

National Payments Plan – ‘Consulting on change in UK payments’

Response from **Martin J Ruda**

On behalf of **The TALL Group of Companies**

Comprising **TALL Security Print Ltd**
 Checkprint Ltd

Please find the following responses to Questions 1 to 7 only.

Q1 We agree that a plan for cheques should be developed, involving all parties affected, including consumers, small, medium and large businesses, banks and the regulators and service providers to the cheque printing/clearing industry.

Q2 * Postal Payments, and/or payments to and from individuals who have no, or only limited access to electronic, telephone, or face-to-face card/PIN/Signature based payments. (e.g. Elderly, infirm, rural, etc)

* Payments where a detailed remittance advice, accompanying the payment, is critical to the accurate, timely reconciliation and/or acceptance of the payment by the recipient. Many businesses, of all sizes, incur substantial administration costs in the reconciliation of electronic payments received with no, or insufficient, remittance detail. Cheques are typically accompanied, physically, by the necessary detail for immediate reconciliation. Erroneous or non-accepted cheque payments can be returned without the funds having been drawn.

- Payments where tangible, physical manifestation of receipt is part of a significant commercial process – e.g Insurance Claim settlement, prize/lottery winners, important refunds, – adding value through the speed, completion of the process of claim, reinforcement of customer service commitment, underpinning the visual brand values of the payer.
- Payments where an option to retract (stopping the cheque) is required.
- Payments made by individuals who have no other/easy means of tracking/recording payments made.

Q3 A target date of 2018 implies the ‘managed’ elimination of cheque usage, between now and then, of a further 700-800 million cheque payments per annum, over and above the expected ‘natural’ rate of decline.

To accept this proposition would require all the current questions of ‘alternatives’ to be seen to be resolved within three years – thus providing a five year ‘notice’ period. This seems ambitious at best, high-risk at worst.

Q4 User education would, at least, need to be universal in its reach, comprehensive in respect of the security, accessibility, reliability, transparency, cost comparison of the alternatives, and totally consistent to customers of a banking sector which must remain nevertheless competitive and independent in implementing any change.

Q5 Yes

Q6 * Other action in relation to cheques should include consideration of foreign currency documents, items drawn on foreign banks, bankers drafts, credits.

- Identification of the ‘total’ cost of the end-to-end service to the banks of cheque production, distribution, processing and clearing would enlighten the debate and enable ‘users by preference’ to consider that cost alongside alternatives.

Q7 Yes

- The information contained, and captured, on a credit accompanying a cheque payment is the key to satisfactory, error-free reconciliation. Ensuring the availability of this information, where an electronic payments is used, would be a major consideration.

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