



Cheque &
Credit
Clearing
Company

ChequeMate

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THE NEWSLETTER
OF THE CHEQUE PRINTER
ACCREDITATION SCHEME

ISSUE 16 | October 2009



Financial Fraud Action UK

Working together to prevent fraud

In the last issue of *ChequeMate*, we said that we would provide some more information about the launch of UK Payments Administration Limited (formerly known as APACS (Administration) Limited) and the new fraud prevention brand name, Financial Fraud Action UK.

This new fraud brand will work alongside our Cheque and Credit Fraud Group, which will continue to look after the CPAS Scheme and issues relating to standards and cheque printing.

The Financial Fraud Action UK name will be used externally to:

- Demonstrate that Financial Fraud Action UK is the leading voice on fraud within the payments industry
- Maintain the historic position of authority on financial fraud prevention issues built up under APACS, whilst also

providing new opportunities to collaborate with other organisations with whom a common interest is shared.

- Make it easier for consumers to find reliable and trustworthy information. A new fraud website will be launched later on in 2009 to replace the Card Watch, Shop Safe Online and Be Card Smart Online websites.

Two major developments in the last year led to the position where the payments industry agreed that there was no further use for the APACS name. Firstly, a recognition that the Payments Council brand would find it difficult to carve its own space and demonstrate its payments expertise whilst APACS continued to exist. Secondly, in 2008 the APACS Cards Payments Group agreed to set up a stand-alone trade association representing the cards business in the UK, resulting in the launch of The UK Cards Association in April this year.

Whilst not wishing to form a new trade association, the Fraud Control Steering

Group agreed that there was a need to develop a new 'voice of the industry' for financial fraud matters. This would be used in place of APACS when talking to the media and other stakeholders, and would also be used with other financial services bodies with a shared interest in fighting financial fraud. The name Financial Fraud Action UK was selected, with the strapline, *Working together to prevent fraud*.

The Cheque and Credit Clearing Company (C&CCC) is now working with Financial Fraud Action UK, sharing information regarding fraudulent activity in the cheque and credit clearing world. In addition, a representative from C&CCC attends weekly conference calls – held by Financial Fraud Action UK – to report on particular areas of cheque and credit clearing fraud about which banks and cheque printers need to be aware. We will also be promoting each other's websites to create greater awareness of both brands.

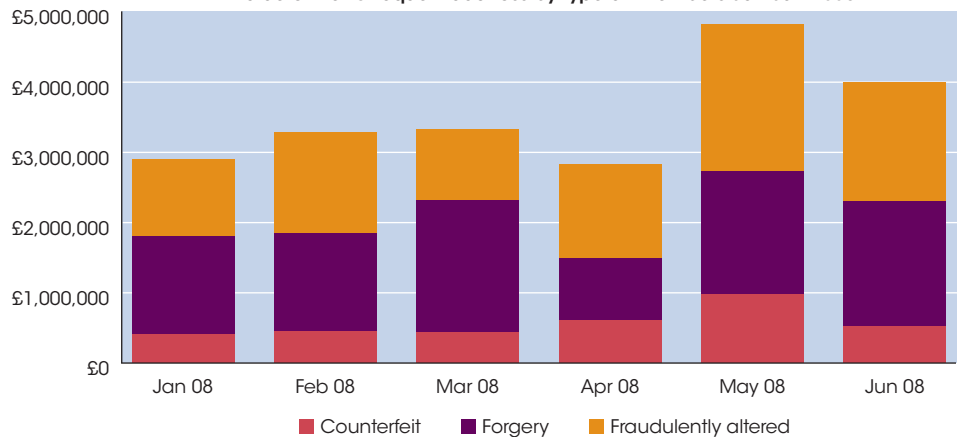
Focus on fraud – year to date – good news

The downward trend of cheque fraud losses shown in the last issue has levelled out for the first half of this year, thereby maintaining the reduction in fraud losses for 2009 compared with the same period in 2008. Total net cheque fraud losses for the six months to June 2008 were £21.2 million whilst the cheque fraud losses for the same period this year have fallen by 26% to £15.6 million.

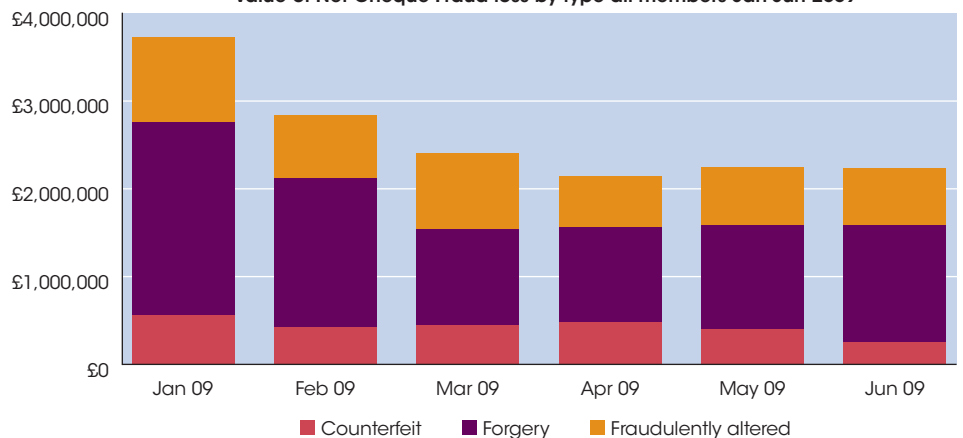
In the second quarter of 2009 the total value of cheques cleared fell by 13.2% compared with 2008 Q2, whilst the number of cheques cleared fell by 11.5%. These figures show the accelerating decline in cheque use and are the most marked decline so far, which could be contributing to the reduction in fraud losses. Other reasons for the reduction could be the increasing use of more sophisticated customer profiling tools by the clearing banks.

The half-year figures are encouraging with members currently identifying and stopping the overwhelming majority of cheque fraud.

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



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

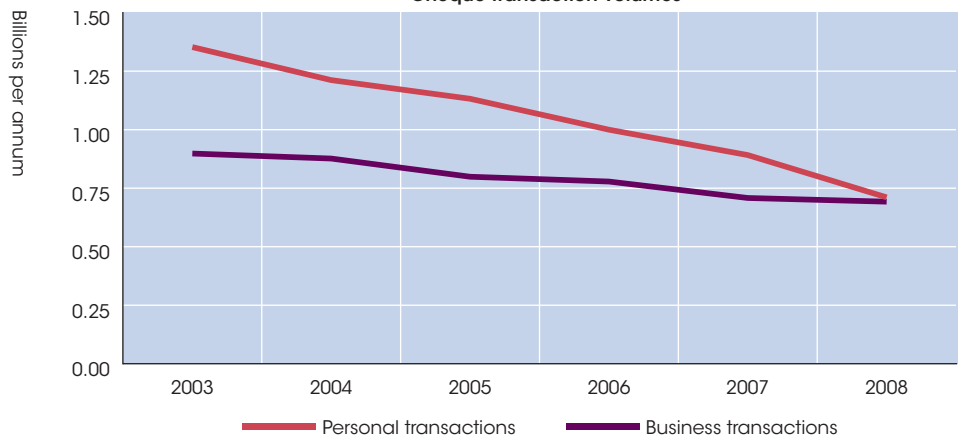


BYTES

Focus on statistics

Combined cheque and credit clearing volumes were 13.7% lower, and values a staggering 20.9% lower in the second quarter of 2009 compared with the corresponding period in 2008. Cheques accounted for only 7.8% of all non-cash payment volumes in Q2 2009, declining from 19.7% in Q2 2003. The *Cheque transaction volumes* chart, (right), reflects the decline in the numbers of personal and business cheque transactions since 2003.

Cheque transaction volumes



Date of closure of the cheque guarantee card scheme announced

In the last issue we told you that in June the Payments Council had made the decision to set a timescale for managing the decline of guaranteed cheques and ultimately to close the Cheque Guarantee Card Scheme. With most major retailers no longer accepting cheques as a method of payment, the

number of cheques written and supported by a cheque guarantee card fell by a third between 2007 and 2008, and declined by 70% over the past five years. On 25 September, the 24 bank and building society members of the Cheque Guarantee Card Scheme announced that the Scheme will close on 30 June 2011, meaning that it will no longer be possible to guarantee a cheque after this date.

BYTES

Website: your help please!

The Cheque and Credit Clearing Company website went live in August 2007 and we are always looking to improve the content further to ensure as much information as possible is available about our world of cheques and cheque clearing. With that in mind, we are looking to include more information about the CPAS Scheme in the 'Cheque Printers' section. We aim to expand on details such as the background of the scheme, how it works and its importance in helping to maintain the integrity of the clearing. Information such as how to become an accredited printer and further details for the printing of bank giro credits may also be included.

If there are any frequent questions that you receive from customers, or if there is anything that you would find useful on the site, please let us know by contacting Gina Casey at cpashelpdesk@chequeandcredit.co.uk or by telephone **020 7711 6279**.

ISO 27001 and C&CCC Standard 55 issue

As previously mentioned in ChequeMate issue 14, the Company Office is still experiencing problems with a number of CPAS members that are not submitting their ISO 27001 with C&CCC Standard 55 reports in a timely manner. Once your six monthly or annual audits have taken place with your Certification Body, the report and certificate (if appropriate) should be sent either electronically or by post to the Company Office for review. Authority should be given to your Certification Body to forward this to us on your behalf.

It is imperative that C&CCC Standard 55 controls are looked at during these audits; this is a scheme requirement. Scheme members are responsible for ensuring that these controls are included in their audit and failure to do this may result in membership termination.

Membership information

You will shortly be receiving correspondence from the Company Office, requesting your agreement to pay your annual membership fee by Direct Debit, which will be collected in January 2010. The proposal to move to Direct Debit is to offer you a convenient and automated alternative way to pay your fees and to help with administration within the Company Office.

Industry Update Seminar - 9 November

We are holding our annual all-day industry update seminar on Monday 9 November at the British Bankers Association in Old Broad Street, in the City.

The agenda for the day will include the launch of findings from this year's market research, which looks at consumer and business attitudes to cheques; there will be a report on progress made on the National Payments Plan; details on the latest trends in cheque fraud; and we shall be telling you about innovations in the payments market.

The seminar is free-of-charge and invitations are being sent out now. If you have not received yours, please contact us on info@chequeandcredit.co.uk.

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