



Cheque Market Research

Industry Update Seminar – 9 November 2009
by Nigel White

Introduction



Scope of the presentation

- 2009 update of research commissioned by C&CCC
 - Businesses since 2008
 - Consumers since 2007
- Writing and receiving cheques
- Where cheques are used and the alternatives
- Attitudes to cheques
- Knowledge of cheque propositions



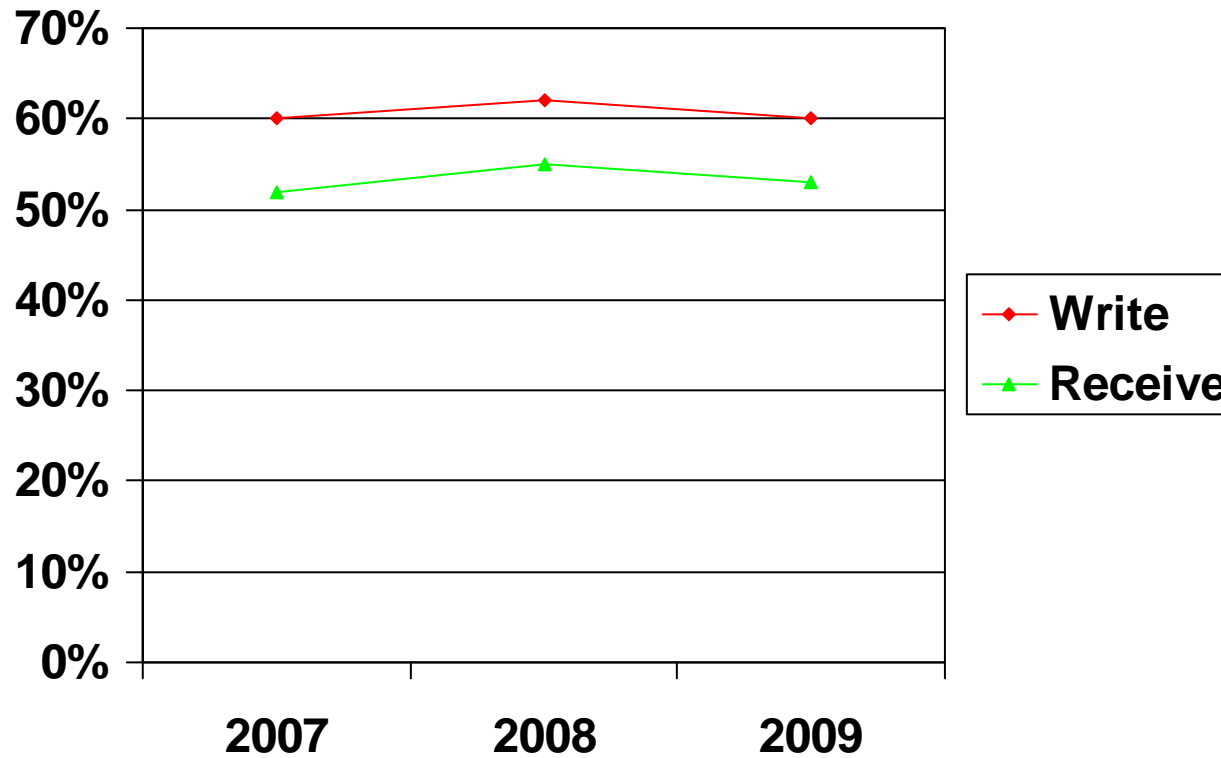
Nature of the research

- Consumer omnibus survey of 2,000 adults undertaken each May 2007, 2008 & 2009
- Business omnibus survey of 500 businesses in March 2008 and June 2009

Usage of Cheques

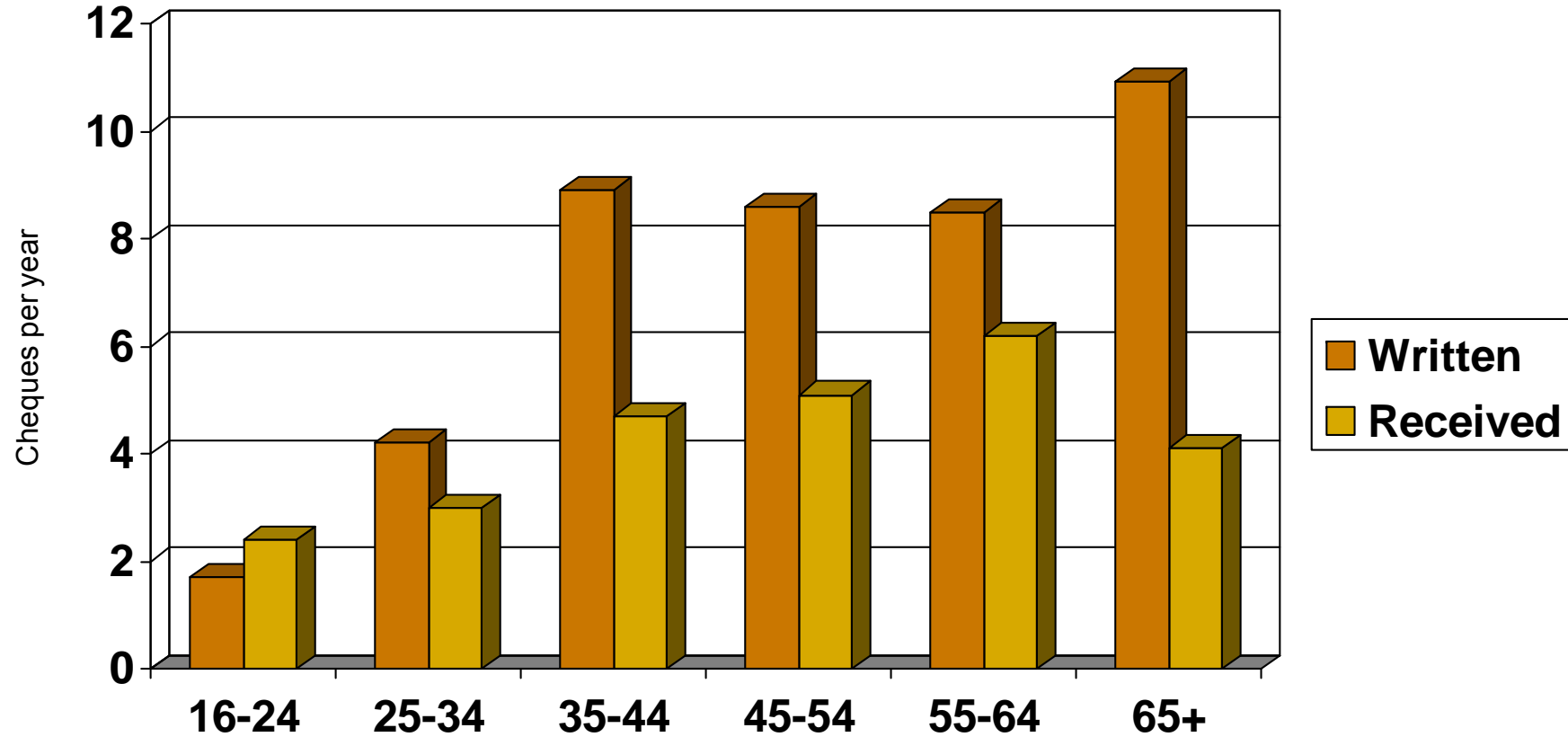


Use of cheques – Consumers (% of account holders writing and receiving cheques)





Number of cheques used and received – by age



Base: account holders



Use of cheques by businesses

In the previous month:

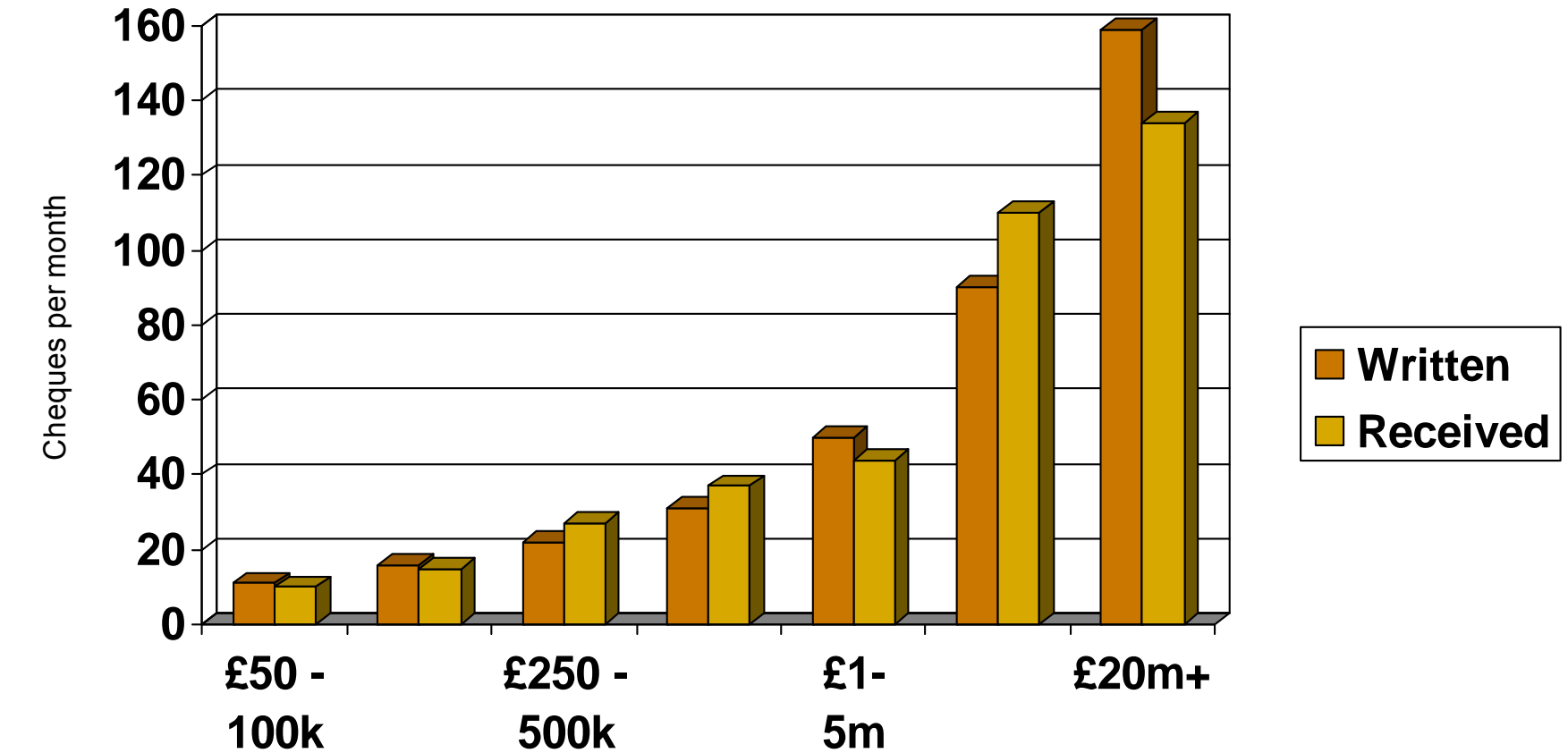
- 89% of businesses have made payment by cheque (2008: 89%)
 - Average 22 per month (2008: 26 per month)

- 84% of businesses have received payment by cheque (2008: 88%)
 - Average 22 per month (2008: 22 per month)

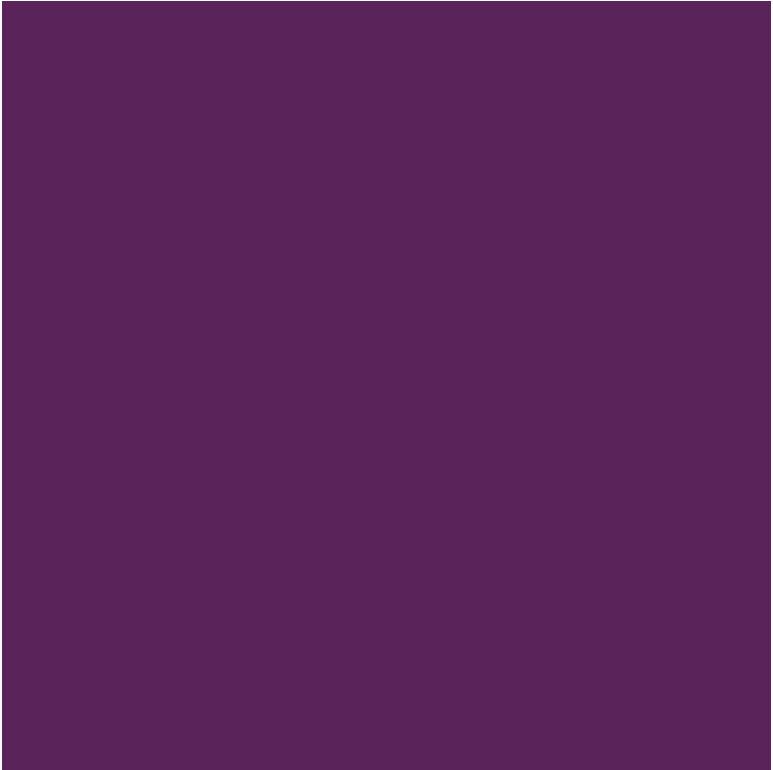
- 7% had neither made nor received payment by cheque (2008: 4%)



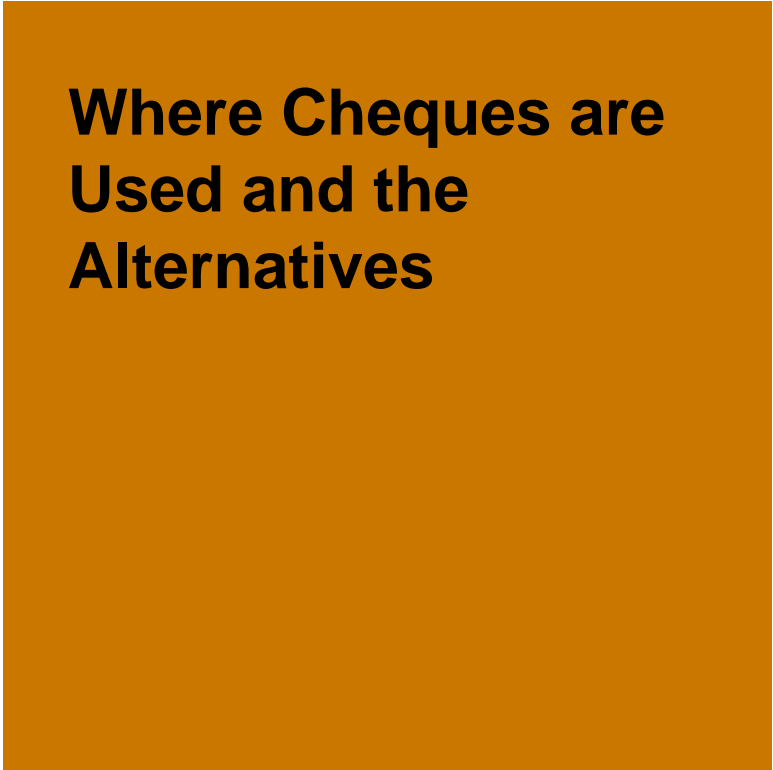
Number of cheques used and received – by turnover



Base: all businesses

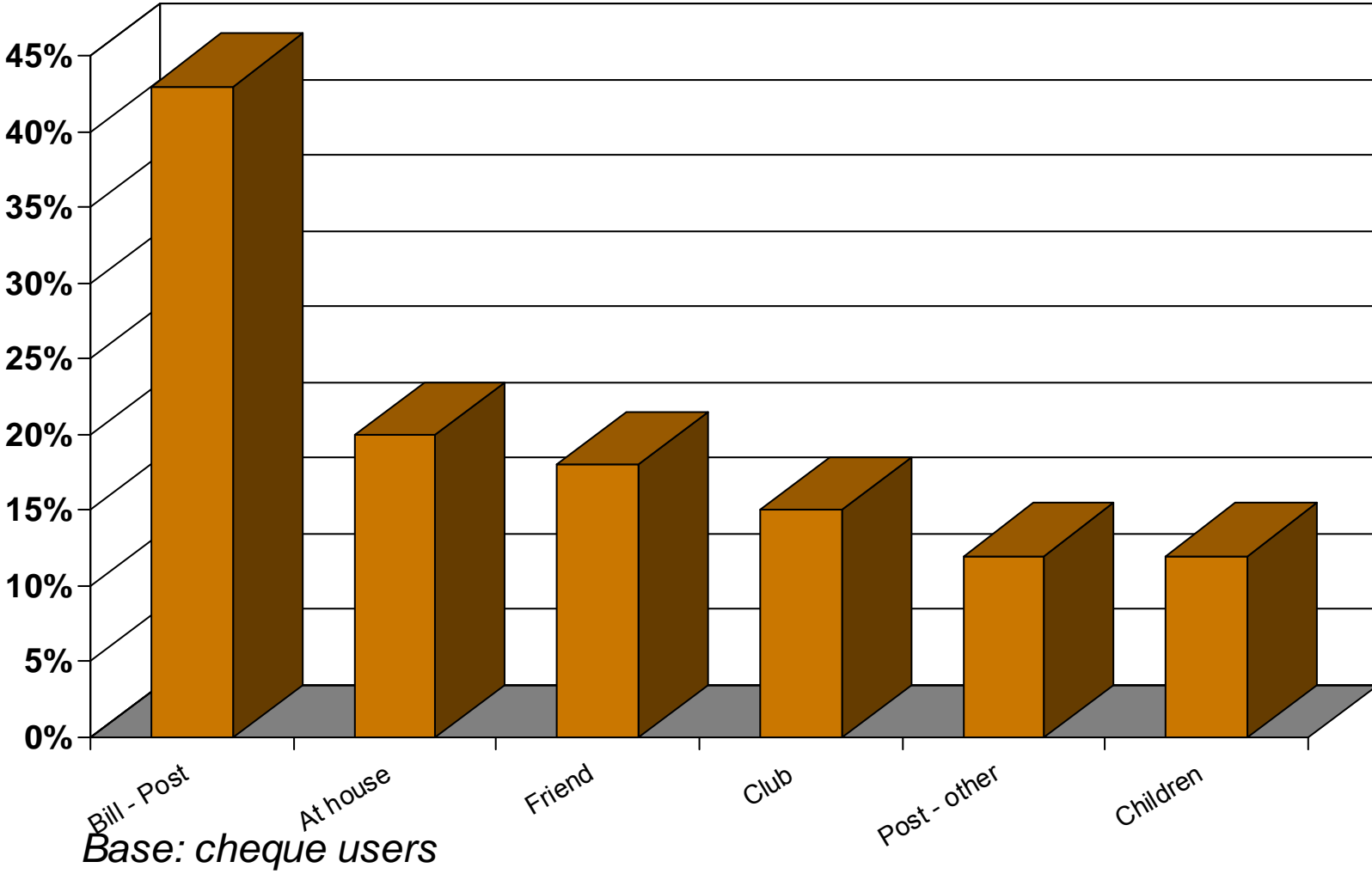


**Where Cheques are
Used and the
Alternatives**



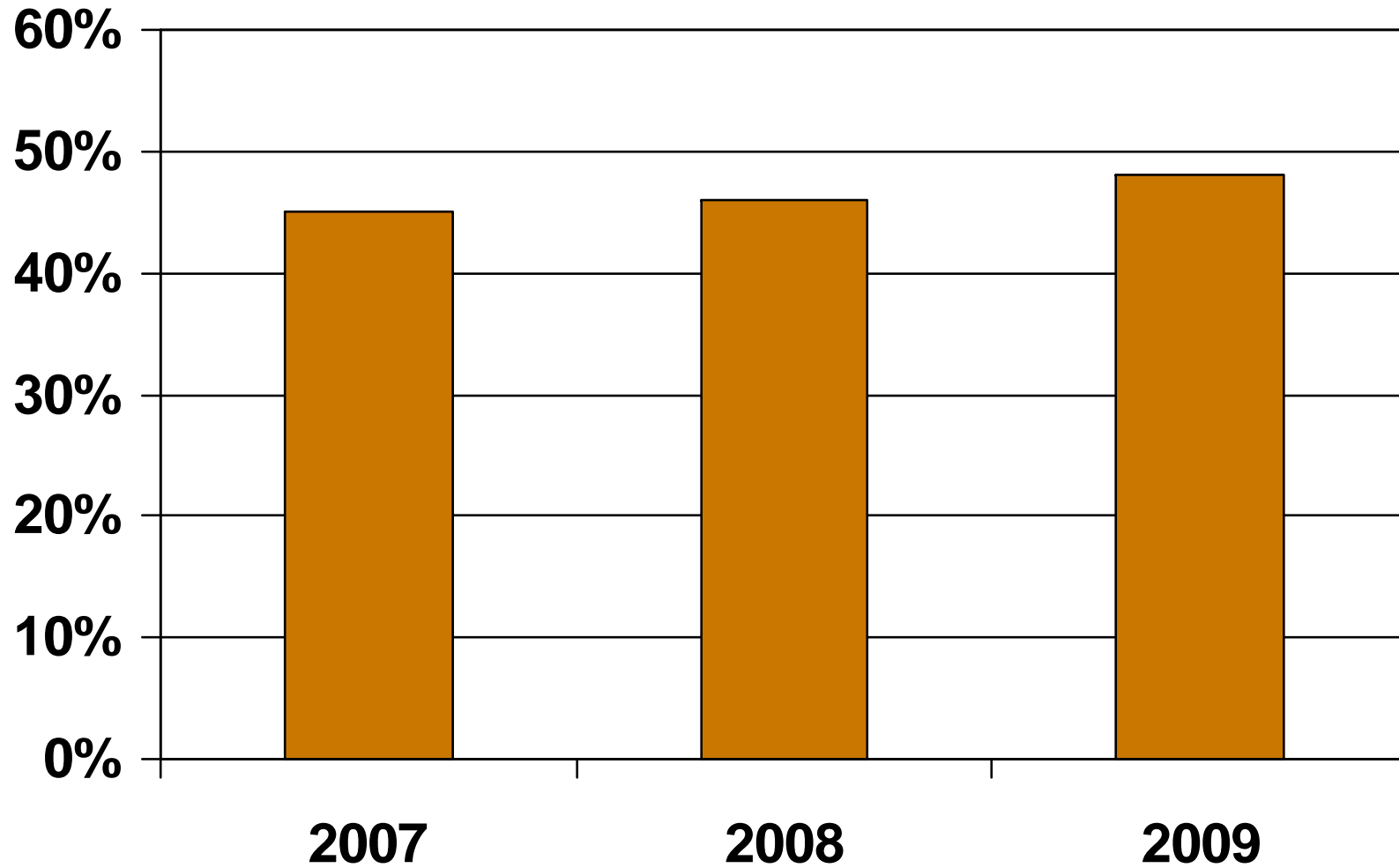


Main purpose of cheque payment - consumers





Overall % of consumers thinking that there is a convenient alternative for their specific cheque use



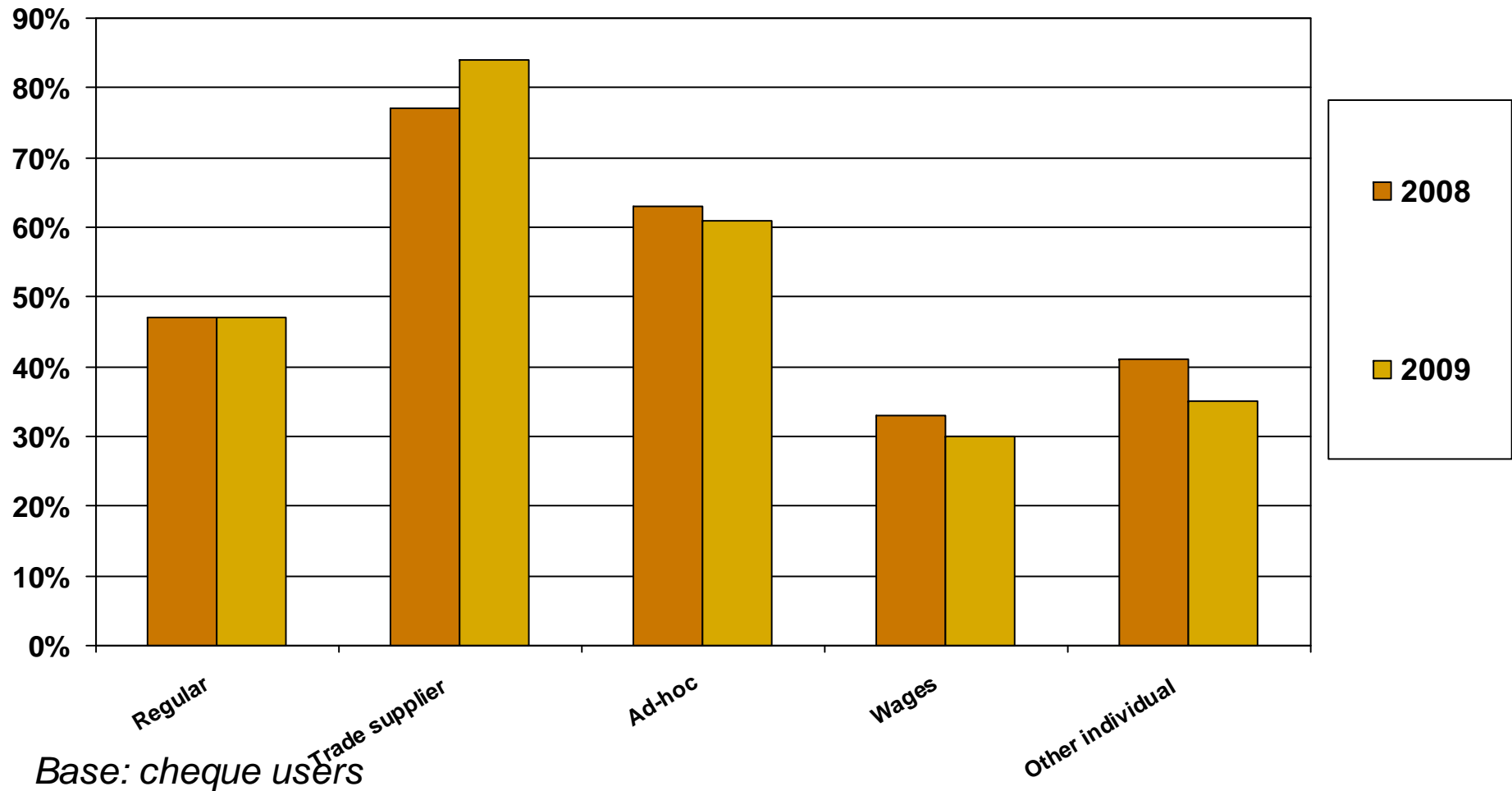


Cheques in shops

- Consumers no longer consider using cheques in shops
 - (2009:3%, 2007: 8%)
- Of the few that do 72% think there are convenient alternatives



Purposes of cheque payment businesses

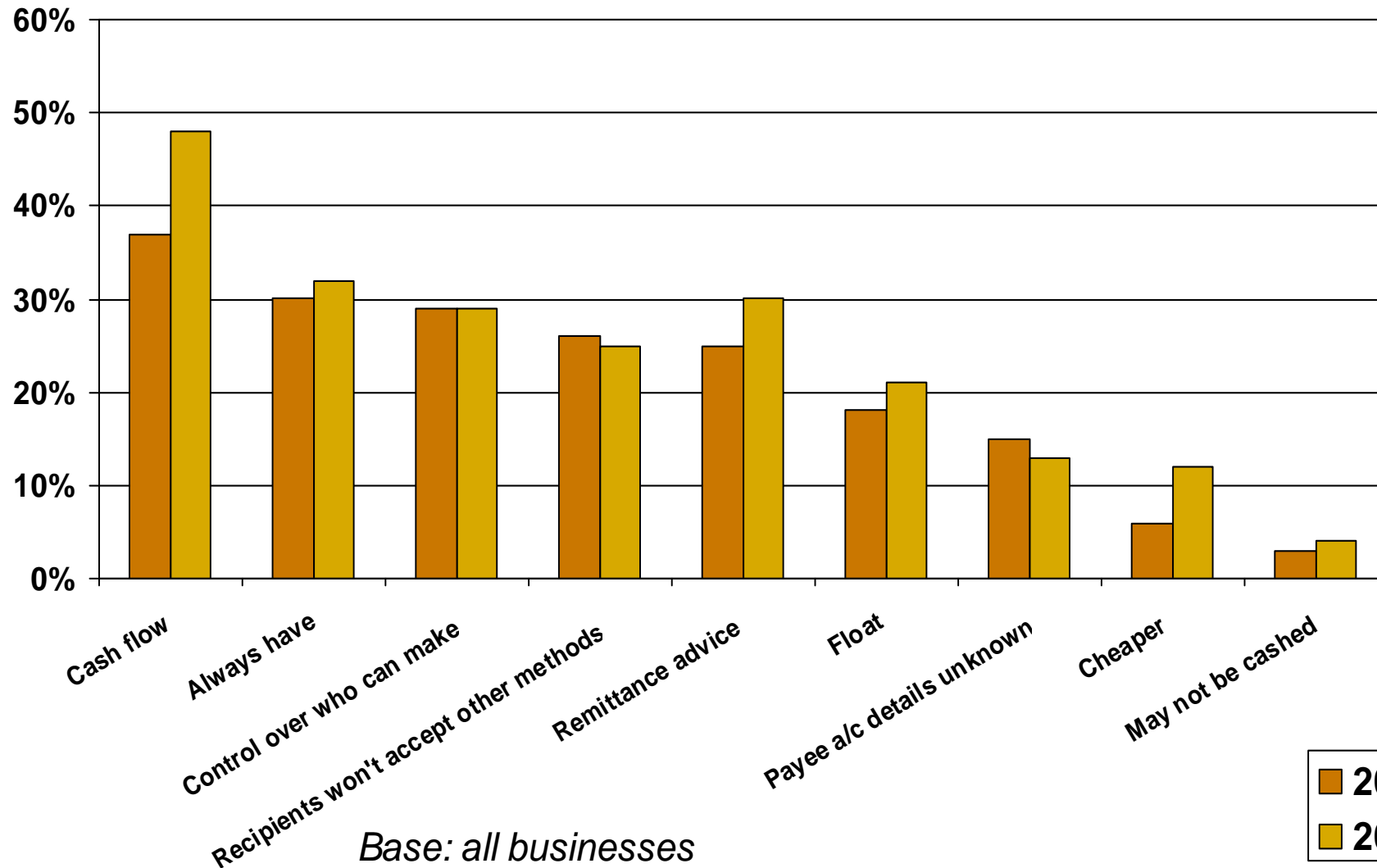




Convenient alternatives to cheques for businesses

- Two-thirds of businesses think that there is a convenient alternative for their use of cheques
- 75% think there is a convenient alternative for regular payments

Why businesses use cheques

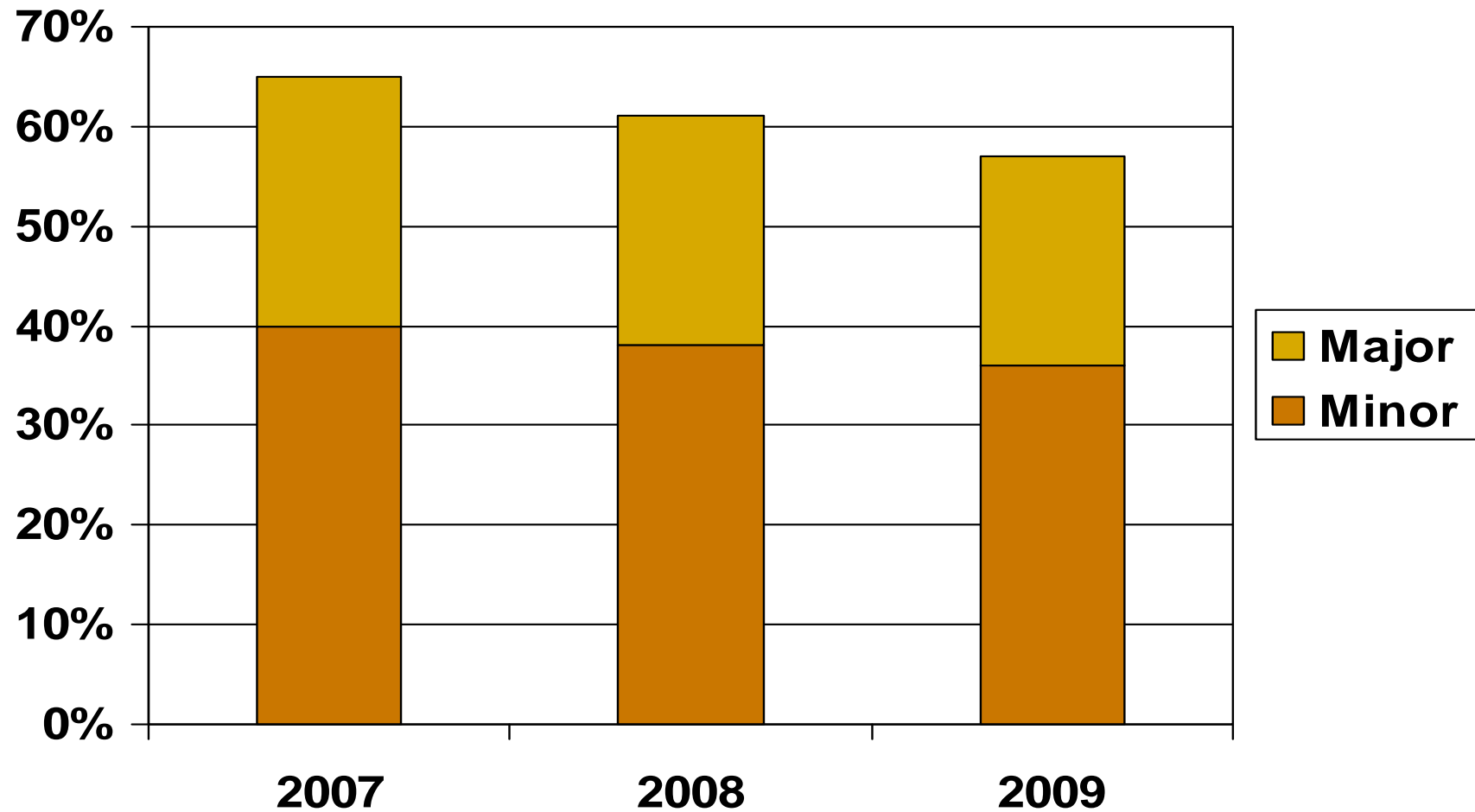




Attitudes to Cheques

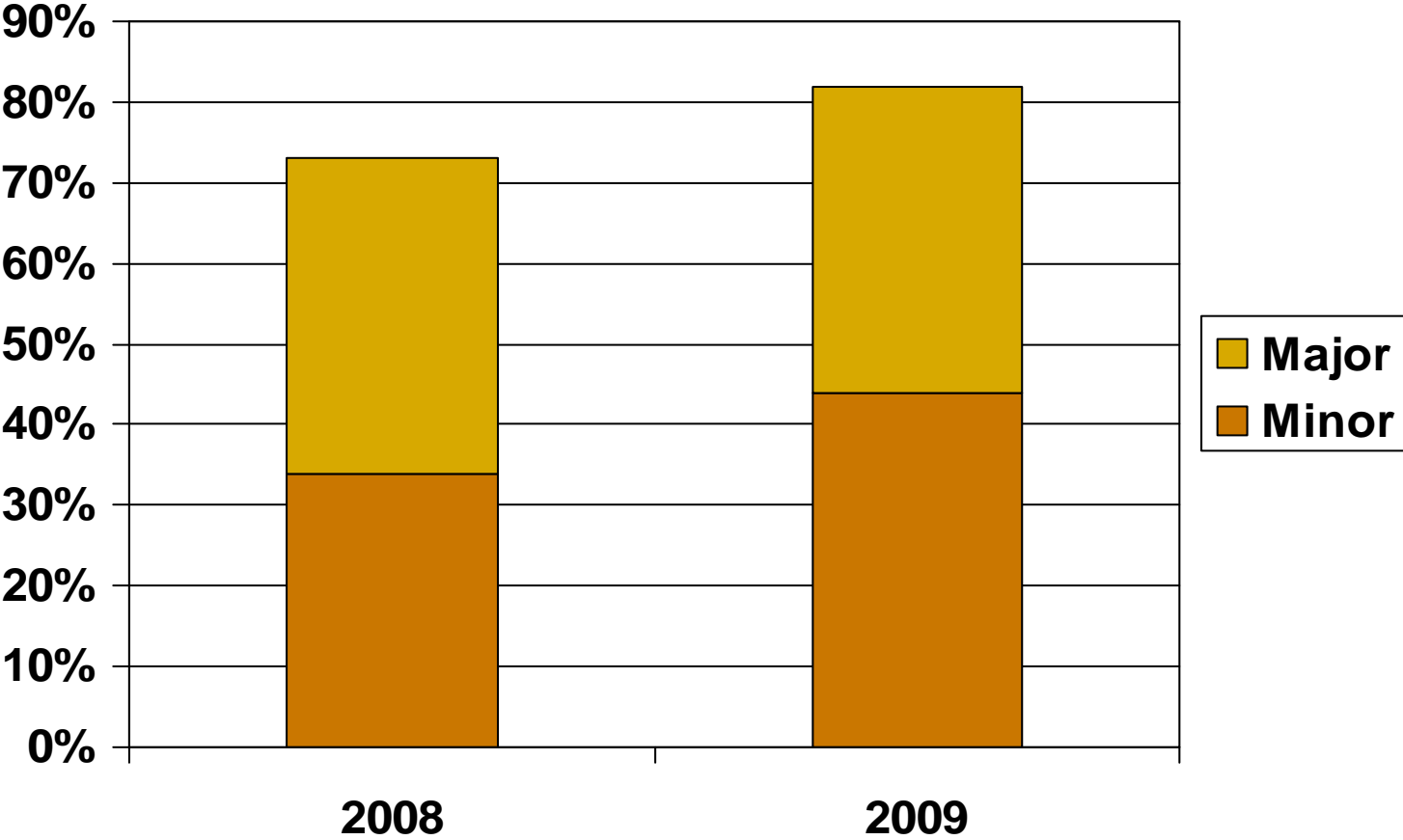


Consumers having problems if not able to write cheques

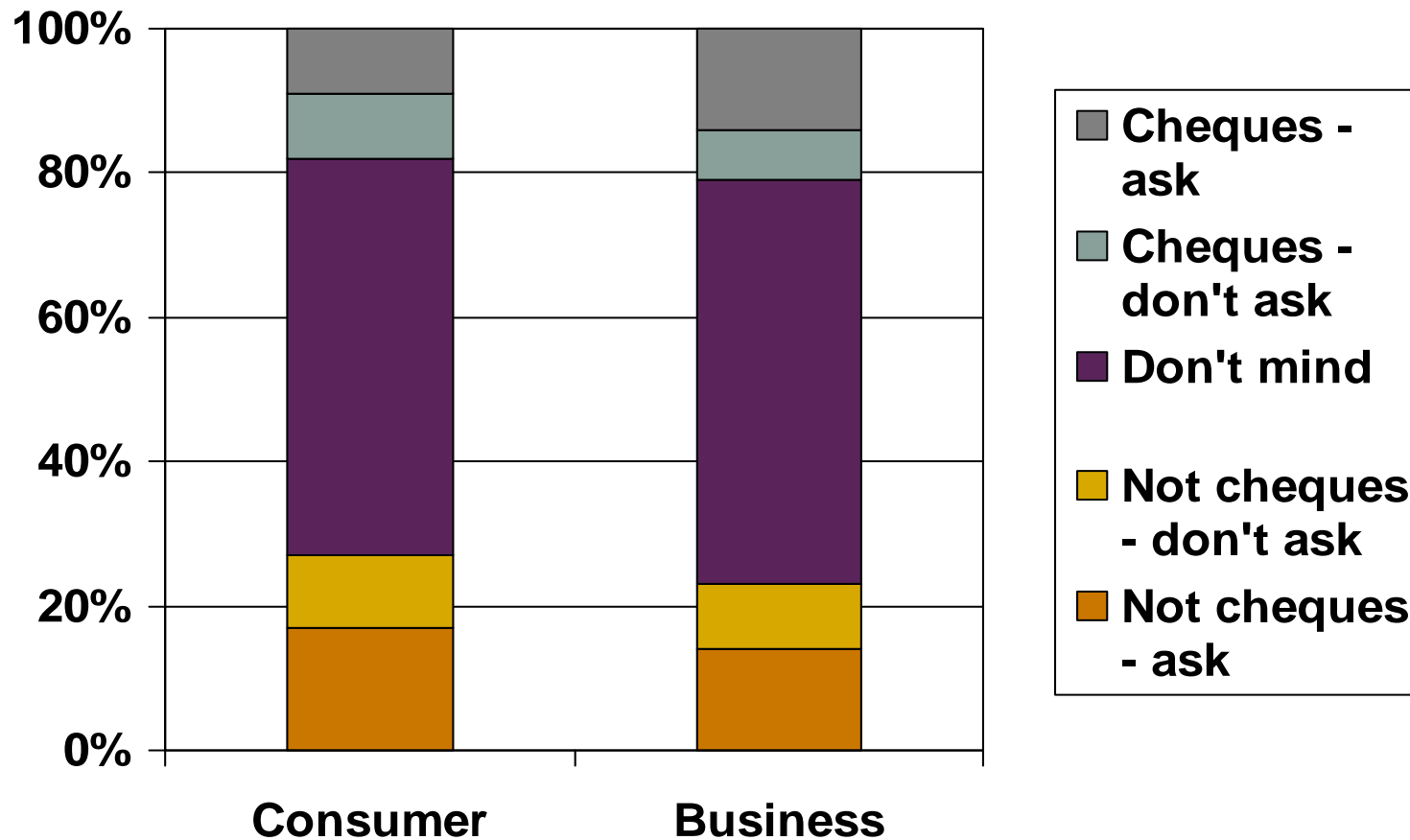




Businesses having problems if not able to write cheques



Preferences when receiving payment





Consumers' perceptions of fraud on cheques

- 4% have experienced fraud in the past five years – unchanged on previous years
- Becoming more wary of accepting cheques from people they don't know
- Concern about fraud has little affect of consumers use of cheques for payments they make



Businesses' perceptions of fraud on cheques

- Slight decrease in those having experienced cheque fraud – 8% in 2009, 11% in 2008
- Still wary of accepting cheques from unknown people or organisations



**Knowledge of Cheque
Clearing Times**

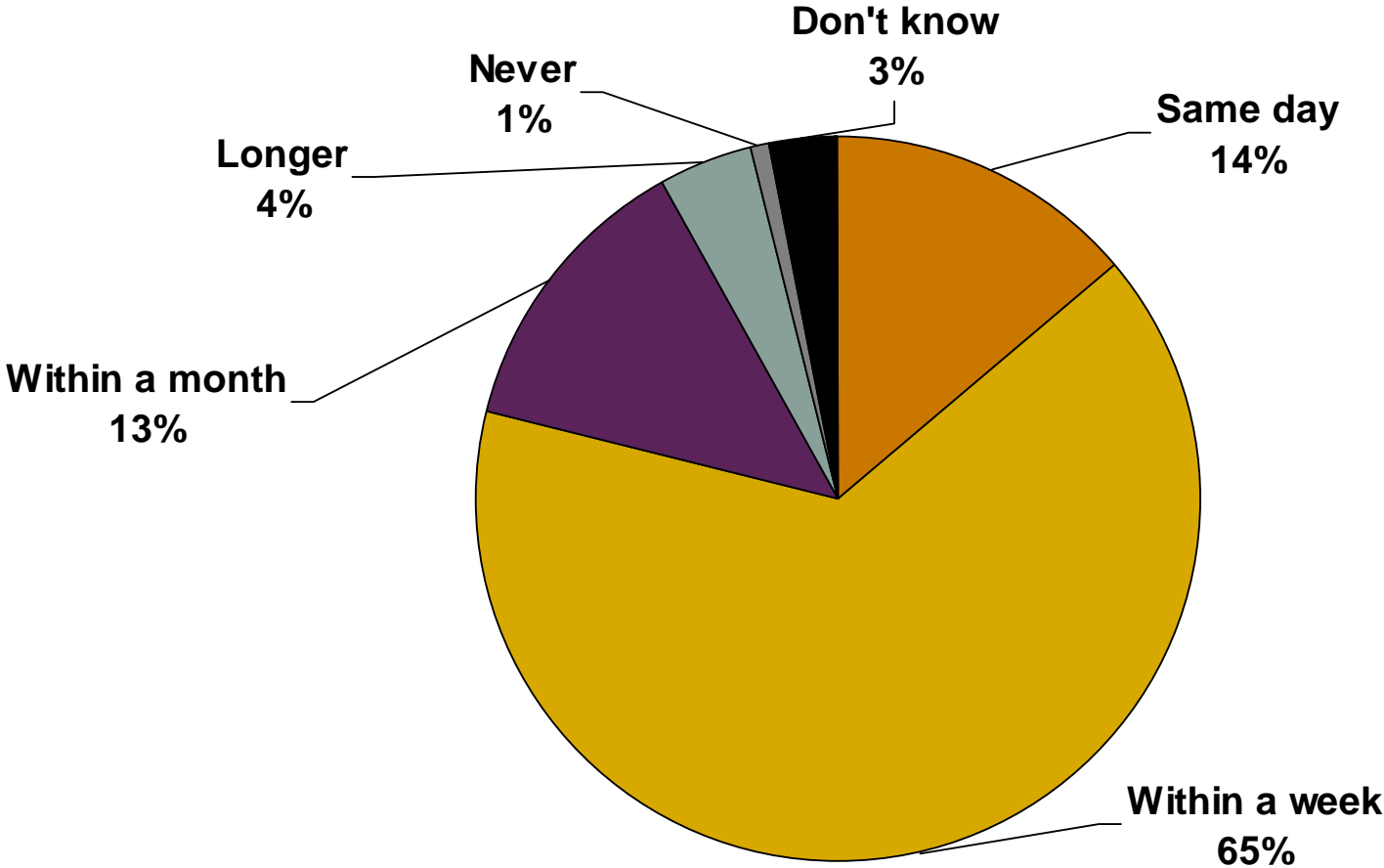


'2-4-6'

- Value – when interest starts to be earned – no later than T+2
- Withdrawal – when funds can be used – no later than T+4
- Fate – when customer can be certain cheque will not bounce – no later than the end of T+6



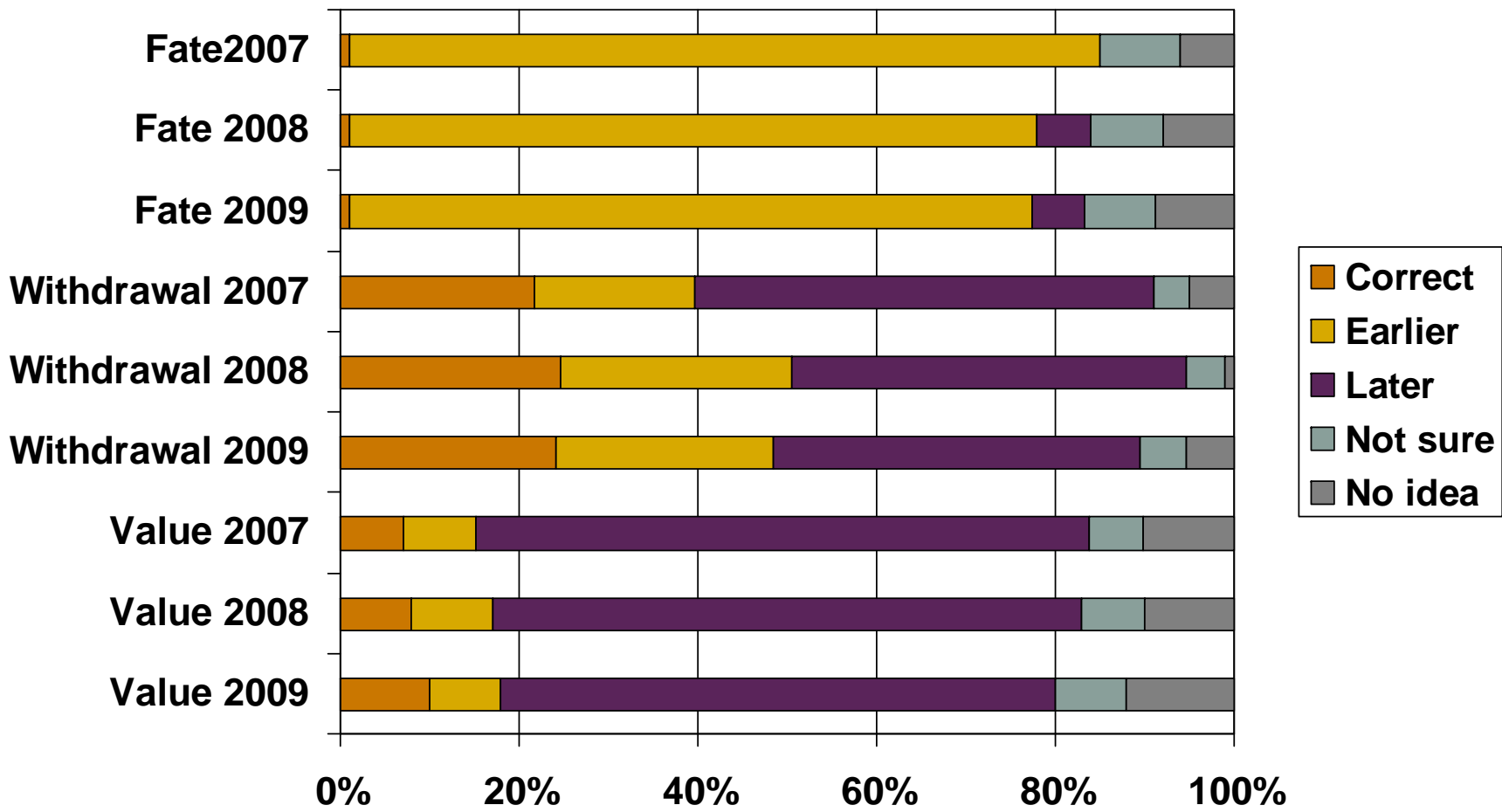
How long consumers take to deposit cheques



Base: Cheque recipients



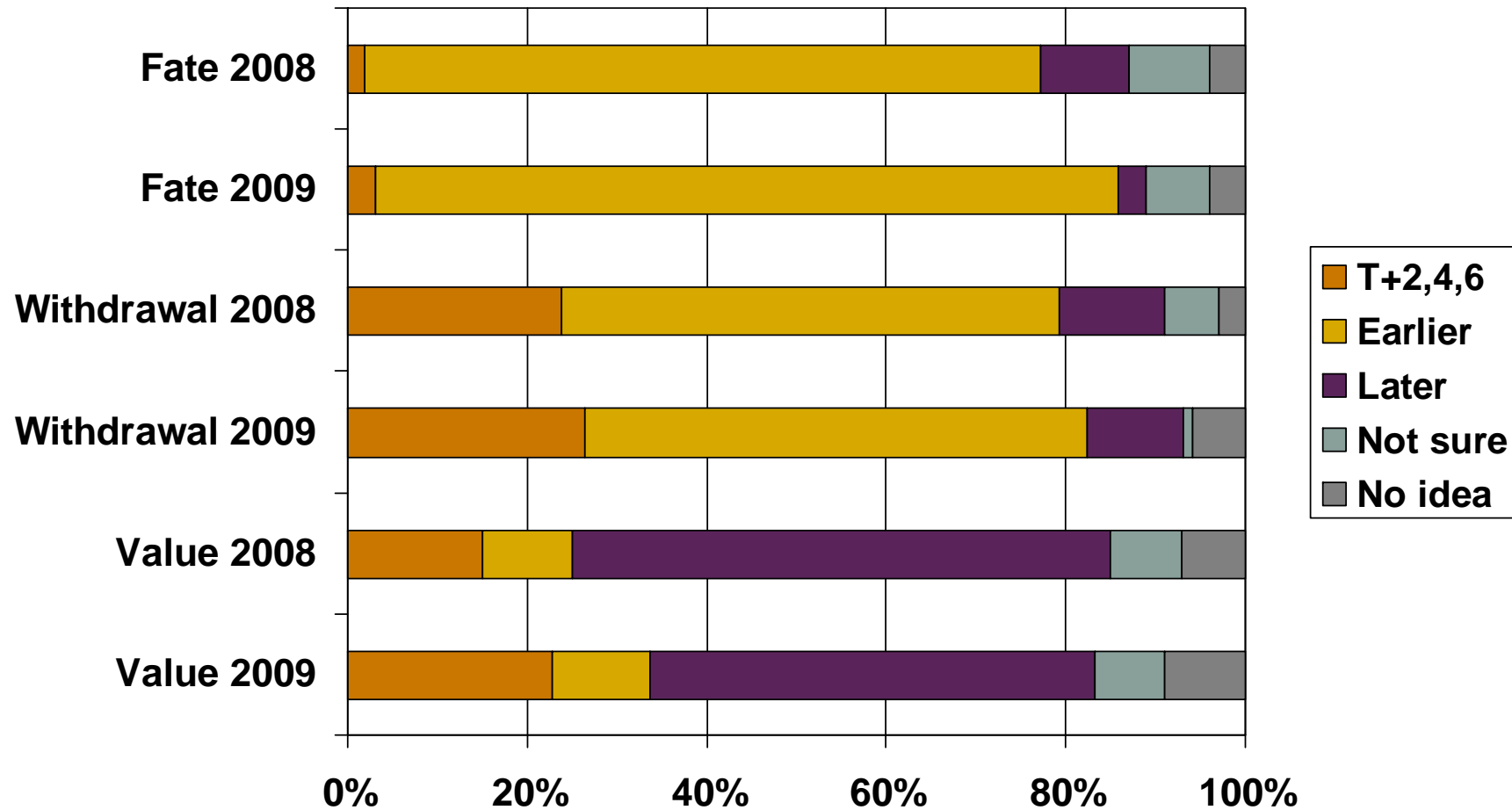
Consumers' knowledge of clearing times



Base: Cheque recipients

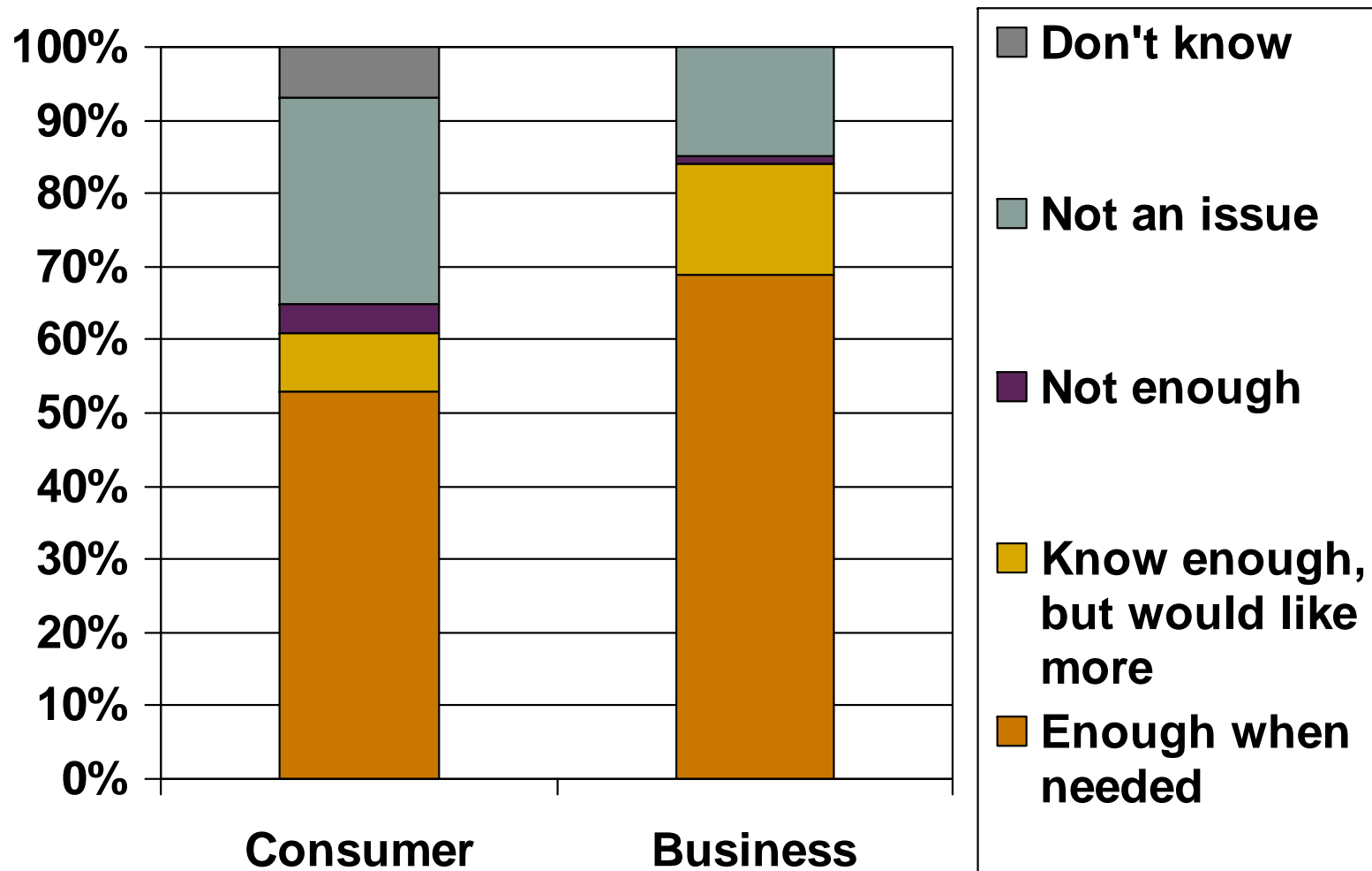


Businesses' knowledge of clearing times (compared to T+2, 4, 6)



Base: Cheque recipients

Need for information about cheques



Summary



Summary

- Change in attitudes to cheques is happening
- Businesses' views affected by economic conditions



**Questions and
Comments**