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Dear Sirs

## **PSR CONSULTATION PAPER CP16/1: THE APPLICATION OF PAYMENT ACCOUNTS REGULATIONS 2015 IN RESPECT OF ALTERNATIVE ARRANGEMENTS FOR SWITCHING ACCOUNTS**

The Cheque and Credit Clearing Company welcome the opportunity to respond to the Payment Systems Regulator's consultation on "The application of payment accounts regulations 2015 in respect of alternative arrangements for switching accounts".

### **Background**

The Cheque and Credit Clearing Company (C&CCC) was established in 1985 and from that time until the present day it is proud of its record in:

- providing members with the central payment system services for the exchange and settlement of cheques and credits;
- managing the operational processes of the central payment system services;
- delivering innovation, such as the current Future Clearing Model (FCM) programme, which will bring the cheque into the digital age via the implementation of an image-based cheque clearing process in the UK;
- determining the rules, standards, and procedures required to maintain the integrity of the clearings, including the criteria for joining the clearings and ensuring compliance with those rules;
- engaging with the full range of stakeholders which includes consumers and businesses that use cheques, banks that offer cheque clearing services, cheque processors, cheque printers and other suppliers, as well as regulators, trade associations and other payment schemes;
- managing the cheque printer accreditation scheme (CPAS).



Our Objectives are to:

- ensure that cheques and credits remain a viable, secure and efficient choice of payment for all users, so we will;
- promote innovation and competition in payment choice by driving improvements in processing, service and efficiency;
- provide a trusted centre of excellence for anyone with an interest in cheques or credits.

### **Consultation questions**

Q1: Do you have any comments on the draft guidance?

Q2: Do you agree with our proposed approach to the implementation of the PARs rules on PSR fees, as set out in the draft PARs fees guidance?

### **C&CCC Response**

The Cheque and Credit Clearing Company does have an interest in the policies regarding switching services/schemes as follows:

- C&CCC is currently building a new Image Clearing System (ICS) to accommodate the current switching service. This will enable cheques drawn on (and credits to the credit of) switched accounts to be redirected centrally to the new bank within the same timescales.
- There is therefore a potential that if there was more than one switching scheme there could be a conflict in switching information provided to ICS and any PSP.
- Switching is important for customers and helps other regulatory initiatives such as ring-fencing.
- This consultation paper sets out the framework for switching schemes and we welcome actions that help in achievement of those objectives.

Yours faithfully

Steve Grigg  
Interim Chief Executive Officer