

## Response to the National Payments Plan consultation

From KJ Tyrrell

### Summary

- 1) It's clear from the document that there is a move towards ending the cheque as a payment system. Cheques are expensive and are not as efficient to process as some other systems such as BACS and direct debits.**
- 2) However cheques do have very considerable advantages for housebound elderly people and others with disabilities who don't want to give somebody access to their entire account by giving them the pin number for their bank account. It appears to me that The Payments Council has never ever heard of elder (financial) abuse!**
- 3) It's unclear from the document that other changes relating to the reductions in branches of banks and post offices have been considered if people want to switch to cash as an alternative to cheques.**

### The consultation process appears to be defective

It seems to me that this is a piece of consultation which will have an enormous impact on older people and yet the consultation process appears to be defective. For the record, while working as a management consultant for KPMG, I've previously advised the Department of Health about accessing the views of older people and those who difficult to reach.

The Payments Council purpose indicates that it is supposed to have a responsibility towards users (ie people who use payment systems).

HOWEVER

- The Payments Council does not demonstrate anywhere on the website that it has any sort of consumer forum. Indeed membership of the Council is limited to providers only!
- The consultation document does not indicate that it has done detailed analysis of the needs of the older person and nowhere uses the words "older people". The only reference I could find in the consultation documents was in the first para of 3.1 where there is an extraordinarily brief statement that cheques continue to be important to older consumers. This fails to recognise that they are also important to people with disabilities as well. People who financially disadvantaged are not the same 'thing'.

- It's entirely unclear which organisations have been consulted about this – in either specific or generic terms. Groups that I would expect to be contacted don't appear to know eg
  - my elderly Mother who sits on the group representing Older People in Cheshire and she hadn't heard of it - but understood immediately how problematical elimination of the cheque as a method of payment could be for older people.
  - I've checked the Age Concern site and the only reference is in the January [newsletter](#) - which says nothing other than announcing the consultation. The fact that they aren't publicising this until January suggests the consultation period has been very short and that your consultation process was never designed to elicit the views of bodies representing the elderly and disabled.
  - I know Help the Aged are campaigning around [the loss of post offices and the impact on ability to get cash and pay bills](#) - but they too haven't got any reference to this consultation on their site
  - the only thing on the National Consumer Council's website relates to the lengthy period it takes for [electronic transfer of money](#) - again nothing about the consultation on this strategy.
  - There is nothing on the BBC website
- I've googled various terms and come up with nothing to suggest that relevant bodies relating to older people/people with disabilities have been contacted.

The fact that it is happening has also not been well covered by either the BBC (nothing on their site at all) or the national newspapers – until yesterday's article in The Observer Money section. See <http://www.guardian.co.uk/money/2008/feb/03/personalfinancenews.consumeraffairs1>

**How are people who do not have access to a computer or Adobe Acrobat supposed to know this consultation is happening? Did you really want to hear your views – or is this exercise a formality before you proceed according to what the providers want to do.**

## **What will replace the cheque AND avoid financial abuse?**

To publish a plan which suggests that the cheque system should go – without suggesting an alternative which is easy to understand, accessible to older and disabled people and particularly the housebound AND prevents the financial abuse

of such groups is in my opinion tantamount to scaremongering and is **highly irresponsible**.

## **How will the Payments Council listen to the views of users?**

It also seems to me that the document reflects an organisation which has not developed any sort of adequate model for listening to the views of users which is also accessible to ALL users.

For example, contrast [the Payments Council website](#) with the [FSA website](#) – which has a clearly marked link to consumer information – and the separate but connected website for '[Money Made Clear](#)'

KJ Tyrrell

4<sup>th</sup> February 2008