

3.1 - Cheques and the Cheque Guarantee Card Scheme

Q1	<i>The Payments Council is minded to develop a proactive industry plan to manage what it sees as the irreversible decline in cheques. Do you agree that a plan for cheques should be developed?</i>	Yes. Pro-active. End date of 2018 agreed upfront. Review progress at 2013 to check achievability. Greater use of Direct Debits and Debit Cards, and pre-paid cards. Encourage greater use of B-2-B Payments via Bacs
Q2	<i>For which types of payment currently made by cheque do new alternatives need to be introduced?</i>	Greater awareness of pre-paid cards which can replace family gifts and other postal payments
Q3	<i>Would it be acceptable for the National Payments Plan to include a target date of 2018 for the closure of the cheque clearing (on the assumption that acceptable alternatives to cheques have been developed)?</i>	Yes.
Q4	<i>What sort of education of users is needed to support the migration away from cheques?</i>	B-2-B – education on cards and Bacs. Bill payers to be made more aware of all the electronic and card alternatives
Q5	<i>Do you agree that, as part of the National Payments Plan, there should be an objective review of the future of the Cheque Guarantee Card Scheme?</i>	Yes. If a 2018 target date is set for the demise of cheques, then the Cheque Guarantee Card Scheme should be wound up by 2013.
Q6	<i>What other actions, if any, should there be in the National Payments Plan in relation to cheques?</i>	Cost analyses. If the OFT encourages banks to move away from cross-subsidising Current Accounts (cash and cheques) by charging for unauthorised overdrafts, then Current Account pricing could be re-introduced which could help in making cheques less attractive

3.2 - The Credit Clearing

Q7	<i>Do you agree that, as part of the National Payments Plan, there should be an objective review of the future of the paper credit clearing?</i>	Yes
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3.3 - Cash

Q8	<i>The Payments Council believes that the National Payments Plan should be developed on the assumption that cash will remain a major payment method for the foreseeable future. Do you agree?</i>	Yes
Q9	<i>Should the issues of the supply and quality of notes and coin in circulation be within the scope of the National Payments Plan? If so, how should they be addressed?</i>	No – leave this to the Bank of England and Scottish issuing banks
Q10	<i>What other actions, if any, should there be in the National Payments Plan in regard to cash?</i>	N/C

3.4 - Direct Debits

Q11	<i>What improvements would lead to the greater take-up of direct debits by users?</i>	Improved Consumer, Originator and Bank Staff education on the DD Product and the DD Guarantee. Too many Bank staff are unaware that an immediate refund by the Bank is available under the DD Guarantee
Q12	<i>Would you support the introduction of a time-limited guarantee for direct debits in place of the current unlimited guarantee?</i>	Yes – but phased in, and for a reasonable consumer friendly period of time. Particularly if there is a need to increase DD penetration among consumers to enable the “end” of cheques
Q13	<i>If so, what time limit do you think would be appropriate?</i>	3 Years initially, then phase down to 13 months in 5 years’ time depending on progress with cheque reduction

3.5 – Direct Credits

Q14	<i>What measures to improve the accuracy and end-to-end delivery of reference information, with internet and telephone banking payments and with other direct credits, could usefully be introduced?</i>	Bringing APACS Standard 18 more closely in line with the SEPA Credit Transfer standard of 140 characters. Could see Standard 18 replaced by ISO 20020, or more likely the integrated use of remittance advices via simultaneous e-mail when the Bacs payment files are submitted to VocaLink.
Q15	<i>Are there any other enhancements you think should be made to direct credits?</i>	N/C

3.6 – Credit cards, debit cards and cash machines

Q16	<i>What opportunities would you identify to exploit the ATM infrastructure for non-cash transactions? How should these be reflected in the National Payments Plan?</i>	Bill payments – particularly for the Unbanked using pre-Paid Cards.
Q17	<i>Which other, if any, actions should there be in the National Payments Plan in relation to credit and debit cards and cash machines?</i>	N/C

3.7 – CHAPS and the Wholesale Markets

Q18	<i>What improvements should be made to the way in which payments in the wholesale markets are carried out?</i>	Focus CHAPS on Inter-Bank payments only. Leave other CHAPS-type payments to the new UK Faster Payments service.
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3.8 – SEPA and Cross-Border Payments

Q19	<i>What should the Payments Council do to ensure that users in the UK can take best advantage of SEPA?</i>	Consider the cost, speed and efficiency advantages of encouraging Direct Corporate Access into a SEPA compliant CSMs or PE-ACH, rather than send these payments via a Bank. Don't let the superior UK Direct Credit and Direct Debit services be downgraded in terms of service by coming in line with the SEPA Scheme Rules (many of which are already out-of-date in terms of technological improvements).
Q20	<i>What issues does SEPA raise for your use of payments?</i>	N/C

Q21	<i>What improvements should be made to cross-border payments?</i>	Make greater use of the more efficient ACH style / Direct Corporate Access payment model rather than design the payment model based on SWIFT messaging services. Reduce prices. Encourage the integration of Accountancy Software (e.g. SAP, Sage, Intuit, etc.) into Cross Border payment files.
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3.9 – Measures to enhance users’ efficiency

Q22	<i>What measures to enhance users’ efficiency should be considered by the Payments Council?</i>	N/C
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Section 4: Innovation

4.1 – Contactless and Prepaid Cards

Q23	<i>Do you agree that at the present stage of market development the contactless and prepaid card sectors are best left to initiatives from individual payment service providers and the card schemes?</i>	No – previous attempts (such as MONDEX) failed because not all the Stakeholders were involved with the product design and costing.
Q24	<i>What support, if any, could the National Payments Plan offer to the development of contactless cards? In particular, is further action needed to ensure that the standards for contactless cards meet the needs of all sectors of users?</i>	Standardisation
Q25	<i>What support, if any, can the National Payments Plan offer to the development of prepaid cards?</i>	Encourage competition – not just leave the market to VISA and MasterCard

4.2 – Mobile Payments

Q26	<i>What role should the Payments Council play in the development of mobile payment services, including setting the standards for mobile payments?</i>	Encouragement
Q27	<i>In particular, do you agree that the National Payments Plan should support the development of mobile payment services between bank accounts?</i>	Yes
Q28	<i>What principal characteristics would users find attractive in a mobile payment service?</i>	Immediacy, convenience and availability
Q29	<i>What role do mobile phone payments potentially play in providing alternatives to traditional forms of payment?</i>	Ease

Q30	<i>What other actions, if any, should there be in the National Payments Plan in regard to mobile payments?</i>	Encourage competition

4.3 – Supply Chain

Q31	<i>Do you agree that the Payments Council should indicate support for the work of the European Commission Steering Committee on e-invoicing and associated activity, including the development of international standards that facilitate supply chain efficiency?</i>	No – most Corporate customers don't seem to want banks involved in the Supply Chain. The lead should perhaps be taken by Corporate Treasurers, Key Industry Sectors involved with the supply chain (e.g. Retailers, Wholesalers, Car Manufacturers etc.). The Payment Industry should make itself available to join the Corporations at the next round of discussions, but not attempt to take-over the e-Invoicing space.
Q32	<i>What role should the National Payments Plan play in moving this agenda forward?</i>	Encourage others. Volunteer attendance at Business Led / Corporate Treasurer led Forums and User Groups
Q33	<i>What other actions should be included in the National Payments Plan?</i>	N/C

4.4 – Other Innovations

Q34	<i>What other payment innovations requiring action at industry level should be considered by the Payments Council?</i>	N/C
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Section 5: Other Issues

5.1 – Education in Payment Matters

Q35	<i>What gaps are there in current financial educational initiatives in regard to payment matters?</i>	N/C
Q36	<i>What role can the Payments Council play in promoting the education of consumers about the choice of payment methods available to them? What other bodies should it work with to deliver this role?</i>	Major driver for Cheque reduction / migration.

5.2 – Financial Inclusion

Q37	<i>What role can the Payments Council play in promoting financial inclusion?</i>	<p>Bring the Banks, the Utilities, the Local Authorities, and the Telco's together with the DWP to take the lead in the creation of regular weekly / fortnightly direct debits being issued to coincide with the exact date of receipt of weekly / fortnightly Benefit payments into beneficiaries' accounts..</p> <p>Ask the Post Office to improve its Post Office Card Account to accept Direct Debits - including weekly (rather than to withdraw the product from the market)</p> <p>Encourage banks to improve the marketing of their "Basic Bank Accounts".</p>
Q38	<i>What other bodies should it work with to deliver this role?</i>	Consumer Council and the Post Office

5.3 – Payment System Integrity and Contingency

Q39	<i>What are the main challenges to the integrity of payment systems that need to be addressed collaboratively?</i>	End-to-end reliability of all the payment services.
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5.4 – Fraud and Security

Q40	<i>How should consideration of measures against fraud be included in the assessments which the Payments Council makes of proposals for innovation?</i>	N/C
Q41	<i>How can the National Payments Plan assist with issues of customer authentication? To what extent do these need to be addressed across the payments sector?</i>	Assess the size of the issue. If, as expected, it is not large then leave individual Banks and Businesses to make greater use of the services available in the market place (e.g. Experian, Equifax, GB Group) which many already use for credit checks etc.
Q42	<i>Should minimum standards be introduced for authentication of remote transactions? If so, should a common measure of authentication be recommended/mandated?</i>	N/C
Q43	<i>How should the National Payments Plan address new technologies, such as biometrics, which may contribute to customer security?</i>	N/C
Q44	<i>What actions, if any, should the National Payments Plan include in regard to data sharing?</i>	None

Q45	<i>How can the National Payments Plan help ensure that the burden of fraud prevention is shared equitably across payment service providers and users, including SMEs?</i>	?
Q46	<i>What role should the Payments Council play in raising the profile of fraud and security issues and in lobbying government and the public authorities?</i>	?

5.5 – Standards

Q47	<i>What should be the role of standards in the National Payments Plan? Are the current principles as agreed by the Board a suitable base from which to start? What role should the Payments Council play in influencing international standards developments?</i>	N/C
Q48	<i>What, in particular, should the National Payments Plan say about messaging standards?</i>	See earlier comments. Need for cost-effective solutions.

5.6 – Payment Costs

Q49	<i>Would you support an initiative, led by the Payments Council, to establish a better understanding of the costs of UK payments? If so, how do you think this should be taken forward? What supporting information do you think would be relevant for such an exercise?</i>	Yes – there is a growing belief that Banks will have to become more transparent with their pricing. Less cross-subsidisation of loss-making payments . This will also be needed for cheque reduction (pricing the product out as unit costs increase). Also to allow comparison of cash-handling against the merchant’s cost of accepting all types of plastic cards.
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