

# Memo



13 September 2016

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**To** Payment Systems Regulator  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS

**From** The Cheque and Credit Clearing Company

## **PSR CONSULTATION PAPER ON DRAFT GUIDANCE ON THE APPROACH OF HANDLING APPLICATIONS UNDER SECTIONS 56 AND 57 FSBRA**

The Cheque and Credit Clearing Company (C&CCC) welcomes the opportunity to respond to the PSR regarding the consultation on draft guidance on the approach of handling applications under sections 56 and 57 of the Financial Services (Banking Reform) Act.

### **Background**

The Cheque and Credit Clearing Company (C&CCC) was established in 1985 and, from that time until the present day, is proud of its record in providing members with the central payment system services for the exchange and settlement of cheques and credits.

Our objective is to ensure that cheques and credits remain a viable, secure and efficient choice of payment for all users. To achieve this we promote innovation and competition choice by driving improvements in processing, service and efficiency; and provide a trusted centre of excellence for anyone with an interest in cheques or credits.

In the evolving payments landscape, cheques and credits remain a preferred and trusted payment option among certain groups and for certain types of payment. For example, cheques remain a convenient way for businesses to pay a trade supplier and manage cash flow, and amongst consumers, are a popular way to pay utility bills, tradespeople and clubs or societies. In the past year, nearly three-quarters of UK charities and three-quarters of UK

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businesses both received and made payments by cheque over a monthly period. In total, 558 million cheques were written in 2015 with a total value of £624 billion.

C&CCC is working to deliver the Image Clearing System (ICS), which will bring the cheque into the digital age via the implementation of an image-based cheque clearing process in the UK.

A full account of our background and objectives can be found on our [website](#), as can more information on the [Image Clearing System](#).

## **Response**

The Cheque and Credit Clearing Company in essence agrees with the wording used for the substantive test to be included in sections 56 and 57 of the FSBRA when handling applications. However, the PSR need to ensure that this substantive test does not conflict with other cheque legislation or regulations that affect the rules and regulations that govern the workings of C&CCC. This needs to be taken into account since C&CCC is exempt from the scope of the Second Payment Services Directive. Please contact us separately if you wish to discuss this further.

Please let us know if you would like any clarification.

Yours faithfully,

Steve Grigg  
Chief Executive Officer