PAYMENTS COUNCIL

Quarterly Statistical Report

8 November 2011

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Summary of key payment statistics for Q3 2011

Cleared cheques and paper credits Fewer cheques were cleared during 2011 Q3 than in the corresponding quarter in 2010, the number falling by 12%. Credit clearing volumes also declined compared with a year ago, down by 14%.

Bacs There were 1,463 million Bacs payments in 2011 Q3, a small increase of 38 million compared with 2010 Q3, an annual growth rate of 1.7%. The total value of these payments was £1,121 billion, 103 billion higher than in 2010 Q3, and an increase that brings the annual growth rate to 7.1%. The average value of a Bacs payment was £766 compared with £714 a year previously.

Same day payments The number and combined value of **Faster Payments** continued to increase during 2011 Q3. Annual growth rates are declining from the very high levels seen at the turn of the year reflecting a growing maturity in the service. During 2011 Q3 payment volumes grew by 27% and values by 36%; there were 133 million payments totalling £58.1 billion. The average value of a Faster Payment was £438, £45 higher than in 2010 Q3. The annual rate of growth of **CHAPS** payment volumes reached 5% in 2011 Q3 with a total of 8.8 million payments. The aggregate value amounted to £16.1 trillion - an average payment value of £1.8 million, but values are growing at a slower annual rate than volumes, with only 0.5% growth recorded in 2011 Q3 .

Cash withdrawals £48.5 billion was withdrawn from cash machines during 2011 Q3 spread over 728 million withdrawals. The average withdrawal amounted to £67. The volume of withdrawals at pay-to-use machines was 3.0% of the total, the same as it was in the preceding quarter.

Cash and cheque transactions

Number of	Q3 2011	Annual rate of growth	Total value of	Q3 2011	Annual rate of growth
Cash machine withdrawals	728 mn	1.3%	Cash machine withdrawals	£48.5 bn	1.3%
Inter-bank cheques cleared	164 mn	-12.4%	Inter-bank cheques cleared	£169 bn	-13.6%

Number of	Annual figures (2010)	Annual rate of growth	Total value of	Annual figures (2010)	Annual rate of growth
[1] Cash payments	20,397 mn	-4.7%	[1] Cash payments	£262 bn	..
Cash machine withdrawals	2,786 mn	-2.1%	Cash machine withdrawals	£186 bn	-1.6%
[1] Cheque transactions	1,113 mn	-13.1%	[1] Cheque transactions	£1,077 bn	-14.2%
[2] Inter-bank cheques cleared	776 mn	-11.4%	[2] Inter-bank cheques cleared	£761 bn	-12.6%

1 Quarterly data for cash and cheque transactions are not available. .. Value too small to be shown 2 This figure does not include inter-branch items.

Automated payments

Number of	Q3 2011	Annual rate of growth	Total value of	Q3 2011	Annual rate of growth
Bacs payments	1,463 mn	1.7%	Bacs payments	£1,121 bn	7.1%
Faster Payments	133 mn	27.0%	Faster Payments	£58.1 bn	35.8%
CHAPS payments	8.8 mn	5.1%	CHAPS payments	£16,142 bn	0.5%

Number of	Annual figures (2010)	Annual rate of growth	Total value of	Annual figures (2010)	Annual rate of growth
Bacs payments	5,673 mn	0.6%	Bacs payments	£4,062 bn	5.2%
Faster Payments	426 mn	44.4%	Faster Payments	£164 bn	54.6%
CHAPS payments	32.2 mn	0.8%	CHAPS payments	£61,588 bn	-4.7%

A Bacs Direct Credits and Direct Debits

The average number of Bacs payments made per month reached **488 million** in the third quarter of 2011, slightly more (+2.6%) than the monthly average in 2010 Q3. The average monthly total value grew more strongly with an increase of 10.1% bringing the figure up to £374 billion compared with a monthly average for 2010 Q3 of £339 billion.

Direct Debit volumes continued to grow in 2011 Q3 increasing at an annual rate of 3.6% to reach 859 million payments totalling £268 billion. The average value of a Direct Debit was £313. The number of standing orders continued to fall with 32 million payments processed compared with 37 million during 2010 Q3, an annual rate of decline of 20%. Bacs direct credits showed a small increase comparing 2011 Q3 with 2010 Q3 with 572 million payments made, an annual growth rate of 1.1%.

59% of all payments processed by Bacs in 2011 Q3 were Direct Debits, with direct credits 39% and standing orders 2%. The proportion of Bacs payments accounted for by Direct Debits has increased by four percentage points since 2008, whilst standing orders have fallen by four percentage points as the adoption of Faster Payments gathered pace.

		Total				*of which*				
						Bacs Direct Credits	Standing orders	Bacs Direct Credits 2	Direct Debits	
		Volume		Value		Volume	Volume	Value	Volume	Value
		000s	% growth 1	£ mn	% growth 1	000s	000s	£ mn	000s	£ mn
2005		5,134,250	12%	3,150,207	9%	2,093,983	318,022	2,353,168	2,722,245	797,039
2006		5,361,749	4%	3,429,333	9%	2,171,743	332,245	2,584,501	2,857,761	844,832
2007		5,544,109	3%	3,695,906	8%	2,233,288	347,347	2,812,314	2,963,474	883,592
2008	Q1	1,375,123	3%	953,473	7%	556,223	89,195	731,743	729,705	221,730
	Q2	1,426,726	3%	985,362	8%	565,610	88,173	749,153	772,944	236,209
	Q3	1,418,502	3%	978,673	7%	552,744	83,066	739,762	782,691	238,911
	Q4	1,435,400	2%	1,028,813	7%	580,473	63,409	790,307	791,518	238,506
2009	Q1	1,358,709	1%	944,601	5%	556,156	55,567	733,096	746,986	211,505
	Q2	1,402,949	0%	956,694	2%	559,714	51,225	738,921	792,010	217,773
	Q3	1,412,078	-1%	954,514	0%	566,914	48,358	728,787	796,806	225,727
	Q4	1,465,182	0%	1,004,865	-2%	607,222	44,609	774,161	813,351	230,704
2010	Q1	1,366,294	0%	969,946	-1%	566,520	42,930	752,082	756,844	217,864
	Q2	1,395,102	0%	1,026,479	1%	546,187	37,448	792,693	811,467	233,786
	Q3	1,425,013	1%	1,017,849	3%	566,499	36,789	774,072	821,724	243,778
	Oct	470,244	1%	331,154	4%	186,759	10,696	249,193	272,789	81,961
	Nov	489,642	1%	354,174	6%	201,696	10,935	269,958	277,010	84,217
	Dec	526,436	1%	362,784	5%	226,186	10,747	276,254	289,504	86,531
2011	Jan	439,515	1%	325,170	6%	176,222	10,350	247,804	252,943	77,366
	Feb	439,870	1%	320,565	7%	177,737	10,084	243,378	252,049	77,187
	Mar	487,130	0%	415,855	7%	195,421	11,887	326,324	279,822	89,531
	Apr	477,159	0%	344,705	7%	189,353	10,852	260,269	276,954	84,436
	May	465,753	1%	357,091	7%	182,500	10,930	272,180	272,322	84,911
	Jun	489,517	1%	373,139	6%	192,596	11,364	285,861	285,557	87,278
	Jul	476,042	1%	361,934	7%	188,111	10,621	276,371	277,310	85,563
	Aug	482,998	1%	376,587	7%	187,664	10,875	288,189	284,460	88,398
	Sep	503,649	2%	382,471	7%	196,425	10,425	288,021	296,799	94,451

Chart A.1

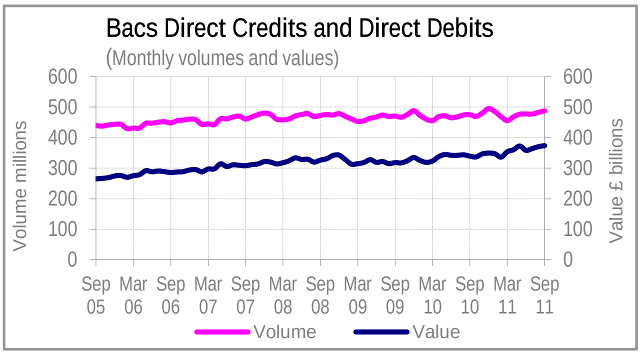
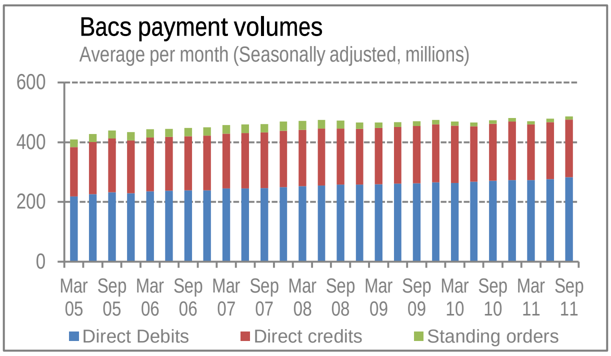


Chart A.2



Notes

1 Per cent growth figures relate to 12 month periods.

2 Data are not available for standing order values; these are included within Bacs Direct Credit values.

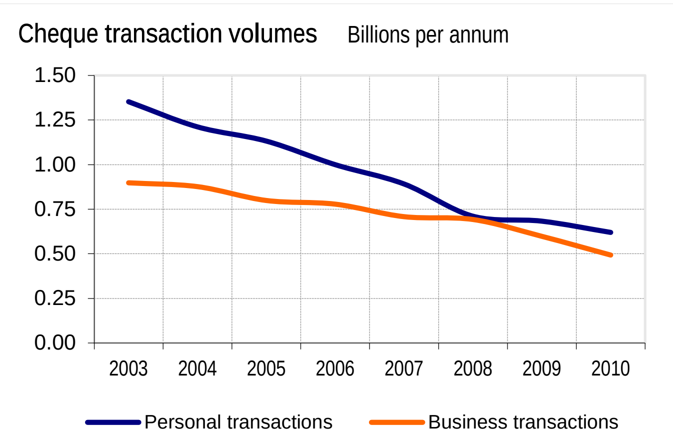
B Cleared cheques and paper credits

164 million cheques amounting to £169 billion were cleared during 2011 Q3; on an annual basis volumes declined by 12.4% and values by 13.6% when compared to 2010 Q3 - a slightly faster rate of decline that seen during the previous quarter. On a per day basis, the average number of cheques cleared during the quarter was 2.5 million with a combined value of £2,595 million; this compares with equivalent figures for 2010 Q3 of 2.9 million cheques per day amounting to £2.951 million.

Credit clearing volumes and values also continued to shrink in 2011 Q3, with volumes of 13.1 million, an annual rate of decline of 14.4%, and values of £6.9 billion, an annual rate of decline of 16.8%.

		Total Cheques [1]				Total Credits			
		Volume		Value		Volume		Value	
		000s	% growth [2]	£ mn	% growth [2]	000s	% growth [2]	£ mn	% growth [2]
2005		1,325,762	-7%	1,152,256	-5%	123,280	-7%	61,844	-9%
2006		1,237,401	-7%	1,171,062	2%	108,309	-12%	59,309	-4%
2007		1,124,869	-9%	1,156,684	-1%	96,290	-11%	57,347	-3%
2008	Q1	257,530	-10%	268,830	-3%	22,193	-11%	14,642	-6%
	Q2	257,415	-11%	276,867	-4%	21,761	-10%	12,655	-7%
	Q3	244,368	-11%	265,096	-6%	21,717	-10%	12,600	-9%
	Q4	248,066	-10%	264,901	-7%	20,771	-10%	11,744	-10%
2009	Q1	223,522	-11%	225,630	-9%	19,482	-10%	13,077	-11%
	Q2	222,363	-12%	219,225	-13%	18,453	-12%	9,883	-14%
	Q3	213,128	-12%	216,595	-15%	18,158	-14%	9,745	-16%
	Q4	216,520	-13%	209,141	-19%	17,592	-15%	8,919	-19%
2010	Q1	200,975	-12%	196,412	-19%	16,428	-16%	9,350	-24%
	Q2	196,281	-12%	197,736	-16%	15,450	-16%	7,890	-24%
	Q3	189,088	-12%	191,833	-14%	15,294	-16%	8,130	-23%
	Oct	62,538	-11%	60,076	-12%	4,822	-16%	2,306	-23%
	Nov	67,726	-11%	61,507	-12%	5,088	-16%	2,343	-22%
	Dec	59,034	-11%	53,518	-13%	4,580	-16%	2,293	-22%
2011	Jan	58,822	-11%	57,135	-11%	4,841	-15%	3,310	-19%
	Feb	55,956	-11%	51,278	-12%	4,294	-15%	2,168	-19%
	Mar	64,527	-12%	61,670	-13%	5,273	-16%	2,450	-18%
	Apr	51,111	-12%	53,660	-14%	4,072	-16%	2,091	-19%
	May	59,452	-12%	61,471	-13%	4,705	-15%	2,379	-17%
	Jun	59,985	-12%	57,897	-13%	4,628	-15%	2,286	-17%
	Jul	55,165	-12%	56,165	-13%	4,306	-15%	2,525	-17%
	Aug	52,838	-12%	56,927	-13%	4,432	-15%	2,182	-17%
	Sep	56,461	-12%	55,500	-14%	4,388	-14%	2,202	-17%

Chart B1



The data for Chart B1 are available only on an annual basis.

1 Excludes euro cheques & US dollar cheques, which are processed by C&CCC through separate systems
2 Per cent growth figures relate to 12 month periods.

C Same-day payments

The annual rate of growth of **CHAPS payment volumes** has been gradually gathering pace over the past 12 months and reached 5% in 2011 Q3 with a total of 8.8 million payments processed. The aggregate value amounted to £16.1 trillion - an average payment value of £1.8 million, but values are growing at a slower annual rate than volumes, with only 0.5% growth recorded in 2011 Q3 . Although both the volume and aggregate value for 2011 Q3 were the highest figures since 2008, this reflects an above average number of processing days during the quarter. Average daily volumes of 135,300 payments in 2011 Q3 were 8,000 higher than in 2010 Q3 whereas the average daily aggregate value of £248 billion was £7.2 billion up on Q3 2010.

The number and combined value of **Faster Payments** continued to increase during 2011 Q3. As noted in 2011 Q2, annual growth rates are declining from the very high levels seen at the turn of the year reflecting a growing maturity in the service. During 2011 Q3 payment volumes grew by 27% and values by 36%; there were 132 million payments totalling £58.1 billion. The average value of a Faster Payment was £438, £45 higher than in 2010 Q3.

There was a small increase during the quarter in the number of **online and telephone banking** payments passing through Faster Payments with the toal reaching 74 million, bringing the Faster Payments share up slightly to 84% of this expanding payment method. Online and telephone banking payments averaged 25 million during 2011 Q3 compared to 10 million at the time Faster Payments began operations in May 2008. The number of standing orders made via Faster Payments increased to 59 million representing 65% of the total, with the remaining 35% processed by Bacs.

		Payment volumes						Payment values					
		CHAPS		Faster Payments		of which		CHAPS		Faster Payments		of which	
						Standing orders [2]	Online and telephone banking					Standing orders [2]	Online and telephone banking
		000s	% growth [1]	000s	% growth [1]	000s	000s	£ mn	% growth [1]	£ mn	% growth [1]	£ mn	£ mn
2005		36,756	5%					97,100,206	6%				
2006		40,686	11%					109,637,149	13%				
2007		43,535	7%					126,669,848	16%				
2008	Q1	9,507	5%					25,728,574	19%				
	Q2	9,158	3% [3]	4,498 [4]		440	4,058	20,170,794	17% [3]	2,475 [4]		11	2,464
	Q3	8,655	0%	26,585		9,268	17,317	17,844,493	10%	12,261		569	11,692
	Q4	8,477	-3%	51,705		28,048	23,658	19,273,249	6%	18,135		2,802	15,333
2009	Q1	7,735	-5%	60,105	16%	33,691	26,413	17,489,516	2%	20,625	14%	4,760	15,865
	Q2	7,878	-8%	69,341	15%	37,681	31,660	16,039,382	-4%	25,188	22%	6,694	18,493
	Q3	8,110	-9%	77,111	11%	41,538	35,573	15,618,261	-6%	28,219	12%	7,158	21,060
	Q4	8,203	-8%	88,230	14%	44,628	43,602	15,469,797	-12%	32,192	14%	8,051	24,141
2010	Q1	7,640	-6%	92,943	5%	45,201	47,741	14,868,215	-15%	34,836	8%	8,586	26,250
	Q2	7,936	-3%	103,336	11%	49,200	54,136	15,864,632	-12%	40,446	16%	9,610	30,836
	Q3	8,269	0%	109,629	6%	51,947	57,681	15,675,987	-10%	43,070	6%	10,194	32,876
	Oct	2,738	0%	38,108	6%	18,433	19,675	4,922,260	-7%	14,527	6%	3,408	11,119
	Nov	2,791	1%	41,194	7%	19,731	21,463	5,020,282	-6%	15,649	5%	3,661	11,989
	Dec	2,795	1%	40,552	9%	19,422	21,130	5,236,233	-5%	15,683	6%	3,712	11,971
2011	Jan	2,581	2%	40,170	43%	19,383	20,787	5,158,945	-2%	15,355	53%	3,536	11,819
	Feb	2,547	3%	38,456	42%	18,266	20,190	4,888,390	-1%	14,884	51%	3,414	11,469
	Mar	3,009	3%	42,881	39%	19,534	23,347	5,717,517	1%	17,623	47%	3,794	13,829
	Apr	2,672	3%	38,294	35%	17,459	20,835	4,810,705	1%	16,075	43%	3,288	12,787
	May	2,828	4%	45,180	35%	20,542	24,638	4,991,992	1%	18,539	43%	3,861	14,678
	Jun	2,938	4%	42,947	32%	19,468	23,478	5,320,882	0%	18,028	40%	3,813	14,215
	Jul	2,864	4%	42,415	30%	18,932	23,483	5,111,613	-1%	17,833	38%	3,538	14,295
	Aug	2,925	4%	45,654	28%	20,077	25,578	5,422,449	-1%	19,700	36%	4,124	15,576
	Sep	3,004	5%	44,765	27%	20,109	24,656	5,607,630	1%	20,597	36%	4,872	15,725

Chart C1

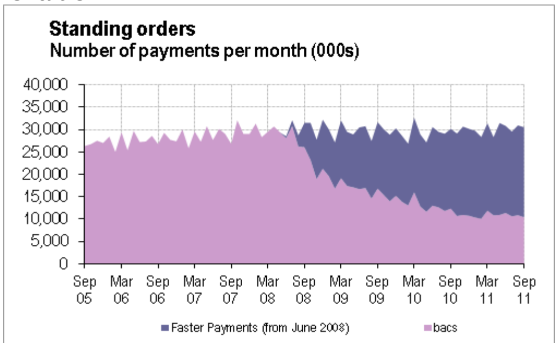
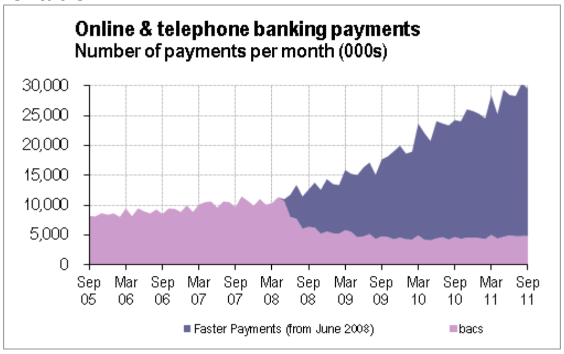


Chart C2



Notes

1 Per cent growth figures for CHAPS payments relate to 12 month periods. For Faster Payments, per cent growth is based on consecutive three month periods up to December 2010. From 2011 annual rates of growth are shown.

2 Standing orders includes a small volume and value of returned payments.

3 Prior to June 2008 data for CHAPS volumes and values included CHAPS €uro, which ceased operations on 16 May 2008. Details of the amounts of CHAPS €uro volumes and values may be found in earlier Statistical Releases (contact press@ukpayments.org.uk). Percentage growth figures from Q1 2008 relate only to CHAPS Sterling.

4 Faster Payments began operations on 27 May 2008; the CHAPS Clearing Company has responsibility for the management of the service.

D Cash machines

There was a slight drop of 122 in the total number of cash machines during 2011 Q3 bringing the total to 64,110. An additional 467 free-to-use machines were installed, bringing the total up to 42,891, representing 67% of all cash machines. The number of pay-to-use machines fell by 586, bringing the total to 21,219. An additional 209 machines were installed in 'off-site' locations, ie, places other than the branches of banks and building societies.

70% of all cash machines were 'off-site' by the end of 2011 Q3. The majority of these (59% or 26,244 ATMs) were in retail locations, with 16,552 in convenience stores and a further 6,575 in supermarkets. A further 22% of 'off-site' ATMs (9,892 machines) were located in the services sectors, which include social and leisure; 10% were located in the transport sectors, which comprise petrol stations and railway/bus termini; there were 3,061 (7%) ATMs in post offices.

£48.5 billion was withdrawn from cash machines during 2011 Q3 spread over 728 million withdrawals. The average withdrawal amounted to £67. The volume of withdrawals at pay-to-use machines was 3.0% of the total. These figures are very similar to those seen in the preceding quarter, and show only a very small annual rate of growth with both the volume and aggregate vale of withdrawals growing by 1.3%.

		Number of cash machines at period end	Cash withdrawals						
			Volume		Value			Number of withdrawals where a fee is charged to the cardholder	
			mn	Increase %	£ mn	Increase %	Average value £	%	
2005		58,286	2,699	6.8%	172,023	6.7%	64	4.5%	
2006		60,468	2,752	2.0%	179,808	4.5%	65	4.3%	
2007		63,980	2,812	2.2%	184,638	2.7%	66	4.1%	
2008	Q1	63,611	678	1.8%	44,342	3.2%	65	3.6%	
	Q2	64,459	727	1.8%	48,010	3.6%	66	3.6%	
	Q3	64,547	723	1.2%	48,896	3.8%	67	3.6%	
	Q4	63,890	726	1.5%	49,536	3.3%	68	3.3%	
2009	Q1	64,060	679	1.2%	44,075	2.1%	65	3.3%	
	Q2	63,605	727	0.6%	47,487	0.7%	65	3.3%	
	Q3	63,583	720	0.2%	48,169	-0.7%	67	3.3%	
	Q4	62,913	711	-0.6%	49,017	-1.1%	68	3.1%	
2010	Q1	63,055	657	-1.4%	42,681	-1.7%	65	3.1%	
	Q2	63,088	709	-2.0%	46,561	-1.9%	66	3.2%	
	Q3	63,138	716	-2.1%	48,242	-1.5%	67	3.1%	
	Q4	63,137	703	-1.8%	48,127	-1.7%	68	2.9%	
2011	Q1	63,414	672	-0.5%	43,867	-0.3%	65	3.0%	
	Q2	64,232	726	0.7%	48,385	1.2%	67	3.0%	^
	Q3	64,110	728	1.3%	48,487	1.3%	67	3.0%	

^ revised figure

Chart D1

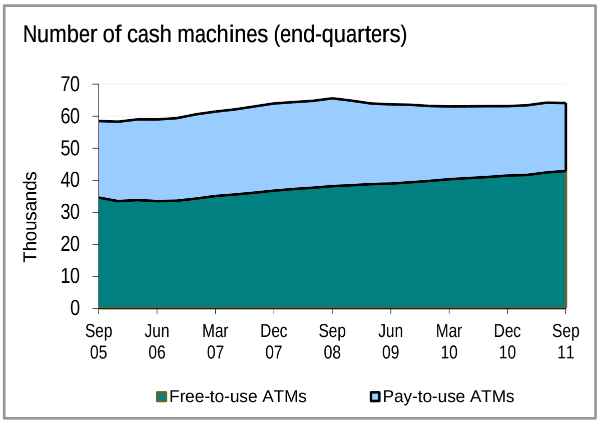
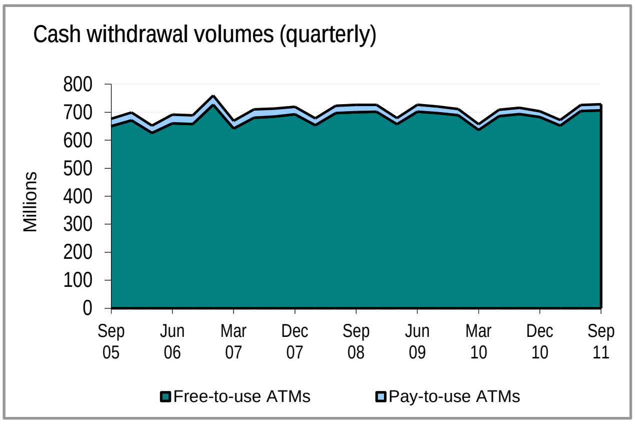


Chart D2



Section D shows key statistics on UK cash machines, indicating the total number of installed at the end of each period, the total number and value of withdrawals processed , and shows the average value of a withdrawal (rounded). Per cent growth figures relate to 12 month periods.