



Cheque &
Credit
Clearing
Company

Cheque Mate

Cheque

THE NEWSLETTER
OF THE CHEQUE PRINTER
ACCREDITATION SCHEME

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Consultation on the National Payments Plan

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How should payment systems evolve? How could innovative ways of making payments be further developed? What is the future of the cheque and other traditional methods of making payments, which are now in decline?
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The Payments Council is holding a public consultation on these questions, in order to develop a UK National Payments Plan.

Cheques comprise 13% of UK non-cash payments compared with 64% at their peak in 1990. On current trends, cheque volumes will fall at an average of over 7% per annum over the next ten years, to 840 million in 2016, when cheques will account for only one payment in 50 in the UK market.

Either the payments industry can stand back and allow changes in customer behaviour and market forces to determine the rate at which cheques decline or there can be a more proactive effort to phase them out, within a reasonable timescale.

The Payments Council was created in March 2007 to set strategy for UK payments and is working with both users and providers to drive payments forward. More about its structure and membership is on its website (see below).

Its consultation document, *National Payments Plan: Consulting on change in UK payments*, has been produced with input and ideas from the Payments Council's three User Forums covering consumers, small and medium-sized enterprises and large corporates.

The purpose of the consultation is to ensure that all stakeholders and people with an interest in the future of payments are able to help form the National Payments Plan. The Payments Council hope for responses from as wide a range of bodies as possible. They have identified the questions at the start of this article as especially significant areas for consultation but are happy to receive views on any aspects of payments.

How can CPAS members contribute their views on these key issues? Further details on the consultation can be found at www.paymentscouncil.org.uk including an electronic copy of the consultation document. Printed copies are available through consult@paymentscouncil.org.uk or by ringing 020 7638 5760. Details of the consultation have been sent to the British Security Industry Association. Angela Thomas, Managing Director of the Cheque and Credit Clearing Company said "The National Payments Plan provides an important opportunity for you to voice your views. Any decisions about the future of cheques in the UK will clearly impact your business and, as this is one of the areas the Payments Council is looking at, I'd strongly urge cheque printers to contribute to the consultation process. To help you we've put a link on our website to the Payments Council website".

The deadline for consultation responses is 4 February 2008.

2-4-6: Cheque clearing timescales made clear

As you may have seen in the press, we recently announced changes to the cheque clearing process.

From the end of November 2007 important new rules for cheque clearing, known as '2-4-6', came into force to provide improved clarity about the clearing timescales and increased certainty for personal and business customers paying in cheques.

The changes set a maximum time limit of two, four and six working days for certain actions on an account after a cheque is paid in:

Day zero e.g Monday: the timescale starts when you pay in the cheque

Day two e.g Wednesday: No later than Wednesday you will start to earn interest on the money paid in by cheque

Day four e.g Friday: No later than Friday the money paid in by cheque is available for withdrawal

Day six e.g the following Tuesday: By the end of this day you can be sure that the money is yours and the cheque will not subsequently be reclaimed without your consent, unless you are a knowing party to a fraud.

So, for the first time, customers have complete peace of mind six days after paying in a cheque that the money has safely cleared; and they are protected from any loss if the cheque should subsequently bounce (unless they are a knowing party to a fraud). Although cheque use has declined significantly in the past decade, cheques remain important for certain people and payments. Small businesses have expressed particular concerns about the lack of certainty when accepting cheques, and knowing when the money is definitely theirs. 2-4-6 will address this concern and provide them with a real benefit so that they can release goods and services with confidence.

The changes apply to all sterling cheques, bankers' drafts and building society cheques paid into current or basic bank accounts at the major UK banks and building societies.

More information on the changes is available from the Cheque and Credit Clearing Company, www.chequeandcredit.co.uk.

UPDATES

Accreditation to ISO 27001/APACS Standard 55

In our last newsletter, we gave a reminder to all our CPAS members of the Scheme's requirements to be certified under ISO 27001/APACS Standard 55 by 1 January 2008. We are pleased to report that since then the majority of printers are now certified under the new Standards and very good progress is being made among those members who have still to achieve it. You are reminded, however, that those members, who are not able to confirm to the company that certification will be achieved in a timely manner, will be excluded from the Scheme.

New Membership Fees from 1st January

Please note that the Membership Fee will be £400 + VAT per annum with effect from 1 January 2008. This is only the second time that the annual fee has been increased since CPAS was set-up in 1995; the last time we increased the fee was six years ago.

CPAS inspections

Members should be aware that a review of the CPAS Inspection regime is being undertaken with more focus being placed on the ISO Certification Body Audits of ISO 27001/APACS Standard 55, together with the Printer Performance Fault Reports. We hope to be able to provide further details in the next issue of the newsletter.

Website

We have updated our website with details of the 2-4-6 changes, including downloadable leaflets for business owners and consumers and an animated video explaining the changes. Just click on the 2-4-6 link.

In 2008 we will be putting more information into the CPAS area as part of our commitment to keep you up-to-date with industry matters.

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APACS

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