK Q2 IF CODE 2 "NO" AT Q1**

2. Is it possible to transfer me to somebody who deals with payments you receive at this organisation?

1. Yes – currently available  
May I please take their name?

-> INTRODUCTION

2. Yes – but not currently available  
May I please take their name?

-> INTRODUCTION

3. No – this person is based at another site  
May I please take their name?

And their telephone number?

4. No – no such person exists  
5. Refused to transfer

-> CLOSE2

> REF1

-> CLOSE1

**CLOSE1** Unfortunately we need to speak to a person who deals with payments you receive at this site. I would just like to confirm with you that my name is XXX, and I have been calling you from Synovate, an independent market research agency. If you would like to verify this information you can do so at no charge to yourself by dialling the MRS freephone service on 0500 39 69 99 or you can confirm research suppliers and industry standards on the MRS website: [www.mrs.org.uk](http://www.mrs.org.uk).

**CLOSE2** Thank you very much of your time. I would just like to confirm with you that my name is XXX, and I have been calling you from Synovate, an independent market research agency. If you would like to verify this information you can do so at no charge to yourself by dialling the MRS freephone service on 0500 39 69 99 or you can confirm research suppliers and industry standards on the MRS website: [www.mrs.org.uk](http://www.mrs.org.uk).

**CLOSE3** That's all the questions I have for you. Unfortunately we need to speak to companies that mainly sell to consumers. Thank you very much of your time. I would just like to confirm with you that my name is XXX, and I have been calling you from Synovate, an independent market research agency. If you would like to verify this information you can do so at no charge to yourself by dialling the MRS freephone service on 0500 39 69 99 or you can confirm research suppliers and industry standards on the MRS website: [www.mrs.org.uk](http://www.mrs.org.uk).

**CLOSE4** That's all the questions I have for you. Unfortunately we need to speak to companies that use face to face sales. Thank you very much of your time. I would just like to confirm with you that my name is XXX, and I have been calling you from Synovate, an independent market research agency. If you would like to verify this information you can do so at no charge to yourself by dialling the MRS freephone service on 0500 39 69 99 or you can confirm research suppliers and industry standards on the MRS website: [www.mrs.org.uk](http://www.mrs.org.uk).

**CLOSE5** That's all the questions I have for you. Unfortunately we need to speak to companies that either used the UK Cheque Guarantee Card Scheme, or were aware of it . Thank you very much of your time. I would just like to confirm with you that my name is XXX, and I have been calling you from Synovate, an independent market research

agency. If you would like to verify this information you can do so at no charge to yourself by dialling the MRS freephone service on 0500 39 69 99 or you can confirm research suppliers and industry standards on the MRS website: www.mrs.org.uk.

**CLOSE6** That's all the questions I have for you. Unfortunately we need to speak to companies that accepted **guaranteed cheques** as a payment. Thank you very much of your time. I would just like to confirm with you that my name is XXX, and I have been calling you from Synovate, an independent market research agency. If you would like to verify this information you can do so at no charge to yourself by dialling the MRS freephone service on 0500 39 69 99 or you can confirm research suppliers and industry standards on the MRS website: www.mrs.org.uk.

**REF1** – Could I please speak to the proprietor or someone in your management team?

Yes.....1-> **INTRODUCTION**  
No.....2-> **CLOSE1**

3. Can I just check, how many employees do you have in your organisation? Please include yourself and all full and part time staff and those based at other offices.

**PROBE AS PER PRE-CODES FOR BEST ESTIMATE.**

None/1 - ie sole trader/ individual operating business .....	1
2 - 4 .....	2
5 - 9 .....	3
10 – 19.....	4
20 – 49.....	5
50 –99.....	6
100 – 249.....	7
250+.....	8
(Don't know/refused).....	9

5. And do you mainly sell or provide your services to other businesses or to consumers?

Other businesses ..... 1 > **THANK AND CLOSE3**  
Consumers ..... 2 > **CONTINUE**

6. And how do you sell or provide your services to consumers? Is it .....  
**READ OUT**

Face-to-face..... 1 > **CONTINUE**  
Only by mail order / on the internet / remotely .....2 > **THANK & CLOSE4**  
We make some sales/services face-to-face and others remotely3 > **CONTINUE**

4. Which of the following broad categories best describes your main business activity?

READ OUT  
SINGLE CODE

Construction or a construction trade such as building, plumbing or engineering .....	1
Wholesale or retail trade .....	2
Transportation or storage .....	3
Accommodation, restaurant or other catering service .....	4
Financial or insurance activities .....	5
Estate Agent, Property or Land Sales .....	6
Professional or Scientific Services .....	7
Administration & Support Services .....	8
Human Health or Social Work .....	9
Arts, Entertainment & Recreation .....	10
Membership organisation or personal service activity .....	11
(None of the above) .....	12 GO TO CLOSE 2

PLEASE CHECK THE SAMPLE SIC\_CODE CORRESPONDS TO WHAT IS CODED AT Q4. IF THEY ARE THE SAME, AUTOPUNCH THE SIC FROM THE SAMPLE FOR Q4A. IF THESE DON'T MATCH, GO TO Q4A, AND SHOW THE RELEVANT SUB CATEGORY AS PER THE ANSWER CODED AT Q4.

4a. And which of the following best describes your main business activity in more detail?

READ OUT  
PLEASE ENSURE YOU PROBE THE RESPONDENT FULLY BEFORE CODING 'OTHER'  
SINGLE CODE

IF 1 CODED AT Q4 SHOW

Construction of buildings .....	1
Civil Engineering .....	2
Specialised construction activities or trades .....	3

IF 2 CODED AT Q4 SHOW

Sale or repair of motor vehicles and motorcycles .....	4
Wholesale trader, but not in the area of motor vehicles or motorcycles .....	5
Retailer but not in the area of motor vehicles or motorcycles .....	6

IF 3 CODED AT Q4 SHOW

Land transport .....	7
Water transport .....	8
Air transport .....	9
Warehousing and support services for transportation .....	10
Postal and courier services .....	11

IF 4 CODED AT Q4 SHOW

Hotel and Accommodation services .....	12
--	----

Food and catering services.....	13
<b>IF 5 CODED AT Q4 SHOW</b>	
Insurance, reinsurance or pension funding .....	14
Financial activities, such as banking, trust fund management or financial leasing.....	15
Other activity that links or supports financial services, such as risk and damage evaluation.....	16
<b>IF 6 CODED AT Q4 SHOW</b>	
<b>NO FURTHER DRILL-DOWN CATEGORIES</b>	
<b>IF 7 CODED AT Q4 SHOW</b>	
Legal and accounting activities .....	17
Management consultancy.....	18
Architectural, planning and engineering services.....	19
Scientific research and development .....	20
Advertising or marketing research .....	21
Other design or photographic activities.....	22
Veterinary services.....	23
<b>IF 8 CODED AT Q4 SHOW</b>	
Rental or leasing activities .....	24
Employment or recruitment activities .....	25
Travel agency, tour operator and other reservation service activity.....	26
Security and investigation activities.....	27
Services to buildings and landscape activities.....	28
Office administration.....	29
<b>IF 9 CODED AT Q4 SHOW</b>	
Hospital or medical services .....	30
Residential care activities .....	31
Social work activities without accommodation .....	32
<b>IF 10 CODED AT Q4 SHOW</b>	
Creative, arts and entertainment activities .....	33
Libraries, archives, museums and other cultural activities .....	34
Gambling and betting activities .....	35
Sports, amusement or recreation activities .....	36
<b>IF 11 CODED AT Q4 SHOW</b>	
Activities of membership organisations.....	37
Repair of computers and personal and household goods.....	38
Other personal service activities.....	39
<b>SHOW TO ALL SUBCATEGORY LISTS AT THE END</b>	
Other (specify).....	40

ASK ALL

I would now like to ask you some questions about the different methods of payments received by your business. Until recently, it was possible for cheques received by businesses to be supported by a cheque guarantee card. This is where businesses could accept a guaranteed cheque by asking to see the customer's cheque guarantee card and writing the card number on the back of the cheque, this was known as the cheque guarantee scheme.

7. Are you aware that the UK Cheque Guarantee Card Scheme closed on 30th June 2011?

IF NO: PROBE FOR RELEVANT CATEGORY

Yes, I am aware the cheque guarantee card scheme had closed .....1>

CONTINUE

No, I believed businesses could still accept guaranteed cheques..... 2 >

CONTINUE

I was not aware that the scheme existed.....3 > THANK

AND CLOSE5

I didn't use the scheme so this does not apply to me... .....4 > THANK

AND CLOSE5

(Don't know/ Can't remember) .....5

THANK AND CLOSE5

ASK ALL

8. Prior to the end of June 2011, did your organisation accept **guaranteed cheques** as payment from individuals in face-to-face transactions, that is a cheque supported by a cheque guarantee card?

Yes ..... 1

No .....2 -> THANK AND CLOSE6

(Don't know / Can't remember) ..... 3 -> THANK ANDCLOSE6

PLEASE CHECK THE QUOTAS ON Q 3, IF FULL OR REFUSED CODED AT Q3, GO TO QTERM, AND CLOSE2, THEN TERMINATE TO QUEUE STOPPED, AND POPULATE SAMPLE COLUMN 'AGREED\_RECONTACT' WITH 'YES' OR 'NO' DEPENDING ON THEIR ANSWER AT QTERM

ASK ALL QUOTAFAILED INTERVIEWS AT Q3:

QTERM That's all the questions I have for you. Unfortunately we have interviewed enough businesses within your category. Can I just ask, would you be happy for us to contact you again about this subject in future?

Yes.....1 >CLOSE2

No.....2>CLOSE2

ASK IF Q8=1

9. In which month did your organisation last accept a **guaranteed cheque** as a payment? That is a cheque supported by a cheque guarantee card? DO NOT READ OUT BUT PROBE FOR BEST ESTIMATE  
SINGLE CODE

Some point during 2010 or earlier .....	1
January – March 2011 .....	2
April – June 2011 .....	3
July – September 2011 .....	4
Since October 2011 .....	5
(Don't know / can't remember) .....	13

ASK IF CODE 1 "AWARE" AT Q7. IF Q7=2, AUTOPUNCH 8, AND DON'T SHOW Q10. THESE RESPONDENTS SHOULD SKIP TO Q12

10. And how did you find out about the closure of the cheque guarantee card scheme?  
MULTI CODE  
DO NOT READ OUT BUT PROBE FOR ALL RESPONSES  
MULTI CODE

DO NOT SHOW CODE 8, IT IS ONLY THERE TO BE AUTOPUNCHED FOR THOSE WHO ARE CODE 2 AT Q7.

My bank informed me.....	1
Via the media such as television, newspaper, online article, etc .....	2
A customer told me .....	3
Another business informed me.....	4
My trade association informed me.....	5
I received a cheque that bounced after 30 June 2011 .....	6
Other (Please specify).....	7
(Found out during this phone call) .....	8
(Don't know / Can't remember) .....	9

ASK IF CODE 1 "MY BANK INFORMED ME" AT Q10

11. You mentioned your bank informed you about the closure of the scheme. Can I just check was this in relation to a personal account that you hold, or in relation to your business bank account?

SINGLE CODE

In relation to my personal account .....	1
In relation to the business bank account .....	2
In relation to both personal and business accounts .....	3
(Don't know / Can't remember) .....	4

ASK ALL

12. Has your organisation ever experienced problems related to guaranteed cheques being returned unpaid due to fraud or other reasons?

Yes .....	1
No.....	2
(Don't know/can't remember).....	3

ASK IF CODE 1 'YES' AT Q12

13. How often has this happened during the past 12 months?  
IF RESPONDENT IS UNSURE ASK FOR A ROUGH ESTIMATE. IF RESPONDENT GIVES A BAND (E.G. BETWEEN 10-20) INSERT MIDDLE POINT (EG 15)

\_\_\_\_\_ (NUMERIC, MAX. 4 DIGITS,  
DON'T ACCEPT '0' AS AN ANSWER)

Never in the last 12 months .....	98
(Don't know/ Can't remember) .....	99

ASK IF CODE 1 'YES' AT Q12

14. And have you experienced any other problems when accepting guaranteed cheques?

Yes .....	1
No.....	2
(Don't know / Can't remember) .....	99

ASK IF CODE 1 'YES' AT Q14

15. Please can you explain what the problems were?  
PROBE FULLY: What else?

\_\_\_\_\_ (OPEN END)

(Don't know/can't remember).....	99
----------------------------------	----

ASK ALL

16. Prior to the end of June 2011, when dealing with customers in face-to-face transactions, did your organisation accept cheques that **were NOT** supported by a cheque guarantee card? Please note that I'm talking here about cheques from the individuals and not from other businesses.

Yes ..... 1  
No.....2  
(Don't know / Can't remember) .....3

ASK IF1 CODED AT Q16

17. And roughly what proportion of the cheques that you accepted prior to the end of June 2011 were guaranteed using a cheque guarantee card, as opposed to being accepted without the use of a guarantee card? Would you say, cheque guarantee cards were used with:

SINGLE CODE

ROTATE TOP TO BOTTOM

READ OUT

SINGLE CODE

Less than a quarter of cheques received ..... 1  
About a quarter of cheques received .....2  
Between a quarter and half of cheques received .....3  
About half of cheques received.....4  
Between half and three-quarters of cheques received .....5  
About three-quarters of cheques received .....6  
More than three-quarters of cheques received .....7  
(Don't know / Can't remember) .....8

18. Can you tell me if your organisation **currently** accepts cheques as a payment method when dealing with face-to-face customer transactions?

Yes ..... 1  
No.....2  
(Don't know/Refused).....3

---

ASK IF: CODE 1 "YES" AT Q8 AND CODE 2 "NO" AT Q18

You stated that you previously accepted guaranteed cheques when the cheque guarantee card scheme was in operation, but now no longer accept payments by cheque.

19. Why have you decided to stop accepting cheques?

MULTI CODE

DO NOT READ OUT BUT CODE ALL THAT APPLY. PROBE "ANY OTHERS?"

MULTI CODE

Due to the closure of the cheque guarantee card scheme ..... 1  
Fears about fraud .....2

Time taken for funds to clear .....	3
Number of bounced cheques we were receiving.....	4
Time taken to take cheques to the bank .....	5
Now prefer alternative methods .....	6
Now prefer electronic methods / payment by card .....	7
Our customers no longer wish to pay by cheque .....	8
We have moved away from paper-based accounting.....	9
Our accountants recommended this change.....	10
Our bank recommended this change .....	11
We heard that cheques were going to be abolished/withdrawn.....	12
Because of cost.....	13
Would have stopped anyway / coincidence .....	14
For some other reason (Please Specify).....	15
(Don't know/ Can't remember) .....	16
(Refused).....	17

**ASK IF: CODE 1 "YES" AT Q8 AND CODE 2 "NO" AT Q18**

20. Has your business income suffered directly as a result of the fact that you no longer accept payment by cheque?

Yes .....	1
No.....	2
(Don't know) .....	3

**ASK IF CODE 1 "YES" AT Q20**

21. On the following scale, how would you characterise the proportion of business income that you have lost due solely to the fact that you no longer accept payment by cheque?

**REVERSE ORDER OF SCALE FOR HALF THE INTERVIEWS**

READ OUT  
SINGLE CODE

A very small proportion .....	1
A fairly small proportion .....	2
A fairly large proportion.....	3
A very large proportion .....	4
(Don't know) .....	5

**ASK IF: CODE 1 "YES" AT Q8 AND CODE 2 "NO" AT Q18**

22. Have any other difficulties been caused solely by the fact that you no longer accept payment by cheque?

Yes .....	1
No.....	2
(Don't know / Can't remember) .....	99

ASK IF CODE 1 'YES' AT Q22

23. Please can you explain what the difficulties have been?  
PROBE FULLY  
.....(OPEN END)  
.....  
(Don't know/can't remember)..... 99

ASK IF: CODE 1 "YES" AT Q8 AND CODE 2 "NO" AT Q18

24. Have you received any complaints from your customers about the fact that you no longer accept payment by cheque?  
  
Yes ..... 1  
No.....2  
(Don't know / Can't remember) ..... 99

ASK IF: CODE 1 "YES" AT Q8 AND CODE 2 "NO" AT Q18

25. Would you be willing to accept payment by cheque from a repeat customer who is known and familiar to you and/or whose address you know?  
  
Yes ..... 1  
No.....2  
(Don't know) ..... 99

ASK IF: CODE 1 "YES" AT Q8 AND CODE 2 "NO" AT Q18

26. Has your bank provided specific information to you about the other types of payments that you could accept in place of guaranteed cheques?  
  
Yes ..... 1  
No.....2  
(Don't know / Can't remember) ..... 99

---

ASK IF: CODE 1 "YES" AT Q8 AND CODE 1 "YES" AT Q18

You stated that you previously accepted guaranteed cheques when the cheque guarantee card scheme was in operation, and you continue to accept cheques now that the Scheme has been closed.

27. And can I ask, do you currently use any other guarantee services such as TRANSAX Cheque Warranty for the cheques that you receive?  
SINGLE CODE  
  
Yes ..... 1  
No.....2  
(Don't know/ Can't remember) ..... 99

ASK IF: CODE 1 "YES" AT Q8 AND CODE 1 "YES" AT Q18

28. Now that the cheque guarantee card scheme no longer operates, do you ask for any other information or verification from customers before accepting cheques (such as proof of identity or address)?

SINGLE CODE

Yes .....	1
No .....	2
(Don't know / uncertain) .....	3

ASK IF CODE 1 "YES" AT Q28

29. What information or verification do you request?

MULTI CODE

READ OUT

MULTI CODE

Debit card .....	1
Proof of identity .....	2
Address of payer .....	3
Payer's name .....	4
Payer's telephone number .....	5
Other (Please Specify) .....	6

ASK IF: CODE 1 "YES" AT Q8 AND CODE 1 "YES" AT Q18

30. Since the beginning of July 2011, which of the following most closely matches any change that you may have noticed in the proportion of cheques that have been returned unpaid due to fraud or other reasons?

SINGLE CODE

REVERSE ORDER OF SCALE FOR HALF THE INTERVIEWS

READ OUT

SINGLE CODE

No change .....	1
Small increase .....	2
Large increase .....	3
Small reduction .....	4
Large reduction .....	5
(Don't know / uncertain) .....	6

ASK IF: CODE 1 "YES" AT Q8 AND CODE 1 "YES" AT Q18

31. Has closure of the cheque guarantee card scheme caused your organisation any other problems?

Yes .....	1
No .....	2
(Don't know / Can't remember) .....	3

ASK IF CODE 1 ' YES' AT Q31

32. Please can you explain what problems you have experienced?

PROBE FULLY

(OPEN END)

(Don't know/can't remember) .....99

**ASK IF: CODE 1 "YES" AT Q8 AND CODE 1 "YES" AT Q18**

33. Has your bank provided specific information to you about the other types of payments that you could accept in place of guaranteed cheques?

Yes ..... 1  
No.....2  
(Don't know / Can't remember) .....3

---

**ASK ALL**

34. Apart from cheques, which of these other forms of payment does your organisation currently accept from individuals in face-to-face transactions?

**MULTI CODE**

**READ OUT AND CODE ALL THAT APPLY**

Debit cards..... 1  
Credit or charge cards.....2  
Cash .....3  
Postal Order.....4  
Something else (Please Specify) .....6  
(None. Cheques are only form of payment accepted) .....5  
(Don't know / can't remember) .....7

**DO NOT READ OUT BUT USE TO CODE OTHER RESPONSES**

(Direct Debits).....8  
(Standing Orders) .....9  
(Other electronic transfers directly to bank account) ..... 10  
(Store Cards) ..... 11  
(Gift Vouchers / Gift Cards) ..... 12

35. Have you started accepting any of these payment methods since July 2011?

**CATI TO SHOW ONLY EACH PAYMENT METHOD SELECTED IN Q34 ALWAYS ASK FOR CHEQUES IF Q18=1.**

**MULTI CODE, EXCEPT WHEN CODED 1,2 OR 10**

**READ OUT**

**MULTI CODE**

No – no changes made..... 1  
Yes – Debit cards .....3  
Yes – Credit cards .....4  
Yes – Charge cards .....5  
Yes – Cash .....6  
Yes – Postal Orders .....7  
Yes – Cheques without a guarantee card.....8  
Other (Please Specify) .....9  
(Don't know / can't remember) ..... 10

DO NOT READ OUT BUT USE TO CODE OTHER RESPONSES

(Direct Debits) .....	11
(Standing Orders) .....	12
(Other electronic transfers directly to bank account) .....	13
(Store Cards) .....	14
(Gift Vouchers / Gift Cards).....	15

35b SHOULD ONLY BE ASKED TO THOSE WHO ARE CODE 1 AT Q7 (i.e. those who were aware before the start of the interview that the cheque guarantee card scheme had closed). IF THEY ARE CODE 2 AT Q7, AUTOPUNCH AS 'NO' FOR Q35b.

FOR EACH METHOD STARTED ACCEPTING SINCE JULY 2011 (DEBIT CARDS, CREDIT CARDS, CHARGE CARDS, CASH, POSTAL ORDERS, CHEQUES, OTHER), ASK 35b IN TURN.

35b. Have you started using xxxx [INSERT PAYMENT TYPE FROM Q35] since the start of July because of the closure of the cheque guarantee card scheme or not?

Yes, due fully/partly to closure of cheque guarantee card scheme .....	1
No .....	2
Don't know / Not sure .....	3

36. And which of the payment methods that you currently accept would you say make up the largest proportion of the revenue your organisation receives?

CATI TO SHOW ONLY EACH PAYMENT METHOD SELECTED IN Q34. ALWAYS ASK FOR CHEQUES IF Q18=1

SINGLE CODE

READ OUT

SINGLE CODE

Debit cards .....	1
Credit cards .....	2
Charge cards .....	3
Cash .....	4
Postal Orders .....	5
Cheques .....	6
Other method (SHOW ANSWER GIVEN AT Q34) .....	7
(Don't know/ can't remember) .....	8

37. And which of the payment methods you accept would you say make up the second-largest proportion of the revenue your organisation receives?

CATI TO SHOW ONLY PAYMENT METHODS SHOWN IN Q36 BUT NOT SELECTED. IF ONLY ONE OPTION REMAINS, SKIP THIS QUESTION AND CODE AUTOMATICALLY

SINGLE CODE  
READ OUT  
SINGLE CODE

Debit cards .....	1
Credit cards .....	2
Charge cards .....	3
Cash .....	4
Postal Orders .....	5
Cheques .....	6
Other (SHOW ANSWER GIVEN AT Q34) .....	7

38. Are you aware that, at the end of 6 working days after paying a cheque into your account, you can be certain that the funds are guaranteed to be yours and the cheque will not bounce?

SINGLE CODE  
DO NOT READ OUT

Yes .....	1
No .....	2

ASK IF Q38=2

39. As you are unaware of this, please can you let me know when you thought that funds paid by cheque would be guaranteed and that the cheques would not bounce?

DO NOT READ OUT  
SINGLE CODE

I thought it was earlier than 6 working days.....	1
I thought it was later than 6 working days.....	2
I usually see the money in my account much faster than this .....	3
I did not think the funds were ever guaranteed to be mine .....	4
I had never heard of this .....	5
Don't know .....	6

**ASK ALL**

And finally, I would just like to ask you a couple of classification questions about your organisation that will help us group response together.

40. Is your establishment a single, independent establishment or is it one of a number of different establishments belonging to the same organisation?

Single, independent .....	1
One of a number/part of a chain.....	2
(Refused).....	3

**ASK IF ONE OF A NUMBER/PART OF A CHAIN – Q40=2**

41. Is the policy for payment methods received determined locally or set out by a head office for all of its outlets?

Locally .....	1
At head office.....	2
Both locally and at head office .....	3
(Refused).....	4

**ASK ALL**

42. What is the annual turnover of your organisation? I have some bands that I can read out to you.

READ OUT  
SINGLE CODE

Up to £49,999 .....	1
£50,000 - £99,999.....	2
£100,000 - £249,999.....	3
£250,000 - £499,999.....	4
£500,000 - £999,999.....	5
£1million- £1,999,999.....	6
£2million- £4,999,999.....	7
£5million - £9,999,999.....	8
£10million - £49,999,999.....	9
£50million or more .....	10
(Refused).....	11

43. Which bank or institution provides your main business current account?

DO NOT READ OUT  
SINGLE CODE

Santander .....	1
Abbey (Santander).....	2
Alliance & Leicester (Santander).....	3
Bank of Scotland.....	4
Barclays.....	5
Co-operative Bank .....	6
Clydesdale .....	7

Halifax.....	8
HSBC.....	9
Lloyds TSB .....	10
Nationwide .....	11
NatWest.....	12
Royal Bank of Scotland.....	13
Yorkshire Bank.....	14
Bank of Ireland.....	15
Northern Bank.....	16
Ulster Bank .....	17
First Trust Bank.....	18
Allied Irish Bank (AIB) .....	19
Other (Please Specify).....	20
(Don't know).....	21
(Refused).....	22

44. Do you provide goods or services in the customer's home (or other customer-owned premises) and receive payment whilst at those premises?

Yes .....	1
No.....	2
(Don't know) .....	3

45. Do you provide goods or services and accept payments at any third party locations? By this I mean not in your business premises or in the customer's premises, but in another location such as a trade fair?

Yes .....	1
No.....	2
(Don't know).....	3

46. Please can you tell me your job title?  
DO NOT READ OUT BUT PROBE AS PER PRECODES

Owner/proprietor .....	1
Managing Director.....	2
Partner.....	3
Director .....	4
Office Manager .....	5
Finance Director.....	6
Accounts Manager/Assistant.....	7
Salesperson .....	8
Other Director/Manager .....	9
Other (Please Specify) .....	10
(Refused).....	11

47. And for proof of this interview, can I take down your name?

Respondent name.....

48. Although there are no plans at the moment, if we wanted to come back to you to ask you some more questions about this topic in the next few months would this be OK?

Yes ..... 1

No.....2

49. Code sex of respondent:

INTERVIEWER RECORD GENDER OF RESPONDENT BUT DO NOT  
..... READ OUT

Male..... 1

Female.....2

SHOW TO ALL

That's the end of interview. Thank you very much for giving us your time today. Before I go, I would just like to confirm that my name is XXX and I've been calling you from Synovate, an independent research agency, on behalf of Payments Council.

If you would like to verify this information you can do so at no charge to yourself by dialling the Market Research Society Freephone service on 0500 396 999 or by visiting their website at [www.mrs.org.uk](http://www.mrs.org.uk)

Goodbye.

BRING UP ALL THE 'OTHER' AND 'OPEN ENDED' BOXES WITH THE QUESTION ABOVE EACH FOR THE FOLLOWING QUESTIONS FOR THE INTERVIEWER TO CHECK:

2/4/13/15/19/23/29/32/34/35/47/46/43

SHOW TO ALL

INTERVIEWER DECLARATION:  
I declare that this interview has been conducted in line with all instructions and in accordance with the code of conduct of the Market Research Society. I have also checked all responses written in the open ended/verbatim boxes.  
PLEASE ENTER YOUR FULL NAME IN THE BOX BELOW:  
.....

**CHEQUE GUARANTEE CARD SCHEME CLOSURE RESEARCH**  
**JN: 111454**  
**FINAL FOR PILOT**  
**CONSUMER**

---

**Introduction and Screening**

**KEY:**

GREEN CAPITALS= SCRIPTING INSTRUCTIONS

BLACK CAPITALS= INTERVIEWER INSTRUCTIONS

Good morning/afternoon/evening. IF NAMED SAMPLE: Please may I speak to [INSERT RESPONDENT NAME].

My name is ..... and I am calling from Synovate, an independent research agency, on behalf of the Payments Council. We are conducting a survey to find out the different methods of payment people use when they buy goods and services. We would be most grateful if you would help us with this research which should take no more than 12 minutes on the telephone. Would now be a convenient time to conduct the survey with you?

**READ OUT IF NECESSARY:**

The Payments Council is the organisation which sets the strategy for UK payments. It was set up by the payments industry to ensure that UK payment systems and services meet the needs of payment service providers, users and the wider economy

**IF THE RESPONDENT AGREES TO PROCEED, PLEASE READ:**

Before we start, I'd just need to let you know that your call may be recorded for training and quality control purposes.

To ensure we are speaking to a wide variety of people, I would just like to ask you some classification questions.

1. Firstly, please can you tell me how you would describe your current working status?

**SINGLE CODE**

**READ OUT**

Full time (30+ hrs a week) .....	1
Part time (8-29 hrs a week) .....	2
Self-employed .....	3
Unemployed(including disabled/receiving incapacity benefit) .....	4
Full time housemaker .....	5
Full time education .....	6
Part time education .....	7
Retired .....	8
(Refused) .....	9

2. What is the occupation of the chief wage earner in your household , that is the person with the largest income whether from employment, pension, state benefits, investments, or any other source?  
REFER TO MANUAL. PROBE FULLY

.....

ANSWERS TO BE CODED AS SOCIO-ECONOMIC GRADE

A .....	1
B .....	2
C1 .....	3
C2 .....	4
D .....	5
E .....	6
(Refused) .....	7

3. And into which of the following age bands do you fall?  
READ OUT

Under 16 years old.....	11
16-17 .....	1
18-24.....	2
25-34.....	3
35-44.....	4
45-54.....	5
55-64.....	6
65-74.....	7
75-79.....	8
80+.....	9
(Refused) .....	10

ASK ALL WHO CODED 0 AT Q3

- 3a. Would it be possible for me to speak to someone aged 16 or above in your household, as unfortunately we are only allowed to interview people aged 16 or over?

Yes.....	1 GO TO INTRO
No/Refused.....	2 CLOSE4

4. Record gender  
RECORD GENDER OF RESPONDENT BUT DO NOT READ OUT

Male .....	1
Female.....	2

**CLOSE4** Thank you very much for your time. I would just like to confirm with you that my name is XXX, and I have been calling you from Synovate, an independent market research agency. If you would like to verify this information you can do so at no charge to yourself by dialling the MRS freephone service on 0500 39 69 99 or you can confirm research suppliers and industry standards on the MRS website: [www.mrs.org.uk](http://www.mrs.org.uk).

5. Do you have a personal account with a bank or building society for which you have been issued with a cheque book? This could be either solely in your own name or jointly with someone else?

Yes ..... > **CONTINUE**

No .....> **THANK AND CLOSE1**

**CLOSE1** That's all the questions I have for you. Unfortunately we need to speak to people who have a personal account with a bank or building society with a cheque book. Thank you very much for your time. I would just like to confirm with you that my name is XXX, and I have been calling you from Synovate, an independent market research agency. If you would like to verify this information you can do so at no charge to yourself by dialling the MRS freephone service on 0500 39 69 99 or you can confirm research suppliers and industry standards on the MRS website: [www.mrs.org.uk](http://www.mrs.org.uk).

6. Have you previously been issued with a cheque guarantee card for use with this account?

**READ OUT DEFINITION:**

You could guarantee a cheque by showing your cheque guarantee card to the person or business you were paying and allowing them to write the card number on the back of the cheque. Cheque guarantee cards show Shakespeare's head on the hologram on the card.

Yes ..... 1 > **CONTINUE**

No .....2 > **THANK AND CLOSE2**

(Don't know).....3 > **THANK AND CLOSE2**

**CLOSE2** That's all the questions I have for you. Unfortunately we need to speak to people who have been issued with a cheque guarantee card. Thank you very much for your time. I would just like to confirm with you that my name is XXX, and I have been calling you from Synovate, an independent market research agency. If you would like to verify this information you can do so at no charge to yourself by dialling the MRS freephone service on 0500 39 69 99 or you can confirm research suppliers and industry standards on the MRS website: [www.mrs.org.uk](http://www.mrs.org.uk).

7. Have you used this guarantee card to guarantee a cheque during the last 12 months? By this, I mean that you've showed the card when presenting the cheque and the card number has been written down on the back of the cheque.

Yes ..... 1 > **CONTINUE**

No .....2 > **THANK AND CLOSE3**

(Don't know).....3 > **THANK AND CLOSE3**

**PLEASE CHECK THE QUOTAS ON Q1,2, 3 AND 4, IF ANY OF THEM FULL OR REFUSED CODED AT ANY OF THEM, GO TO QTERM, AND CLOSE4, THEN**

TERMINATE TO QUEUE STOPPED, AND POPULATE SAMPLE COLUMN 'AGREED\_RECONTACT' WITH 'YES' OR 'NO' DEPENDING ON THEIR ANSWER AT QTERM

ASK ALL QUOTAFAILED INTERVIEWS AT Q1,2,3 OR 4 :

QTERM That's all the questions I have for you. Unfortunately we have interviewed enough people within your category. Can I just ask, would you be happy for us to contact you again about this subject in future?

- Yes.....1 >CLOSE4
- No.....2>CLOSE4

CLOSE3 That's all the questions I have for you. Unfortunately we need to speak to people who have used their cheque guarantee card during the last 12 months. Thank you very much for your time. I would just like to confirm with you that my name is XXX, and I have been calling you from Synovate, an independent market research agency. If you would like to verify this information you can do so at no charge to yourself by dialling the MRS freephone service on 0500 39 69 99 or you can confirm research suppliers and industry standards on the MRS website: [www.mrs.org.uk](http://www.mrs.org.uk).

IF Q7=1THEN ASK

- 8. Please could you tell me in which of the following ways you have used a guarantee card to guarantee a cheque during the last 12 months?  
READ OUT

- To pay for something in a shop or similar business premises..... 1
- To pay a business for a service provided in my home – e.g. tradesman... 2
- To transfer money to another individual - either by post or in person..... 3
- To pay a business by post – e.g. to pay a bill ..... 4
- (None of these, something else)..... 5

IF Q7=1 THEN ASK

- 9. And when was the last time you used your guarantee card to guarantee a cheque?

READ OUT

- Less than a week ago ..... 1 → CONTINUE
- 1-2 weeks ago..... 2 → CONTINUE
- 3-4 weeks ago..... 3 → CONTINUE
- 1-3 months ago ..... 4 → CONTINUE
- 4-6 months ago ..... 5 → CONTINUE
- 7-12 months ago ..... 6 → CONTINUE
- In the last 12 months but not sure exactly when ..... 7 → CONTINUE
- More than 12 months ago ..... 8 → THANK AND CLOSE3
- I have never used it..... 9 → THANK AND CLOSE3
- (Don't know/can't remember) ..... 10 → THANK AND CLOSE3

**ASK ALL**

10. Please can you tell me what guarantee limit was marked on your cheque guarantee card?

IF NECESSARY: THIS WAS USUALLY ON THE BACK OF THE CARD, HOWEVER SOME CARDS SHOWED QUARANTEE LIMIT AT THE FRONT DO NOT READ OUT

- £50..... 1
- £100.....2
- £250.....3
- Other (Please specify).....4
- (Don't know / can't remember) .....0

11. And can you tell me; was your cheque guarantee card also any of the following:

	Yes	No	(Don't know/ can't remember)
A Debit Card, which meant that you could use the card on its own and without a cheque to pay for something(1)	1	2	3
A Cashpoint Card, which meant that it could be used to obtain cash from automatic telling machines (ATMs) (2)	1	2	3

**ASK ALL**

I would now like to ask you some questions specifically about the UK Cheque Guarantee Card Scheme. This scheme closed on 30<sup>th</sup> June 2011. Up until this date you could show your cheque guarantee card when writing a cheque and the recipient could write your card number on the back of the cheque to guarantee the payment up to the limit marked on your card. You can now no longer use a cheque guarantee card when writing a cheque, although you can still write cheques and make payments without using the guarantee card.

12. Were you aware of this change?

- Yes ..... 1 **GOTO Q13**
- No ..... 2 **GOTO Q14**

**ASK IF CODE 1 "YES" (AWARE OF SCHEME CLOSURE) AT Q12**

13. And can I ask you, how did you find out about the closure of the cheque guarantee card scheme?

**MULTI CODE**

DO NOT READ OUT BUT PROBE FOR ALL RESPONSES

MULTI CODE

My bank informed me.....	1
Via the media such as television, newspaper, online article, etc.....	2
A friend, colleague or relative told me .....	3
A business told me.....	4
I used my cheque guarantee card after 30 June 2011 and it was refused	5
Other (Please Specify) .....	6
(Don't know / can't remember) .....	7

**ASK ALL**

14. In the **past 3 months**, how many cheques would you say you have written? Please include **all** cheques written, whether or not you used the cheque guarantee card when writing each cheque.

READ OUT AND SINGLE CODE AS MOST APPROPRIATE. ENSURE RESPONDENT IS THINKING ABOUT THE PAST 3 MONTHS AND ALL TYPES OF CHEQUES WRITTEN

None .....	1
1 or 2.....	2
3-4 .....	3
5-9 .....	4
10-19.....	5
20 or more.....	6
(Don't know / can't remember) .....	7

**ASK IF CODE 2,3,4,5 OR 6 AT Q14**

15. And for which of the following purposes, if any, have you used a cheque in the past 3 months? Please tell me all that apply

**MULTI CODE**

**RANDOMISE**

READ OUT AND CODE ALL THAT APPLY

MULTI CODE

To buy something in a shop, garage or other outlet.....	1
To make a payment to a club or society .....	2
To pay a bill by post .....	3
To make a payment by post for something bought on the internet .....	4
To make any other payments by post – e.g. sending a gift to a relative....	5
To pay a bill at a bank or post office counter .....	6
To pay tradesmen, such as plumbers, who came to your house .....	7
To make a donation to charity .....	8
To pay for childcare or children's school or leisure activities .....	9

To buy transport tickets or season tickets .....	10
To make a payment to a friend or other individual - not by post.....	11
To withdraw cash at a bank, building society or post office .....	12
To put money into a savings account or purchase an investment.....	13
To pay for personal services e.g. dentist, hairdresser, solicitor etc.....	14
To pay for something else (Please Specify) .....	15
None of these purposes .....	16
(Don't know / can't remember) .....	17

ASK ALL

16. Prior to 30 June 2011, what proportion of the businesses that you paid by cheque requested to see your cheque guarantee card? Would you say:

SINGLE CODE

ROTATE TOP TO BOTTOM

READ OUT

SINGLE CODE

None - no businesses requested to see my card.....	1
Less than a quarter of businesses.....	2
About a quarter of businesses.....	3
Between a quarter and half of businesses.....	4
About half of businesses .....	5
Between half and three-quarters of businesses.....	6
About three-quarters of businesses.....	7
More than three-quarters of businesses .....	8
All businesses .....	9
(Don't know / can't remember) .....	0

ASK IF Q16 = (2,3,4,5,6,7,8 OR 9)

17. So thinking about those businesses that previously requested to see your cheque guarantee card when you paid them by cheque, have any of them stopped accepting cheques since the start of July this year, that is, following closure of the cheque guarantee card scheme?

Yes .....	1
No .....	2
(Don't know).....	3

ASK Q18-Q20 TO ALL ANSWERING CODE 1 "YES" AT Q17

18. What proportion of businesses that you previously paid by guaranteed cheque have now stopped accepting cheques altogether, even without using a cheque guarantee card? Would you say:

SINGLE CODE

ROTATE TOP TO BOTTOM

SINGLE CODE

READ OUT

Less than a quarter of businesses.....	1
About a quarter of businesses.....	2

Between a quarter and half of businesses.....	3
About half of businesses .....	4
Between half and three-quarters of businesses.....	5
About three-quarters of businesses.....	6
More than three-quarters of businesses .....	7
All businesses .....	8
(Don't know / can't remember) .....	9

**ASK IF CODE 1 "YES" AT Q17**

19. What reasons, if any, did the businesses give for their decision to stop accepting cheques?

**MULTI CODE**

DO NOT READ OUT, PROBE AND CODE ALL THAT APPLY

**MULTI CODE**

Due to closure of the cheque guarantee card scheme .....	1
Due to fraud .....	2
Due to the large number of cheques that bounce .....	3
Due to an increase in costs .....	4
Due to the trouble required to take cheques to the bank .....	5
Due to a change in business policy .....	6
Due to the long time taken for cheques to clear .....	7
Due to them starting to accept other payment methods .....	8
Other (write in) .....	9
(No reason given).....	10
(Don't know / can't remember) .....	11

**ASK IF CODE 1 "YES" AT Q17**

20. Since the start of July 2011, have you changed your purchasing habits in order to seek out businesses that will still accept payment by cheque?

No .....	1
Yes .....	2
(Refused) .....	3

**ASK ALL**

21a. In your experience, generally would you say that the businesses or organisations that you make payments to have started accepting new methods of payment since the beginning of July?

No .....	1
Yes .....	2
(Don't know).....	3

**IF YES, AT Q21a. OTHERS SKIP TO Q22.**

21b. What methods of payment have the businesses or organisations that you make payments to recently started accepting that they did not accept before the beginning of July 2011?

**MULTI CODE**

DO NOT READ OUT BUT PROBE WHAT OTHERS?

**MULTI CODE**

Debit cards.....	1
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Credit cards.....	2
Charge cards .....	3
Cash .....	4
Postal orders.....	5
Other (Please Specify) .....	6
(Don't know / Not Sure / Can't Remember) .....	7

**ASK ALL**

22. Apart from writing cheques, which of these other methods of payment have you used in the past year to make any face-to-face payments, regardless of how small or large these payments are?

**MULTI CODEREAD OUT AND CODE ALL THAT APPLY**

**MULTI CODE, EXCEPT CODE 6 AND 7 ARE MUTUALLY EXCLUSIVE**

Pay by card using a debit card .....	1
Pay by card using a credit card .....	2
Pay by card using a charge card (eg American Express, Diners Club).....	3
Cash .....	4
Postal Order.....	5
Other (Please Specify) .....	5
None – I only use cheques.....	6
(Don't know / can't remember) .....	7

**DO NOT READ OUT BUT USE TO CODE OTHER RESPONSES**

(Regular Direct Debit) .....	8
(Regular Standing Order) .....	9
(Make a payment by internet banking) .....	10
(Make a payment by telephone banking).....	11
(Pay by PayPoint or PayZone) .....	12

23. I'd now like to find out how your usage of different payment methods has changed, if at all, since July 2011, that is since the cheque guarantee scheme closed,

So firstly, thinking about paying by xxxxx [READ OUT FIRST PAYMENT METHOD FROM LIST BELOW], how would you say your usage of this payment method has changed, if at all?

Would you say you have started paying by xxxxx [READ OUT FIRST PAYMENT METHOD] now and didn't use this payment method before July 2011, your usage of this payment method has increased, it has decreased or has there been no real change?

Now thinking about paying by.... READ OUT NEXT PAYMENT METHOD AND PROMPT AS PER PRE-CODES

IF NONE OR DON'T KNOW AT Q22 (CODES 6 OR 7), USE FOLLOWING TEXT AS RESPONDENT WILL ONLY BE ASKED ABOUT NON-GUARANTEED CHEQUES

23. Thinking about paying by Cheque, how would you say your usage of this payment method has changed, if at all, since the start of July 2011? Would you say you have started using cheques now and didn't use them before July 2011, your usage of this payment method has increased, it has decreased or has there been no change?

ONLY PRESENT OPTIONS GIVEN AS RESPONSES TO Q 22. ALWAYS INCLUDE NON-GUARANTEED CHEQUES AS AN ALTERNATIVE

Cheque (but without a cheque guarantee card).....	1
Card using a debit card .....	2
Card using a credit card .....	3
Card using a charge card (eg American Express, Diners Club).....	4
Cash .....	5
Postal Order.....	6
Other (SHOW ANSWERS GIVEN AT Q22).....	7

ANSWER OPTIONS:

- Started using it, and didn't use it before July 2011
- Usage of this payment method has increased
- Usage of this payment method has decreased
- Has been no change
- (Don't know)

ASK ALL

And finally for our records, I would just like to ask you some questions that will help us group response together and ensure we are recording the views of all sections of the population.

24. Please could you tell me which one of the following best describes your marital status?

READ OUT

Married/civil partner / living as married.....	1
Widowed.....	2

Divorced/separated.....3  
Single never married/never entered into civil partnership .....4  
(Refused) .....5

25. Can I just check whether you have a condition such as a disability or long-term illness that affects your day to day activities?

Yes ..... 1  
No .....2  
(Refused) .....3

**ASK IF CODE 1 “YES” AT Q25**

26. What kind of disability or condition is it?

READ OUT

IF NECESSARY PROBE: Is the disability or condition mainly related to an impairment concerning...?

Sight..... 1  
Hearing .....2  
Mobility.....3  
Speech.....4  
The mind or learning difficulties.....5  
Manual dexterity or co-ordination .....6  
Respiratory difficulties /Heart condition .....7  
Other (Please Specify) .....8  
(Refused) .....9

**ASK IF CODE 1 “YES” AT Q25**

27. **IF REFUSED AT Q26 READ OUT:** Taking into account the disability or condition... **OTHERWISE READ** Taking this into account are you able to get out of the home unaccompanied?

Yes ..... 1  
No .....2  
(Don't know/ Refused).....3

28. Although there are no plans at the moment, if we wanted to come back to you to ask you some more questions about this topic in the next few months would this be okay?

Yes ..... 1  
No .....2

29. And finally for proof of this interview, can I take down your name?

\_\_\_\_\_

**SHOW TO ALL**

That's the end of interview. . Thank you very much for giving us your time today. Before I go, I would just like to confirm that my name is XXX and I've been calling you from Synovate, an independent research agency, on behalf of Payments Council.

If you would like to verify this information you can do so at no charge to yourself by dialling the Market Research Society Freephone service on 0500 396 999 or by visiting their website at [www.mrs.org.uk](http://www.mrs.org.uk)

Goodbye.

BRING UP ALL THE 'OTHER' AND 'OPEN ENDED' BOXES WITH THE QUESTION ABOVE EACH FOR THE FOLLOWING QUESTIONS FOR THE INTERVIEWER TO CHECK:

2/10/13/19/21/22/23/26

SHOW TO ALL

INTERVIEWER DECLARATION:

I declare that this interview has been conducted in line with all instructions and in accordance with the code of conduct of the Market Research Society. I have also checked all responses written in the open ended/verbatim boxes.

PLEASE ENTER YOUR FULL NAME IN THE BOX BELOW:

.....

EXTRA NOTES FOR INTERVIEWER BRIEFING:

Q6: It is not mandatory to read out the definition if the respondent immediately answers yes and is confident in their answer.

Q14: Ensure that the time frame of 3 months is emphasised and that we're talking about all types of cheques, both those guaranteed and those not guaranteed.

Q15: The read out list is quite long; therefore ensure you remind the respondent at intervals that we are talking about a 3 month time frame.

Q22: Please make sure you read out the full list.

Q25: This a respondent's interpretation of whether their condition affects their day-to-day activities, there are no guidelines but it is their own perceptions and feelings on their circumstances.

