



Cheque Printer Forum addresses your queries

The latest trends in cheque fraud, an update on the ongoing Cheque Replacement Programme and the demise of the cheque will all be included in this year's Cheque Printer Forum, organised by the Cheque and Credit Clearing Company (C&CCC).

The Forum will also hear from two CPAS members: Jim Crowther of Security Print Solutions, who will present his views on the latest cheque fraud trends; and Martin Ruda of Checkprint, who will share results from research conducted on corporate clients regarding their awareness of

the target date closure of the cheque clearing and the possible alternatives to cheque payments.

The event will take place on 4 April 2011 at our new offices in Thomas More Square, London and will be a half-day event.

A specially-invited panel of experts will also be available to answer questions following the conclusion of the day's presentations. The panel will be comprised of: Angela Thomas, managing director of C&CCC; Peter Finlayson director of policy at UK Payments; Terry McCarthy, C&CCC consultant; and James Geddes, chairman of the Cheque and Credit Fraud Group.



Thomas More Square, London

Angela Thomas, managing director said:

“This is a once-a-year opportunity for our cheque printer partners to meet with us and put their viewpoints to key policy makers.”

Invitations were issued on 7 February 2011 so ensure your attendance is confirmed as soon as possible to avoid disappointment. Only one representative per company should be nominated, although extra names can be placed on a waiting list and they will be invited if further spaces become available.

We look forward to seeing you on the day!

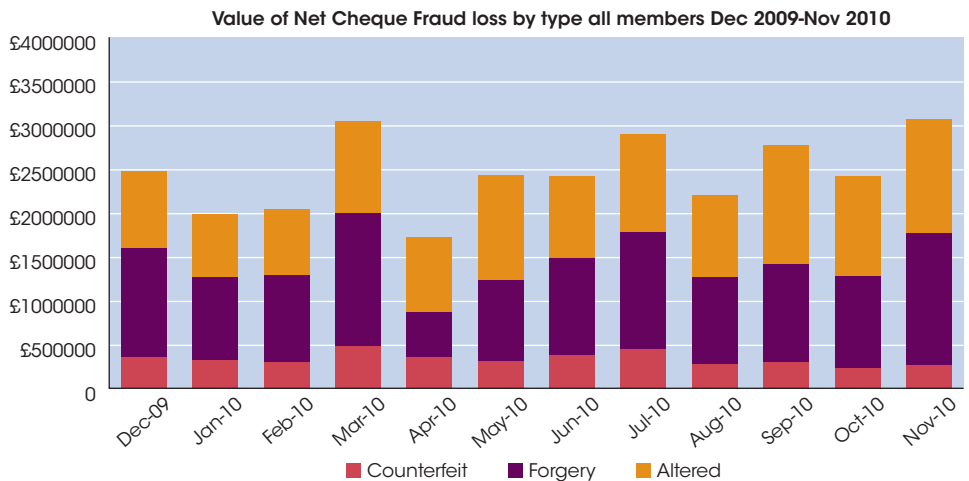
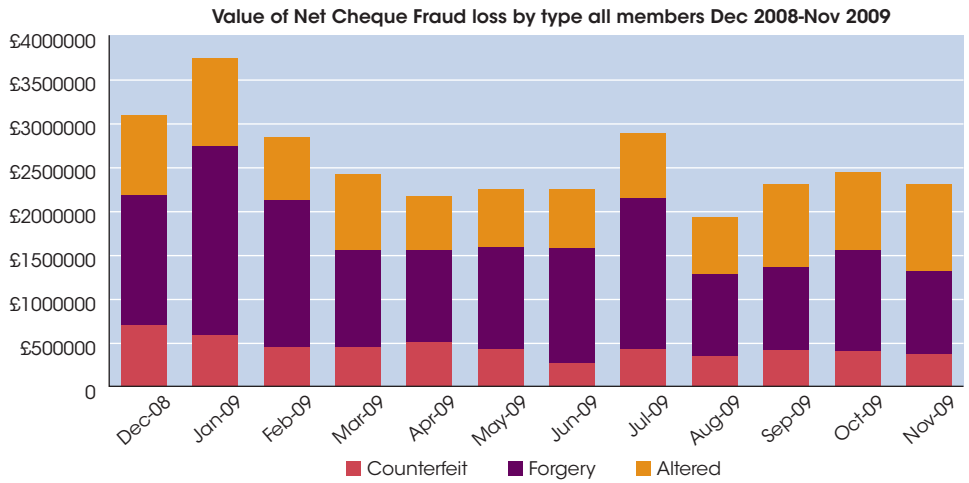


Fraud figures update

Overall cheque fraud losses for the 12 months to November 2010 showed a decrease of 4% when compared with the same period for 2009. For the three categories of fraud shown right, losses fell from £30.4 million to £29.2 million.

Although this is positive news, total losses for the month of November 2010 actually increased by 27% when compared with October. This is mainly due to an increase of 63% in cheque forgery cases. These rose from 386 cases in October to 631 cases in November and accounted for a rise of 36% in actual losses. Although this trend is a concern for the industry, this spike appears to relate to one particular attack which has now been identified and addressed.

The industry continues to maintain a high level of detection by using enhanced profiling systems and increased fraud checking procedures, which helped to prevent an attempted additional loss of £39.1 million in November.



Interview with John Formby, Manager in UK Payments Fraud Control Unit



In October 2009, *ChequeMate* featured an article about Financial Fraud Action UK (FFA UK), the name under which the financial services industry co-ordinates its activity on fraud prevention. FFA works in partnership with The UK Cards Association on industry initiatives to prevent fraud on credit and debit cards, with the Fraud Control Steering Group on non-cards fraud matters, and with the Cheque and Credit

Clearing Company on credit clearing and cheque fraud. *ChequeMate* spoke to John Formby of the Fraud Control Unit and asked him his view on the current fraud trends relating to cheques and credits.

How did you get into the fraud business?

Well obviously, being from Liverpool, it was rather a given that I would be involved on one side of the fence or the other! On leaving school I joined Girobank, as it was then, and in 1990 I transferred to the Security Investigation Branch which eventually became the Fraud Department. I was initially responsible for managing cases involving lost and stolen chequebooks and, as my experience in 'fraud' developed, I was promoted to the management team leading several of the units within the department.

I also represented the bank at many external meetings, which led me to APACS (now UK Payments) where I joined the Fraud Unit in May 1999.

What sort of issues do you get involved in at UK Payments?

Anything and everything! My main responsibilities include overseeing the industry threat management process, managing the industry retail bank fraud prevention strategy and representing the industry with external stakeholders. I also advise government and law enforcement on identity crime related matters.

The Fraud Control Steering Group is the senior industry fraud prevention group responsible for developing and implementing the industry fraud prevention strategy for the retail banks which includes cheque fraud. As such I work closely with the Cheque and Credit Clearing Company.

Are there any recent instances of fraud that you can share, or that CPAS members could help give an insight into?

One area of concern is the issue of security features on Bank Giro Credit (BGC) documents. I am aware that some

banks are looking at ways to improve the security of the BGC but I would like to use this opportunity to ask ChequeMate readers for their thoughts or suggestions on how BGCs can be made more secure. Any replies should be sent to cpashelpdesk@chequeandcredit.co.uk.

How do you see trends in cheque fraud developing as volumes decline?

In line with the decline in overall cheque volumes, I think that there will be a steady decline in cases and losses (hopefully), although there still remains the possibility of increases over short periods. Front-end processes within the industry are generally robust, with new and existing profiling systems continually being developed. However, as with all fraud prevention, success is dependant upon partnership working – so to ensure the downward trend of cheque fraud continues, we need the assistance of CPAS members to maintain a collaborative approach.

The use of cheques may be in decline but that's no excuse for us to take our eye off the ball and allow the fraudsters to make easy money.

BYTES

Commitments for Cheque Users now published

One year after deciding to set a target date of 2018 to close the central cheque clearing, on 7 December 2010 the Payments Council published its commitments to customers on the run-up to 2016, when the decision will actually be taken whether the target date is feasible. The launch of these customer commitments coincided with the publication of the Payments Council's first annual Progress Report which outlines the scope and scale of the work undertaken in 2010.

The commitments have been made by the Payments Council and its members and, together with the stakeholder consultation that has taken place throughout 2010 and into 2011, the commitments ensure that the Council's intentions are clear and in the public domain.

The commitments will be reviewed at two-yearly intervals to ensure that they remain appropriate and relevant for customers as work progresses. For further information visit www.paymentscouncil.org.uk.

Communiqué newsletter

The latest news regarding the Cheque Replacement Programme, together with other work that is being undertaken on payments, can be found in Communiqué, the quarterly publication produced by the Payments Council.



This newsletter can be found under 'Resources and Publications' on the Payments Council's brand new website, which went live on 6 December – www.paymentscouncil.org.uk. To ensure you receive the latest copy of this newsletter as soon as it is released register your details on the website.

Cheque volumes continue to fall

Inter-bank cheque clearing volumes fell by 11.4% in 2010, with a total of 775.6 million items processed for a value of £761,081 million, down 12.6% on the previous year. The average daily volume remains in excess of 3 million items.

For more information and further statistics refer to the 'Information' section at www.chequeandcredit.co.uk.

C&CCC Standard 3 – Automated Processing of Vouchers: Update

The C&CCC is currently undertaking a full review of Standard 3. Although no major changes are expected, there will be some deletions of older references that are no longer relevant and clarifications made to particular wording to bring the Standard up-to-date.

Any suggestions from CPAS members regarding Standard 3 are welcome – comments should be sent to cpashelpdesk@chequeandcredit.co.uk.

CPAS members will be notified of all changes, and the new version will be issued once these changes have been agreed.

Change to the CPAS Rules and Regulations

The C&CCC recently made an addition to the CPAS Rules and Regulations in relation to 'Member Withdrawal from CPAS'. This amendment was made following the 2010 Cheque Printer Forum and the subsequent work undertaken. The current version is now titled 'January v10.3 2011.' If any CPAS member has not received a copy, contact the CPAS Helpdesk on 020 3217 8279 or cpashelpdesk@chequeandcredit.co.uk.

CPAS Fee

CPAS Members are reminded to settle their invoices, if they have not already done so, as soon as possible. Any queries relating to the payment of these fees should go to Gina Casey at cpashelpdesk@chequeandcredit.co.uk or on 020 3217 8279.



Cheque & Credit Clearing Company

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www.chequeandcredit.co.uk

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