



Cheque &
Credit
Clearing
Company

Mate

Cheque

THE NEWSLETTER
OF THE CHEQUE PRINTER
ACCREDITATION SCHEME

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Raising brand awareness upon the demise of the APACS name

As of 6 July 2009, the name APACS ceased to be used. APACS was the umbrella name for the co-operative activity of banks, building societies and card issuers on payments and payment systems, in use since the mid-80s. However, the payments industry has recently focused on using names that better describe what the industry does. For example, as well as the *Cheque and Credit Clearing Company* brand – which we launched nearly two years ago – The UK Cards Association brand was recently launched as the leading trade association for the cards industry in the UK. Formerly APACS (Administration) Ltd was the service company providing people, facilities and expertise to the UK payments industry and this name changed as well on 6 July. The service company is now known as UK Payments Administration Ltd and will continue to provide its expertise to a wide range of separate payments industry groups; as well as the *Cheque and Credit Clearing Company*, this includes Bacs, CHAPS Clearing Company, Financial Fraud Action UK¹, Payments Council and The UK Cards Association.

Since we told you about the launch of our brand back in September 2007 we have been building awareness through a number of channels, including: various forums and seminars; our website at www.chequeandcredit.co.uk; our newsletters; the 2-4-6 customer education campaign; and, in February this year,

the launch of *The Great British Cheque Report*.

We have always managed CPAS and accredited new members but members have thought of themselves as APACS accredited because they used the APACS logo. Initially we were dual-branding with APACS as theirs was the recognised name and we wanted to give the print community the opportunity to become familiar with our new brand.

More recently, we have been working to raise awareness of our brand with cheque printers – the *Cheque and Credit Clearing Company* logo features on certificates, our website, letters and, of course, on *ChequeMate*. As awareness of our brand has grown, we have increasingly stood alone in preparation for the time when use of the APACS name ceased completely. This happened on 6 July.

What this means for you

From 6 July, the APACS and APACS (Administration) Ltd names will no longer be used and correspondence you receive from us will be solely in the *Cheque and Credit Clearing Company* name using the branding you will recognise. This means that from now on:

- Members are CPAS accredited by C&CCC as before but you should now be using the C&CC logo (not the APACS logo)

- Standard 3 is a C&CCC Standard (not an APACS Standard), just like Standard 55 – you can link through from the C&CCC website (www.chequeandcredit.co.uk) to purchase both these standards
- Best Practice Guidelines are issued by C&CCC (not APACS)
- Approval for printing MICR codelines is given to PIRA list printers by C&CCC (not by APACS).

What you should do now

You should now put in process a change programme that removes any references or logos that incorporate the APACS brand, and replace them with the *Cheque and Credit Clearing Company* name or logo. This changeover should be completed by the end of the year, and needs to include your accreditation and stationery, links to the APACS website (which no longer exists), references to Standards 3 and 55 and the Best Practice Guidelines.

If you do not have a copy of our logo and would like one, please contact gina.casey@chequeandcredit.co.uk, who will then send it to you, along with instructions explaining where and how it can be used. We would also be happy if you wish to put a link to the *Cheque and Credit Clearing Company* website on your website.

Focus on fraud for the year to date – some better news

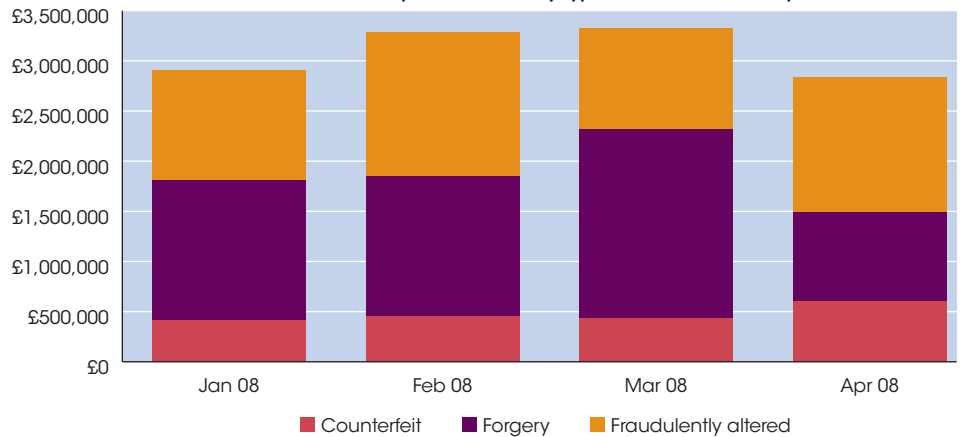
Last year fraud losses increased by 25% to £41.9 million compared with £33.5 million in 2007. However, the graphs on the right show that during the first four months of 2009 there has been a steady downward trend in cheque fraud losses. Losses between January and April 2009 were £11.1m compared with £12.4 million during the same period in 2008.

The decrease is down to a reduction in the fraudulently altered cheques category. In fact, during March 2009 these losses totalled £900K but were down to £600K in April 09, with one member alone seeing a reduction of over £100K.

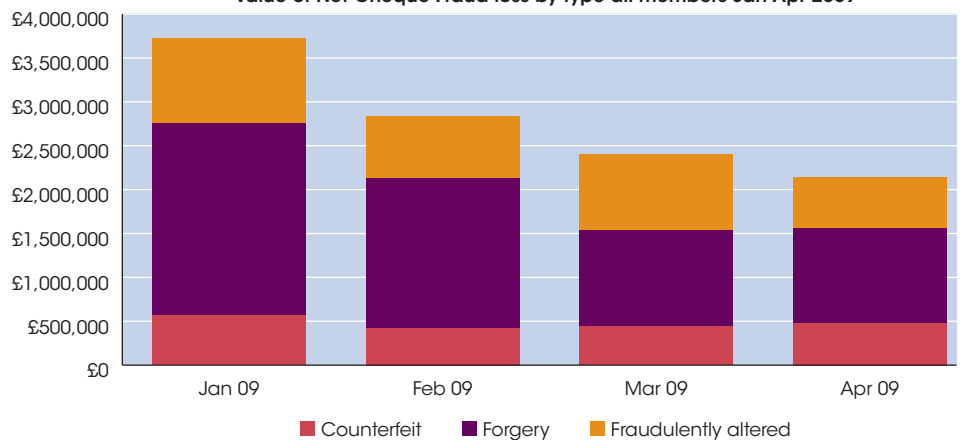
The number of fraud attempts that have been stopped by member banks has increased, with a prevention rate of 93% for the four months of this year compared with 91% for the same period in 2008. Improved account profiling systems are having a positive impact in this area.

Although it is too early to predict what the annual losses may be, it is encouraging to see this downward trend following two years of increasing cheque fraud losses.

Value of Net Cheque Fraud loss by type all members Jan-Apr 2008



Value of Net Cheque Fraud loss by type all members Jan-Apr 2009



Cheque guarantee card scheme to close

A timeframe for closing the UK Domestic Cheque Guarantee Card Scheme has been announced by the Payments Council. Following wide consultation and detailed research, the Payments Council – the body that sets strategy for payments in the UK – has decided that a realistic timescale for withdrawing the Scheme is two years – so the earliest it will be withdrawn is mid-2011. Two years will allow for the withdrawal to be managed actively in a co-ordinated fashion, ensuring that people and businesses that still use and accept guaranteed cheques have sufficient information about available alternatives prior to the Scheme's closure.

Use of the UK Domestic Cheque Guarantee Scheme, which sets the rules for the use and acceptance of guaranteed cheques, is in terminal

decline. Volumes fell by a third between 2007 and 2008 and a review of the Scheme showed that only a quarter of all businesses had received a guaranteed cheque in the previous six months.

The Payments Council's decision follows extensive consultation with consumers and businesses that still use and accept guaranteed cheques to understand why they still use them, and to ensure alternatives exist. The Council believes that guaranteed cheque alternatives do exist and are widely available, and that a well-planned withdrawal of the Scheme will not cause any significant problems for users or acceptors.



Importantly this decision does not mean that cheques cannot be used – consumers will still be able to write cheques and businesses can continue to accept them even after the Scheme's withdrawal.

The Payments Council's full report is available from www.paymentscouncil.org.uk.

More notes about security features on early cheques

Whilst modern cheques are standardised and strictly regulated regarding their appearance, things have not moved on as much as we might think. By the early 1800s, cheques were already being produced with a number of security features, including watermarked paper and the scroll pattern between the cheque and the counterfoil.

The Edmeads, Atkins & Tyrrell cheque shown below has a watermark within the paper and also a feintly printed "EAT" monogram printed on the reverse. Interestingly, the printer is shown on the front of the cheque as being Robson, Brooks, and Co, whilst the watermark reads Robson, Blades & Co. The partners in the company were actually Mr Robson, Mr Brooks and Mr Blades, and it's not clear why they used one company name for the watermark and another for the printing.

Edmeads, Atkins & Tyrrell were themselves paper manufacturers as well as bankers, but went bankrupt in 1816, which is probably why this 1820s dated item was never issued. Perforations between the two halves of a cheque were not introduced until the mid-1800s, and the way an item was cut also formed an additional security check.



Front

BYTES

New CPAS Inspection Regime Post-Implementation Review

The Post-Implementation Review has found that migration away from the old inspection regime to accreditation being based on ISO27001 with Standard 55, and supporting self-certification from printers, has been a success. The Review also showed that:

- The various initiatives proposed to achieve the transition have all been successfully implemented.
- Enquiries with a random selection of printers have indicated a generally high-level of satisfaction with the transition.
- To date, there has been no identified major degradation in the overall integrity of cheque production.

Also, as part of the Review, a questionnaire was sent to a random sample of printers asking for their comments regarding the implementation of the new CPAS regime. On the whole feedback was positive and, where comments were given, the Company Office will be picking up these points and progressing them through the Cheque Fraud Group.

Business Continuity Management

ISO27001 and C&CCC Standard 55 contain controls relating to business

continuity management, which can range from coping with temporary operational failure to managing a full disaster recovery (DR) situation. Until now, the minimum CPAS requirements have been for Members to arrange reciprocal facilities with another accredited printer. However, the prospect of Members looking to use specialist third party DR providers has led to the introduction of a new approved category under CPAS, namely: *Approved Disaster Recovery Site for Cheque Personalisation Printing*.

This should alleviate the concerns of some Members about relying on competitors for business continuity purposes. It should be noted that approved DR sites will offer facilities for cheque personalisation printing only, as it is felt impracticable for them to provide full litho capability. Appendix B in Standard 55 gives details of the DR site operator's responsibilities, and those of a CPAS Member, with regard to meeting the requirements of this standard.

Two DR site operators have now been approved by C&CCC; their details, along with those of all other accredited cheque printers, can be found in the CPAS list on our website at www.chequeandcredit.co.uk.

Industry Update Seminar – 9 November

Just a reminder that Monday 9 November is the date of our annual seminar for all our stakeholders. This year the seminar is being held at the British Bankers' Association in the City. We'll provide you with more details later in the year.

Cheque Mate

THE NEWSLETTER OF THE CHEQUE PRINTER ACCREDITATION SCHEME (CPAS)



Cheque & Credit Clearing Company

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