



Cheque &
Credit
Clearing
Company

CHEQUES: ANNUAL TRACKING MARKET RESEARCH 2018

July 2018

INTRODUCTION



Market research conducted annually in April



Consumer research

- C&CCC 12th annual survey of consumers writing and receiving cheques by Kantar TNS
- 2,000 consumers surveyed face-to-face*



Business research

- C&CCC 11th annual survey of business users of cheques by BDRC
- 1,000 businesses surveyed by telephone*



Charity research

- C&CCC 3rd annual survey of charities writing and receiving cheques by Ipsos MORI
- 1,000 charities surveyed by telephone*



KEY FINDINGS

SUMMARY – % THAT WRITE OR RECEIVE CHEQUES



- **52%** of consumers said that they had either made or received a payment by cheque in the **past year** (*78% in 2008; 52% in 2013*)



- **79%** of UK businesses said that they had either made or received any payments by cheque in the **past month** (*96% in 2008; 83% in 2013*)



- **84%** of charities had either made or received a payment by cheque in the **past month** (*83% in 2016*)

SUMMARY – THREE MAIN REASONS CHEQUES ARE WRITTEN

2018

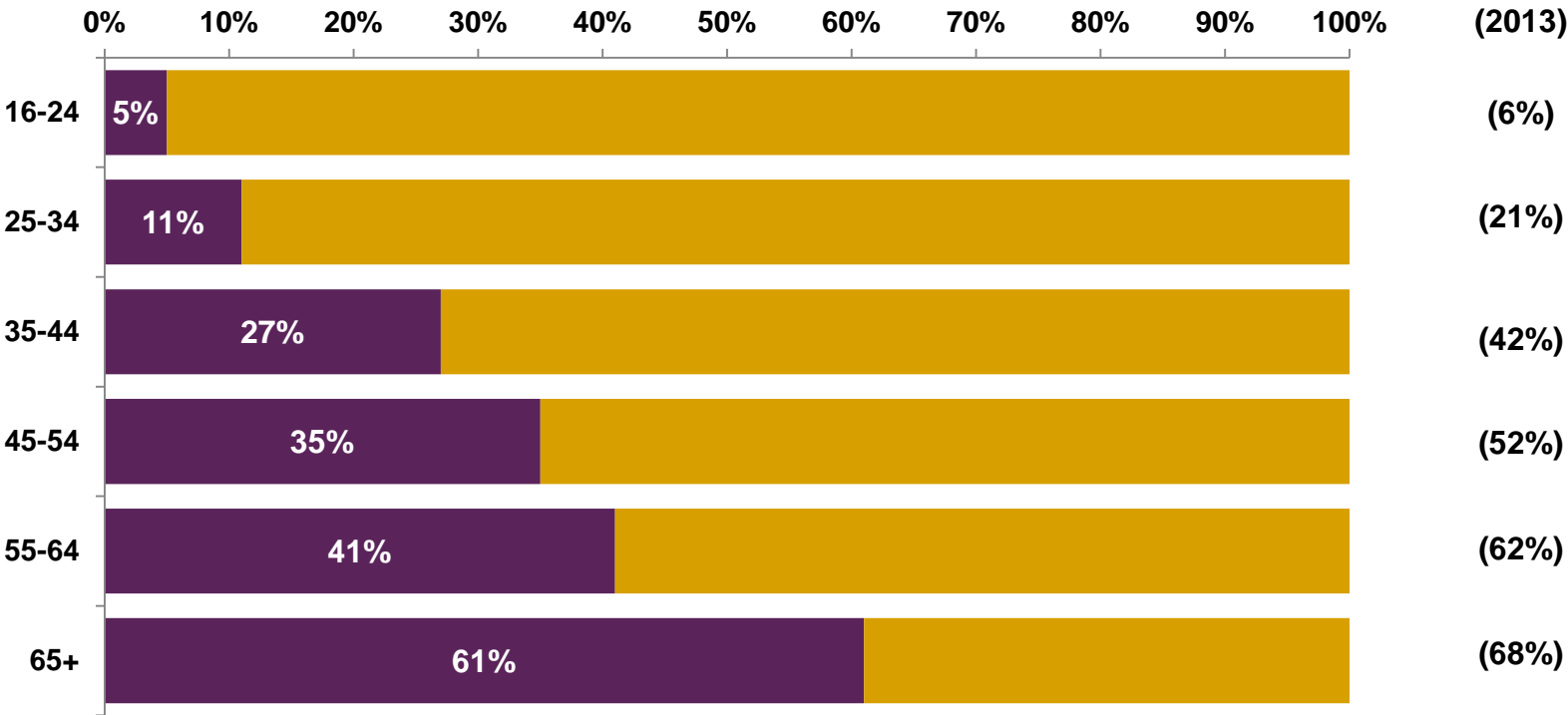
- **Consumers**
 - Pay a bill by post (20%)
 - Service in the home (18%)
 - Pay a club or society (17%)
- **Businesses**
 - Pay a trade supplier (63%)
 - Other ad-hoc payments to businesses (40%)
 - Regular business commitments (26%)
- **Charities**
 - Pay a trade supplier (62%)
 - Other ad-hoc payments to organisations (58%)
 - Expenses to non-salaried staff and volunteers (37%)

2013

- **Consumers**
 - Pay a bill by post (26%)
 - Service in the home (20%)
 - Pay a club or society (14%)
 - **Businesses**
 - Pay a trade supplier (75%)
 - Other ad-hoc payments to businesses (33%)
 - Regular business commitments (31%)
 - **Charities (2016)**
 - Pay a trade supplier (64%)
 - Other ad-hoc payments to organisations (58%)
 - Expenses to non-salaried staff and volunteers (41%)
-















PROPORTIONS WRITING AND NOT WRITING CHEQUES, BY AGE



Proportion of people who **write** cheques by age group

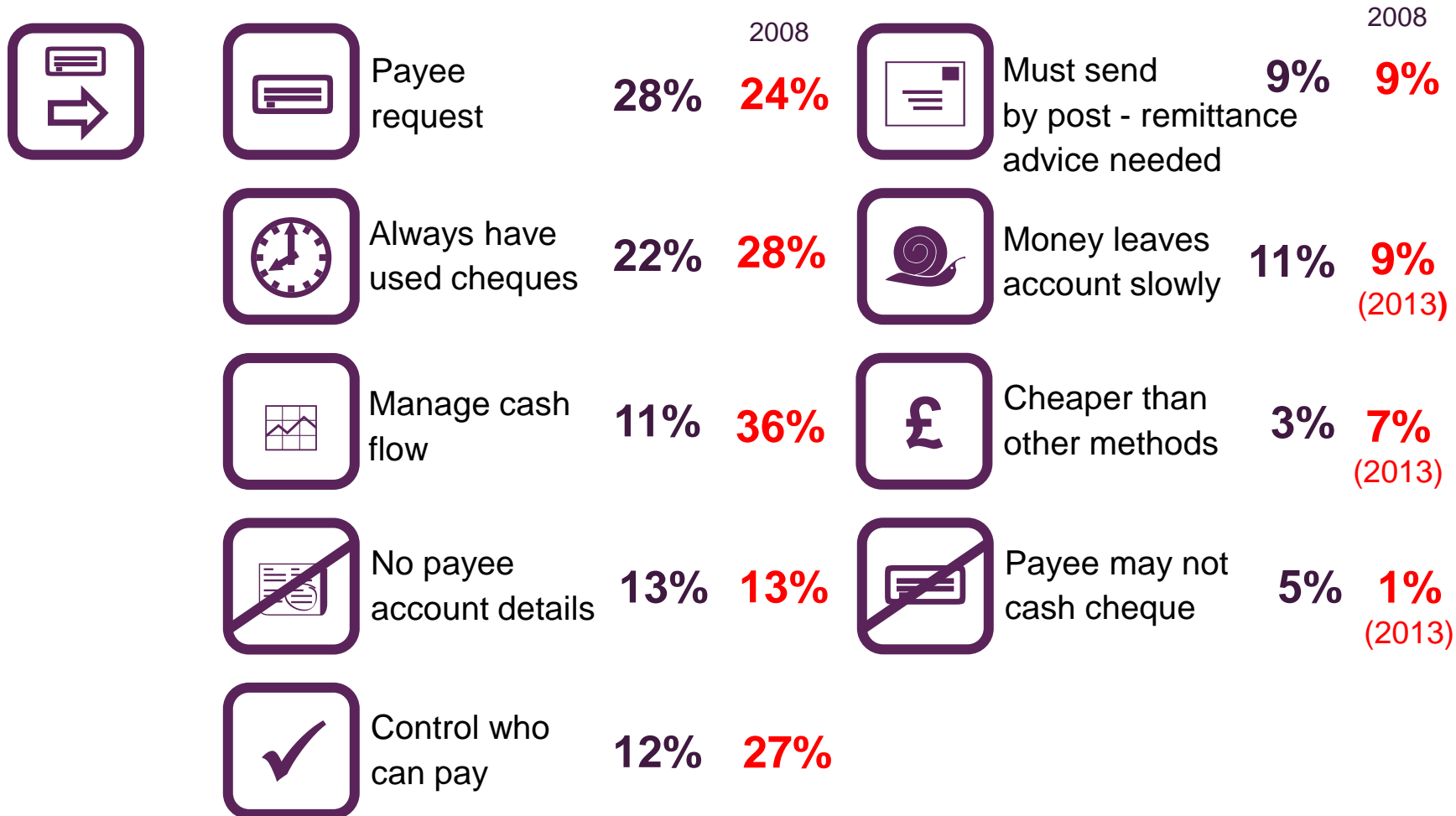
Proportion of people who **do not write** cheques by age group

REASONS WHY BUSINESSES AND CHARITIES PAY BY CHEQUE

		Businesses	Charities		Businesses	Charities
	 Payee request	28%	49%	 Must send by post - remittance advice needed	9%	40%
	 Always have used cheques	22%	41%	 Money leaves account slowly	11%	17%
	 Manage cash flow	11%	33%	 Cheaper than other methods	3%	n/a
	 No payee account details	13%	36%	 Payee may not cash cheque	5%	13%
	 Control who can pay	12%	53%	 Need clear paper trail	n/a	46%
				 No other method available	n/a	31%

% of businesses who gave each reason for making payments by cheque

REASONS WHY BUSINESSES PAY BY CHEQUE – CHANGES SINCE 2008



% of businesses who gave each reason for making payments by cheque

CONFIRMATION OF PAYEE - ANOTHER REASON WHY BUSINESSES PAY BY CHEQUE

Payer can be sure the money has reached the right person:

- Corporates' refunds to customers (Pay.UK research)
- Some banks paying out PPI refunds (Public enquiry to C&CCC)

CHANGES IN WHAT CHEQUES ARE RECEIVED FOR BY CONSUMERS SINCE 2013



Gifts

38%

2013

31%



Wages or salary

6%

2013

12%



Refunds

29%

25%



Expenses

6%

8%



Dividends

11%

13%



Selling something

4%

7%



Insurance settlement

7%

10%



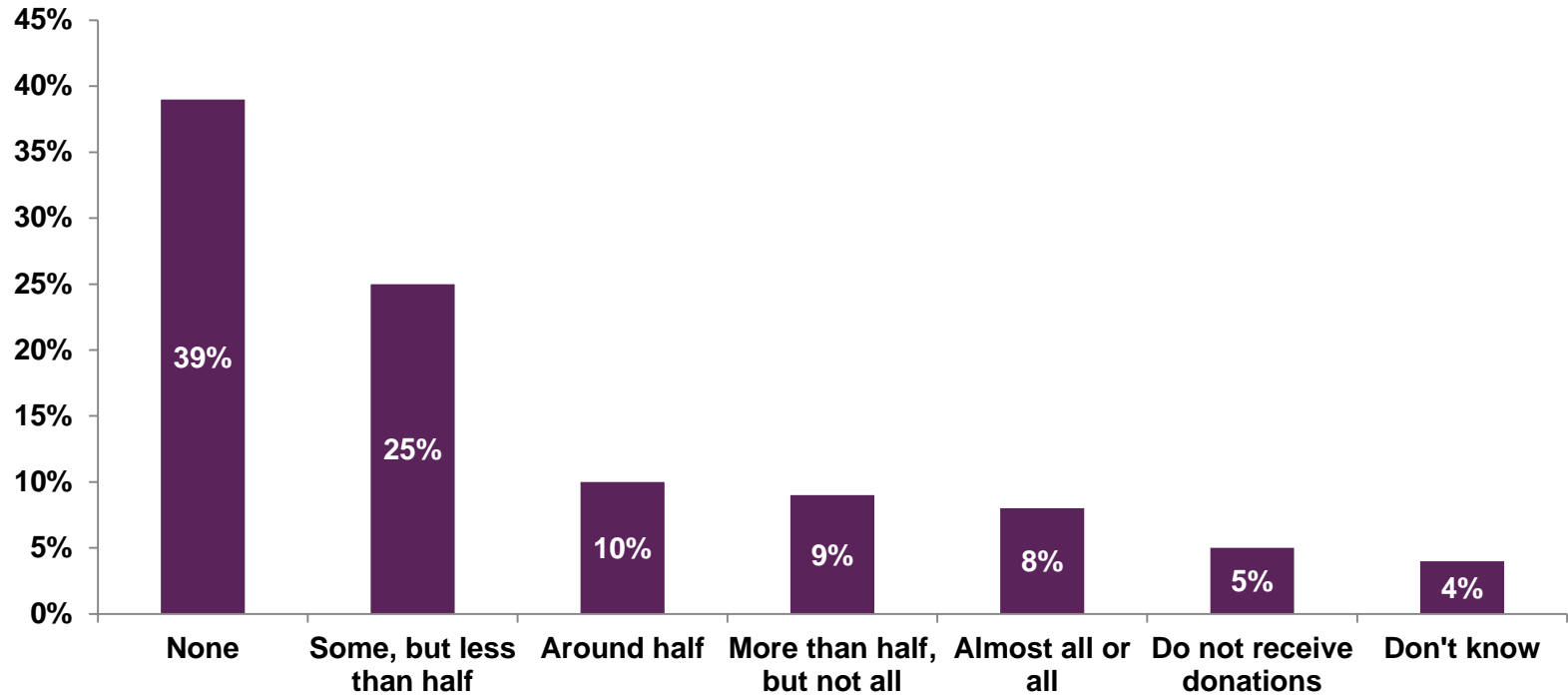
Benefit payments

1%

3%

Gifts and refunds are most common purposes for receiving cheques

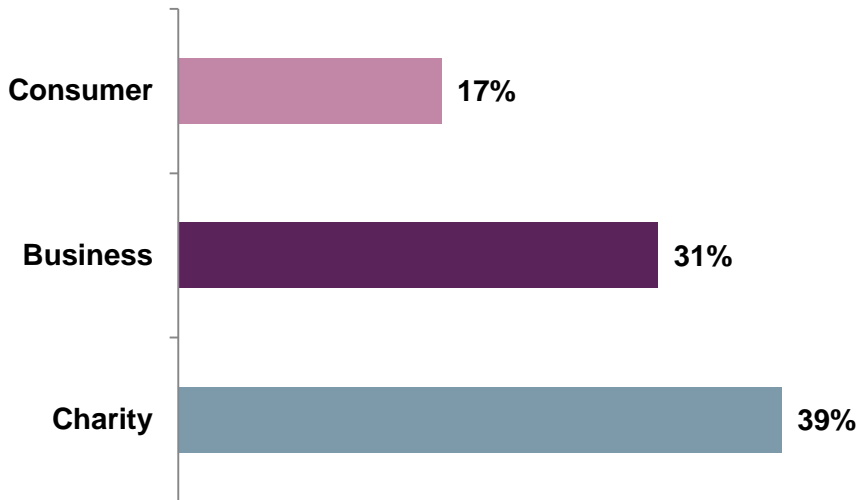
CHEQUE DONATIONS AS A PROPORTION OF ANNUAL DONATION INCOME



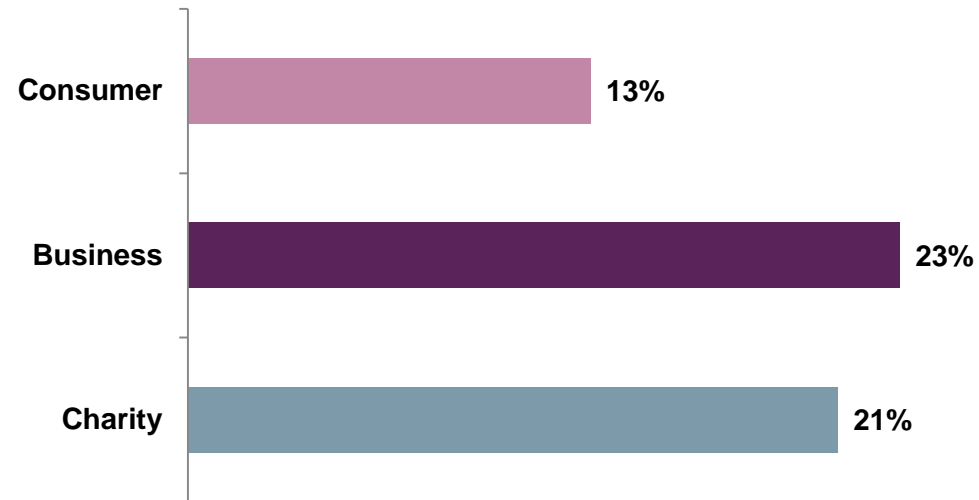
27% of charities say they receive half or more of their donation income by cheque (*29% in 2017*)
 % of those who have either received or made a cheque payment in the past month

SUMMARY – CHEQUE IMAGE AWARENESS Q1-2018

Awareness of cheque imaging which will make the clearing process faster - **greatest among charities**



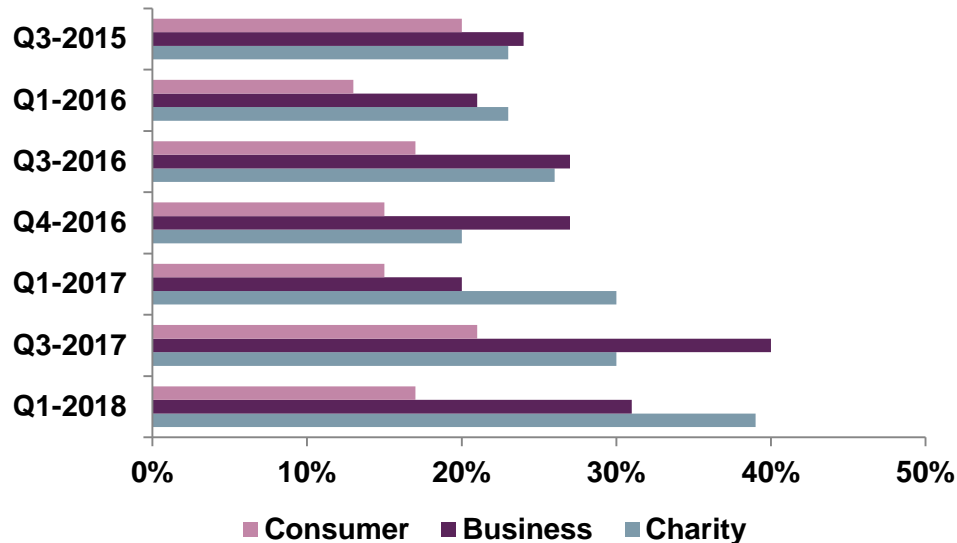
Awareness of cheque imaging which may allow people to pay in cheques through a mobile app – **greatest amongst businesses**



SUMMARY – CHEQUE IMAGE AWARENESS OVER TIME

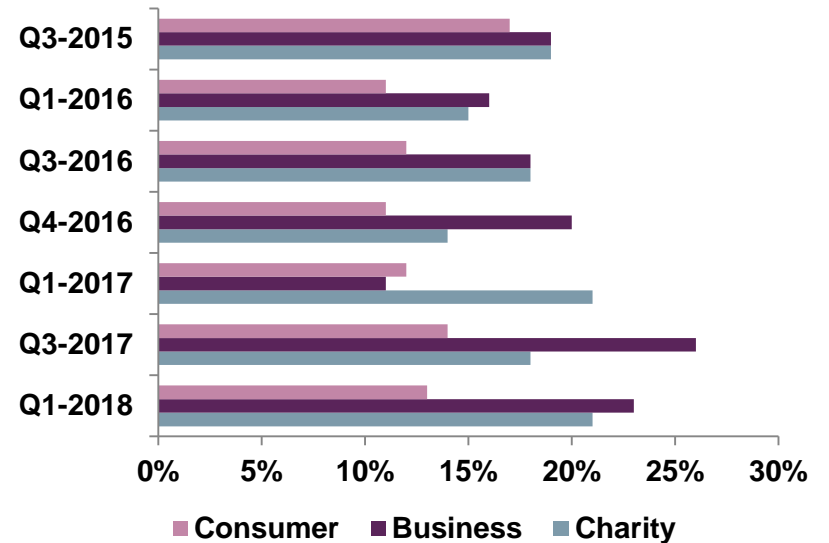
Awareness of cheque imaging

Change since Q3-2015

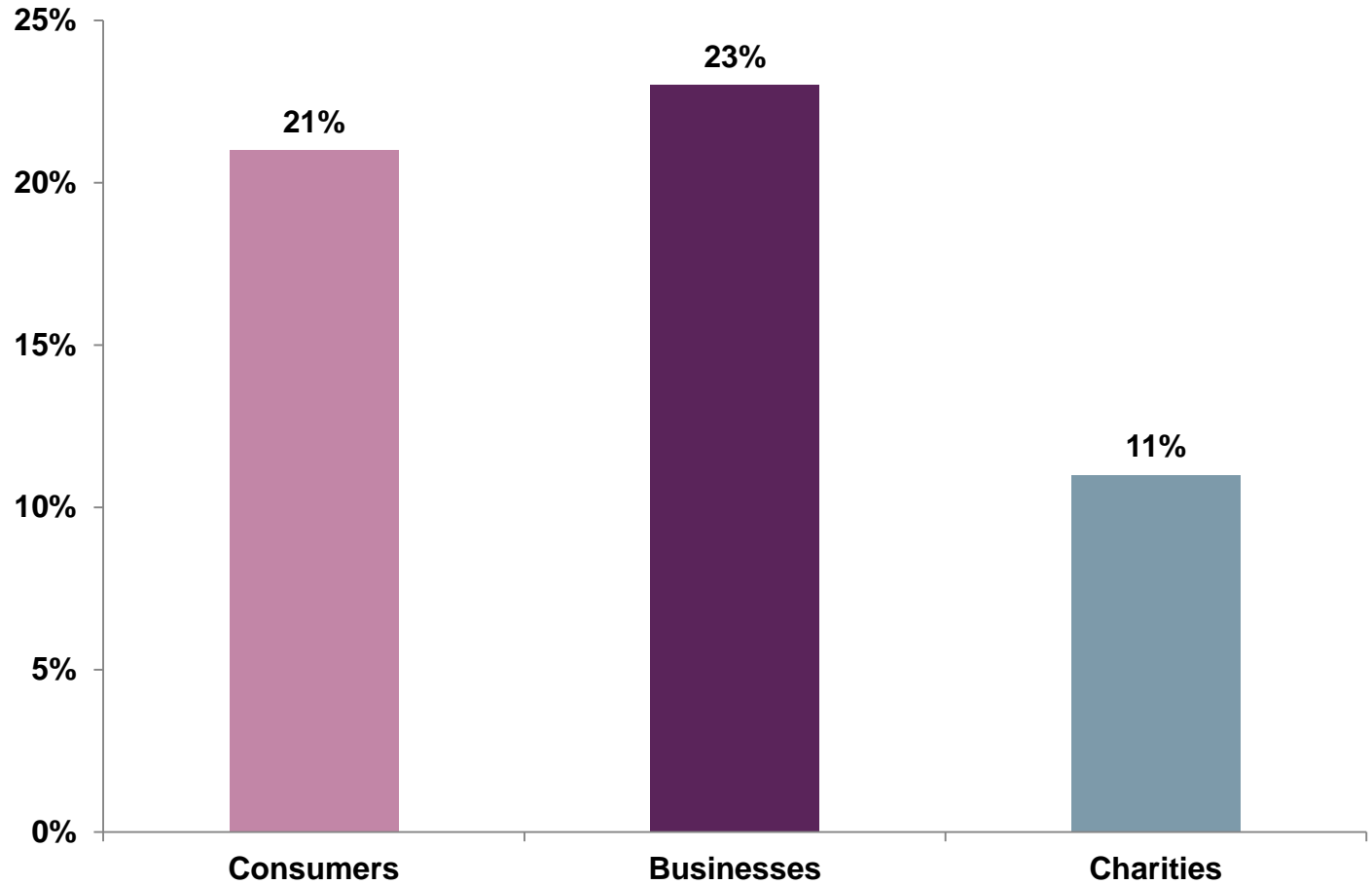


Awareness of a mobile app

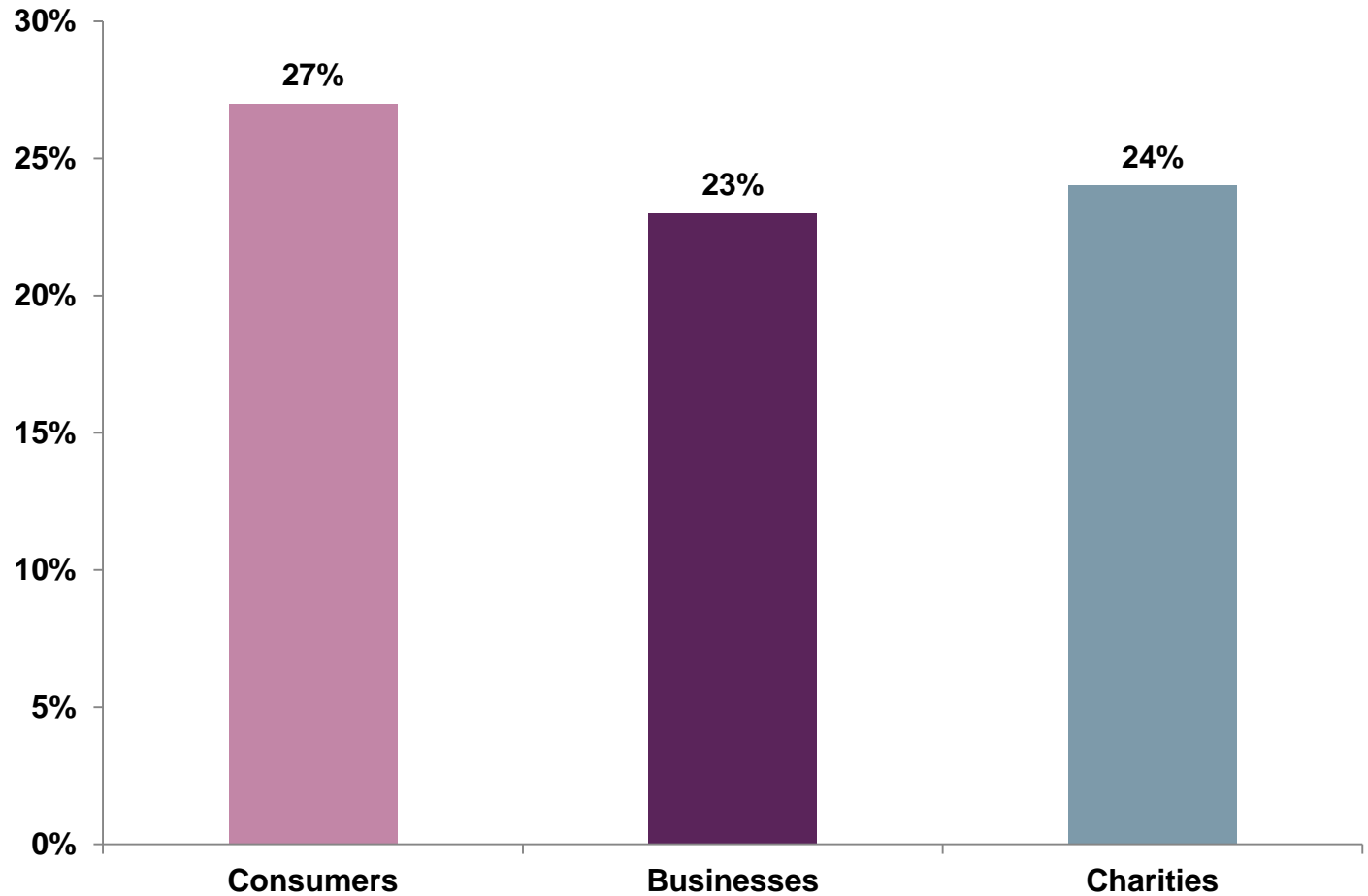
Change since Q3-2015



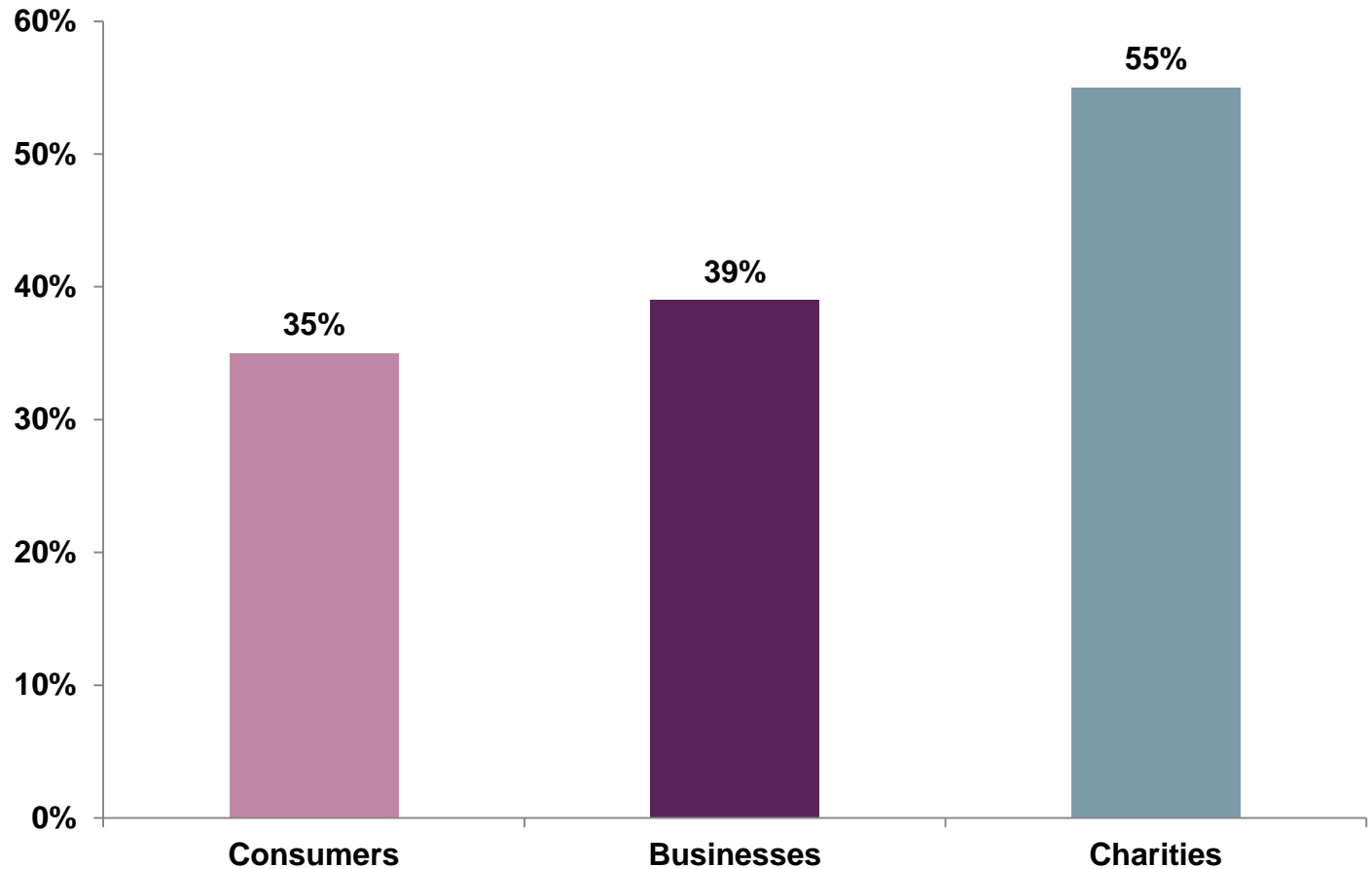
SUMMARY – LIKELIHOOD OF ACCEPTING CHEQUES WITH QUICKER CLEARING TIMESCALES



SUMMARY – LIKELIHOOD OF INCREASED CHEQUE USAGE WITH CHEQUE IMAGING



SUMMARY – LIKELIHOOD OF DEPOSITING CHEQUES WITH APP/SCANNER





CONSUMER USE OF CHEQUES



USE OF CHEQUES



- **93%** of those questioned have a personal account with a bank or building society



- **31%** of UK account holders make payments by cheque
 - (62% in 2008; 43% in 2013)



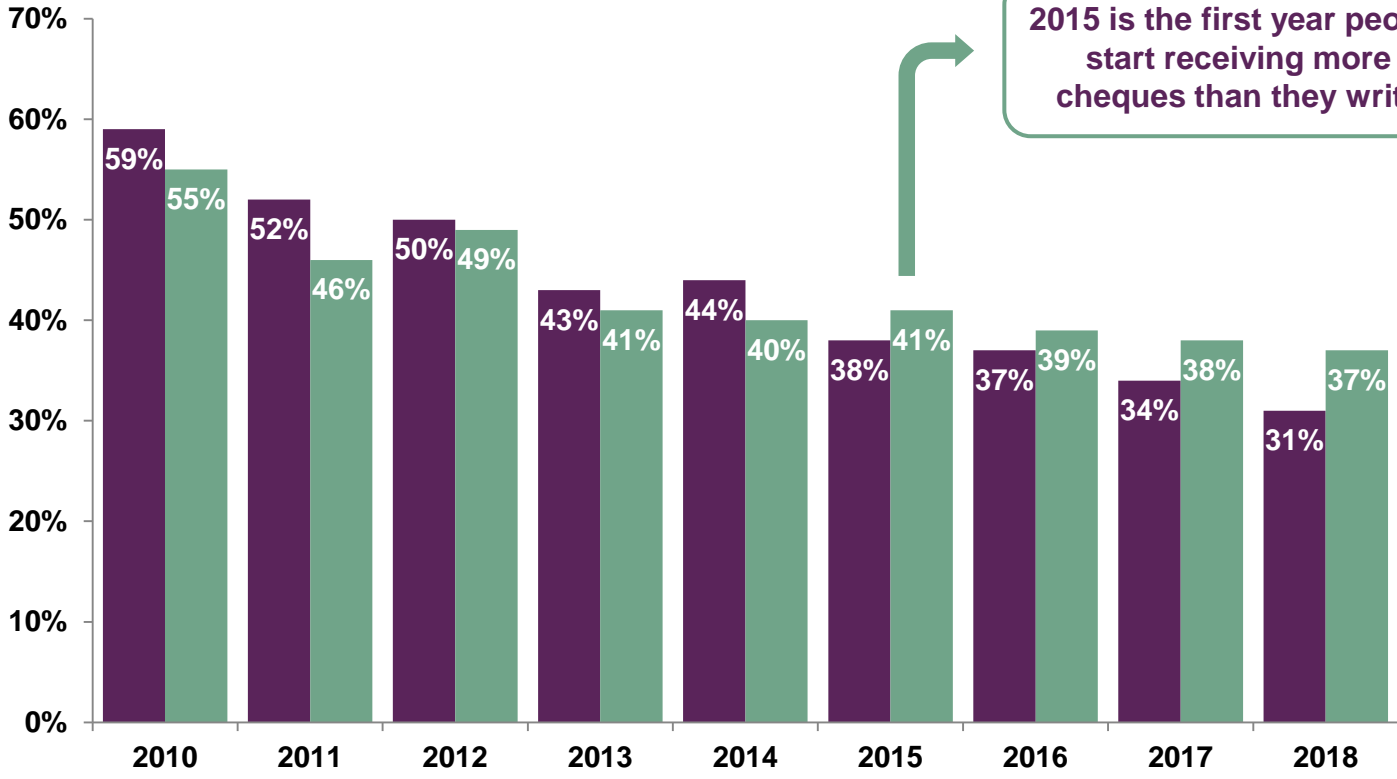
- **37%** of UK account holders received payments by cheque
 - (55% in 2008; 41% in 2013)



- **52%** of UK account holders said that they had either made or received a payment by cheque in the **past year**
 - (78% in 2008; 52% in 2013)



CONSUMER CHEQUE USE



2015 is the first year people start receiving more cheques than they write

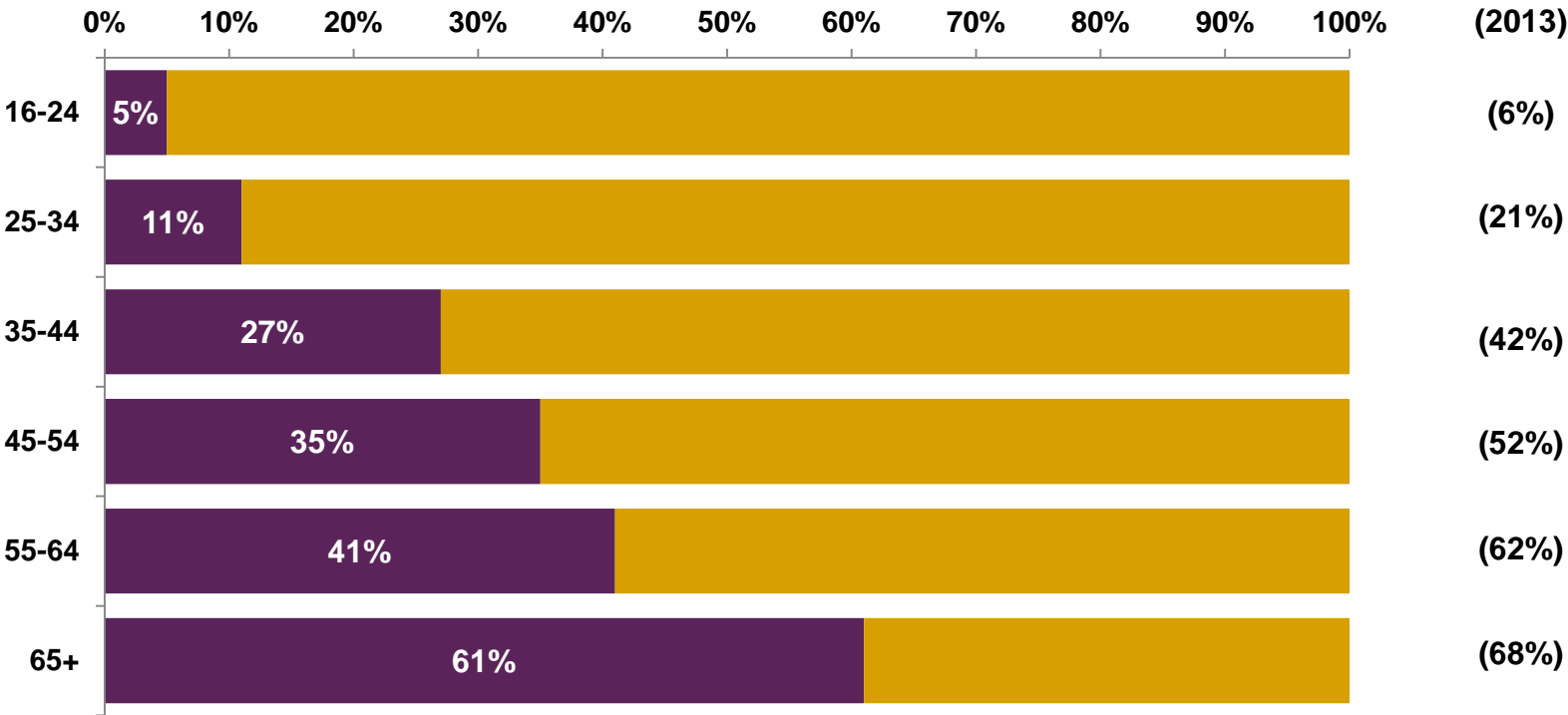
Proportion of people **writing** cheques

Proportion of people **receiving** cheques

% of account holders writing and receiving cheques



PROPORTIONS WRITING AND NOT WRITING CHEQUES, BY AGE



Proportion of people who **write** cheques by age group

Proportion of people who **do not write** cheques by age group

WHAT ARE CHEQUES WRITTEN FOR?

(2013)



Pay bill by post

20% 26%



Service in the home

18% 20%



Pay a club or society

17% 14%



Other by post (e.g. gift)

16% 10%



Personal services

11% 12%

(2013)



Donation to charity

10% 13%



Pay friend / individual

8% 10%



Child's School or leisure

7% 11%



Bill at a counter

7% 7%



Retail Payment*

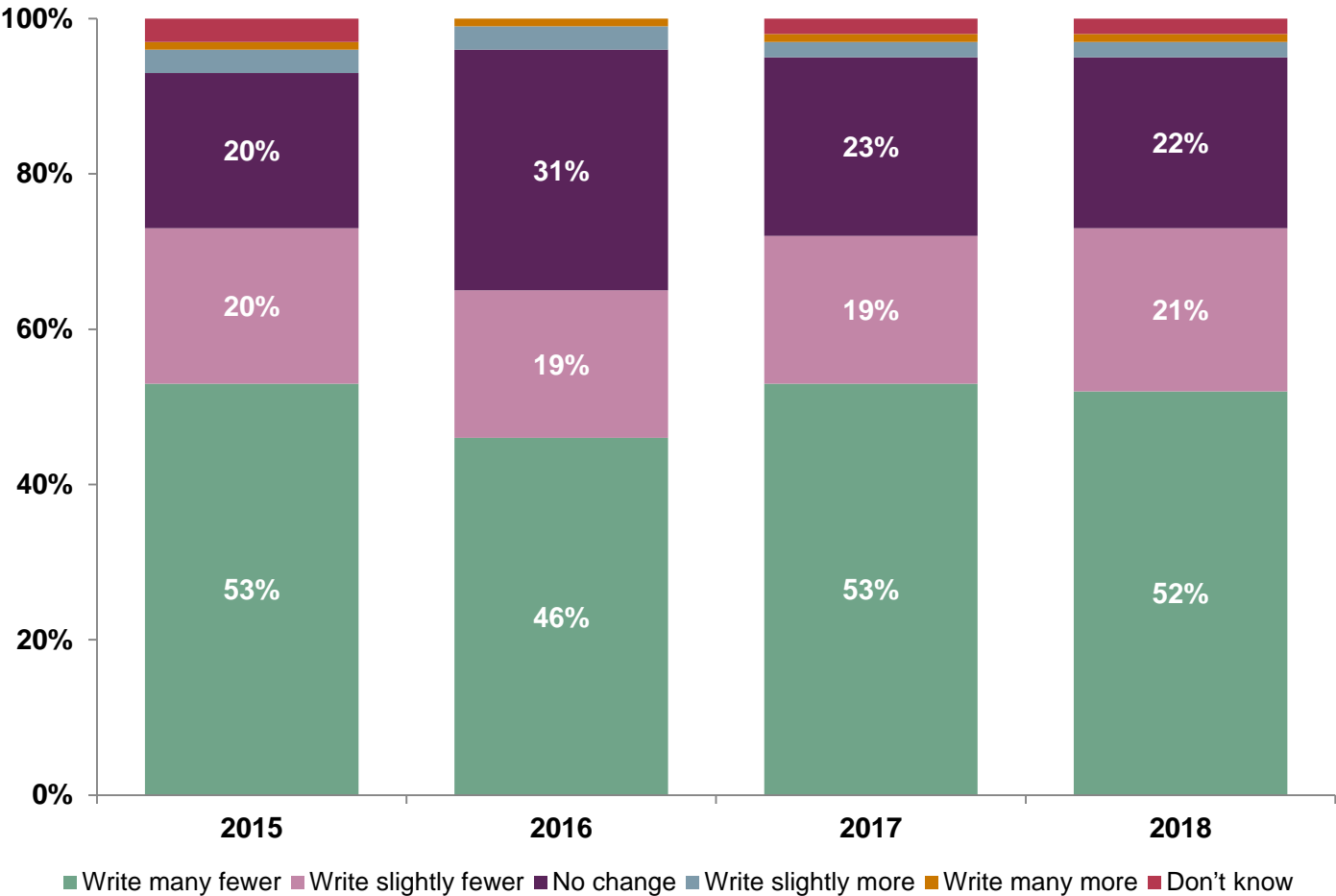
4% 2%

% of account holders writing cheques and who used a cheque for these purposes in the past year

* Not statistically significant as data sample is too low

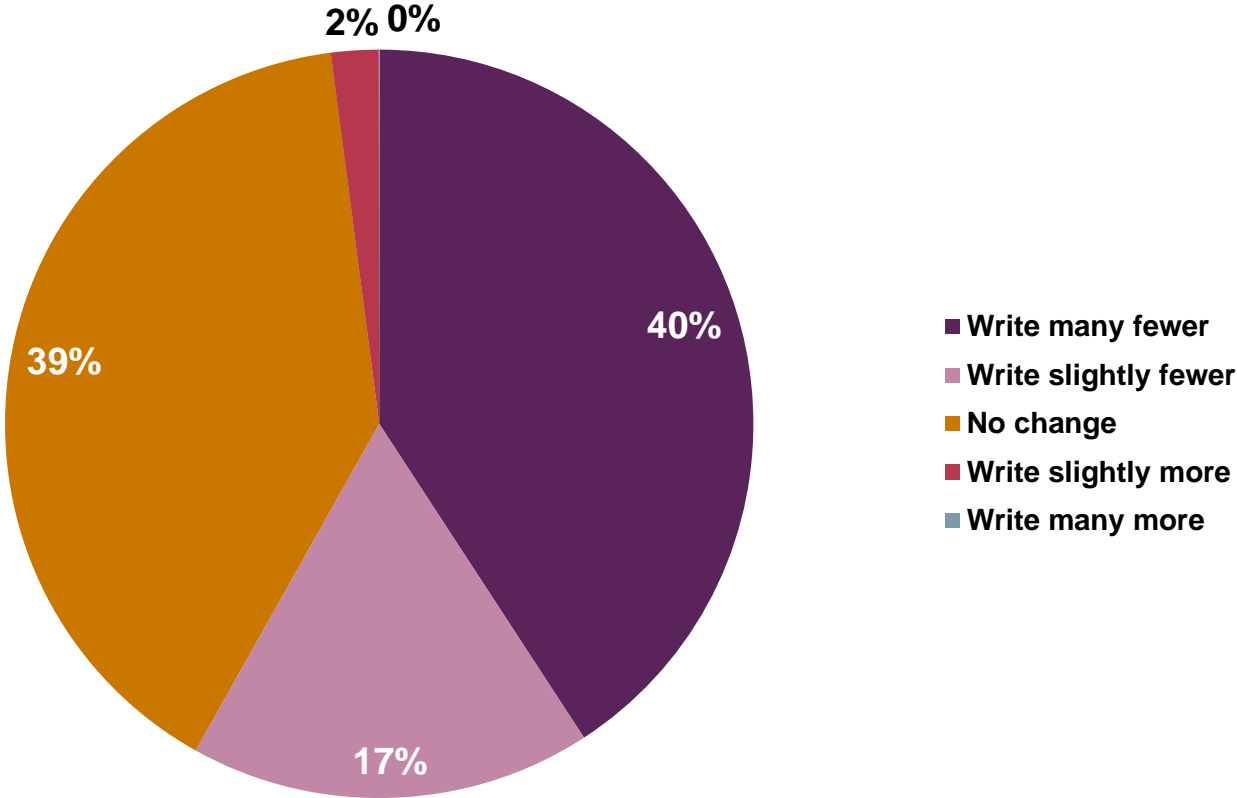


CHANGES IN CHEQUE WRITING “OVER THE LAST THREE YEARS”



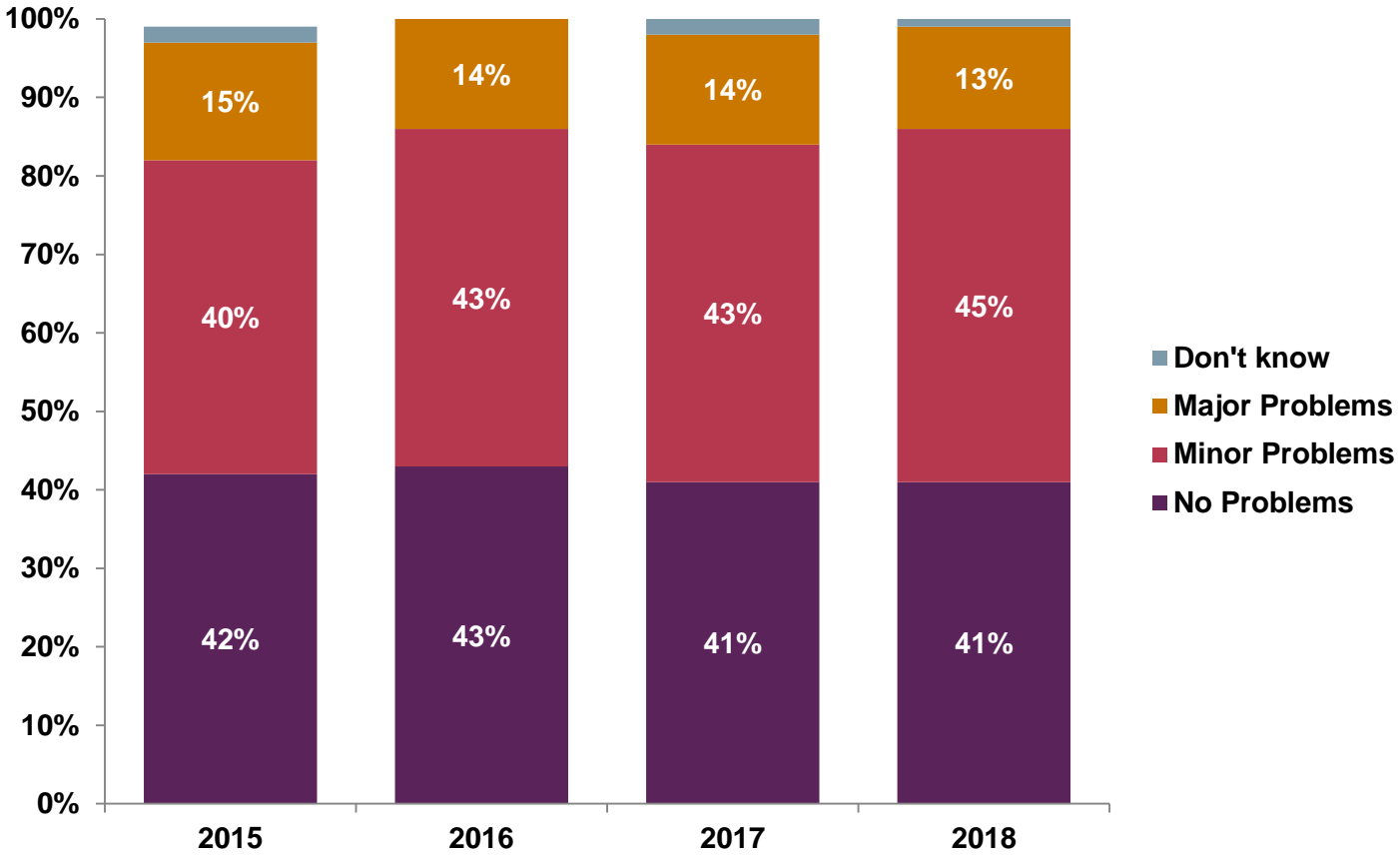


CHANGES IN CHEQUE WRITING OVER THE NEXT THREE YEARS



% of account holders writing cheques

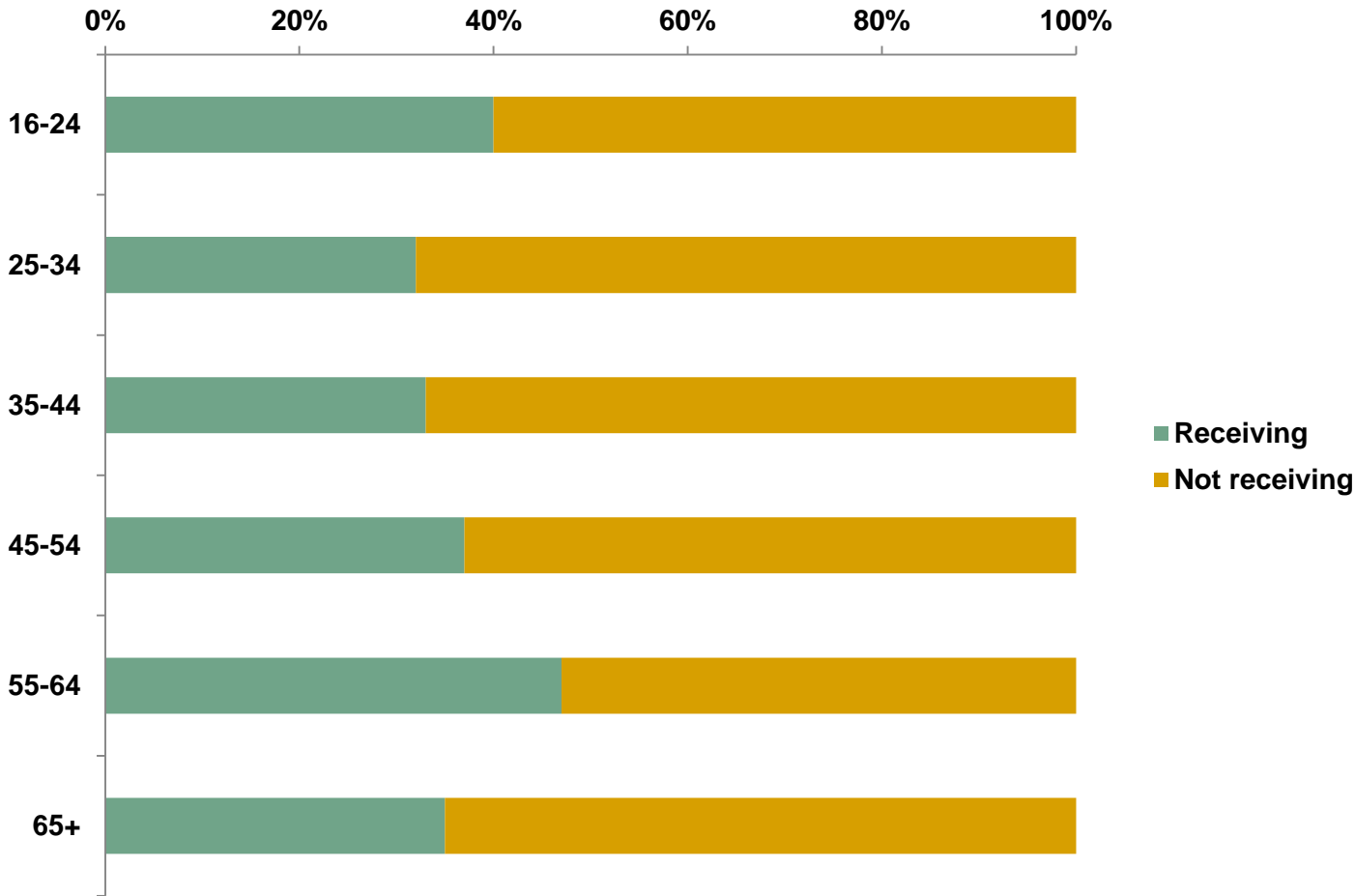
PROBLEMS IF UNABLE TO WRITE CHEQUES



Consumers still worried– 58% would have problems if unable to write cheques (57% in 2017, 62% in 2013, only 49% in 2008)



PROPORTIONS RECEIVING AND NOT RECEIVING CHEQUES, BY AGE



Proportions writing and receiving cheques by age group

WHAT ARE CHEQUES RECEIVED FOR?



Gifts

38%

(2013)

31%



Wages or salary

6%

(2013)

12%



Refunds

29%

25%



Expenses

6%

8%



Dividends

11%

13%



Selling something

4%

7%



Insurance settlement

7%

10%



Benefit payments

1%

3%

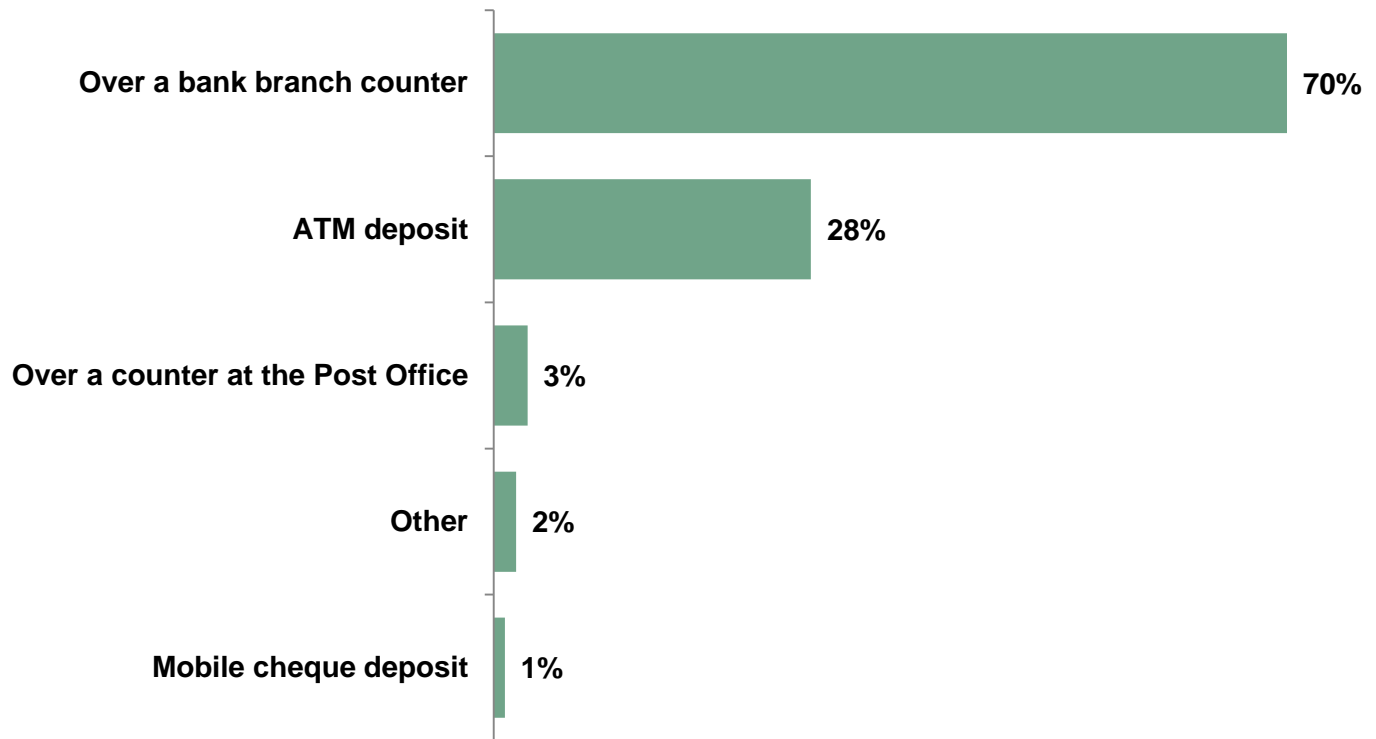
Gifts and refunds are most common purposes for receiving cheques

% of account holders who received a cheque in the past year

CHEQUES RECEIVED BY CONSUMERS



Method used to deposit cheques into bank account





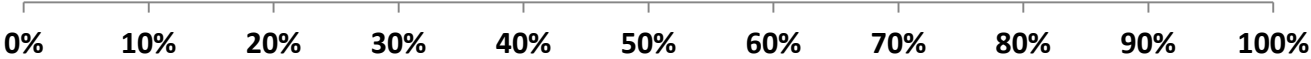
ATTITUDES TOWARDS CHEQUES



If my bank were to offer me a mobile banking app to deposit my cheques I would use it



I'm wary of accepting cheques from people or organisations I don't know, because I can't be sure that they won't bounce



- Agree strongly
- Agree slightly
- Neither agree nor disagree
- Disagree slightly
- Disagree strongly
- Don't know

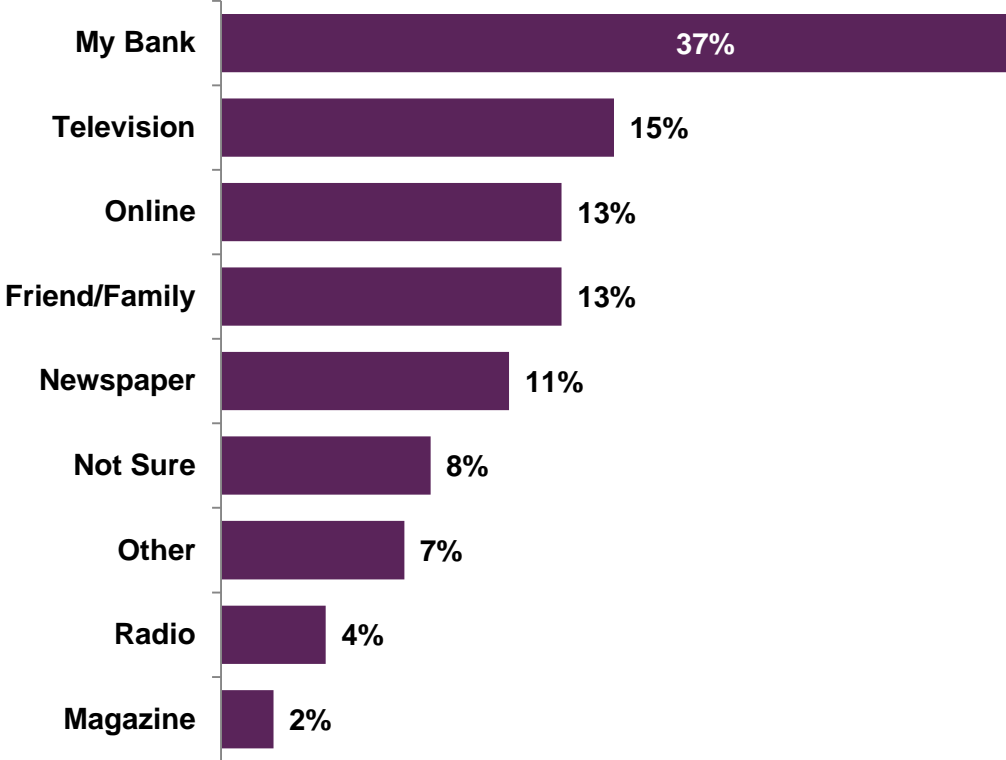


CHEQUE IMAGING



17% of consumers are aware that the Banking industry is in the process of introducing cheque imaging, which will make the cheque clearing process faster - a decrease on Q3-2017 with 21%

Where did you hear about cheque imaging?

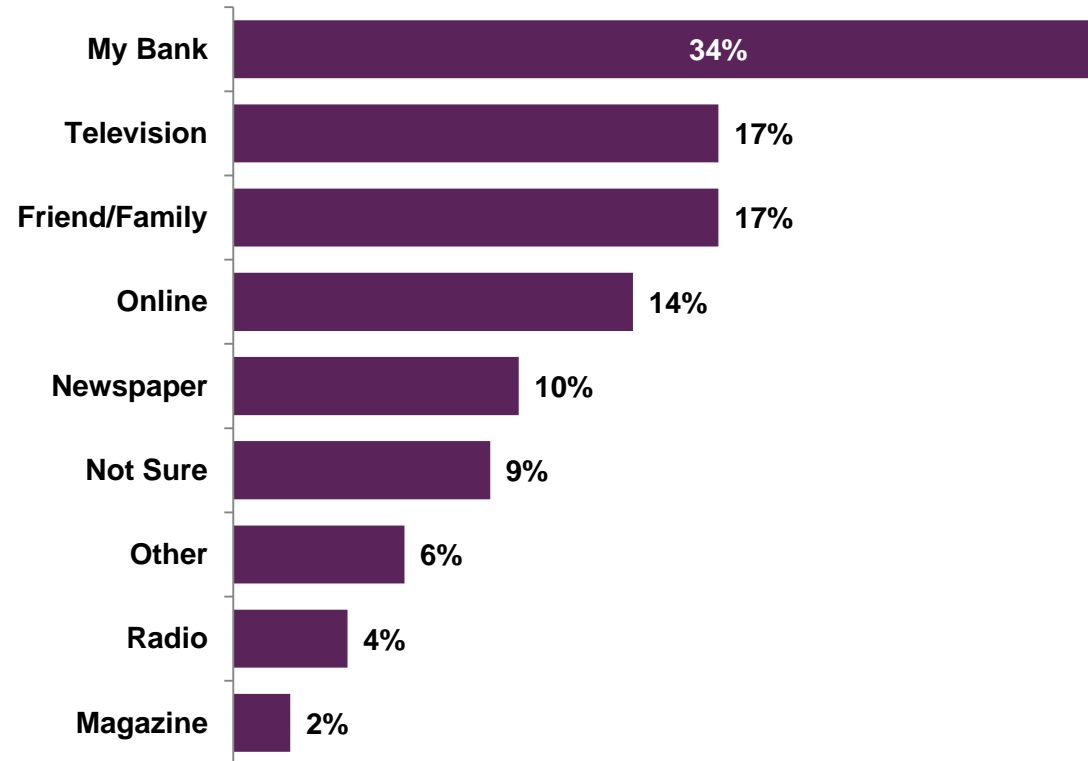


CHEQUE IMAGING – MOBILE

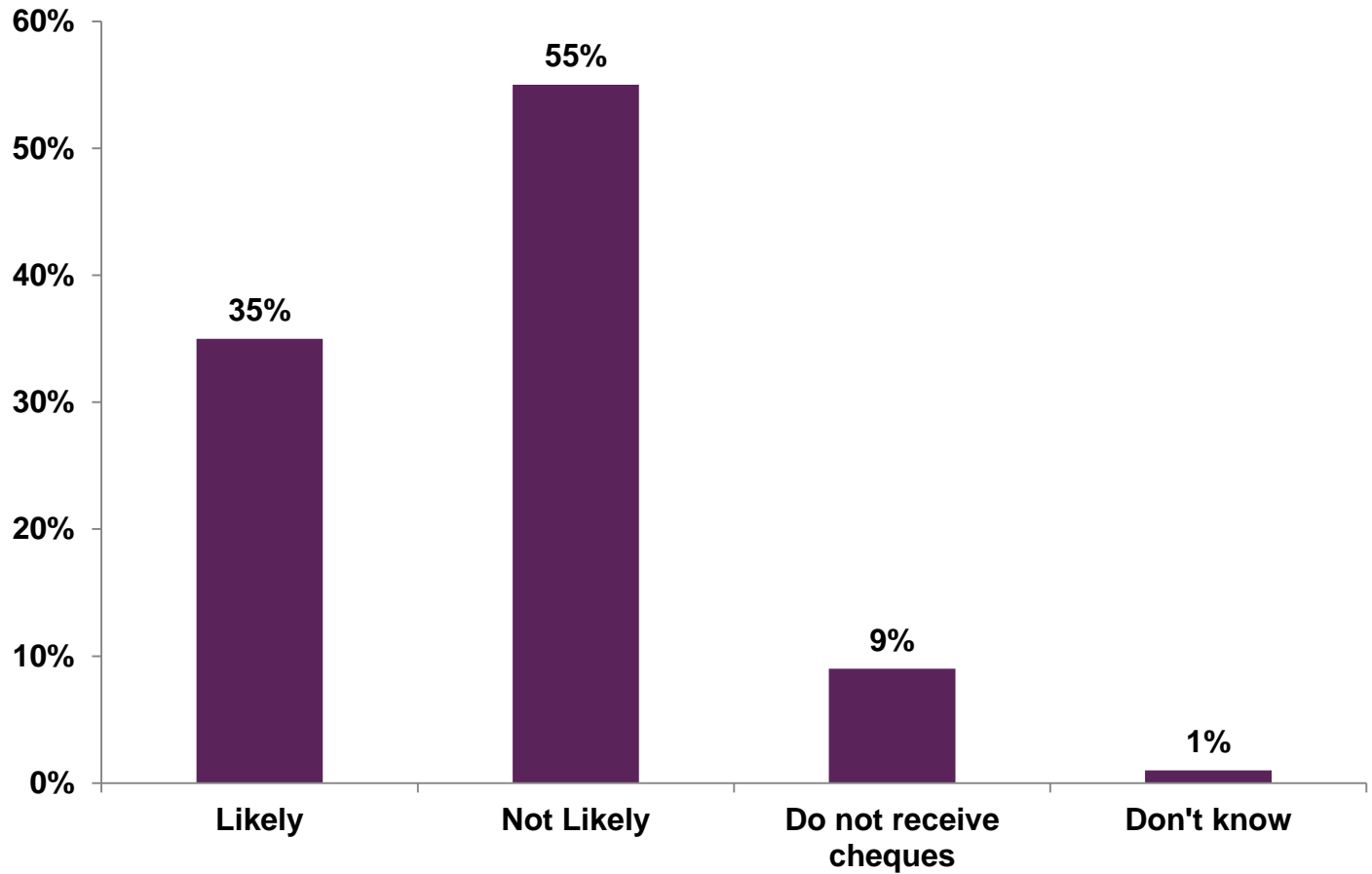


13% of consumers are aware that the Banking industry is in the process of introducing cheque imaging, which MAY allow people to pay in cheques by taking IMAGES via THEIR mobile banking app – *similar to Q3-2017 with 14%*

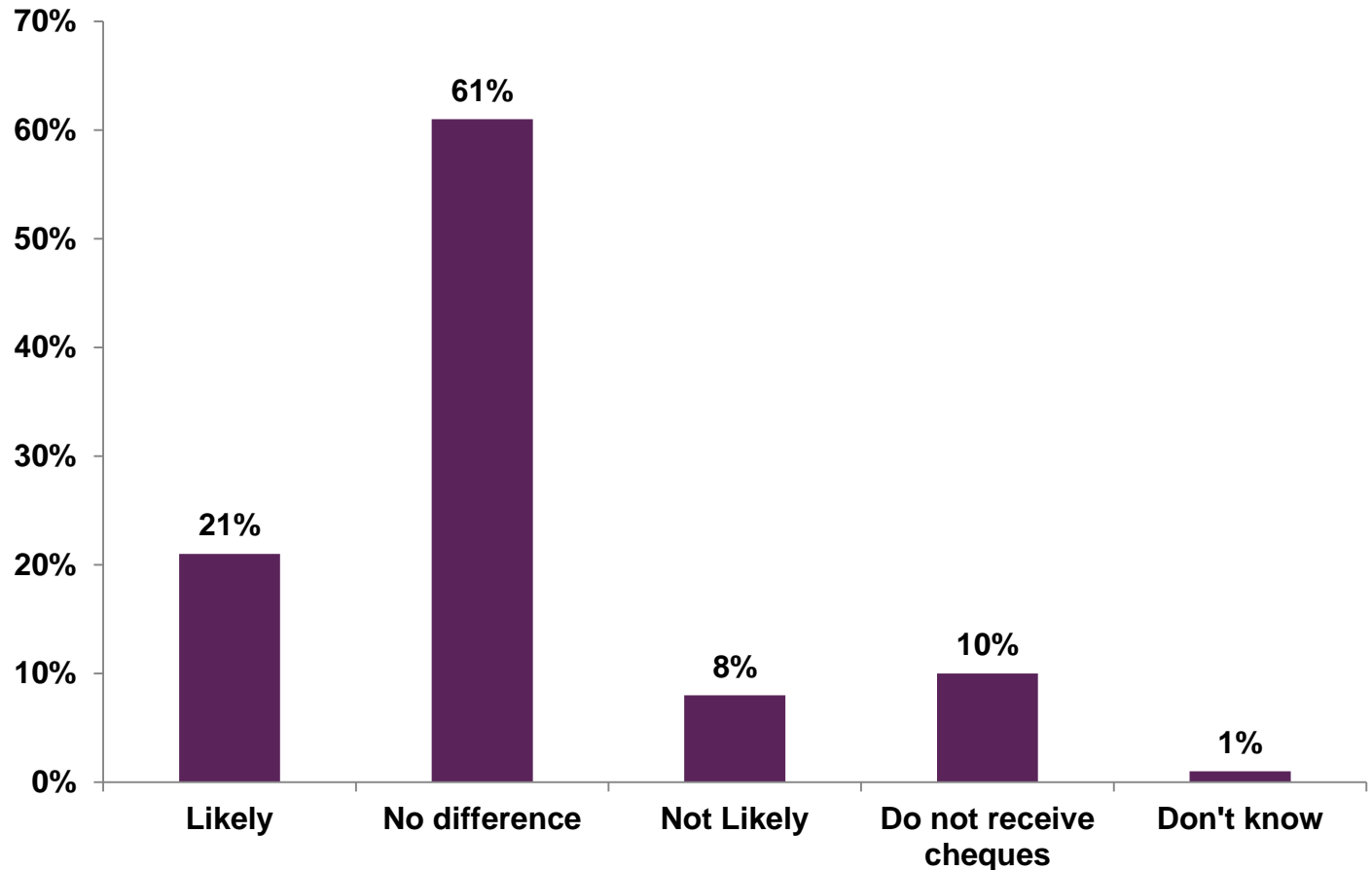
Where did you hear about cheque imaging on your mobile?



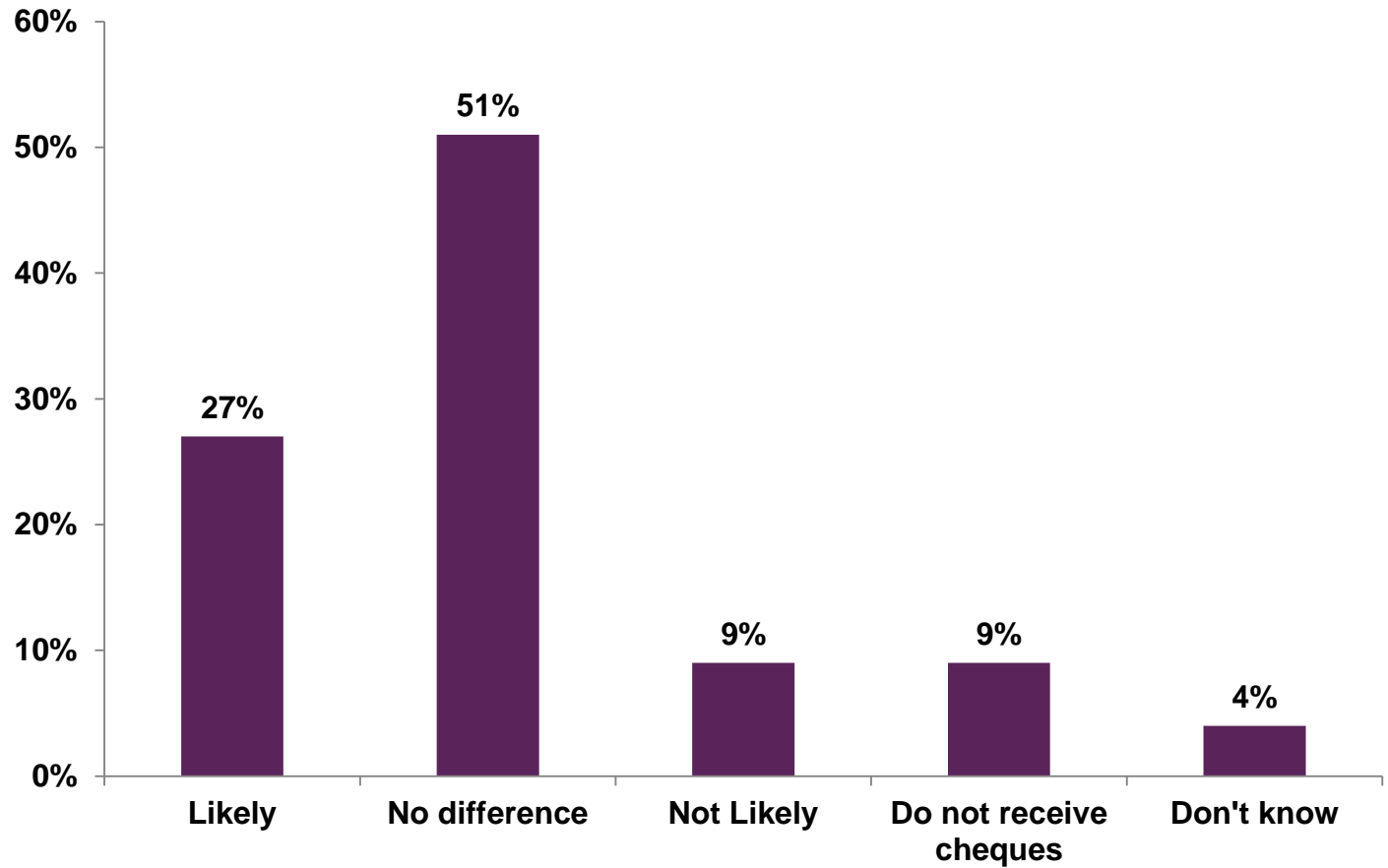
LIKELIHOOD OF DEPOSITING CHEQUES WITH AN APP, IF BANKS OFFERED THIS FACILITY



LIKELIHOOD OF ACCEPTING MORE CHEQUE PAYMENTS WITH QUICKER CLEARING TIME



LIKELIHOOD THAT CHEQUE IMAGING WILL INCREASE CHEQUE USAGE





BUSINESS USE OF CHEQUES



CHEQUES WRITTEN BY BUSINESSES



- **59%** of UK businesses said that they had made payments by cheque in the **past year**



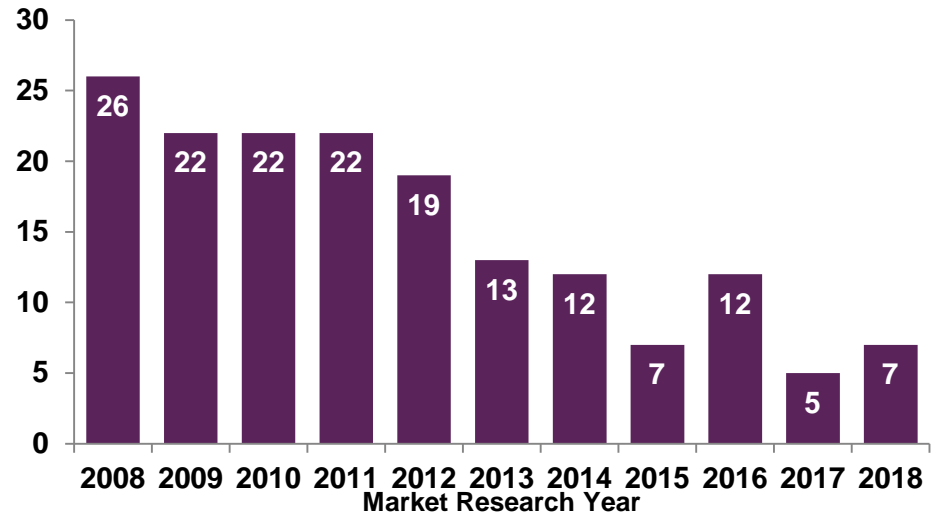
- **46%** of UK businesses said that they had made payments by cheque in the **past month**
 - 89% in 2008, 70% in 2013



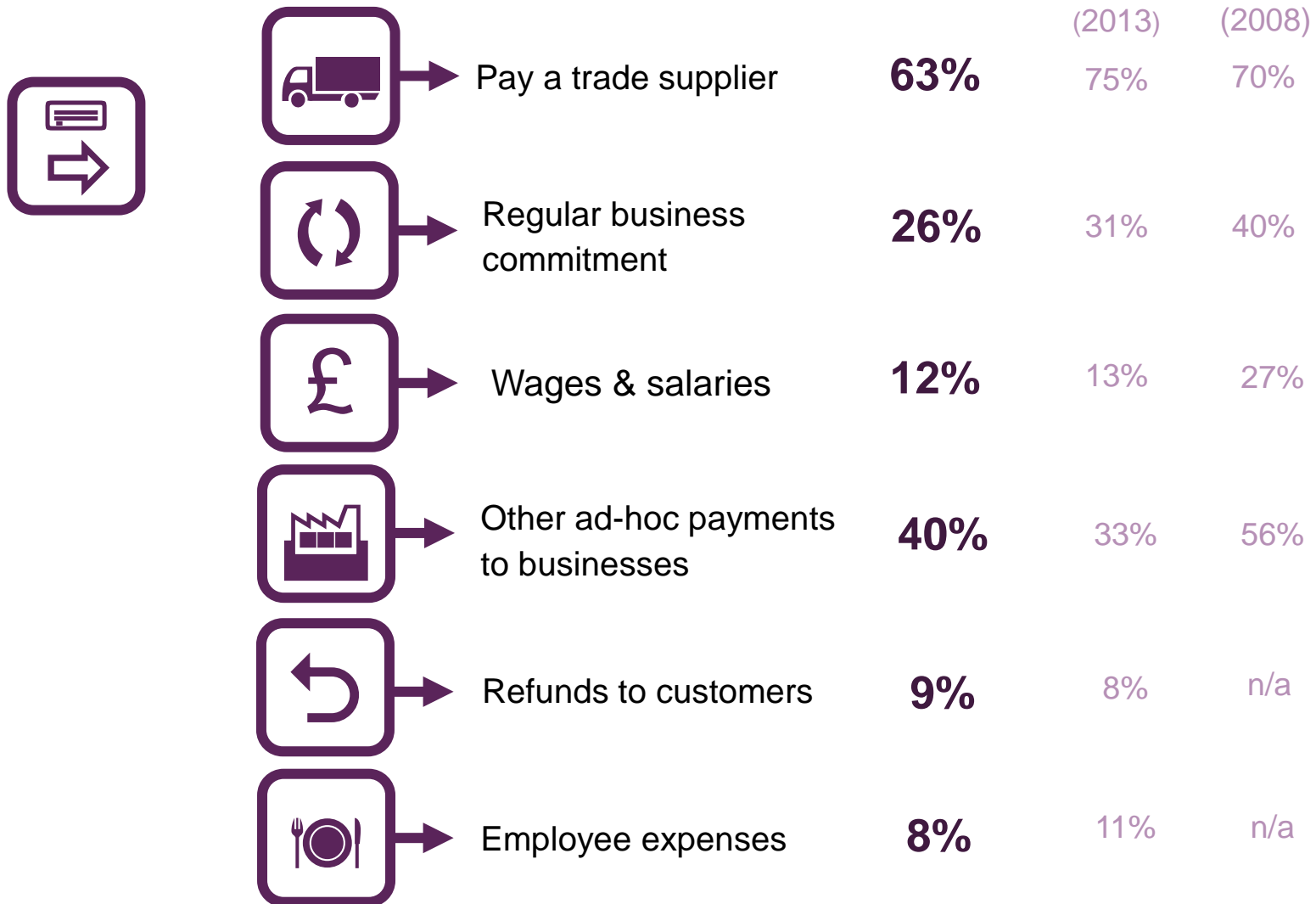
Average number of **cheques written** per month by businesses:

7

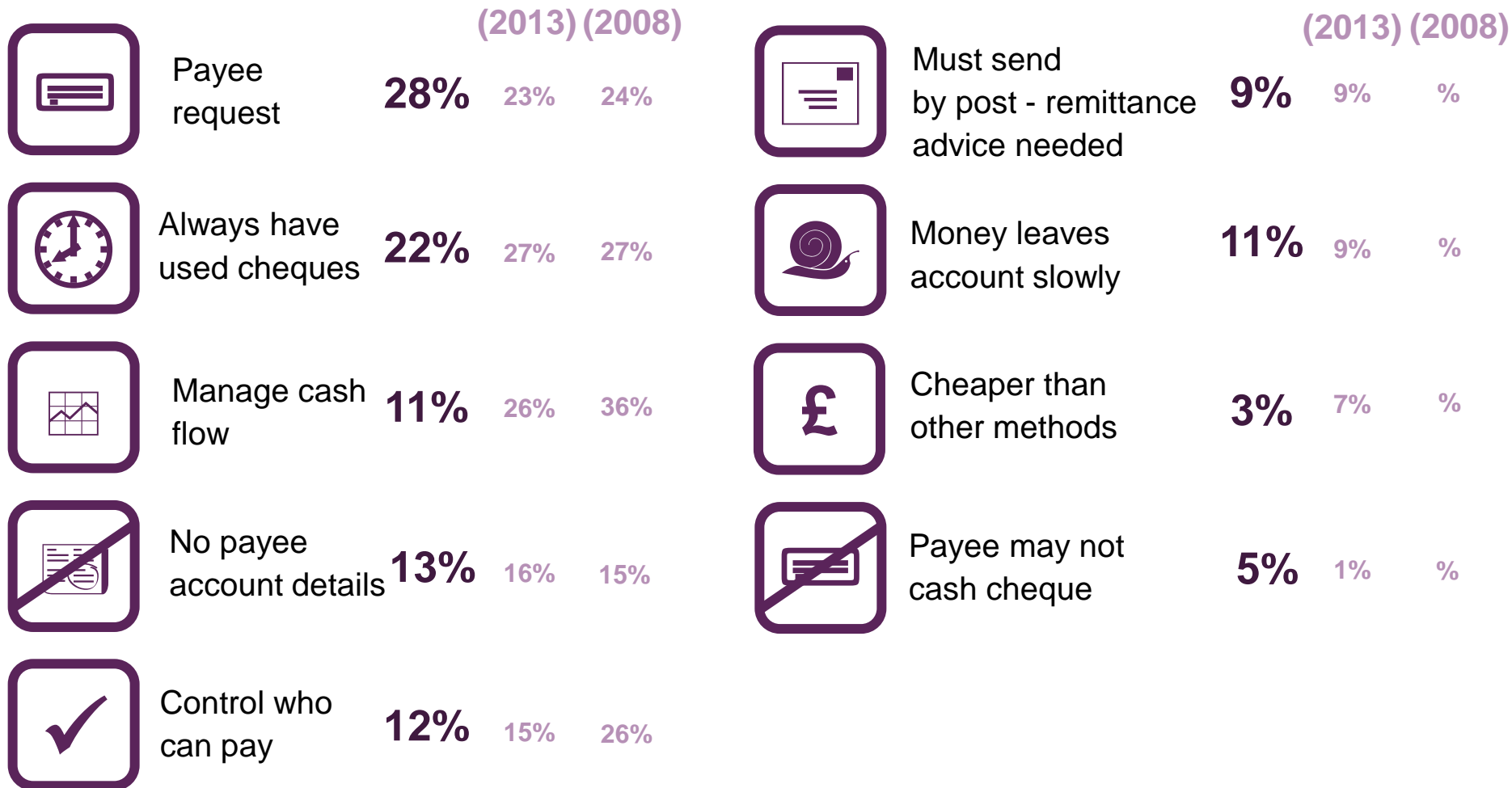
(13 in 2013, 26 in 2008)



WHAT ARE CHEQUES WRITTEN FOR?

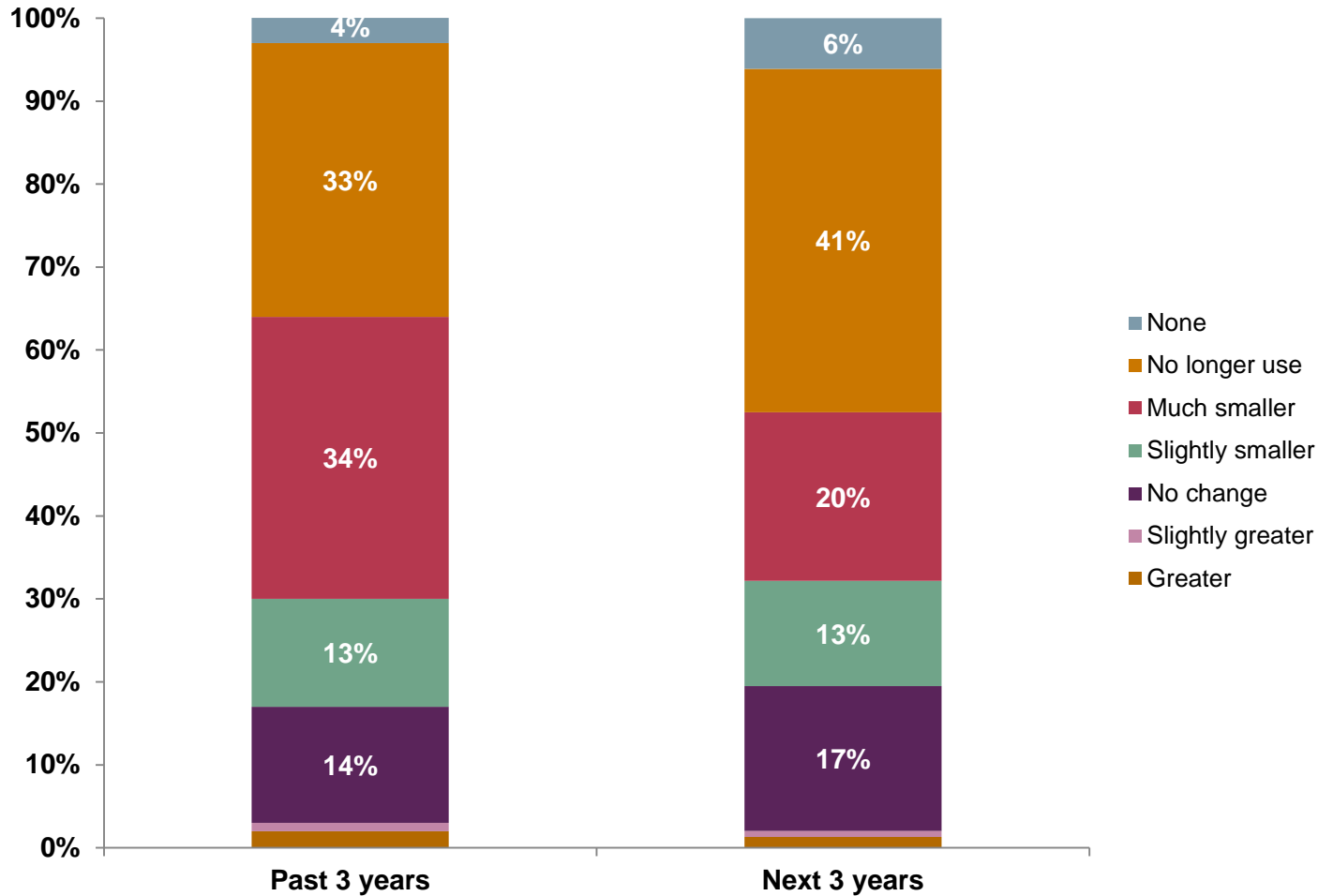


REASONS WHY BUSINESSES USE CHEQUES

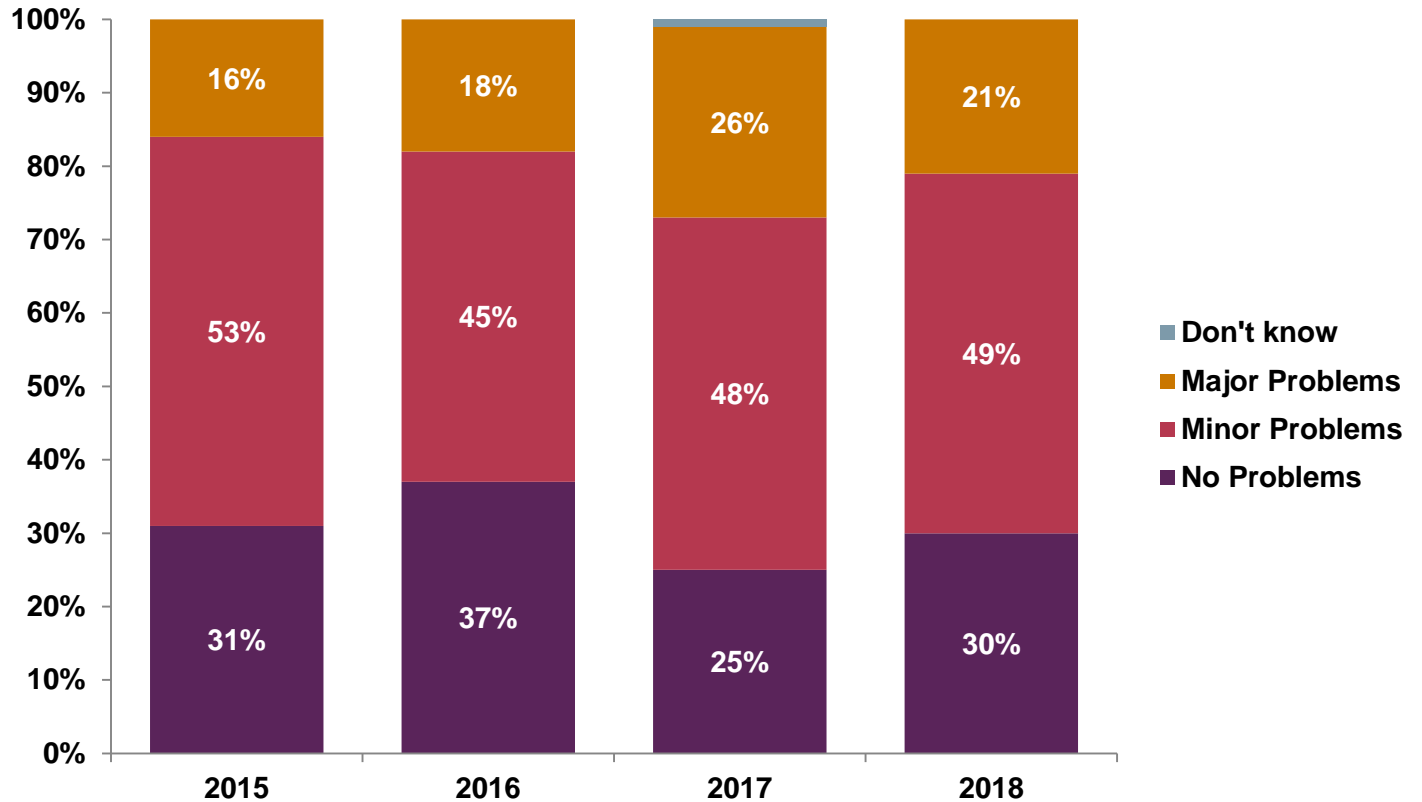


% of businesses who gave each reason for making payments by cheque

HOW PROPORTION OF PAYMENTS MADE BY CHEQUE CHANGES OVER TIME



PROBLEMS IF UNABLE TO WRITE CHEQUES



70% of businesses would have problems if unable to write cheques
(75% in 2017)

CHEQUES RECEIVED BY BUSINESSES



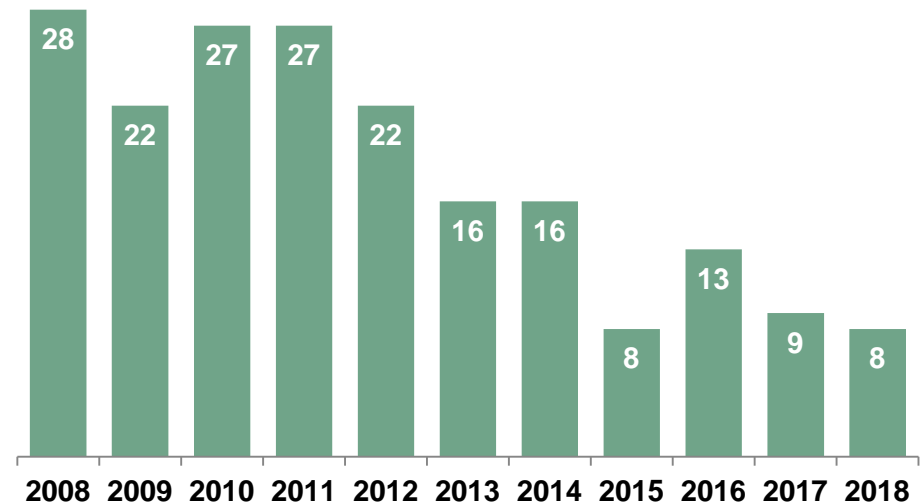
- **57%** of UK businesses said that they had received payments by cheque in the **past month** (87% in 2008, 72% in 2013)



Average number of **cheques received** per month by businesses

8

(16 in 2013, 28 in 2008)



- **79%** of UK businesses said that they had either made or received any payments by cheque in the **past month** (an increase on 2017 – 75%). (96% in 2008, 83% in 2013)



- **86%** of UK businesses said that they had either made or received any payments by cheque in the **past year**

WHAT ARE CHEQUES RECEIVED FOR?



Ad-hoc payments for goods and/or services

57%



Other ad-hoc payments

13%



Regular commitments

13%



Refunds

10%



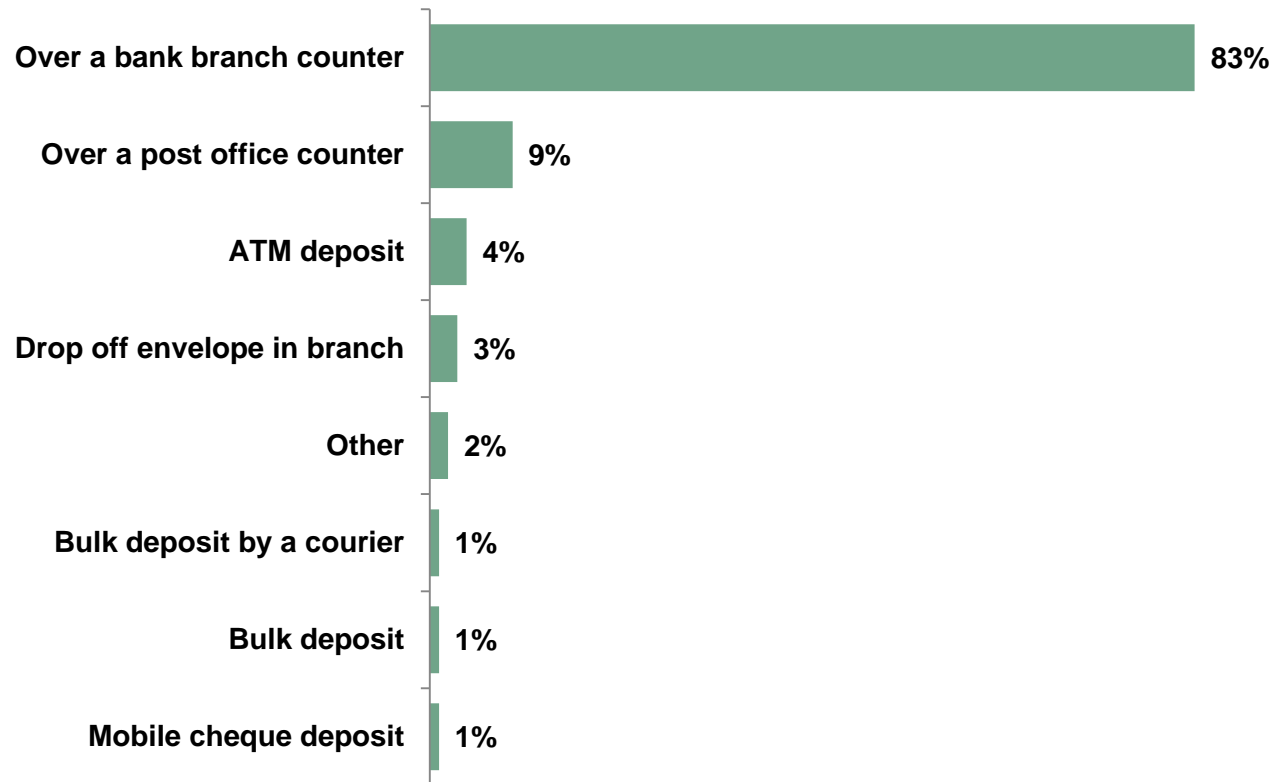
Dividends

3%

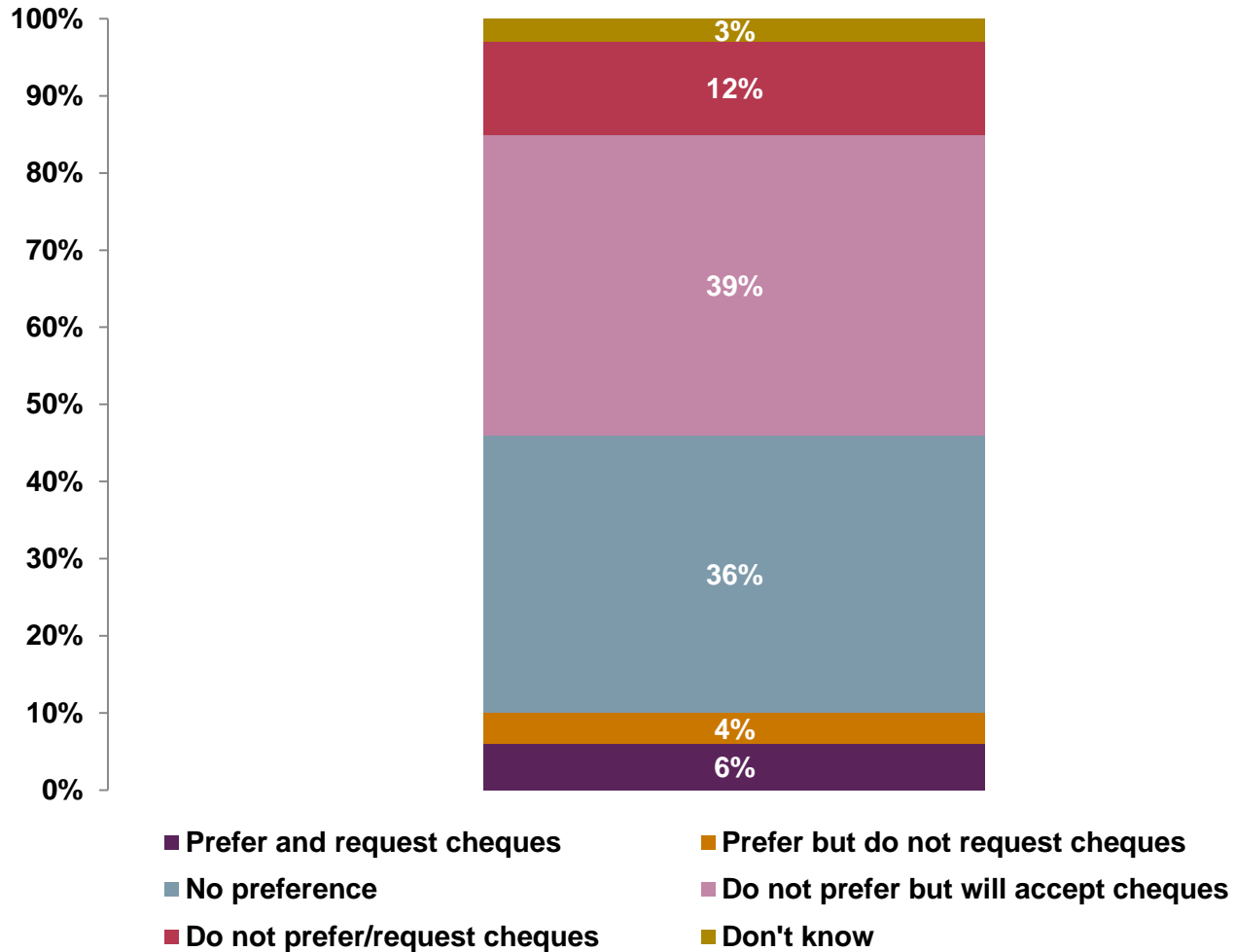
CHEQUES RECEIVED BY BUSINESSES



Method used to deposit cheques into the business bank account



ATTITUDES TO RECEIVING CHEQUES

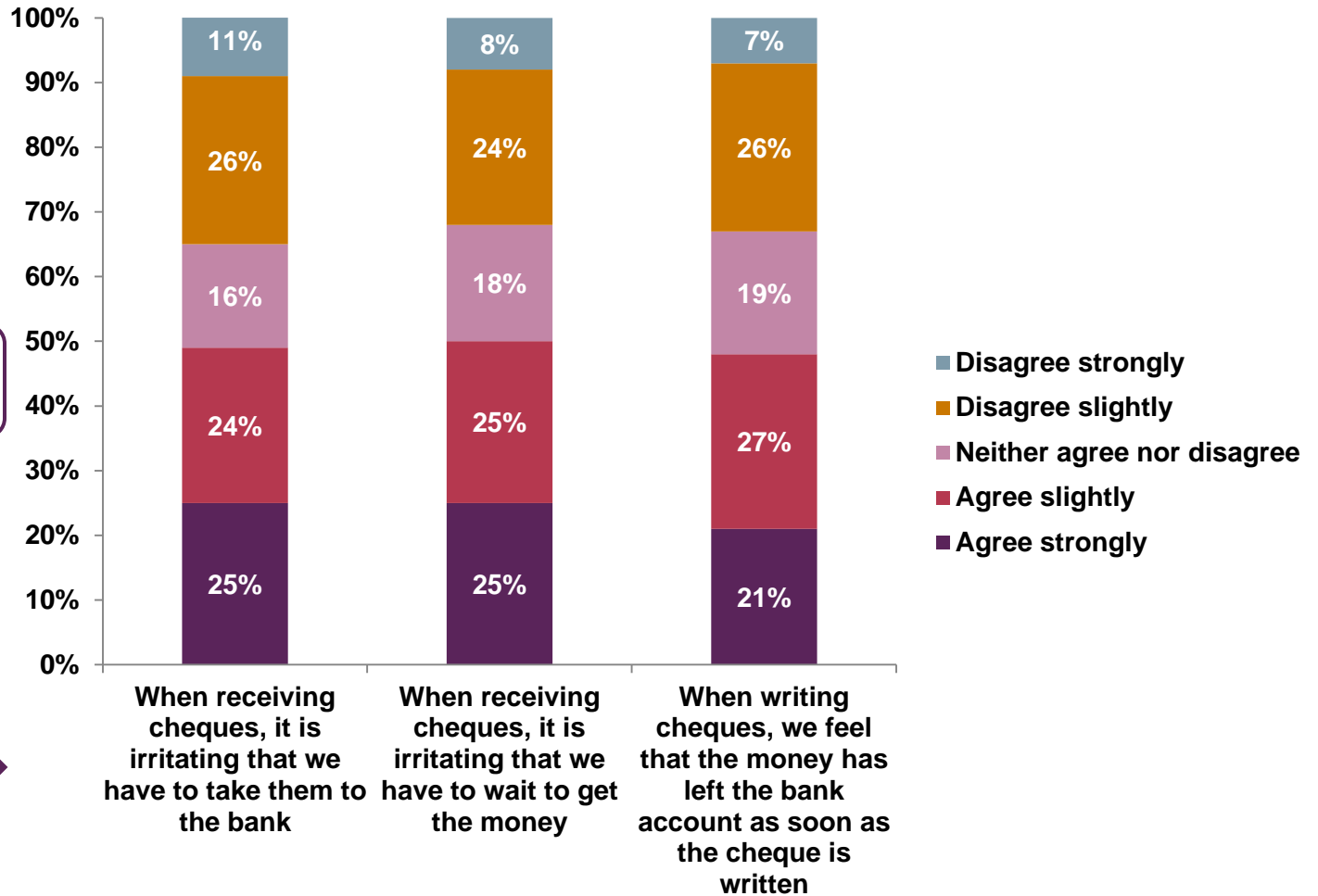


% of businesses that received cheques in the past month

WIDER ATTITUDES TOWARDS CHEQUES



49 %

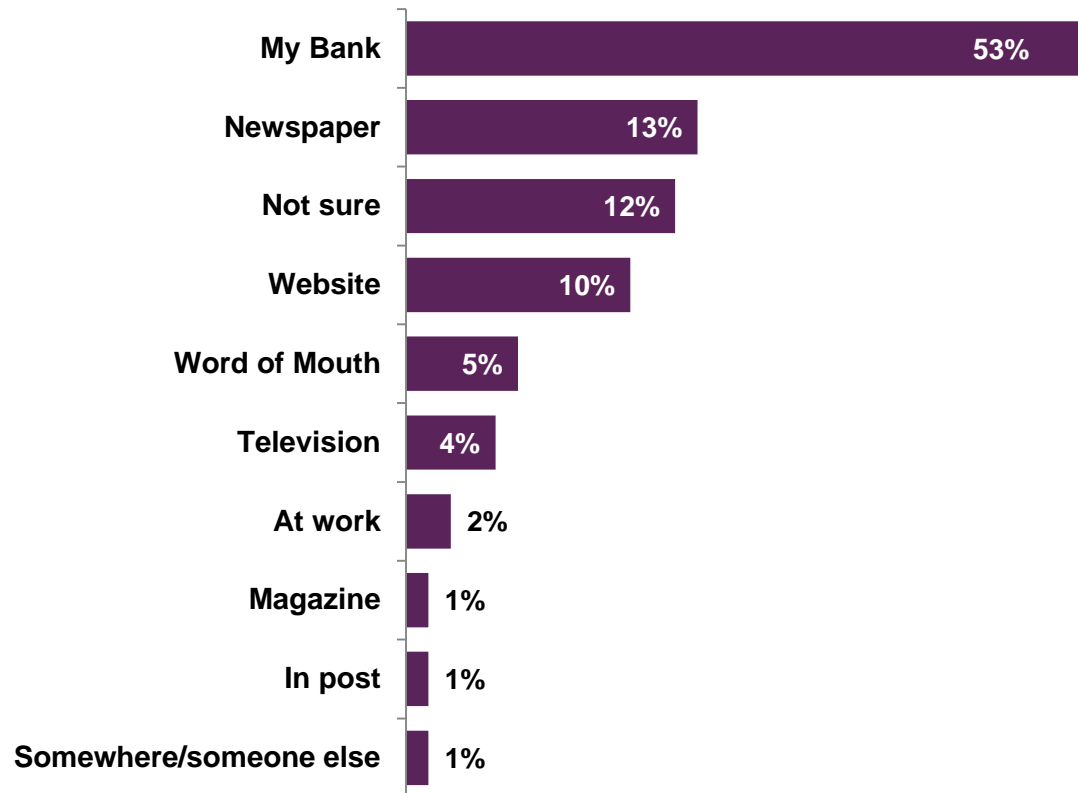


CHEQUE IMAGING



31% of businesses are aware that the Banking industry is in the process of introducing cheque imaging, which will make the clearing process faster. *This is a significant decrease on Q3-2017 (40%).*

Where did you hear about cheque imaging to make clearing faster?

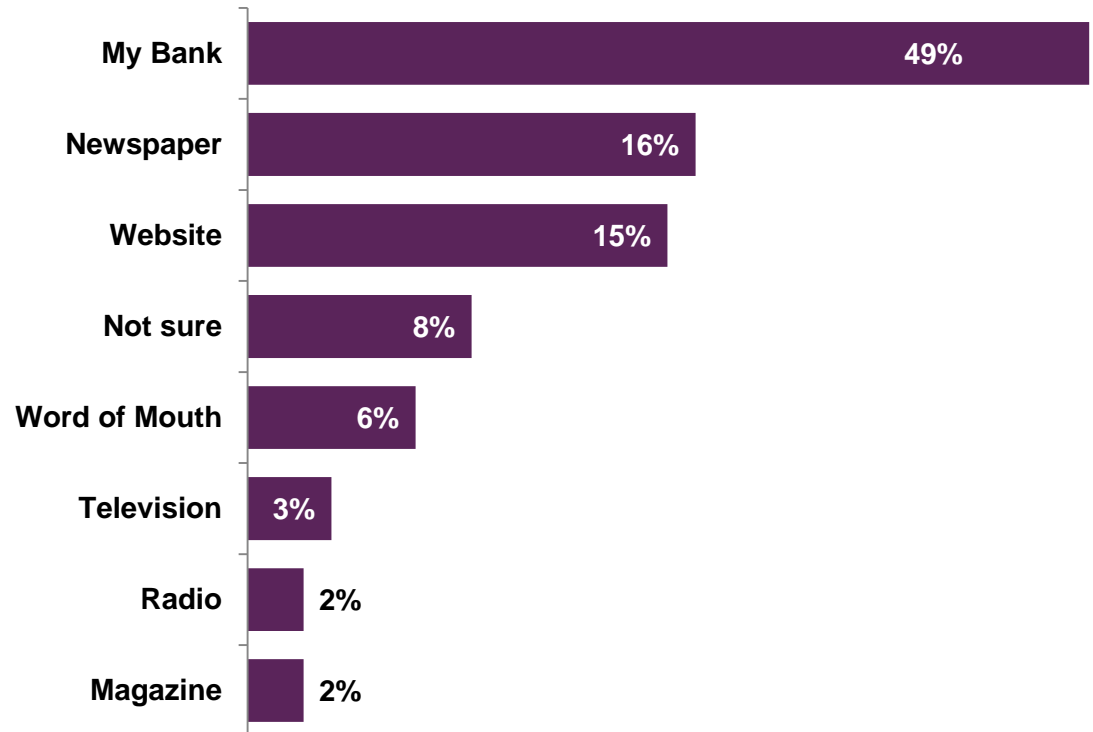


CHEQUE IMAGING – MOBILE

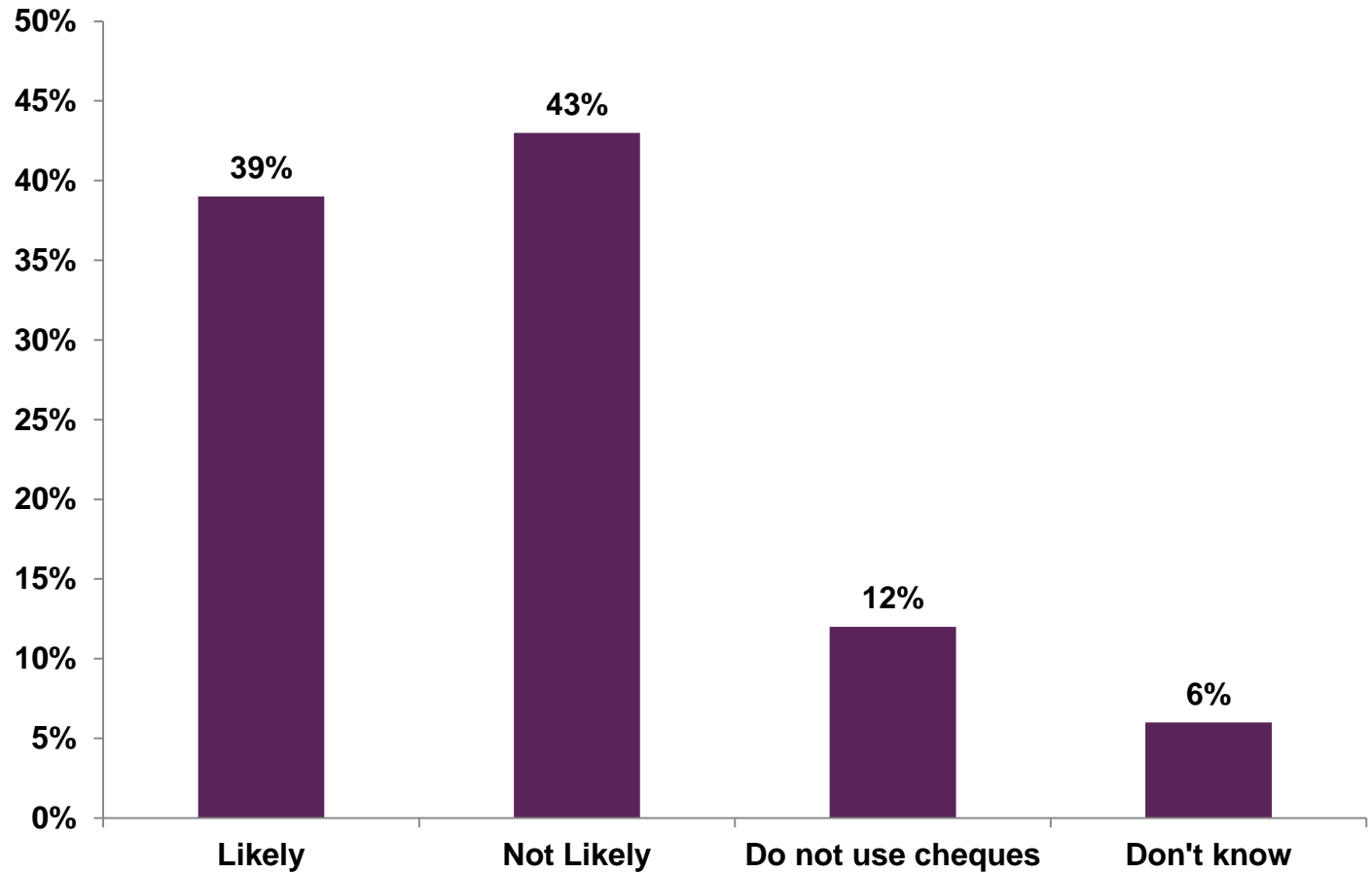


23% of businesses are aware that the Banking industry is in the process of introducing cheque imaging, which may allow businesses to deposit cheques by taking images via their mobile banking app or using a desktop scanner. *This is a decrease on Q3-2017 (26%).*

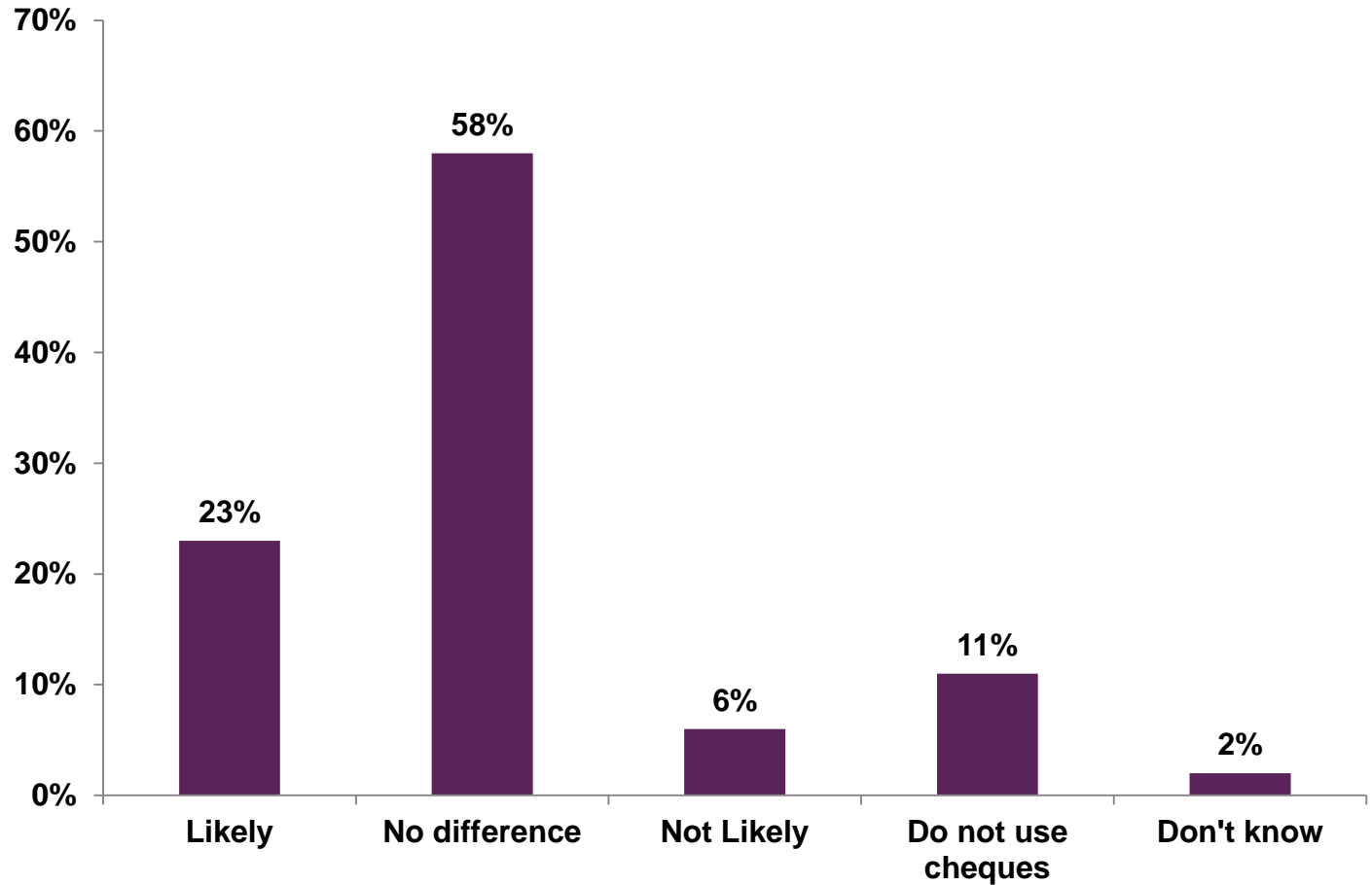
Where did you hear about deposit by cheque imaging?



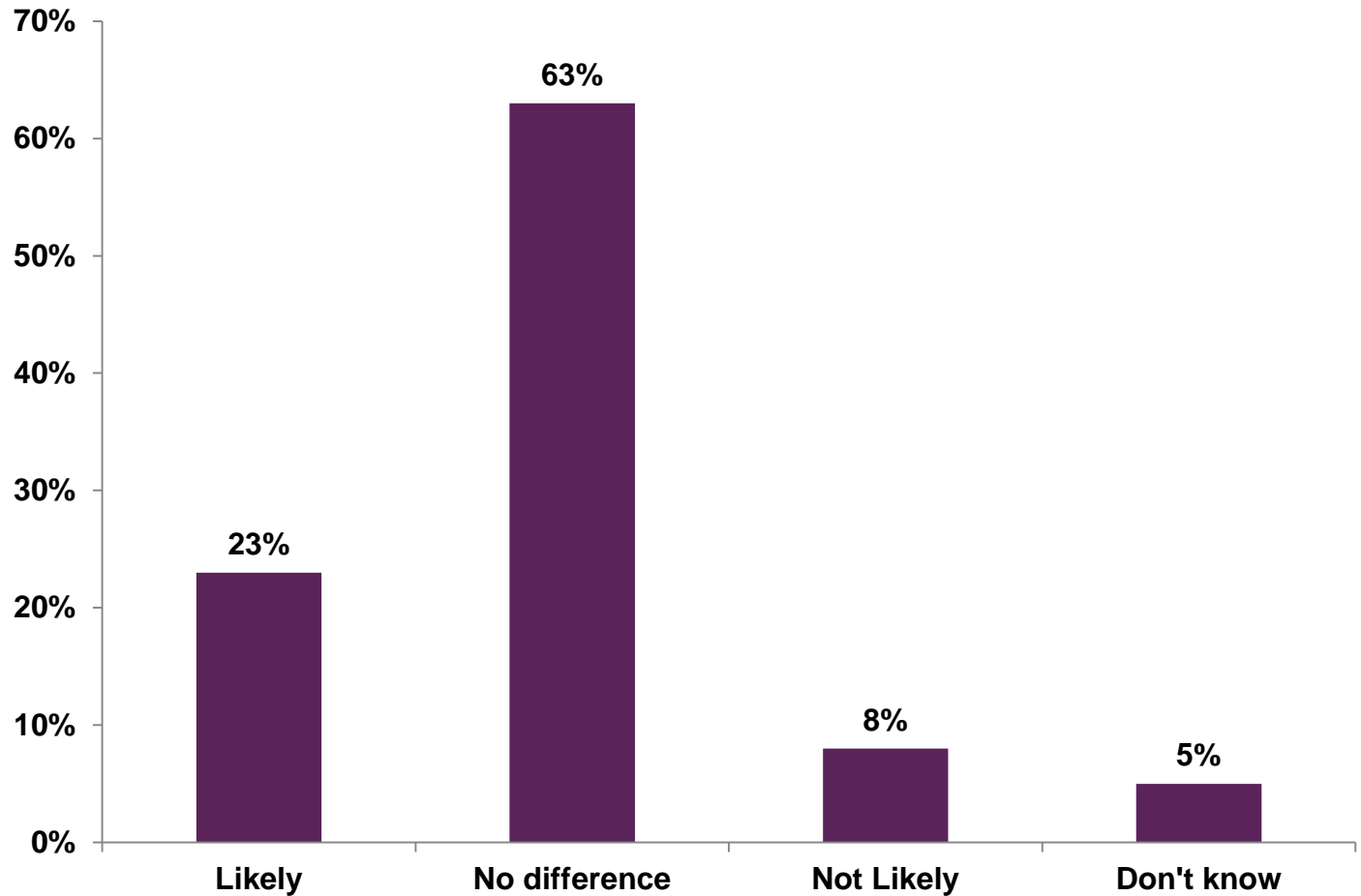
LIKELIHOOD OF DEPOSITING CHEQUES WITH AN APP/SCANNER, IF BANKS OFFERED THIS FACILITY



LIKELIHOOD OF ACCEPTING MORE CHEQUE PAYMENTS WITH QUICKER CLEARING TIME



LIKELIHOOD THAT CHEQUE IMAGING WILL INCREASE CHEQUE USAGE











CHARITY USE OF CHEQUES

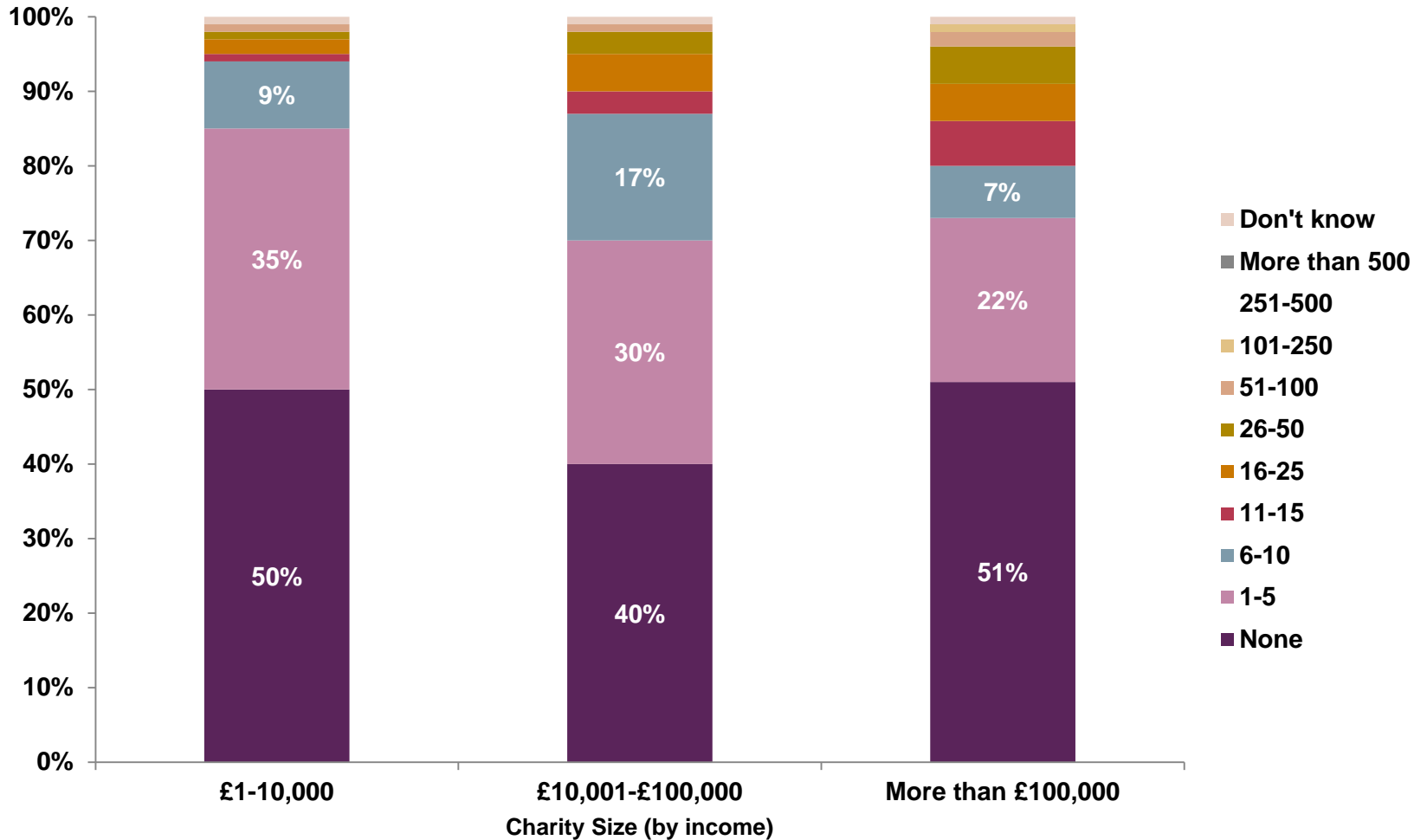


USE OF CHEQUES

-  ■ **73%** of charities said they had received a cheque in the **past month**
-  ■ **53%** of charities said they had made a payment by cheque in the **past month**
-  ■ **84%** of charities had either made or received a payment by cheque in the **past month** (*87% in 2017*)
-  ■ **69%** of charities said they had made a payment by cheque in the **past year**
-  ■ **87%** of charities also said they had received a cheque in the **past year**
-  ■ **93%** of charities had either made or received a payment by cheque in the **past year**

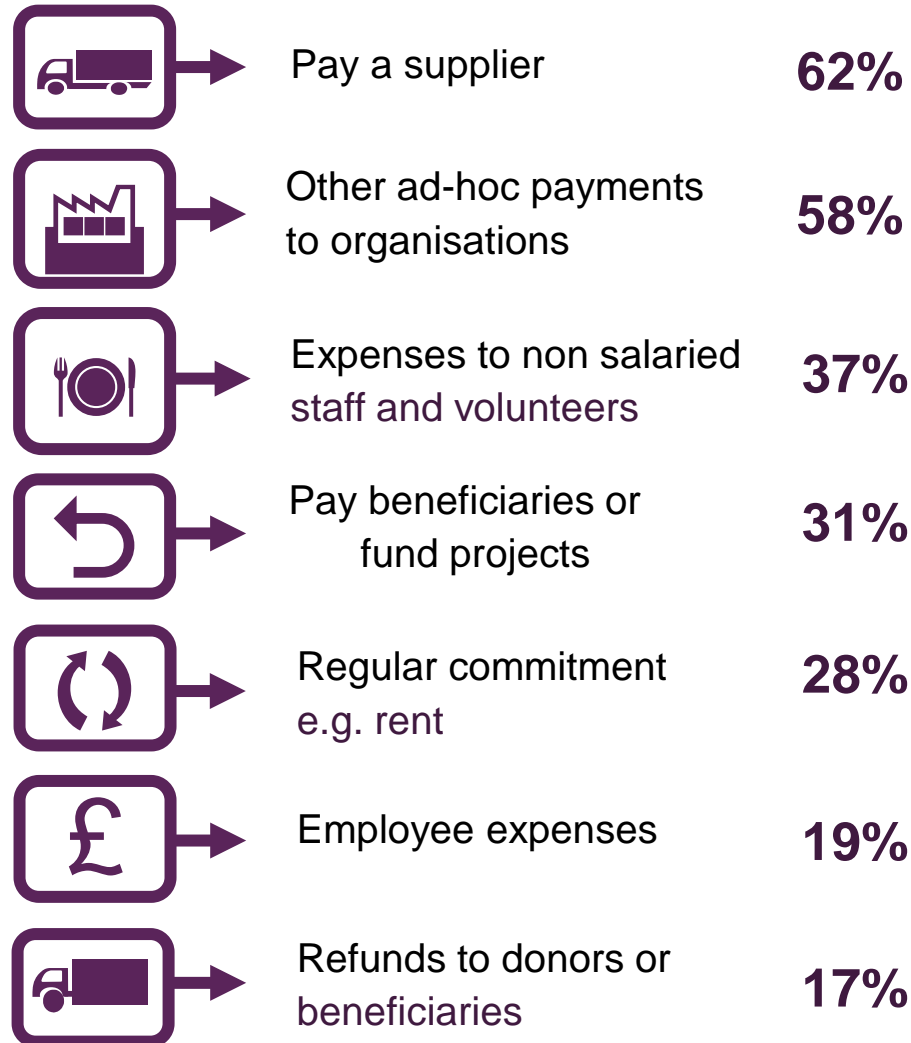


CHARITIES MAKING CHEQUE PAYMENTS OVER THE LAST MONTH



% of charities who made a cheque payment in the last month by income

WHAT ARE CHEQUES WRITTEN FOR?



REASONS WHY CHARITIES PAY BY CHEQUE



Payee request

49%



No other method available

31%



Control who can pay

53%



No payee account details

36%



Need clear paper trail

46%



Manage cash flow

33%



Always have used cheques

41%



Money leaves account slowly

17%



Must send advice by post

40%



Payee may not cash cheque

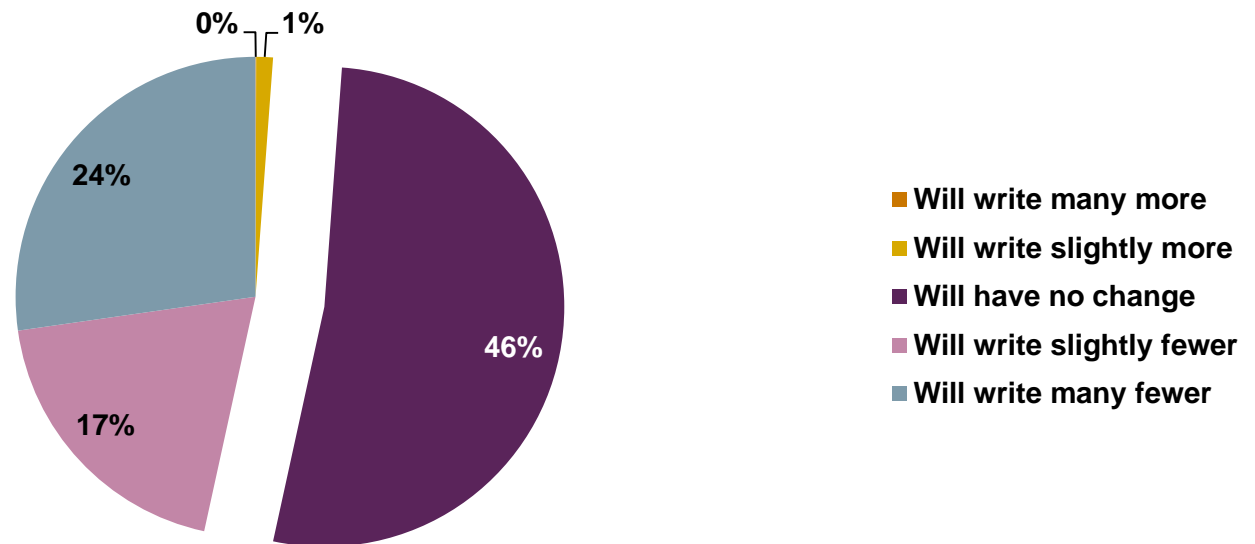
13%

CHANGES IN CHEQUE WRITING OVER THE LAST AND NEXT THREE YEARS

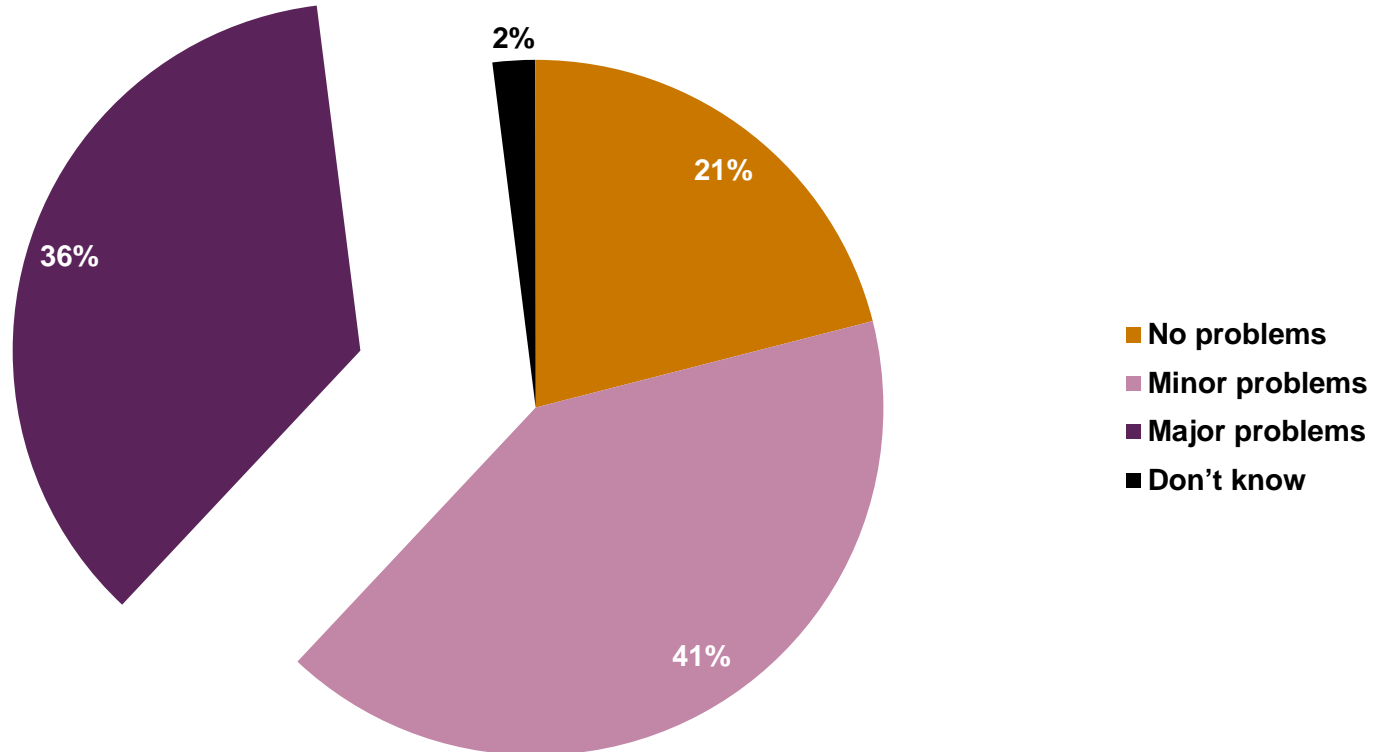


34% of charities say their cheque usage has not changed much in the last three years, and...

...**46%** say their cheque usage will not change much in the next three years!

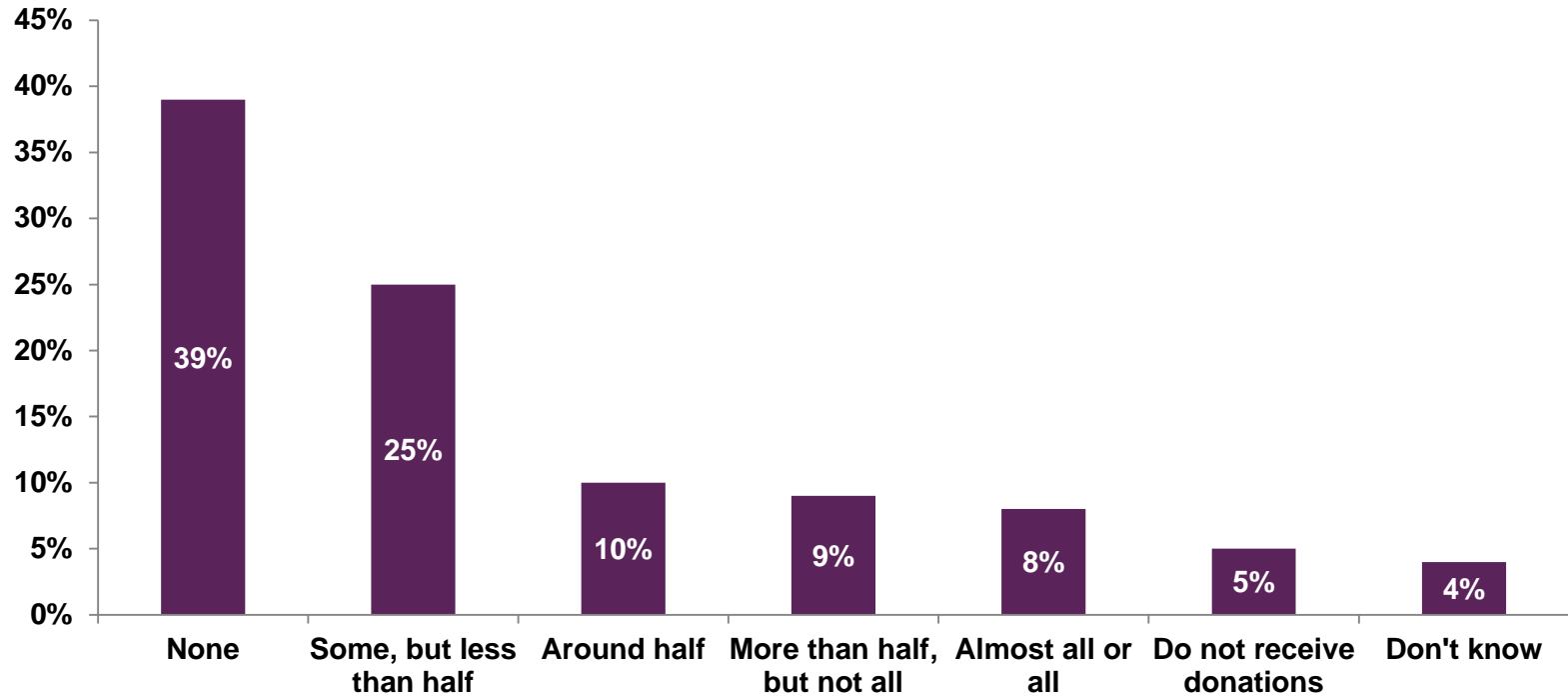


PROBLEMS IF UNABLE TO WRITE CHEQUES



Charities are concerned – 77% would have problems if unable to write cheques
(78% in 2017)

CHEQUE DONATIONS AS A PROPORTION OF ANNUAL DONATION INCOME



27% of charities say they receive half or more of their donation income by cheque (*29% in 2017*)
 % of those who have either received or made a cheque payment in the past month

ATTITUDES TOWARDS RECEIVING CHEQUES



We prefer not to receive cheques and generally try to ask for other payment methods

18%

We prefer not to receive cheques, but we don't try to influence the method that is used to pay us money

13%

We don't mind how we receive money and don't request payment by any method

54%

We prefer to receive money by cheque, but don't try to influence the methods that are used by others to pay us money

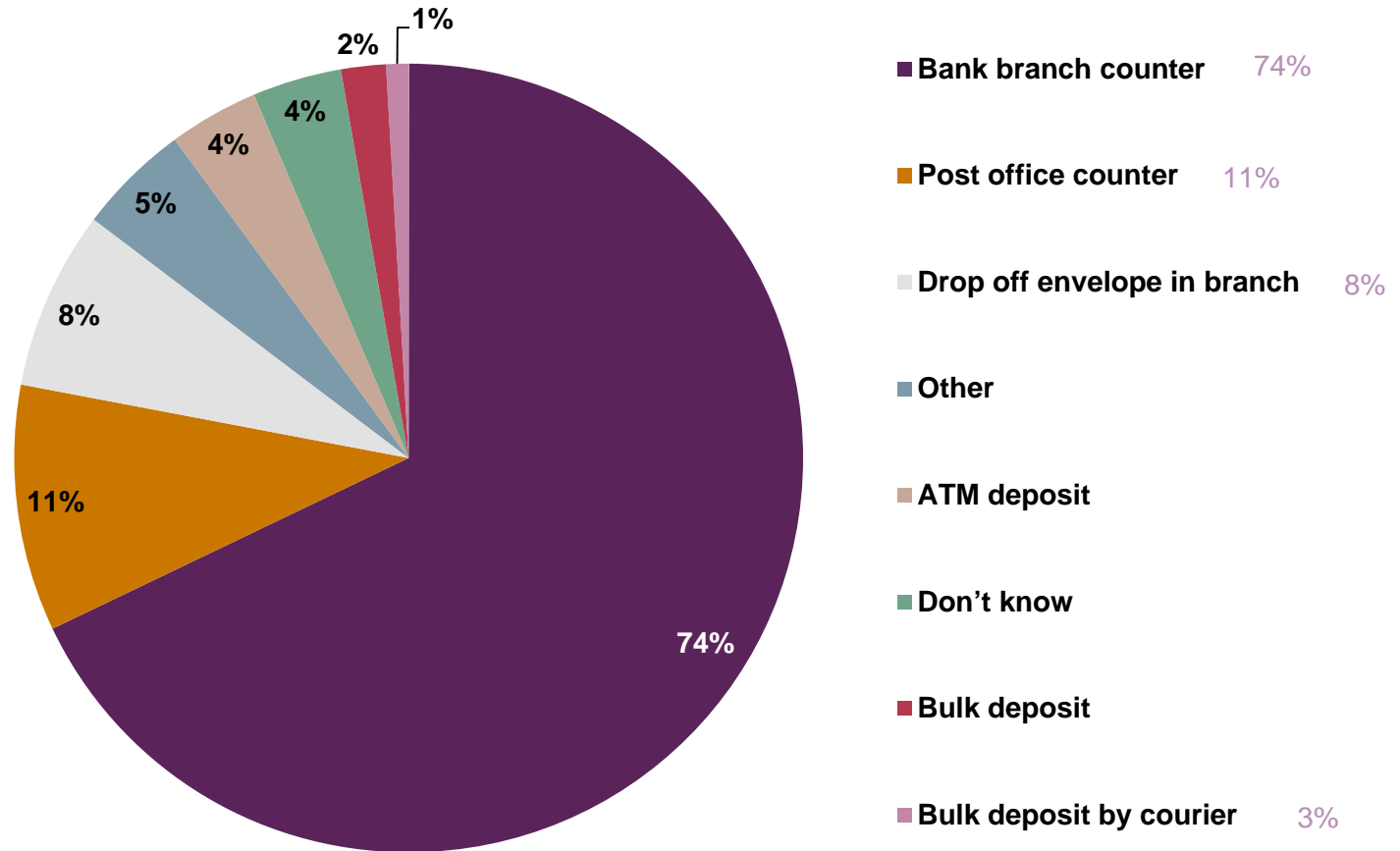
7%

We prefer to receive money by cheque and usually ask for payment by cheque whenever possible

7%

0% 10% 20% 30% 40% 50% 60%

HOW CHARITIES PAY CHEQUES IN



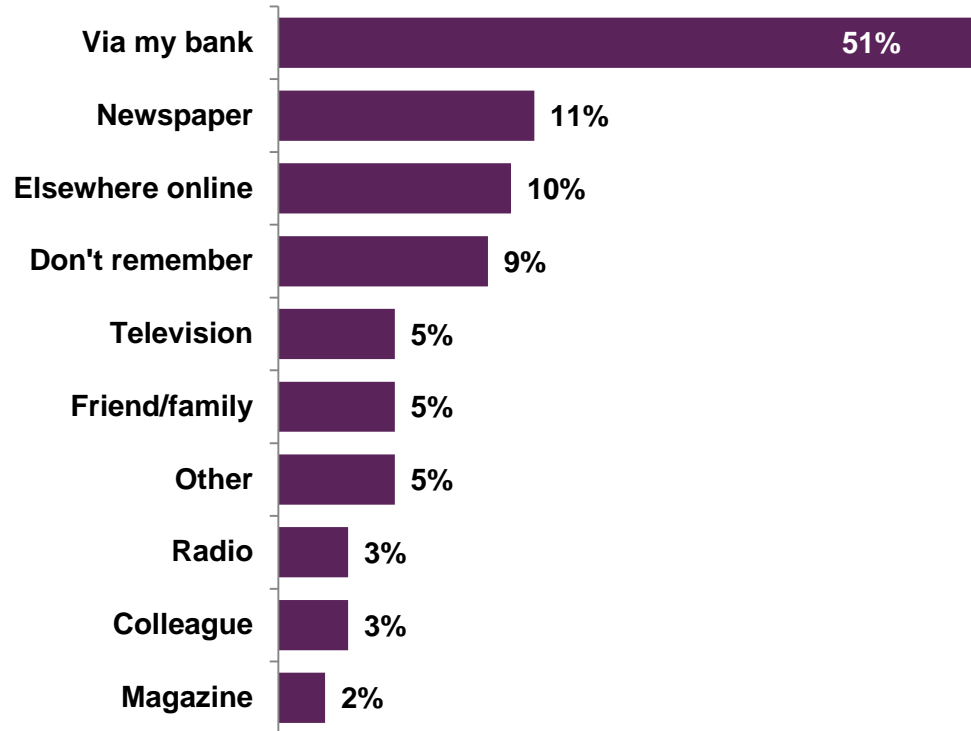
Respondents could select more than one option

CHEQUE IMAGING



39% of charities are aware that the banking industry is in the process of introducing cheque imaging, which will make the cheque clearing process faster. *Significant increase from Q3-2017 (30%).*

Where did you hear about cheque imaging?

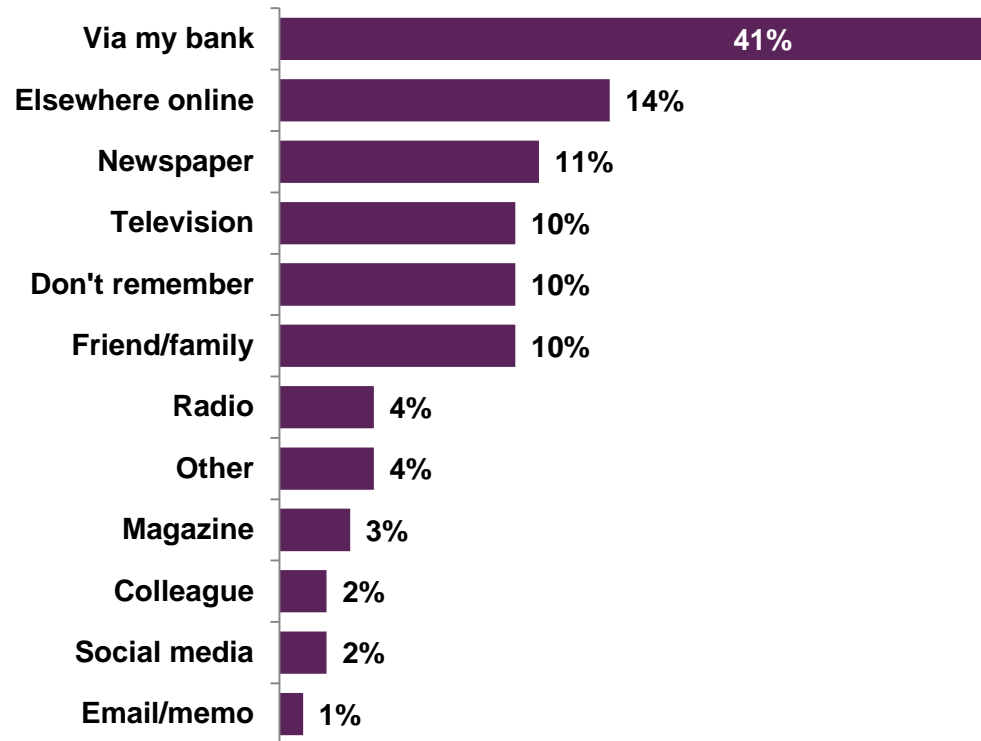


CHEQUE IMAGING – MOBILE

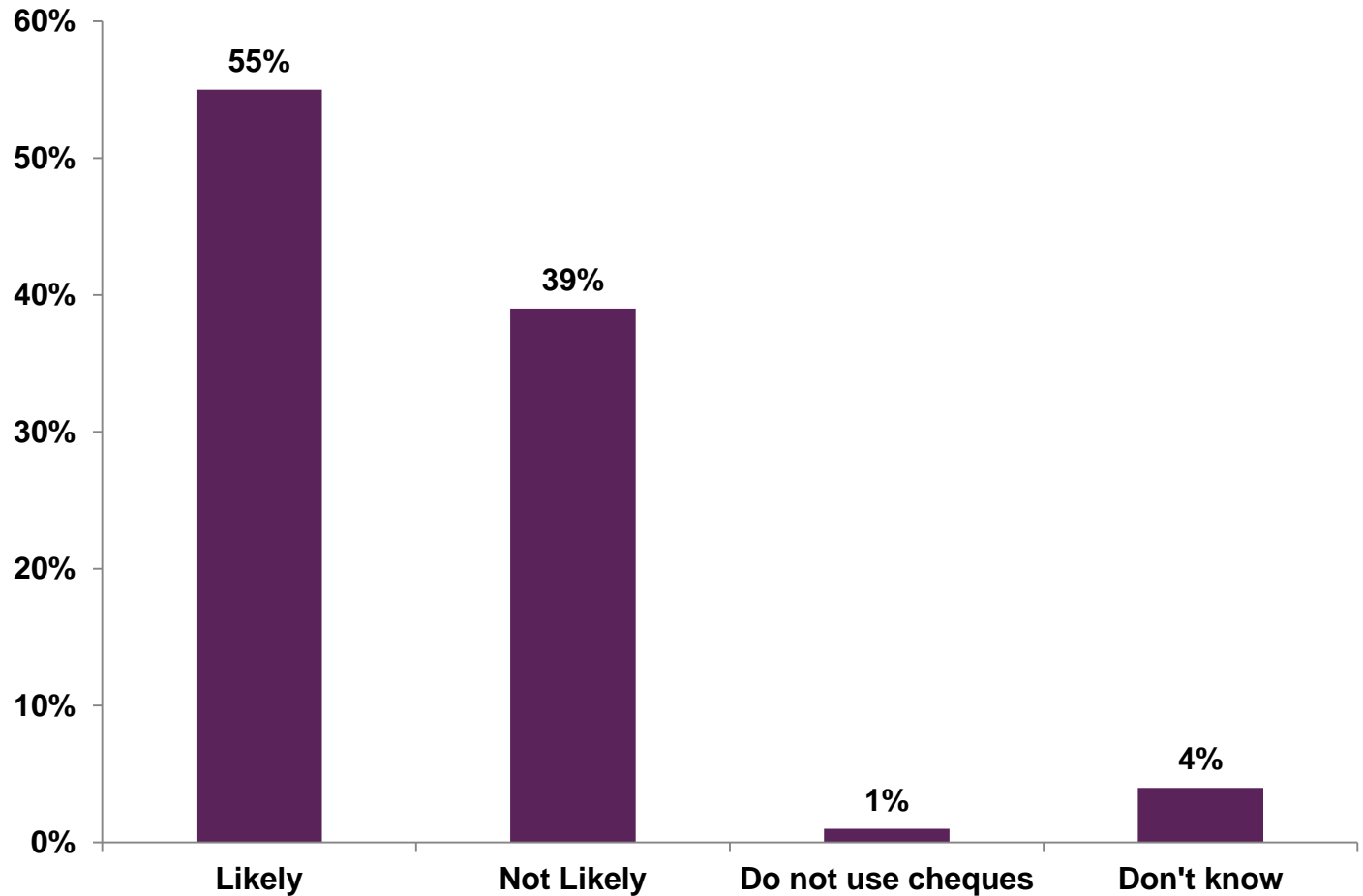


21% of charities are aware that the banking industry is in the process of introducing cheque imaging, which MAY allow people to pay in cheques by taking IMAGES via THEIR mobile banking app. *This is an increase on Q3-2017 (18%).*

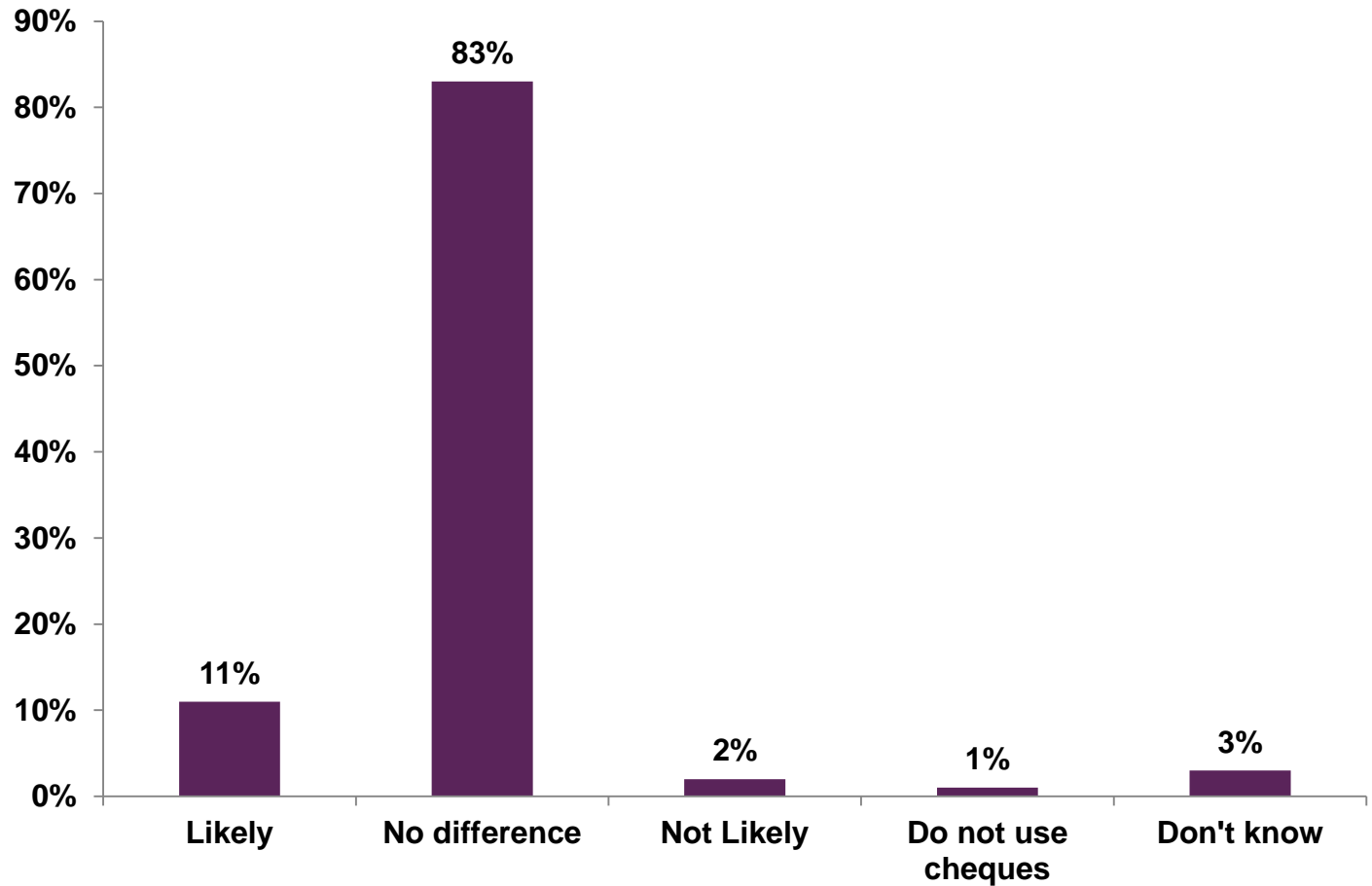
Where did you hear about cheque imaging on your mobile?



LIKELIHOOD OF DEPOSITING CHEQUES WITH AN APP, IF BANKS OFFERED THIS FACILITY



LIKELIHOOD OF ACCEPTING MORE CHEQUE PAYMENTS WITH QUICKER CLEARING TIME



LIKELIHOOD THAT CHEQUE IMAGING WILL INCREASE CHEQUE USAGE

