

The Future of Cheques in the UK

December 2009

Executive summary

Cheque use is continuing to fall and has been since 1990, so the choice for the Payments Council is between managing this decline or standing on the sidelines and leaving developments to market forces. The Payments Council, whose Board includes four independent Directors, believes that setting a target date for closing the cheque clearing in 2018 is the best way of guiding events so that the inevitable change, which is implicit in the ongoing decline in cheque usage, occurs in a way which delivers viable alternatives for those who use cheques. If cheque decline is not managed, not only could it result in confusion but it could lead to increasing disadvantage for those consumers who are at present largely dependent upon cheques and are least equipped to change.

Over the past eighteen months we've carried out extensive consultation to get to grips with what consumers and businesses will need to happen during the nine year period before it is planned to close the cheque clearings. There is broad acceptance that cheques are in terminal decline but many have voiced their concern that the target date cannot be met without adequate alternatives being in place. It is very clear that if 2018 is to become a reality, much needs to be done to plug gaps in the marketplace where cheque alternatives are not yet available, readily accessible or acceptable to users. These gaps not only need to be filled but we need to ensure that everyone is aware and comfortable using existing and new alternatives to cheques.

Consequently, the consultation process does not end with today's decision, and over the next nine years we will need to keep listening to and working with cheque users. Delivering on the target of 2018 where no one – be they an individual, small society, club or business – has a real need to use cheques will be extremely challenging. The cheque has existed for 350 years and holds a deep-seated place in British culture. Of course, we are extremely sensitive to this and recognise that some will have valid concerns about how this change will affect them.

So, we will now commence a major programme of work on a number of fronts. This will include supporting users in their cheque replacement programmes, sponsoring innovation in alternatives to cheques and implementing a far-reaching communications strategy. The Payments Council and its Members will need to show leadership in innovating and driving change.

We have built safeguards into our plans to ensure that the final decision to close the cheque clearings is only taken on the basis of firm evidence that there are acceptable alternatives to cheques in all of the significant areas where cheques

are currently used. There will be annual reviews of progress and major reviews in 2014 and in 2016, when the final decision on closure will be taken. These reviews will be open, transparent and objective and will involve users as well as Payments Council members.

The remainder of this report sets out the vision and timeline for the future of cheques that we have developed, the evidence that we have used to get us to this stage, and how we will be taking the work forward.



Work undertaken on the future of cheques by the Payments Council

The Payments Council was set up in May 2007 on the back of recommendations made by the OFT Payment Systems Task Force. It was created to set strategy and to ensure that UK payment systems and services met the needs of users, payment service providers and the wider economy.

The Payments Council is a membership organisation funded by its members, with an independent chairman and four independent Directors. It is intended as the long-term solution to the issues of transparency, access, governance and innovation in payment systems that were originally raised in the Cruickshank review of 2000.

The Council's remit includes facilitating competition and innovation within the payment sector, and ensuring the continued operational efficiency and integrity of payment services. These objectives have driven our work to determine the future direction for cheques in the UK.

The Council initially proposed a managed decline of cheques in its 2007 public consultation on a National Payments Plan. It also put forward a potential date of 2018 for closing the cheque clearing. The respondents to the consultation were in broad agreement over the need to actively manage the decline. Although views on setting an end date were more divided, no evidence was received that the target was not attainable. In the National Payments Plan, launched in May 2008, the Council committed to investigate how a managed decline for cheques would be delivered, with detail of how that would be achieved, by the end of 2009.

The initial work on cheques in 2008 consisted of extensive research with users on the barriers to cheque replacement and the main gaps in the provision of alternatives, and identification of how those should be addressed.

At its meeting in December 2008, the Payments Council Board undertook a review of the outcome of this work, and re-affirmed its commitment to the creation of a plan for the managed decline in cheques. The details of the Board discussion and supporting documents are available from the Payments Council website www.paymentscouncil.org.uk

The next steps in 2009 were to develop these plans setting out how the decline of cheques might be managed, including confirming an agreed target end date for cheque clearing.

This work has involved extensive research and continued consultation with users, including large corporates, Small and Medium Sized Enterprises (SMEs), public sector bodies and organisations that represent those consumers that are dependent upon cheques. It has also included consultation with the Payments Council User Forums. Lists of the organisations consulted and membership of the Payments Council member group which has led the work on cheque replacement are given in Annexes C and D.

The Payments Council Board has considered all this evidence and set a target end date of 31 October 2018 for the cheque clearings in Great Britain and Northern Ireland. This report contains details of all this work. It also sets out the Payments Council's vision for the future of cheques, describes how the vision will be delivered through a high-level timeline, and shows how the work will be taken forward.

Going forward – The Payments Council’s vision for the future of cheques

Cheque use is in permanent decline in the UK. There were 40% fewer cheques issued in 2008 than in 2003 and over the twelve months to September 2009 volumes fell by 12%. Our ongoing work with users indicates that there remains broad support for managing the decline to ensure that users are well-informed about alternatives, that innovation fills any significant gaps, and that users least equipped to change are not disadvantaged. It is widely recognised that the payments industry has a leading role to play in driving cheque replacement.

Taking all of the evidence into account, including feedback from consumers, small businesses and corporates through regular User Forums, the Payments Council has confirmed the need to set a target end date to enable this vision to be realised. Setting and publicising an end date should act as a catalyst to enable many large corporates to begin or step up their own cheque replacement programmes; it should encourage innovation and will reinforce the message of change.

Managing the decline will result in a much more rapid fall in cheque use than the current trend, and on the assumption of complete withdrawal of use there would be ongoing annual cost savings to banks of the order of £200 million in 2018, and around £750 million to large corporates and the public sector. There would also be substantial value delivered to users through the uptake of alternatives, and our research has shown that users are amenable to cheque replacement provided that alternatives meet their needs. More detail on the business case is given in Annex B.

A number of countries including The Netherlands and Sweden have already largely or totally eliminated cheques. However volumes of paper credit payments in these countries remain significant. The cheque replacement programme in the UK would be going beyond these countries in aiming to modernise the payment system and having a managed programme for decline over an extended period. Further information is provided in Annex A.

The vision for 2018 is that innovation in the payments market has delivered acceptable alternatives to cheques so that personal customers and business users have migrated away from cheques by choice, thereby enabling the benefits to be realised.

More specifically:

- there will be no need for the vast majority of users – consumers, SMEs, small organisations, large corporates and the public sector – to make or receive payments by cheque as acceptable alternatives will be in place;
- a residual volume of cheque use will remain; at levels radically below current use. Alternatives will have been adopted in all significant areas where cheques are presently utilised by consumers and businesses. High volume cheque users such as large corporates, banks and government departments will have migrated to electronic methods of payment;
- the needs of those users who may have a continuing requirement for paper and are least equipped to change will have been identified and met.

Payments Council Members and other banks will offer a wide range of plastic card and automated methods as alternatives to cheques. It will be a competitive matter for individual banks to decide if they also wish to continue to offer paper-based payments to their customers beyond 2018.

There will be a need for some interbank processing arrangements to support any residual use of paper items, but these are likely to be very different to current arrangements in the cheque clearings in Great Britain and Northern Ireland, which will be closed by 2018.

The Cheque and Credit Clearing Company and the Belfast Bankers' Clearing Company have both confirmed that a 2018 closure date for the cheque clearing is viable, conditional upon achieving the substantial volume reductions that would be required.

2010 to 2014

The focus of the work in this initial period will be on delivering alternatives to cheques, on communicating the message of change to users and encouraging migration, and early action by Payments Council members, in their capacity as business users of cheques, to show leadership in cheque replacement.

Industry education and communication will be critical in supporting cheque replacement and raising awareness of alternatives amongst all cheque users. Initially, it will be important to capitalise on the interest generated around the announcement of the end date. Ongoing communication will involve the periodic issuance of regular progress reviews and communications tailored to the achievement of intermediate targets and other milestones such as the closure of the Cheque Guarantee Card Scheme¹. The education activities will focus on partnership work, with the aim of increasing user awareness and confidence in electronic alternatives to cheques. There will be lessons to be learnt from the closure of the Cheque Guarantee Card Scheme.

¹ A full report of the review of the Cheque Guarantee Card Scheme can be found at <http://www.paymentscouncil.org.uk/resources/-/page/publications/>

The high-level targets are that by 2014:

- there will be significant progress in reducing cheque use in areas where alternatives are already available;
- there will be alternatives in place for all of the major areas where cheques continue to be used. Current payment methods provide alternatives to cheques in many areas where they are used at present. However, to meet the 2018 target it is essential that by 2014 there are emerging alternatives in the key gaps of:
 - ♦ person-to-person payments;
 - ♦ payments to sole traders and other small businesses;
 - ♦ payments to schools, clubs, societies, associations and small charities;
 - ♦ payments from businesses to individuals, especially where the individual is reluctant to share account details.

Potential solutions to fill these gaps currently include mobile account-to-account payments, mobile card payments, pre-paid cards, mobile card acceptance and third-party services such as ParentPay and justgiving. More detail on alternatives to cheques in the main market segments is provided in the Annex.

- there will be widespread awareness of, and comprehensive information available for different types of cheque user on, these alternatives;

- Payments Council members will have completed targeted replacement strategies for the cheque payments that they make and receive in their own right.

In 2010, these high-level targets will be translated into detailed numerical targets. Progress against these targets will be monitored going forward, including a major review in 2014. The review process will be open, transparent and objective, and users will be fully involved. If progress is seriously impeded, the Payments Council will decide whether it is feasible to retain the targets, which become more stretching, or to extend the target end date and the remaining intermediate targets. It is possible that successful innovation may result in progress being more rapid than expected, in which case the target end date could be brought forward. Should this occur, this would be widely communicated at the earliest opportunity.

More details on the work to be carried out by the Payments Council in this period are presented in the next section.

2014 to 2016

The second time period, from 2014 to 2016, will largely be shaped by what happens over the next four years, with ongoing innovation to provide a complete range of alternatives to cheques and users increasingly adopting those payment methods. The Payments Council will continue to seek to consult and liaise with cheque users, particularly on any new or emerging innovations.

The final decision on closure will be taken in **2016**, when the final go/no-go decision on the end date of 31 October 2018 will be taken. As with earlier reviews, the decision-making process will be open, transparent and objective.

For a positive decision to be taken the high-level targets that need to be met by **2016** are that:

- there will be alternatives to cheques accessible to users for all significant types of payment where cheques continue to be used;
- these alternatives will have shown themselves to be acceptable to users, in particular there will be widespread awareness and adoption of these alternatives;
- the Payments Council will have determined what measures to put in place to ensure that those users least equipped to change are not disadvantaged, including any requirements for the use of paper to continue.

The detailed planning for the closure of the cheque clearings in Great Britain and in Northern Ireland will need to begin early in this period.

2016 to 2018

Following a decision in 2016 to close the cheque clearings, there will be an intensive programme of activity leading to the closure. This will include an extensive communications campaign explaining the closure decision and supporting users in the adoption of alternatives methods. The two year period will be required to enable those users who have remained heavy users of cheques to adjust their behaviour, and to implement the closure of the clearings and any revised processing arrangements.

Our target is that the clearings will be closed on 31st October 2018. October is a quiet period for payment and overall economic activity, and leaves sufficient time in advance for the communications messages to be delivered, and after for residual uses of cheques to be picked up.

In 2010 a major programme of activity will commence in those areas which have been identified as a priority to initiate change. Detailed planning for the subsequent years will also be prepared and proactive consultation with user groups and stakeholders will continue.

The main areas of activity are as follows:

- there will be a **baselining review in 2010 to include the definition of the detailed targets and measurements** for monitoring the success of the programme going forward. Plans will ensure detailed annual reviews of progress, supplemented by more frequent tracking of key measures. The main potential indicators of progress include:
 - ♦ the total volume and value of cheques;
 - ♦ the % of account holders and cheque users that are aware of alternatives for the main types of payment made by cheque, both as payer and receiver;
 - ♦ similarly for the acceptability of alternatives as cheque replacements;
 - ♦ the % of cheque users that would expect to have problems if the facility to make cheque payments no longer existed.
 - ♦ the volume of cheques in each market segment;
 - ♦ the % of consumers using cheques, and the % of their payments made by cheque and other methods;
 - ♦ the % of businesses and other organisations using cheques, and % of their payments made using cheques and other methods;
- **education and communication.** The Payments Council is keen to ensure that the consultation process with representative user groups and stakeholders is continued in the run-up to 2018. It recognises that consultation, clear communication and education will be critical if the 2018 target is to be met. The first stage of activity in 2010 will focus on communicating with specific groups. Generic education material will be developed as appropriate for different user groups - including highly cheque dependent consumers - on existing alternatives to cheques and what this change may mean.
- activity will be kicked off in 2010 to **support users, including Payments Council members, in their work to replace the cheque payments that they make and receive as businesses themselves.** An initial task will determine in detail what work is needed from the Payments Council to achieve this, followed by implementation of these actions in 2010 and onwards. This is likely to include supporting corporates, SMEs and other small organisations through developing and sharing best practice, hosting workshops on issues of

common interest, and encouraging the adoption of intermediate targets. In those areas which involve Payments Council members, the aim is to develop concrete plans and for members to be asked to commit to specific cheque replacement targets where appropriate.

- likewise, an approach will be set up and initiated in 2010 to **support innovation from vendors, Payments Council members and other payment service providers**. The main areas where innovation may be required will be confirmed. The activities to support innovation will include documenting the market opportunities, communicating them to potential solution providers, e.g. via a competition and workshops, and promoting the results. UK and international marketplaces will also be reviewed for potential innovations.
- **the Payments Council will continue to innovate in the co-operative space**. As part of our work within the National Payments Plan, we have agreed that work will be taken forward to address issues identified by users over the accuracy and end-to-end delivery of reference information with payments, we are currently examining the potential for business-to-business Direct Debits, and next year will look at a scheme to use faster payments to pay online retailers.
- there are some **legal and regulatory issues** that will not be addressed under the activities discussed above. These include liaison with government and other regulators to ensure that current and future regulations are adequate for a UK payments market with no cheque clearing. This work will commence in 2010.
- any requirements for a facility to make payments by cheque or another paper system post-2018 will become clearer as the project develops, and at the appropriate time a project to define those needs and determine how a paper method would work in practice will be initiated.
- other areas, which are not a priority for 2010 but where there is a commitment for action in the Payments Council's National Payments Plan, include reviews of the euro debit and dollar clearings.

A.1 Market research with consumers and SMEs

Extensive research was conducted with consumers, SMEs, large corporates and financial institutions on cheque use and barriers to cheque migration. This confirmed that all major stakeholder groups saw cheques as being in a state of permanent decline and that users are amenable to their replacement by electronic payment methods, provided these methods meet their needs.

The independent consumer and SME research, conducted by Andrew Irving Associates, was published on the Payments Council website in March 2009. This research specifically targeted those businesses and consumers who may be reliant on cheques for particular applications, including small locally-run clubs and charities, individuals who are housebound, and individuals who have power of attorney on behalf of someone else.

The independent research showed that the key drivers behind the continued use of cheques were habit, tradition and inertia, combined with a lack of awareness and confidence in other payment methods. Consumers, SMEs and other organisations recognised that cheques were in decline and there was a general expectation that cheques will be phased out at some time in the future. The research highlighted those cheque users who might experience genuine practical difficulties making payments without cheques, such as some housebound individuals, and for whom existing alternatives – cash and electronic – do not meet their needs. As a result, a specific project was initiated to look in more detail at the needs of those individuals who are dependent on cheques and to work with stakeholder groups to find potential solutions.

A.2 Consultation with Large Organisations

Extensive consultation was also undertaken with large corporates, including banks and other financial institutions, and public sector bodies to understand where they make and receive payment by cheque and their future plans for cheque migration. The majority of corporates and public bodies interviewed have already done much to reduce their cheque usage and were supportive of a cheque migration plan, seeing that this would deliver significant economic benefits. For some corporates, the cheque clearing could be closed tomorrow with little or no impact upon their business. For others it would have major implications, either in terms of the systems or process changes required, or in terms of the need to collect account details on substantial numbers of payees. An industry end-date was seen as essential through changing users' perceptions

of cheques and through getting the necessary priority for internal projects.

A number of gaps and other issues were identified which have been addressed. These included the business case for cheque replacement, any legal and regulatory impediments and the barrier to change of user reluctance to share account details. There was a widely-held view that user education is required to enable migration away from cheques.

A.3 International comparisons

Alternatives to cheques were studied in other countries for uses where there were barriers to migration from cheques in the UK, to see if they could provide insights that might be applicable to the UK.

The key messages from this work were that a number of other countries have eliminated or nearly eliminated their domestic use of cheques. It has highlighted that effective education in the co-operative and competitive spaces can support migration away from cheques. The review has also identified some payment innovations that may be applicable to the UK market as the plan develops.

For a like-for-like comparison, paper credits were included as well as cheques, in countries where they can be used on their own. The countries covered in the analysis were:

- those where cheques (and to a lesser extent other paper methods) had been successfully reduced to very low levels of use: the Netherlands, Sweden, Norway and Denmark;
- those with a similar political, cultural and business environment to the UK, and where the use of non-cash payments has traditionally been similar too: Australia, New Zealand, Canada and Ireland;
- other countries: France, Portugal, South Africa and the United States. These were of interest because they have a high use of cheques or a relatively high population of under- or un-banked, where there might be a strong efficiency benefits from migration to electronic methods.

There is strong interest in migration from cheque and paper methods to more efficient electronic alternatives in several countries. Sweden, Norway and the Netherlands have been active in this area for decades. The Irish payment association has set a target end-date for cheques in 2016, with government support in the form of recent changes in the stamp duty on cheques versus other payments. Australia held a public consultation in mid-2008 on its low value payments systems, including the long-term future for cheques; and Portugal's payment system has a programme to encourage usage of ATMs for payments, to replace cash and cheques. The results of the Australian consultation were published by APCA (the Australian Payment Clearing Association) in December 2008. It concluded that APCA should consider a long term strategy for the management of the decline in paper payments. This might include consideration of electronic alternatives and measures to reduce processing unit costs. This was to be completed by the end of 2010.

In countries where there are very low levels of use of cheques, there are alternatives to nearly all uses of cheques in the UK, exceptions being mainly Bankers' Drafts for high-value payments, or where the payee's account number is not known. Some alternatives are paper-based, including cash. As a result, cash is used more than in the UK for some purposes, such as paying visiting tradesmen or for children's activities. Paper credits (giros) were traditionally the main way to pay businesses in these countries, and these have been easier to migrate than cheques would be, as it is the existing process that is automated.

Adoption of electronic alternatives that are available in the UK is high; SMEs for instance nearly all use internet banking payments instead of paper credits, and direct debits are also used in some cases. The strong take-up of electronic payment methods in these countries is partly explained by high levels of access to internet banking: there is over 90% internet banking penetration in Norway and an estimated 80–90% in the Netherlands. It is also significant that culturally, nearly all payees are willing to share their account details and there is little perception that these are private or that there is a security risk in their publication.

Foreign alternatives include:

- NemKonto Easy Account, which is mandatory in Denmark in order to receive government payments, and has now been allowed to be used by the private sector;
- Dual-authorisation of payments in online banking in Sweden and Denmark, including in products used by clubs and societies;
- Innovative services for validation and repair of reference information in payments in Sweden;
- Swedish Money Order, which is a promise to pay issued by post when the payee's account number is unknown, and settled electronically between the banks concerned upon presentation.

Countries with a similar culture to the UK also have similar electronic alternatives, and successful adoption of these is of particular interest for the UK because of the similarity in environment:

- An Australian web-site to pay for school lunches, similar to one in the UK, is proving popular;
- There is increasing acceptance of internet banking payments by schools and small clubs in Australia.

Other countries have innovative methods to pay the under- or unbanked:

- A South African bank has recently developed an SMS-based payment that can be redeemed at ATMs and a pre-paid card intended for paying medical bills and domestic workers;
- There are about one to two million US prepaid cards in issue for payroll to temporary staff.

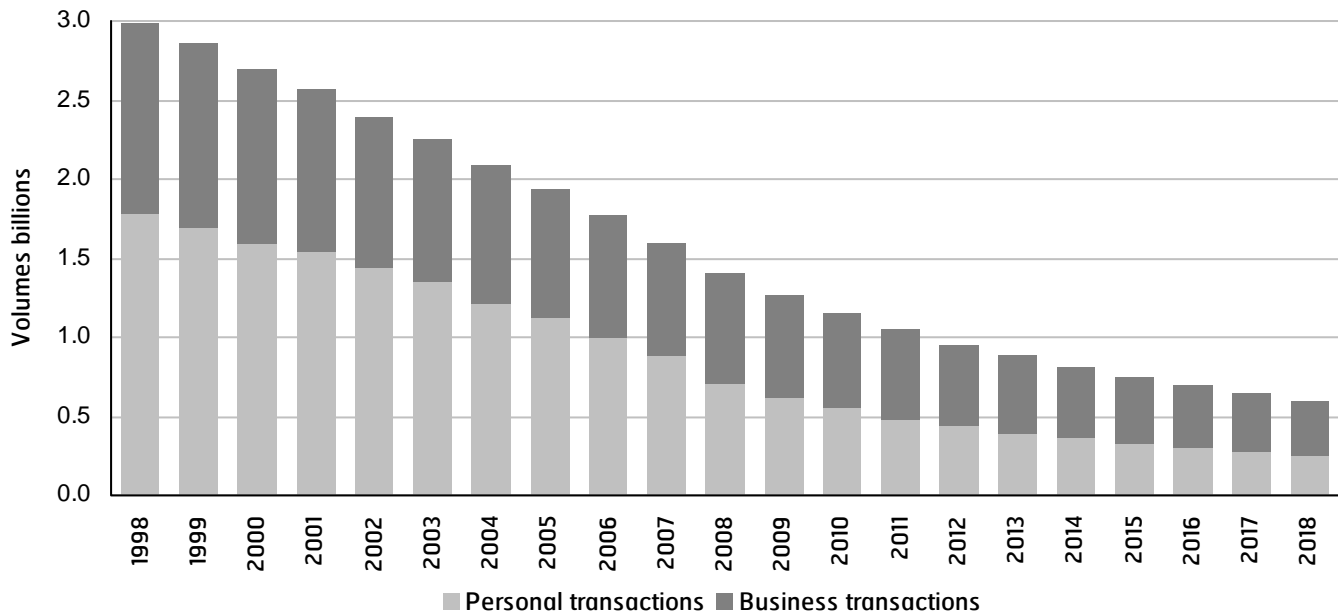
Electronic Bill Presentment (EBP, or with a payment option, EBPP) and e-invoicing are available in several nations, including the UK, and this solution can be an attractive alternative for billing where the payer wishes to retain control over the payment amount and timing. This is a successful emerging solution in some countries such as Australia with a lower use of Direct Debits than the UK, though in others, including Ireland and New Zealand, there is more use of credits made through internet banking to pay bills than of EBPP. The Dutch experience is that there is a body of consumers that are reluctant to use direct debits that do take up e-invoicing; a bank consortium offering this has signed up major billers, volumes are currently about 5% of the total and rising.

Education: the experience of other countries is also of interest for education and promotion of existing electronic alternatives. Effective education has supported migration in both the co-operative and competitive spaces; examples include:

- Electronic alternatives to paper methods have been promoted co-operatively in the Netherlands;
- In the 1990s in the Netherlands and Sweden, consumer cheque use was reduced by individual banks partly by pricing strategies, with strong supporting education of consumers in the use of debit cards and internet and telephone banking;
- Several companies in Australia have successfully migrated their dividend payments to mandatory direct credit, by giving generous notice of the change and pointing out the benefits to shareholders.

B.1 Analysis of cheque use

B.1.1 Cheque trends



Cheque transaction volumes in the UK peaked in 1990. The move away from cheques was initially led by consumers as they adopted debit cards for payments in retailers and Direct Debits for the payment of regular bills. Business use of cheques continued to rise through to 1997 but has fallen steadily since then.

The rate of decline in cheque volumes has been increasing in recent years and volumes fell at their fastest-ever rate of 12% in 2008 to 1.4 billion. The strongest influence on the decline has been the decisions by many merchants to no longer accept personal cheques, and as a result personal cheque use in the retail, travel and entertainment sectors has fallen by 60% in the last five years. The other sector seeing the most rapid decline was personal bill payment, where continued migration to electronic payment methods has cut the proportion of all personal regular bills paid by cheque from 16% to 8% between 2003 and 2008. Rates of decline have been slower for other personal cheques such as those used for payments between individuals or from individuals to small businesses and other organisations such as schools and clubs.

Business-to-business cheque use continues to fall, as more large businesses pay their trade suppliers by cheque and as there is increased uptake of electronic payment methods by SMEs. However, the volume of cheques used by businesses

for payments to individuals has seen little change in recent years. Many consumer-facing large businesses and government departments remain heavy users of cheques for purposes such as refunds, dividends and insurance settlements.

Cheque volumes at the point-of-sale, for regular bills and for trade payments will continue to be eroded by migration to electronic payment methods. In addition, improved understanding of the benefits and features of different payment methods by users, innovation in the competitive arena and in the co-operative arena such as the Faster Payments Service, will encourage further migration away from cheques. In the absence of the actions set out in the plan for the future of cheques, the **do-nothing forecast** is that cheque transaction volumes will decline to 602 million in 2018, comprising 260 million made by consumers and 342 million by businesses.

B.1.2 Cheque use and alternatives

The market sectors where cheques are currently used have been assessed, drawing on the annual research compiled by the Payments Council. For each of the segments, cheque payment volumes in 2008 are listed, together with the main current and potential electronic alternatives to cheques in that segment. The potential alternatives include those currently under consideration by the Payments Council: business-to-business Direct Debits, and a scheme to make payments to online retailers using faster payments.

Drawing on the extensive research with users that has been carried out and on ongoing contacts, the main barriers to change and associated issues which will need to be addressed in the plan have been identified. The main issues relevant to each of the market segments are given in the table below. There will also be issues associated with the closure of the Cheque Guarantee Card Scheme and any potential actions arising from the Payment Council's review of the credit clearing. The sectors most affected are also identified.

Over and above these specific issues, there are some cross-cutting themes. The two most important are those of education and communication, and meeting the needs of those users that are highly-dependent upon cheques and would be significantly disadvantaged if cheques were no longer available.

Key Segments where cheques are used	Cheques payment volumes in 2008	Main current and potential electronic alternatives	Main issues
Person-to-person (P2P)	99mn	<ul style="list-style-type: none"> Faster payments Pre-paid cards including gift cards P2P initiatives such as mobile account-to-account and card-based payments 	<ul style="list-style-type: none"> Whether usable in all circumstances Confidence and trust with new solutions Tangibility Willingness to share account details Referencing and reconciliation Audit trail
Person-to-business (P2B), including sole traders, small businesses, schools, clubs, and charities	136mn	<ul style="list-style-type: none"> Debit and credit cards Direct Debit Faster payments Mobile account-to-account and card-based payments Mobile card acceptance Third party services such as ParentPay and Just Giving Enhancements to e-banking solutions Enhancements to reference information services Online faster payments* 	<ul style="list-style-type: none"> Whether usable in all circumstances Confidence and trust with new solutions Making and receiving one-off payments Referencing and reconciliation Audit trail
Consumer payments in the retail, travel and entertainment sectors	175mn	<ul style="list-style-type: none"> Debit and credit cards Faster payments Mobile account-to-account and card-based payments Mobile card acceptance Pre-paid cards Online faster payments* 	<ul style="list-style-type: none"> Merchant acceptance of cheques Closure of cheque guarantee scheme Future of the credit clearing
Credit card bill payment	81mn	<ul style="list-style-type: none"> Faster payments Debit cards Direct Debit Standing Orders Online faster payments* 	<ul style="list-style-type: none"> Issuer acceptance of cheques Future of the credit clearing
Other financial payments by consumers	74mn	<ul style="list-style-type: none"> Faster payments Debit and credit cards Direct Debit Standing Orders Online faster payments* Enhancements to reference information services 	<ul style="list-style-type: none"> Security and reconciliation with high-value one-off payments Future of the credit clearing
Regular bill payments by consumers, for instance utility bills and council tax	96mn	<ul style="list-style-type: none"> Faster payments Debit and credit cards Direct Debit Standing Order Online faster payments* Enhancements to reference information services 	<ul style="list-style-type: none"> Biller cheque acceptance Future of the credit clearing
Consumer and business cash acquisition by cheque	60mn	<ul style="list-style-type: none"> ATM and counter withdrawals by card 	<ul style="list-style-type: none"> ATM and counter limits for card use
Payroll and private pensions	32mn	<ul style="list-style-type: none"> Bacs Direct Credit Faster payments CHAPS Pre-paid cards 	<ul style="list-style-type: none"> Corporate systems and process changes to support alternatives Making one-off payments

* A scheme where internet users can use the Faster Payments Service to pay internet merchants online.

Dividends	22mn	<ul style="list-style-type: none"> • Bacs Direct Credit • Faster payments • CHAPS • Virtual vouchers (i.e. a voucher sent to the user's computer or mobile phone which can then be printed off or used directly from the phone) 	<ul style="list-style-type: none"> • Bank and other corporate cheque issuance • Recipient reluctance to share account details to receive payment
Other business-to-individual payments, including refunds, insurance settlements, prizes, account closures	74mn	<ul style="list-style-type: none"> • Bacs Direct Credit • Faster payments • CHAPS • Pre-paid cards • Virtual vouchers 	<ul style="list-style-type: none"> • Corporate systems and process changes to support alternatives • Making one-off payments • Recipient reluctance to share account details to receive payment • Bank and other corporate cheque issuance and acceptance • Making payments from multiple accounts • Matching account number and account name • Dual authorisation with internet banking
Business-to-business (B2B) payments including to regular trading partners and other suppliers, payments to central and local government, and other ad hoc payments.	534mn	<ul style="list-style-type: none"> • Bacs Direct Credit • Direct Debit • Faster payments • Commercial debit, credit and charge cards • Mobile card acceptance • Some P2P solutions may be relevant for SME to SME payments • B2B Direct Debit • Enhancements to reference information services 	<ul style="list-style-type: none"> • Corporate systems and process changes to support alternatives • Bank and other corporate cheque issuance and acceptance • Issuance of debit cards to SMEs • Making one-off payments • Making payments from multiple accounts • Referencing and reconciliation • Audit trail • Cashflow • Future of credit clearing • Dual authorisation with internet banking

B.2 Understanding the issues for highly-cheque-dependent consumers

B.2.1 Conclusions

Our work on the needs of vulnerable cheque users has demonstrated that genuine dependencies on cheques exist for some users, and that for some, the 'cost of change' will be too great to ask users to migrate to electronic alternatives. However, there are areas that education and partnership work can help users migrate to existing alternatives. There are also potential improvements that could be made to existing alternatives to enable uptake for otherwise dependent users. Nonetheless, there will be some users who will require the continued facility to make payments by a paper based system once the cheque clearings have been closed.

B.2.2 Approach

The research carried out in 2008 identified that there was a requirement to understand better the needs of those users that are 'highly-dependent' upon cheques and are the least equipped to change, and how those needs might be met if there is no cheque clearing.

To do this, meetings were held in 2009 with 11 organisations in touch with the needs of consumers dependent on cheques. These meetings sought to understand, in detail, the nature of dependencies on cheques, and how the payment needs of those consumers identified are not being met by existing alternative payment methods. Where relevant, the needs of dependent consumers were also discussed in the meetings held with large corporates on systems and process changes. A workshop with people with disabilities was also held.

B.2.3 Main results

The key issues which emerged from the meetings on highly-dependent consumers are outlined below.

- **Cheques as a coping mechanism**
Cheques are used as a default payment method during the onset of a degenerative condition, when alternatives (previously used) are found to become difficult to use, but before help with payments is sought or offered. One organisation suggested that low awareness of chip and signature cards means that people do not realise there is a card-based alternative to PIN. This point was reinforced by other groups who work with degenerative conditions.
- **Alternatives do not meet needs**
Individuals living in care homes, with mobility problems or who are housebound may be reliant on cheques for the majority of the payments they make. Access to cash is restricted or difficult and use of automated payments

may be restricted by other health conditions and by lack of IT skills.

- **Cheques allow easy third party assistance**

It was reported that cheques are often valued because a third party can complete the payment information before the payee signs, for example, when an elderly person has difficulty writing legibly, or when a person has a learning disability and finds it difficult to complete the payee and payment information correctly. This allows the individual to retain control over their finances where other payment methods do not have comparable flexibility. Cheques are also reportedly liked by carers because they can assist the individual to make payments in a relatively 'secure' way; without the need for cash or the need to be privy to security information.

- **Aversion to alternatives**

Like other consumers identified in the market research, it is clear that in some instances cheques are being used by 'cheque dependent consumers' where alternatives do already exist and the individual could change behaviour, despite circumstances. However, it has been suggested in the meetings held, that health and living conditions can make people more risk averse and traditionalist in their payment behaviour, and they are therefore unwilling to use alternatives to cheques (e.g. give debit card details to pay for a mail order purchase). This was attributed to the level of effort required to resolve problems when an automated payment goes wrong, especially where an individual has mobility problems or finds it difficult to access a branch.

- **'Cost of change'**

Although alternatives exist for many of the payments made and received by cheque by the groups identified, problems relate to the anxiety and effort that would be required for these users (typically older people) to migrate to alternatives. Organisations consulted have referred to a concept of the 'cost of change', referring to the energy, effort and anxiety that would be required to move over to alternatives. Organisations have emphasised that confidence with technology, talking on the phone and IT skills cannot be overestimated as barriers to migrating away from cheque use, particularly for individuals who have multiple factors affecting their ability to make and receive payments.

- **Cheques for receipt of benefit**

Cheques are still received by benefit recipients who cannot be paid directly into an account. Reasons why payment cannot be paid into an account vary, but are often related to variable care arrangements, inability to operate an account due to disability or degenerative condition or as a result of a 'chaotic life' (e.g. drug or alcohol dependency). Benefit payments paid by cheque can be collected by a third party with a signature on the back of the cheque. The Department of Work and Pensions has a policy to continue to modernise the way in which it pays benefit recipients, including potential alternatives to the small minority of payments still made by cheque.

- **Cheques and the Government's personalisation agenda**

The Government's Personalisation Agenda is currently reforming the way in which social care is paid for and received. Instead of local authorities receiving money to provide services, direct payments will be made (or are already being made in some locations, for some benefits) to individuals who have been assessed as needing services, in lieu of social service provisions. Individuals will be responsible for paying for their care directly and will therefore need to make a variety of payments to do this. These individuals will generally be dependent cheque users, and are likely to rely on them to pay for a variety of their care needs going forward (which may be person-to-person as well as person-to-business).

- **Cheques used by people serving a custodial prison sentence**

There are a number of ways in which cheques are used to make and receive payments by prisoners in the UK due to restrictions on access to banking services and other specific issues. However, these issues may be surmountable as there are a number of potential replacements for cheques.

- **Low income can compound reliance on cheques**

Where a person is reliant on cheques for specific health or other reason, it was noted that having a low income can compound reliance. This was attributed to a correlation between low incomes and factors which made alternatives less attractive or appropriate such as: skills needs, a lack of secure access to the internet, reluctance to pay for calls to telephone banking or reluctance to use Direct Debits because of the need to control different cycles of income and outgoings.

- **The disadvantages of cheques**

Importantly, cheques are not a problem-proof method of payment for the groups identified. Issues were also raised where cheques do not meet the needs of the individuals identified and sometimes cause problems (such as for individuals with sight problems or poor literacy). Cheque replacement and potential new alternatives therefore provide an opportunity to address these needs.

B.3 Processing paper items beyond 2018

For the vast majority who currently use cheques, it is expected that they will have migrated their payments to alternative methods by 2018. Nonetheless, there may be a few residual uses such as payments made by highly-dependent consumers where the user may still need a paper-based payment method.

The processing options available for these potential residual paper items were reviewed to confirm that they can be processed in an efficient manner. There are a number of potential models. Direct presentation where the paper item is sent directly from the bank where it is paid in to the payer's bank is a model to process low volumes which does not require a cheque clearing. There are also models such as conversion to an Automated Clearing House (ACH) payments and emerging solutions including virtual tokens, which limit dependency on the physical transmission of paper. Conversion to ACH payment is the solution that has been adopted in Sweden and Norway, where cheque volumes are at very low levels.

B.4 The business case for managing the decline in cheques

B. 4.1 Conclusions

The key conclusion from our analysis of the costs and benefits of cheque replacement is that there is a social business case for the managed decline in cheques. Our initial indicative estimates are that the closure of the cheque clearing could lead to cost savings for the UK of the order of up to £1 billion per annum by 2018. The plan also has the potential to generate substantial value to users through the enhancements and innovations in payments that will deliver alternatives to cheques. Counterbalancing these costs savings and benefits are the investment costs to develop alternatives and the potential disbenefits from the removal of cheques. It is inevitable that there will be some cheque users who will not find the alternatives as attractive as cheques.

B. 4.2 The components of costs and benefits

The elimination of cheques would deliver benefits in the form of cost savings in the following areas:

- savings for financial institutions from the closure of the central infrastructure required to support a cheque clearing.
- savings for financial institutions in the marginal cost of handling cheques compared with other payment methods.
- savings for other users who pay by cheque or receive cheques in the costs of handling and processing them. The most notable benefits are likely to be for large organisations (businesses and government) who at present still need to have a capability to handle cheques.

There are also potential benefits of delivering value to all users, including consumers, SMEs and other small organisations, through their adoption of alternatives to cheques.

Counterbalancing these benefits are the potential costs and other disbenefits arising from their removal. These include:

- one-off costs incurred in closure of the clearings and the development of alternatives to cheques.
- additional direct administrative costs associated with alternatives to cheques for particular uses.
- the benefit that users of cheques perceive they would lose by their removal. This is likely to be greatest among more traditional users (consumers and SMEs) who value their convenience.

B. 4.3 Quantifying the costs and benefits

In the quantification of savings described below, it is assumed that the payment volume projections for the next decade contained within the Payments Council's 2009 Payment Markets Review will occur without any decision to set a target date for closing the cheque clearings. Consequently, it is the forecast volume of cheque payments from 2018 onwards (602 million cheques remaining in 2018) which has been used as a baseline to determine cost savings.

Financial institutions' cost savings

The OFT's Payment Systems Task Force Cheques Working Group in its report² summarised a number of international studies on the cost of paper cheques compared with electronic alternatives, such as Direct Debit, direct credit and debit card payments. More recent studies have reached similar conclusions. These studies typically show that costs of electronic alternatives are at least one third lower than the cost of cheques, and that the full unit cost of a cheque to financial institutions was £1 and upwards³. This figure of £1 per cheque is consistent with previous cost studies carried out by APACS, although the most recent of these was in 1996.

On the assumption that the average fully allocated cost for financial institutions of a cheque is around £1, of which one-third is saveable by migrating to other methods, and that without action around 600 million cheques will remain by the time of the target closure date for the cheque clearings, this equates to savings of around **£200 million per annum** in 2018.

In practice, a closure programme would start to deliver savings as soon as volumes begin to fall more rapidly than previously forecast, and the figure of £200 million savings per annum will decline beyond 2018 as volumes would have fallen below the projected level for that year.

² http://www.offt.gov.uk/shared_offt/reports/financial_products/offt868.pdf

³ For example: Australia A\$1.77 (£0.97), Portugal €1.45 (£1.34), Sweden (low volumes) €2.18 (£2.02)

This figure presumes that the unit costs of cheques do not rise significantly as volumes continue to fall over the next decade. If it is not possible to scale down the fixed costs of cheque clearing as volumes decline, the potential savings from complete closure may be greater.

Corporates' costs savings

As part of the OFT's Cheques Working Group, a number of case studies were undertaken with corporates to understand the how the full costs of making and accepting payments by cheque compared with the alternatives of plastic card, direct credit and Direct Debit⁴. These full costs included bank charges, which should be excluded from this analysis. However, the differences between payment methods in the costs of handling, processing, error reconciliation and fraud were much greater than differences in bank charges. Even when allowing for the increased frequency of payment by non-cheque methods (for example, insurance premiums may be paid monthly by Direct Debit compared with an annual cheque payment) savings of between 70p and £1 per cheque payment substituted were identified. If these are typical, then annual savings for businesses could amount to around **£750 million per annum** in 2018 as a result of the closure of the cheque clearing. This is calculated on the basis that by 2018 there would remain 350 million cheques paid by businesses and 550 million received, at an average saving of 85p per cheque paid or received. As for the calculation of bank savings, this figure will reduce over time beyond 2018.

⁴ Section 4.64 of the OFT Cheque Working Group report

Other benefits and disbenefits of cheque migration

Quantifying the existing benefits of cheque use in comparison to other methods (to enable the calculation of the disbenefit if the facility were to be removed) is harder. The studies quoted in the OFT's Cheques Working Group report almost exclusively just considered the cost savings of a move from paper methods.

However, counterbalancing the disbenefit for those who are disadvantaged by the removal of cheques is the value that will be provided by the alternatives to cheques. If the cheque replacement programme is successful, and most migration away from cheques is by choice then the net benefit could be substantial.

B.5 Required changes in Large Corporates' systems and processes

B.5.1 Conclusions

The overall conclusion from the work is that large corporates have re-affirmed that a target end-date for the cheque clearings is essential to enable them to realise the cost savings that would come from cheque replacement. It has also highlighted the need for pro-active engagement with major issuers and receivers of cheques, such as registrars, insurance companies and major public sector organisations. It is important that cheque replacement receives board-level

attention if a major IT development is required or if multiple systems need replacing.

Opportunities to support these strategies have been identified, for instance through sharing best practice and hosting workshops on issues of common interest, such as payment of refunds and dividends, and to encourage the adoption of intermediate targets for cheque reduction.

In terms of the timescales required for the changes, large corporates, such as registrars and insurers, and some public sector bodies that currently write substantial numbers of cheques typically need five to seven years lead-time to move to alternative methods of payment. Those that are less dependent on cheques require up to three years to migrate.

B.5.2 Approach

The research in 2008 showed that corporates⁵ in some sectors would need several years to migrate their cheque use as payer or recipient, because of the extensive systems and process changes.

Further consultation was conducted to obtain more detail on these changes and the timescales needed to achieve them. One-to-one interviews were held with 37 corporates. The sectors covered included: local and central government, financial services with both Payments Council members and non-members, registrars, insurers, billers, insolvency practitioners, retailers and credit managers. Interviews covered consideration of the alternatives available for each use of cheques as payer or beneficiary, the changes needed to implement alternatives and the time needed dating from the declaration of a target end date.

⁵ The term “corporate” is used to refer equally to large businesses, financial institutions and government bodies.

B.5.3 Systems and process changes needed

The timescales needed to undertake systems and process changes included time needed upfront for internal communication and funding approval before project start, the actual changes, followed by implementation.

Not all uses of cheques would require systems and process changes. Where cheques already form a small minority of payment volumes in a particular application, no systems changes would be needed, and the main change would be to customer or supplier communications, i.e. that cheques would no longer be an available alternative. In some cases, such as utility or council tax billing and payments to suppliers, alternatives are already actively promoted by most of the corporates consulted.

Several corporates identified that a certain amount of time (up to 24 months) would be needed before the necessary project work could be started. In most cases this was because submitting the business case and obtaining budget was conducted on an annual cycle and there would be strong competition from other projects. In some cases, up to a year might be needed for internal

communications, to identify and communicate with all the very diverse cheque users in the organisation. As the end date approached, the “must do” nature of the necessary work would promote cheque replacement projects above others competing for the same funds.

In a few cases, where the alternatives were already accepted as a minority of volumes, existing operations would need to be scaled up, e.g. taking debit card details over the phone.

Major systems changes could be needed to replace bulk cheque payments or receipts, in order to obtain, authenticate and store bank account details with the appropriate level of security. In several cases, multiple legacy systems currently perform this function over different product lines or purposes of payments. As well as systems changes, a large part of the implementation would be obtaining and authenticating account numbers, in some cases for millions of customers, where a hurdle would be the counterparty’s reluctance to provide these details.

Sectors making bulk cheque payments include: insolvency practitioners, registrars and others paying a large number of investors (particularly for capital payments and other one-offs, which may be for a different beneficiary than regular dividend payments) and insurers. Cheques form more than a small minority of receipts for credit card issuers (more than for other billers, because the customer can choose the amount to pay), and for IPOs and rights issues to registrars.

Changes to security, audit, authentication and anti-fraud processes were identified by several corporates, and there were some concerns about the changes to risks from the switch in payment methods from the known issues over cheques to the new alternative of which they had less experience. For large corporates these issues could be handled by themselves unaided in due course, but for some collaborative support by the Payments Council might benefit them. Particular concern was expressed by insolvency practitioners, registrars and others paying investors, about authenticating payee details several years after they had been collected or for large sums of money. Some would be interested in authentication services to match name against account number, for particularly high-value or important payments as credits or debits.

It was pointed out by one corporate that error-handling processes would have to improve, as a slight misspelling of the payee’s name or address is often overlooked or corrected in a cheque payment, but any mistake in account number details will be rejected at some stage of attempting payment.

Where changes in customer communication would be needed, for instance leaflets, standard wording on how to pay in billing and other correspondence, and changes to websites, a few months would be required for this and for printing leaflets. This would run in parallel with the other changes. Staff training would also have to be undertaken.

Several corporates said that they would pilot their systems and process changes,

for instance at one or two sites, and this would take about six months after systems development. This would run in parallel with customer communication and staff training.

B.5.4 Timetable for the changes

Large corporates without significant cheque-writing operations would need three years or less to migrate their systems and processes. Some larger financial institutions would need five to seven years. Some major cheque users were uncertain at this stage about the timescales needed.

Views varied on when the end date should be. Some thought that a slightly longer period than necessary was preferable in that changes could be combined efficiently with others as and when these were agreed. Others such as billers wished for an aggressive timetable, in order to drive through change to bring forward the overall efficiency benefits.

B.6 Legal and regulatory issues

B.6.1 Conclusions

No legal or regulatory showstoppers were identified. However, there is a long-term requirement to review legal issues with corporates, legislators, regulators and others including charities groups during the course of the future programme of work and to monitor forthcoming draft legislation and regulations for dependency on cheques, engaging where necessary.

B.6.2 Approach

The following legal issues were considered, in consultation with stakeholders:

- **Statutory requirements** – payer/ee must pay with a paper item or can legally insist on a paper item, and any others. The main categories are:
 - ♦ **Acts**, which must be debated and passed in Parliament
 - ♦ **Statutory instruments which must be laid before Parliament**, and can be revoked in their entirety under the negative resolution procedure (more rarely affirmative resolution is needed)
 - ♦ **Other statutory instruments** which can be passed by ministerial order or by the Welsh or Scottish Assemblies
- **Case law.** Legal advice was taken on whether case law presented any issues.
- **Legal documents that expire after the end-date for cheques; regulatory requirements and industry-level agreements; regulator-set good practice guidelines.**

One issue emerged regarding the future modification of companies' long-standing legal documents, for example to ensure articles of association allow migration of payment of all dividends to automated methods. A closely-related issue, affecting charities only, is whether their governing

documents specify a particular payment method (i.e. cheques). Long-lasting contracts are also an issue.

A statutory search identified one Act (Debtors (Scotland) 1987) where the payee is required to accept a cheque if it is offered. There are at least eight statutory instruments laid before Parliament, and a further six or seven identified that were not laid before Parliament, where there is no alternative to paper payment. These include penalties for dog fouling, litter, releasing greenhouse gases and cigarette smoke as well as tribunal fees and regional assembly candidates' deposits. All except one of the statutory instruments have been amended over the last ten years, so opportunities for amendments should occur in the course of natural renewal. Some departments, with similar needs for penalties and fees, offer a choice of automated methods for all their rules, and may be examples which other departments can follow.

B.7 User reluctance to share account details

The reluctance of users to share their sort code and account details to receive an automated payment was identified as one of the barriers to change in the work carried out in 2008, and as a topic requiring further consideration. The work in 2009 progressed on a number of fronts including:

- reviewing the available market research information on this issue, including a survey carried out for the Payment Systems Task Force;
- assessing the objective fraud risk from sharing account details in different situations;
- reviewing potential solutions which do not require users to share account details;
- reviewing the information currently provided to customers; and preparing draft communication messages.

The main conclusions from the analysis were:

- reluctance to share account details is more of an issue with consumers than with businesses. In the research for the Payment Systems Task Force, 90% of consumers said that they would be fairly or very uncomfortable in providing account details to a person or company that they did not know well, compared with 41% of SMEs;
- emerging methods such as mobile payments may provide solutions for some users in some situations;
- education has the most valuable role to play in overcoming this barrier to change. However, any significant change in willingness to share account details is likely to require a cultural shift in attitude, which may take years to achieve.

B.8 The viability of a 2018 closure date for the cheque clearings

The Cheque and Credit Clearing Company manages the cheque clearing system in Great Britain and the Belfast Bankers' Clearing Company manages the system in Northern Ireland. Both clearing companies were asked to examine the viability of a 2018 closure date. They have confirmed that a 2018 end date for the cheque clearings is viable, conditional upon achieving the substantial volume reductions that would be required.

In addition, to the public consultation held in November 2007 on the National Payments Plan which included questions on the future of cheques (see: http://www.paymentscouncil.org.uk/payments_plan/-/page/responses-to-the-national-payments-plan-consultation/) a wide range of organisations have helped review the future of the cheque through individual meetings, larger workshops as well as being consulted at the different steps of this work.

The three Payments Council User Forums, set up to ensure any decisions made about payments consulted end users, have played a central role in the development of the work on cheques. Their overall role is to assist the Payments Council in understanding the needs of the many different users of payment services. To ensure transparency and a balanced debate, each of the three User Forums is chaired by one of the Payments Council Independent Directors. The three User Forums cover large corporates, small and medium-sized enterprises and consumers – all three using payments in diverse ways and affected by any change within the payments sector differently. A list of User Forum members can be found in the Payments Council Annual Review 2009 at: http://www.paymentscouncil.org.uk/files/payments_council/payment_council_annual_report_final.pdf

A list of the organisations which have participated in the development of the work through additional meetings and workshops (over and above the User Forums) is listed below. A number of these organisations are also represented on our User Forums.

Other bodies consulted through meetings and workshops

Accenture	Galiform
Age Concern / Help the Aged	Ghana International Bank
Airdrie Savings Bank	Government Banking Service
Albany Software	Government Insolvency Service
Alliance and Leicester plc	Grant Thornton (as holders of clients' funds and managing insolvency issues)
Association of British Credit Unions (ABCUL)	HM Prison Service
Association of British Travel Agents (ABTA)	HM Revenue & Customs
Association of Corporate Treasurers (ACT)	HM Treasury
Association of Train Operating Companies (ATOC)	Insolvency Service
Autolease	Institute of Credit Management
Aviva (Norwich Union Financial Services)	Investec Bank
Bacs Payment Schemes Limited	Islamic Bank of Britain
Bank of Cyprus UK	Law Society of Scotland
Bank of England	Leonard Cheshire Disability
BG Group	LINK
Brewin Dolphin	Logica
British Arab Commercial Bank	Ministry of Justice
British Cheque & Credit Association	National Savings and Investments
British Retail Consortium	Next Retail Ltd
BT	NHS Shared Business Services
CAF Bank (Charities Aid Foundation)	Northern Ireland Law Society
Capita Group plc	NIACE
Capital One	Personal Finance Education Group
CHAPSCo	Premium Credit
Citizens Advice Bureau	PSE Consulting
Colchester Borough Council	RNIB
Compushare	Sainsbury's
Consumer Focus (Wales)	SCOPE
Department for Work and Pensions	Scottish Power
DVLA	Shell
Energy Retail Association	Social Security Advisory Committee
Equiniti	Standard Life plc
Experian	Tesco
Federation of Small Businesses	Toynbee Hall
Forum of Private Business	Ulster Farmers' Union
Gala Coral	Vocalink
	Which?
	Yorkshire Building Society
	Zurich Financial Services

Annex D. Members of the Payments Council working group on cheque replacement (Cheque Replacement Steering Group)

Abbey
Bank Machine
Bank of America
Bank of England
Bank of Ireland
Barclays
Danske Bank
Deutsche Bank
HSBC
Lloyds Banking Group
NAG - Clydesdale Bank
Nationwide
Northern Rock
Post Office
RBS
The Cooperative Bank
Belfast Bankers' Clearing Company Limited (BBCC)
Cheque and Credit Clearing Company (C&CCC)
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