

Statistical release - 25 May 2011

This quarterly statistical report is published by the UK payments industry. It comprises the authoritative facts and figures for the latest quarter.

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Summary of key payment statistics for Q1 2011

Plastic cards

Number of debit cards in issue (end-2010) **84.6 mn** Number of credit & charge cards in issue (end-2010) **62.1 mn**

Plastic card transactions

Number of	Q1 2011	Annual rate of growth	Total value of	Q1 2011	Annual rate of growth
Debit card purchases	1.7 bn	10.1%	Debit card purchases	£76.0 bn	10.1%
Credit & charge card purchases	0.5 bn	0.0%	Credit & charge card purchases	£31.8 bn	1.5%
All plastic card purchases	2.2 bn	7.6%	All plastic card purchases	£107.9 bn	7.3%
Number of	Annual figures (2010)	Annual rate of growth	Total value of	Annual figures (2010)	Annual rate of growth
Debit card purchases	6.5 bn	9.2%	Debit card purchases	£288.1 bn	9.4%
Credit & charge card purchases	2.0 bn	0.3%	Credit & charge card purchases	£128.1 bn	2.2%
All plastic card purchases	8.5 bn	6.9%	All plastic card purchases	£416.2 bn	7.1%

Cash and cheque transactions

Number of	Q1 2011	Annual rate of growth	Total value of	Q1 2011	Annual rate of growth
Cash machine withdrawals	667 mn	-0.9%	Cash machine withdrawals	£43.6 bn	-0.3%
Inter-bank cheques cleared	179 mn	-11.6%	Inter-bank cheques cleared	£170 bn	-12.7%
Number of	Annual figures (2010)	Annual rate of growth	Total value of	Annual figures (2010)	Annual rate of growth
¹ Cash payments	20,397	-4.7%	¹ Cash payments	262.0 bn	..
Cash machine withdrawals	2,276 mn	-2.1%	Cash machine withdrawals	£185.8 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	Q1 2011	Annual rate of growth	Total value of	Q1 2011	Annual rate of growth
Bacs payments	1.4 bn	0.5%	Bacs payments	£1,062 bn	6.9%
³ Faster Payments	121.5 mn	38.7%	³ Faster Payments	£47.9 bn	47.2%
CHAPS payments	8.1 mn	2.6%	CHAPS payments	£15,765 bn	0.8%
Number of	Annual figures (2010)	Annual rate of growth	Total value of	Annual figures (2010)	Annual rate of growth
Bacs payments	5.7 bn	0.6%	Bacs payments	£4,062 bn	5.2%
³ Faster Payments	425.8 mn	44.4%	³ Faster Payments	£164.2 bn	54.6%
CHAPS payments	32.2 mn	0.8%	CHAPS payments	£61,588 bn	-4.7%

³ The Faster Payments Service was launched on 27 May 2008.

A Spending in the UK on debit and credit cards

Strong spending in January was the main contributor to the growth of 2.1 % in total plastic card spending between 2010 Q4 and 2011 Q1 - spending subsequently slowed down in February and March. This strength in spending in January may be attributable to a combination of seasonal sales and a rush to purchase big - ticket items early in the month to take advantage of the delayed implementation of the VAT rise by some major retailers. Debit card spending in 2011 Q1 was up by 2.7% while credit card spending rose by 0.7% (following falls in the preceding three quarters). The annual rate of growth for all plastic card spending accelerated to grow at 7.6% (compared with 7.1% during 2010 Q4), mainly driven by increased spending on debit cards which showed an annual growth rate of 10.1% (compared to 9.2% in 2010 Q4); in contrast the annual growth rate in credit card spending slowed to 1.5% (compared to 2.2% in 2010 Q4).

In spite of rising inflation through the quarter, average plastic card transaction values fell by £0.52 to £48.11 between 2011 Q1 and 2010 Q4 - the average transaction values (ATV) credit and debit cards each fell by approximately £0.44. This decrease in ATVs was an indication of lower spending patterns by consumers in February and March - a reflection of the uncertain economic environment.

Plastic card purchases accounted for 66.9% of all purchases in the retail sector slightly down compared to 2010 Q4 when the proportion was 67.2%. In 2010 Q1 plastic cards accounted for 65.1% of all retail purchases.

Seasonally adjusted	Debit cards			Credit cards			All plastic cards		
	Number of purchases	Value	Average purchase value	Number of purchases	Value	Average purchase value	Number of purchases	Value	
									000
2005	4,090,166	169,493	41.44	2,002,467	121,630	60.74	6,092,633	291,123	
2006	4,493,069	195,401	43.49	1,947,513	119,943	61.59	6,440,582	315,344	
2007	4,968,961	223,886	45.06	1,957,827	123,785	63.23	6,926,787	347,671	
2008	5,466,595	249,123	45.57	1,971,771	126,191	64.00	7,438,366	371,359	
2009	Q1	1,436,153	63,653	44.32	492,510	30,942	62.82	1,928,663	94,595
	Q2	1,479,020	64,391	43.54	502,193	31,293	62.31	1,981,213	95,685
	Q3	1,500,549	65,959	43.96	502,871	31,466	62.57	2,003,421	97,426
	Q4	1,523,584	69,324	45.50	504,028	31,632	62.76	2,027,612	100,956
2010	Q1	1,554,807	68,721	44.20	500,918	31,854	63.59	2,055,725	100,574
	Apr	532,589	23,852	44.78	168,097	10,790	64.19	700,686	34,642
	May	519,416	23,587	45.41	163,229	10,517	64.43	682,646	34,104
	Jun	553,039	24,852	44.94	173,843	11,185	64.34	726,882	36,037
	Jul	533,875	23,823	44.62	167,267	10,735	64.18	701,142	34,558
	Aug	566,692	25,036	44.18	171,393	10,862	63.37	738,086	35,898
	Sep	550,160	24,194	43.98	163,836	10,576	64.55	713,996	34,770
	Oct	542,371	23,879	44.03	162,719	10,332	63.50	705,090	34,211
	Nov	577,428	25,476	44.12	172,211	10,864	63.09	749,639	36,340
	Dec	554,579	24,675	44.49	163,049	10,425	63.94	717,628	35,101
2011	Jan	585,675	25,177	42.99	169,047	10,666	63.10	754,721	35,844
	Feb	578,803	25,461	43.99	168,810	10,633	62.99	747,612	36,094
	Mar	572,806	25,401	44.35	166,938	10,532	63.09	739,744	35,933

Chart A1

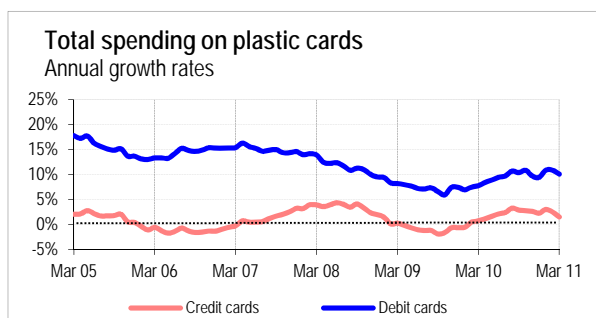


Chart A2

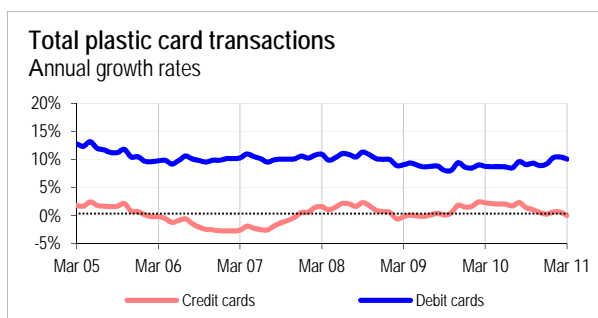
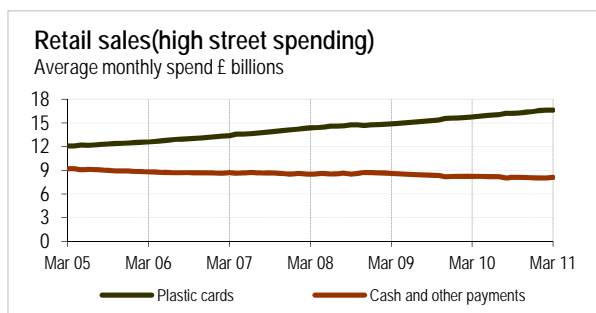


Chart A3



Notes

Section A shows spending in the UK on plastic cards as reported to The UK Cards Association by the banks that process card purchases on behalf of UK merchants, retailers and other service providers. The data include a small proportion of spending using non-UK-issued cards, e.g. by tourists, but exclude spending abroad on UK-issued cards. Cash withdrawals from ATMs are not included.

Seasonal adjustment is the process of estimating and removing seasonal effects from a time series in order to more accurately compare consecutive months.

B Credit card lending and repayments

Gross lending on credit cards, including interest and other charges, amounted to £31.9 billion in 2011 Q1. Repayments amounted to £31.5 billion, representing 98.6% of gross lending during the quarter. Over the 12 months to March 2011 gross credit card lending grew by 6.2%; over the same period repayments increased by 6.9%. This faster growth in repayments slightly improves the annual average ratio of repayments to gross lending (see Chart B1) for 2011 Q1 by 4 basis points to 98.9%.

Outstanding balances increased slightly during the quarter to £58.2 billion. Outstanding credit card lending accounted for 4.0% of total lending to individuals, a similar percentage to that seen at the end of December 2010.

Seasonally adjusted		Gross lending	Repayments		Outstanding balances	Average credit card APR
		£ mn	£ mn	%	Source Bank of England £ mn	Source Bank of England %
2005		131,415	125,297	95.3%	68,763	16.0
2006		124,580	121,960	97.9%	67,740	16.3
2007		125,111	122,514	97.9%	66,428	15.4
2008	Q1	33,438	32,244	96.4%	66,532	15.2
	Q2	33,053	31,848	96.4%	66,784	15.9
	Q3	32,632	31,245	95.8%	66,039	16.1
	Q4	31,936	31,455	98.5%	65,855	16.1
2009	Q1	30,601	29,743	97.2%	65,640	15.8
	Q2	30,545	29,831	97.7%	64,473	15.8
	Q3	30,121	29,757	98.8%	63,942	15.9
	Q4	29,920	29,397	98.3%	63,574	16.0
2010	Jan	9,942	9,898	99.6%	62,482	16.4
	Feb	10,680	10,348	96.9%	62,404	16.5
	Mar	11,127	10,920	98.1%	61,273	16.5
	Apr	10,785	10,471	97.1%	60,957	16.5
	May	10,531	10,568	100.4%	59,847	16.5
	Jun	11,077	10,982	99.1%	59,382	16.7
	Jul	10,632	10,410	97.9%	59,319	16.7
	Aug	11,378	11,097	97.5%	59,160	16.7
	Sep	10,802	10,786	99.9%	59,074	16.7
	Oct	10,583	10,310	97.4%	59,105	16.7
	Nov	11,486	11,398	99.2%	59,144	16.7
	Dec	10,725	10,949	102.1%	58,523	16.7
2011	Jan	10,763	10,594	98.4%	58,650	16.8
	Feb	10,583	10,461	98.9%	58,497	16.7
	Mar	10,555	10,405	98.6%	58,152	16.7

Chart B1

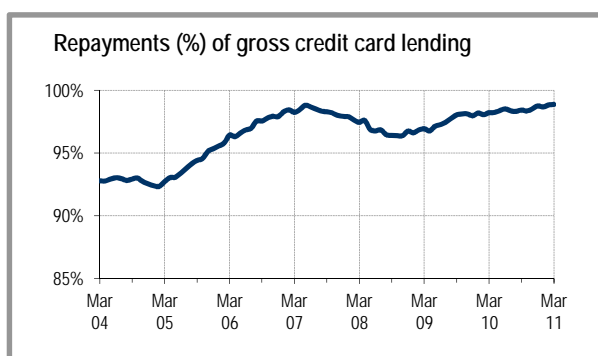


Chart B1 shows the rolling 12-month average of repayments

Section B shows data relating to UK households' credit and charge card use. Gross lending equates to new spending on credit and charge cards, including interest and other charges, whilst outstanding balances is the total amount still owed at the end of the period. Data on gross lending and repayments are provided by members of The UK Cards Association which accounted for over 98% of gross credit card lending during the 12 months to March 2011.

Outstanding balances are reported to the Bank of England by all UK credit card issuers. The figures shown here up to end-2009 include estimated amounts that have been securitised, ie, transferred by UK credit card issuers to non-resident associated companies. These estimates are based on the published footnotes to the Bank of England's data series LPMVZRJ. From January 2010 these securitisations have been included within the data published by the Bank that are reproduced above.

The average interest rate (Bank of England data series IUMCCTL) is expressed in terms of Annual Percentage Rate of Charge (APR) and applies to credit card purchases rather than other transaction types. The series is weighted according to each credit card issuer's monthly gross credit card lending.

C Cash machines



There was a rise in the total number of ATMs deployed during 2011 Q1. The number of free-to-use machines increased by 196 to reach 41,646, accounting for 66% of the total whilst the number of pay-to-use machines increased by 81 to 21,768.

There were 667 million withdrawals during 2011 Q1 totalling £43.6 billion; 97% of these withdrawals were from ATMs that are free-to-use.

Note. Following a review of data collection methods undertaken jointly by LINK and UK Payments there have been a number of revisions to the data from 2007 onwards.

	Number of cash machines at period end	Cash withdrawals						Number of withdrawals where a fee is charged to the cardholder %
		Volume		Value				
		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	681 [^]	1.2%	44,075	2.1%	65	3.3%
	Q2	63,605	729 [^]	0.6%	47,487	0.7%	65	3.3%
	Q3	63,583	722 [^]	0.2%	48,169	-0.7%	67	3.3%
	Q4	62,913	714 [^]	-0.3% [^]	49,017	-1.1%	68	3.1%
2010	Q1	63,054	657	-1.2% [^]	42,681 [^]	-1.7%	65	3.1% [^]
	Q2	63,073	709 [^]	-2.0%	46,561 [^]	-1.9% [^]	66	3.2%
	Q3	63,138	716	-2.2% [^]	48,242	-1.5% [^]	67	3.1%
	Q4	63,137	705	-2.1% [^]	48,300 [^]	-1.6% [^]	69	2.9%
2011	Q1	63,414	667	-0.9%	43,614	-0.3%	65	3.0%

[^] revised figure

Chart C1

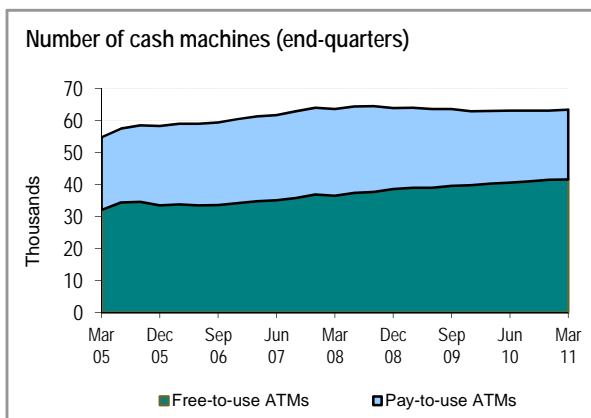
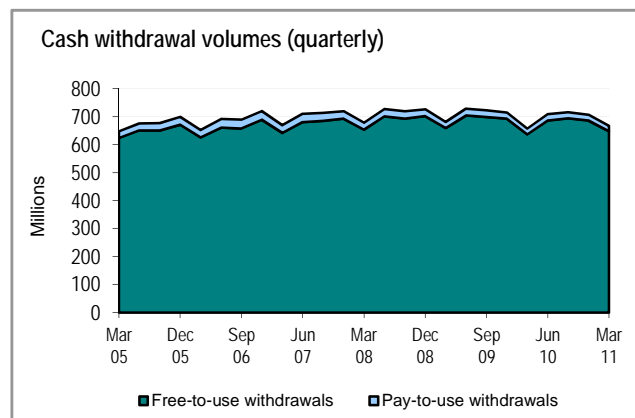


Chart C2



Section C shows key statistics on UK cash machines, indicating the total number of machines installed at the end of each period, the total number and value of withdrawals processed during the period, and shows the average value of a withdrawal (rounded).

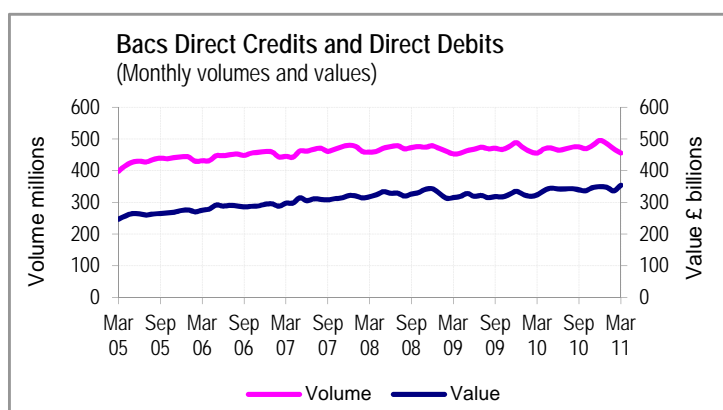
D Bacs Direct Credits and Direct Debits



The first quarter of a year typically sees the lowest number of Bacs payments and 2011 was no exception with 1,367 million payments, lower than the 1,486 million seen in the final quarter of 2010 but almost identical to the number recorded in 2010 Q1. The annual rate of growth fell back to only 0.5%. On the other hand, the total value of all payments is growing more strongly with an annual rate of increase of 6.9%. During 2011 Q1 a total of £1,062 billion was processed, more than in the preceding quarter and 9.5% more than in 2010 Q1. Over the past 12 months the average value of a Bacs payment has risen from £710 to £854.

Although fewer Direct Debits were processed in 2011 Q1 than in the preceding quarter, numbers are continuing to grow on an annual basis by 3.1%. Growth is stronger in value terms at 9.2% with the total for 2011 Q1 reaching £244 billion compared with £218 billion in the first quarter of 2010. The average value of a Direct Debit has risen over the past year from £287 to £320. The number of standing orders continued to fall with 32 million processed in 2011 Q1 compared with 43 million in the first quarter of 2010, revealing an annual rate of decline of 26%.

	Total				of which			Direct Debits	
	Volume		Value		Bacs Direct Credits	Standing orders	Bacs Direct Credits 2	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
	Apr 477,940	0%	339,138	0%	182,102	12,809	257,978	283,029	81,160
	May 438,193	0%	318,735	0%	177,409	11,635	245,877	249,149	72,859
	Jun 478,969	0%	368,606	1%	186,676	13,004	288,838	279,289	79,768
	Jul 487,338	0%	338,758	2%	196,223	12,624	256,881	278,491	81,877
	Aug 456,300	1%	323,830	3%	180,885	11,826	246,016	263,589	77,813
	Sep 481,374	1%	355,262	3%	189,391	12,338	271,175	279,645	84,087
	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



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.

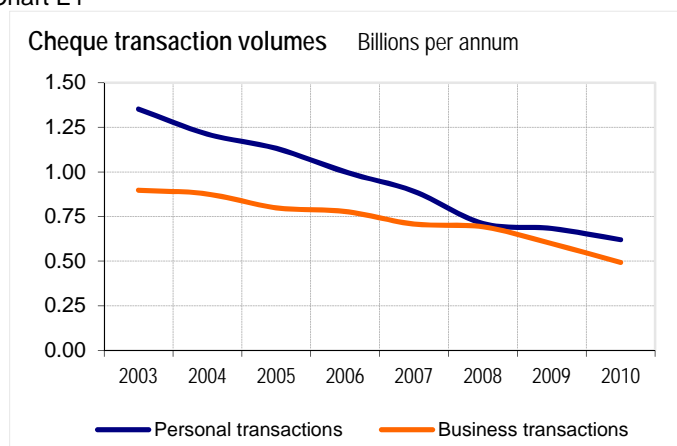
E Cleared cheques and paper credits

Cheque volumes and values continued their double-digit decline in the first quarter of 2011 with volumes down by 11.6% and values by 12.7%. The average number of cheques cleared per month fell to 60 million compared with 84 million per month in 2008 and 110 million per month in 2005. The average value of a cheque fell to £936 over the six months to end-March 2011. This average was close to or over £1,000 for much of the previous four years and this recent fall suggests that higher value settlements have been adopting other payment methods.

Credit clearing volumes and values also continued to fall in 2011 Q1, with volumes declining at an annual rate of 16% and values by 18%. There were 14.4 million payments with a total value of £7.9 billion.

	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%
Apr	64,774	-12%	67,656	-17%	5,094	-15%	2,765	-24%
May	61,799	-11%	61,637	-16%	4,909	-15%	2,430	-24%
Jun	69,708	-12%	68,443	-16%	5,448	-16%	2,695	-24%
Jul	65,944	-12%	67,088	-16%	5,261	-16%	3,141	-23%
Aug	57,426	-11%	60,658	-15%	4,862	-15%	2,443	-23%
Sep	65,718	-11%	64,087	-14%	5,171	-16%	2,546	-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%

Chart E1



The data for Chart E1 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.

F Same-day payments



Following the small return to growth during the final quarter of 2010 the number of same day CHAPS payments continued to increase during 2011 Q1, with growth of 2.6%. There were 8.1 million payments with a total value of £15.8 trillion.

Faster Payments continued to grow strongly with annual rates of growth of 39% for volumes and 47% for total values. [Note that the data table below shows the annual growth rates from 2011.] In the first quarter of 2011 there were 122 million Faster Payments amounting to £48 billion. The average value of a Faster Payment reached £394 in the first quarter of 2011 compared with £375 a year earlier.

Growth in the penetration of Faster Payments into the fields of standing orders, online and telephone banking payments that had begun to slow in the second half of 2010 fell to zero in the first quarter of 2011 with Faster Payments accounting for 64% of standing orders and 82% of online and telephone banking payments, the same percentages as during 2010 Q4.

Payment volumes					Payment values						
	CHAPS		Faster Payments		Standing orders ²	Online and telephone banking payments		CHAPS		Faster Payments	
	000s	% growth ¹	000s	% growth ¹				000s	000s	£ mn	% growth ¹
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		2,464
Q3	8,655	0%	26,585		9,268	17,317	17,844,493	10%	12,261		569
Q4	8,477	-3%	51,705		28,048	23,658	19,273,249	6%	18,135		2,802
2009											
Q1	7,735	-5%	60,105	16%	33,691	26,413	17,489,516	2%	20,625	14%	4,760
Q2	7,878	-8%	69,341	15%	37,681	31,660	16,039,382	-4%	25,188	22%	6,694
Q3	8,110	-9%	77,111	11%	41,538	35,573	15,618,261	-6%	28,219	12%	7,158
Q4	8,203	-8%	88,230	14%	44,628	43,602	15,469,797	-12%	32,192	14%	8,051
2010											
Q1	7,640	-6%	92,943	5%	45,201	47,741	14,868,215	-15%	34,836	8%	8,586
Apr	2,658	-4%	34,009	10%	16,126	17,883	4,899,490	-14%	13,446	16%	3,048
May	2,466	-3%	32,128	15%	15,503	16,625	5,054,021	-13%	12,368	22%	2,983
Jun	2,812	-3%	37,199	11%	17,571	19,628	5,911,121	-12%	14,632	16%	3,580
Jul	2,846	-2%	35,897	8%	16,865	19,032	5,652,204	-12%	14,147	9%	3,264
Aug	2,622	-1%	36,345	8%	17,256	19,089	4,862,411	-10%	14,129	8%	3,349
Sep	2,801	0%	37,387	6%	17,826	19,560	5,161,372	-10%	14,794	6%	3,580
Oct	2,738	0%	38,108	6%	18,433	19,675	4,922,260	-7%	14,527	6%	3,408
Nov	2,791	1%	41,194	7%	19,731	21,463	5,020,282	-6%	15,649	5%	3,661
Dec	2,795	1%	40,552	9%	19,422	21,130	5,236,233	-5%	15,683	6%	3,712
2011											
Jan	2,581	2%	40,170	43%	19,383	20,787	5,158,945	-2%	15,355	53%	3,536
Feb	2,547	3%	38,456	42%	18,266	20,190	4,888,390	-1%	14,884	51%	3,414
Mar	3,009	3%	42,881	39%	19,534	23,347	5,717,517	1%	17,623	47%	3,794

Chart F1

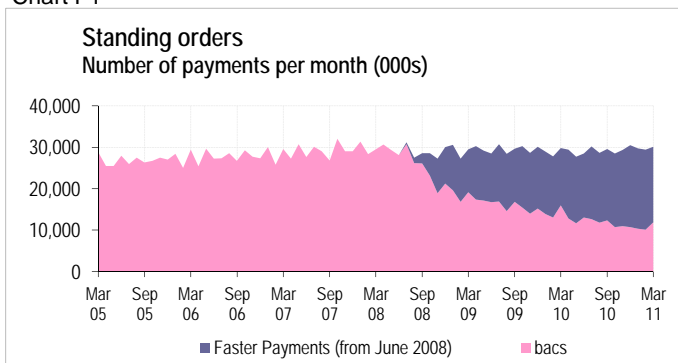
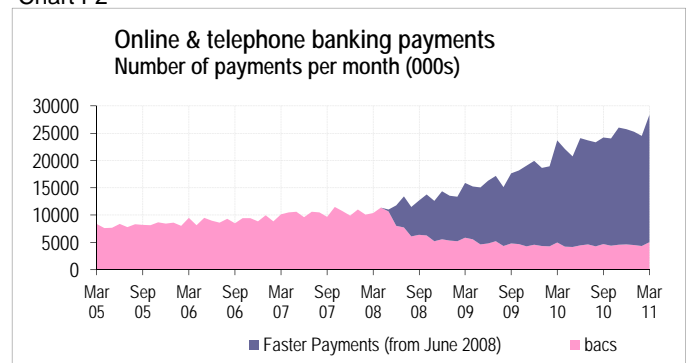


Chart F2



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 Euro, which ceased operations on 16 May 2008. Details of the amounts of CHAPS Euro 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.