



Cheque &  
Credit  
Clearing  
Company

# CHEQUES: ANNUAL TRACKING MARKET RESEARCH 2018

July 2018

# INTRODUCTION

---



Market research conducted annually in April



## Consumer research

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



## Business research

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



## Charity research

- C&CCC 3<sup>rd</sup> 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

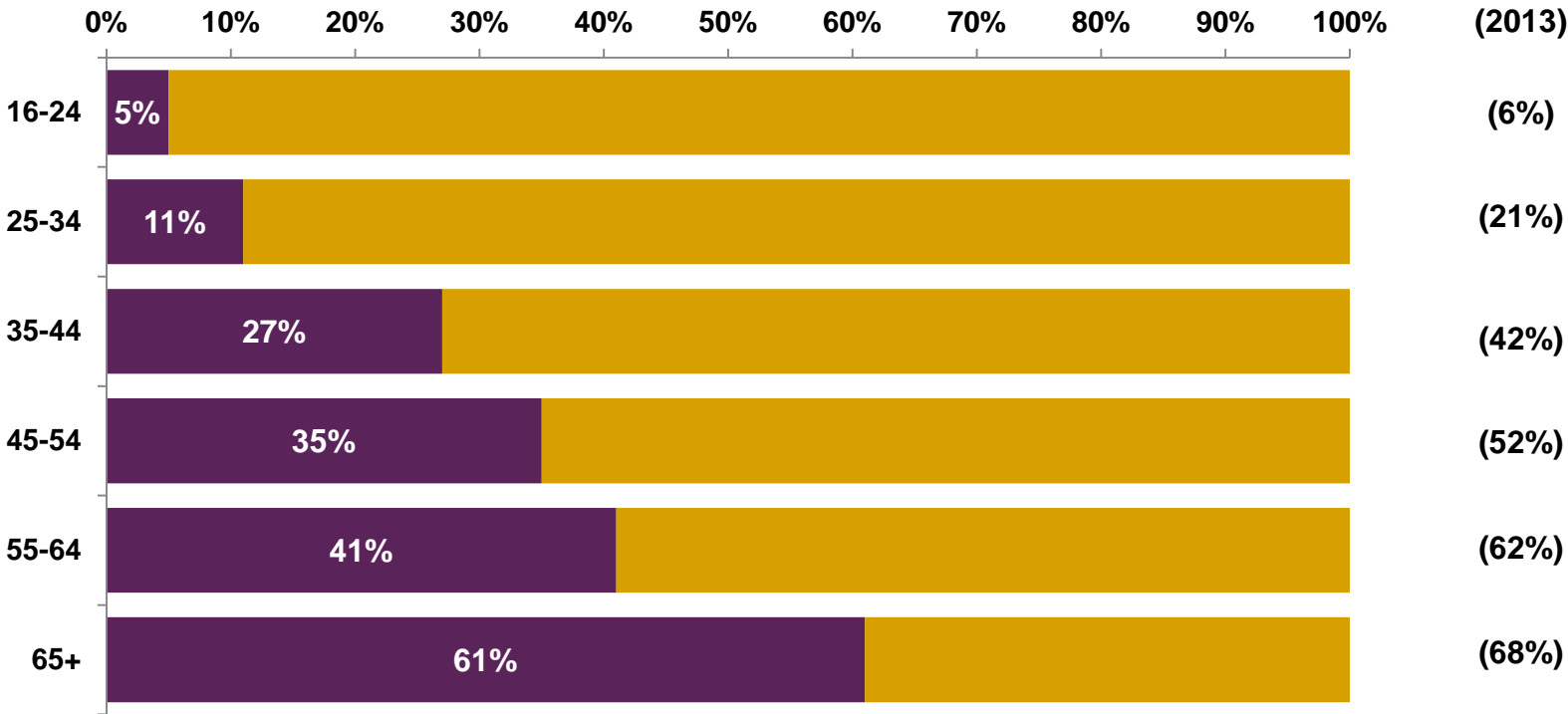
- **Consumers**
  - Pay a bill by post (20%)
  - Service in the home (18%)
  - Pay a club or society (17%)
- **Businesses**
  - Pay a trade supplier (63%)
  - Other ad-hoc payments to businesses (40%)
  - Regular business commitments (26%)
- **Charities**
  - Pay a trade supplier (62%)
  - Other ad-hoc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

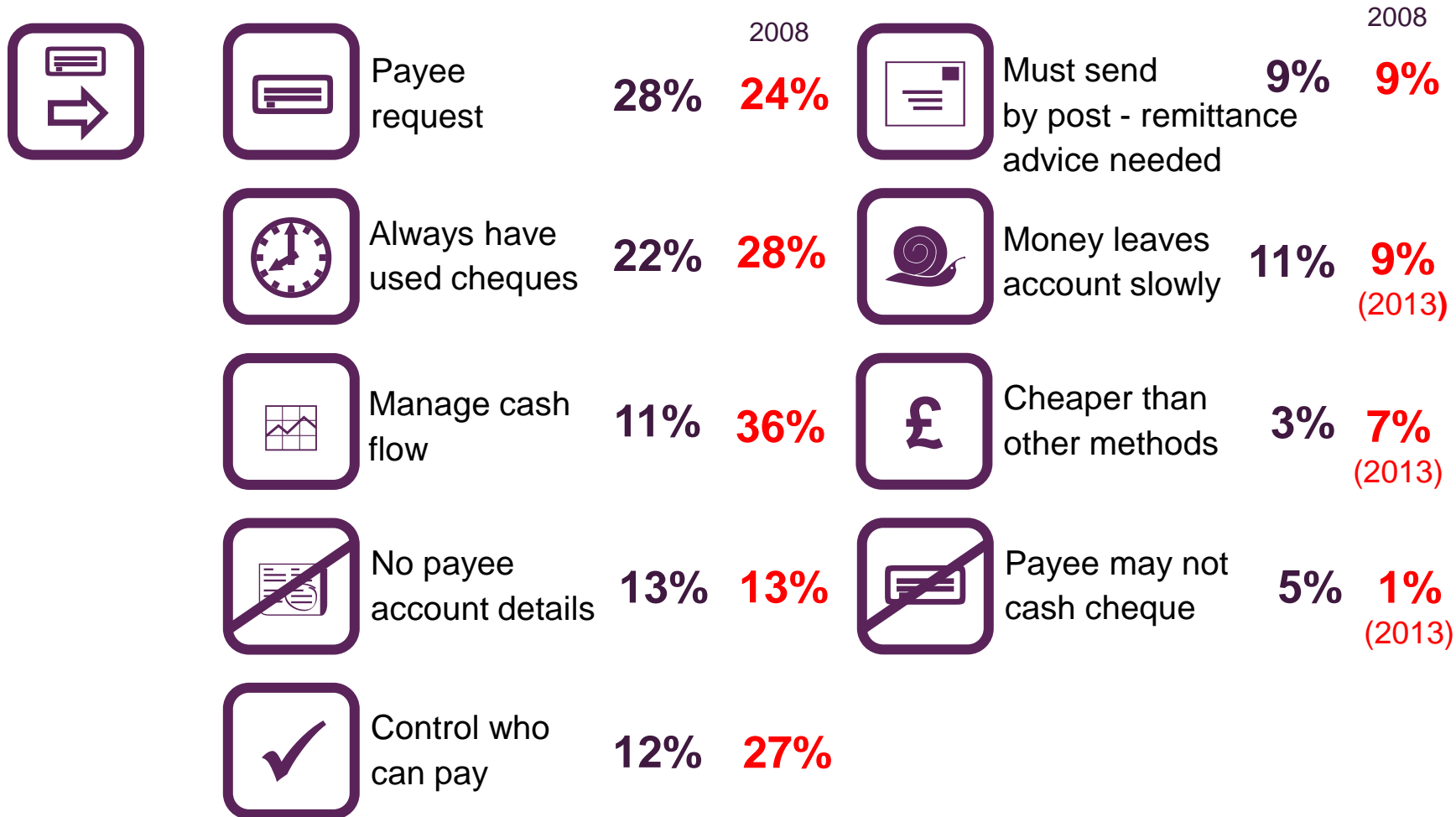
% of account holders writing and receiving cheques

# 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%**



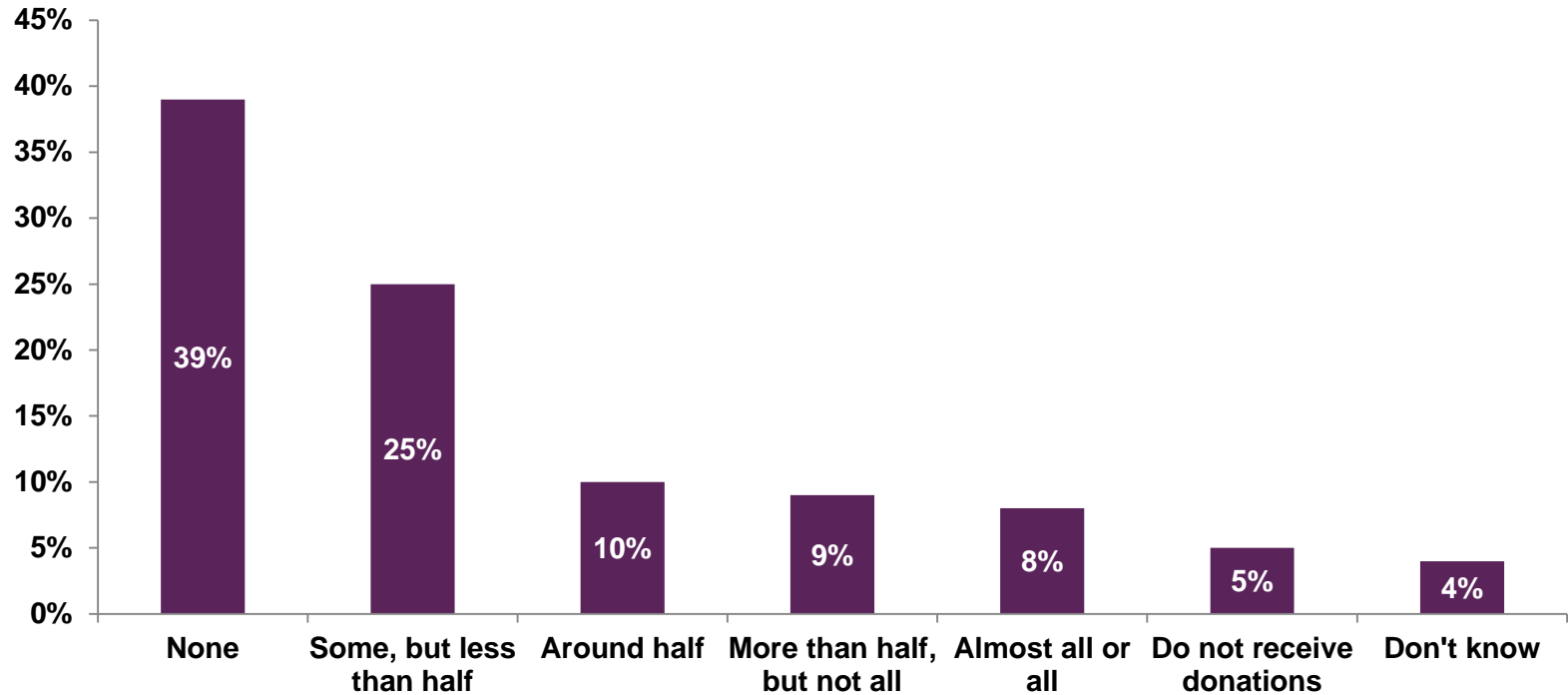
Benefit payments

1%

**3%**

Gifts and refunds are most common purposes for receiving cheques

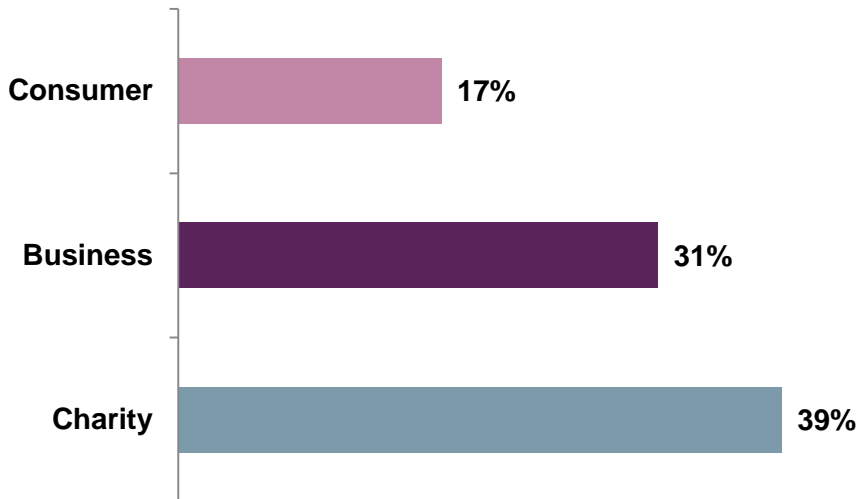
# CHEQUE DONATIONS AS A PROPORTION OF ANNUAL DONATION INCOME



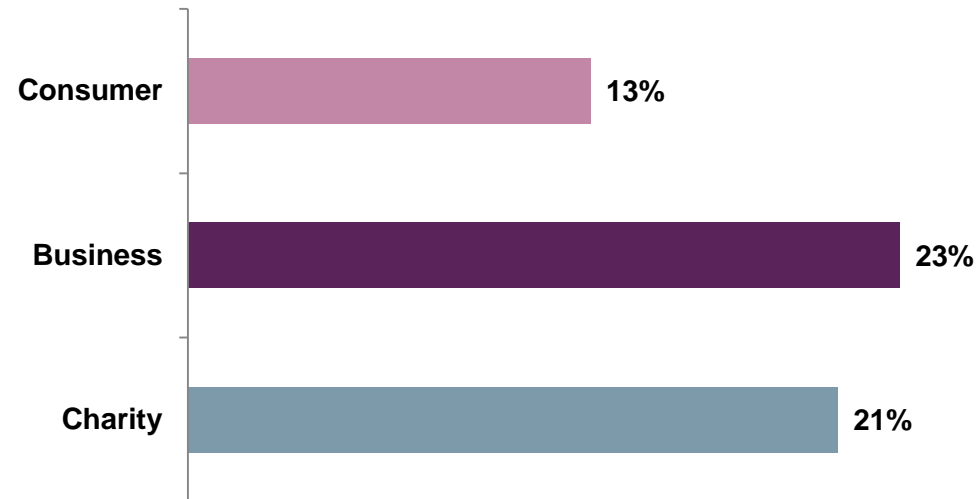
**27%** of charities say they receive half or more of their donation income by cheque (*29% in 2017*)  
 % of those who have either received or made a cheque payment in the past month

# SUMMARY – CHEQUE IMAGE AWARENESS Q1-2018

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



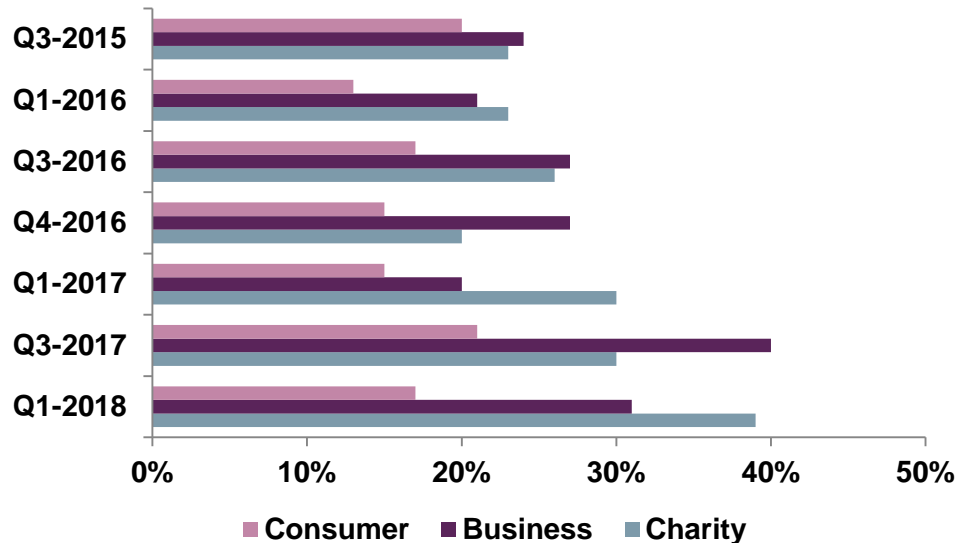
Awareness of cheque imaging which may allow people to pay in cheques through a mobile app – **greatest amongst businesses**



# SUMMARY – CHEQUE IMAGE AWARENESS OVER TIME

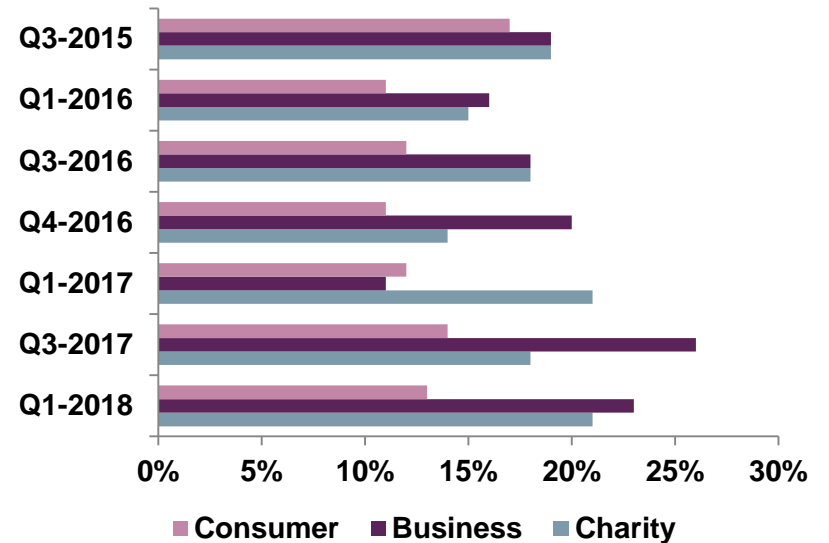
## Awareness of cheque imaging

Change since Q3-2015

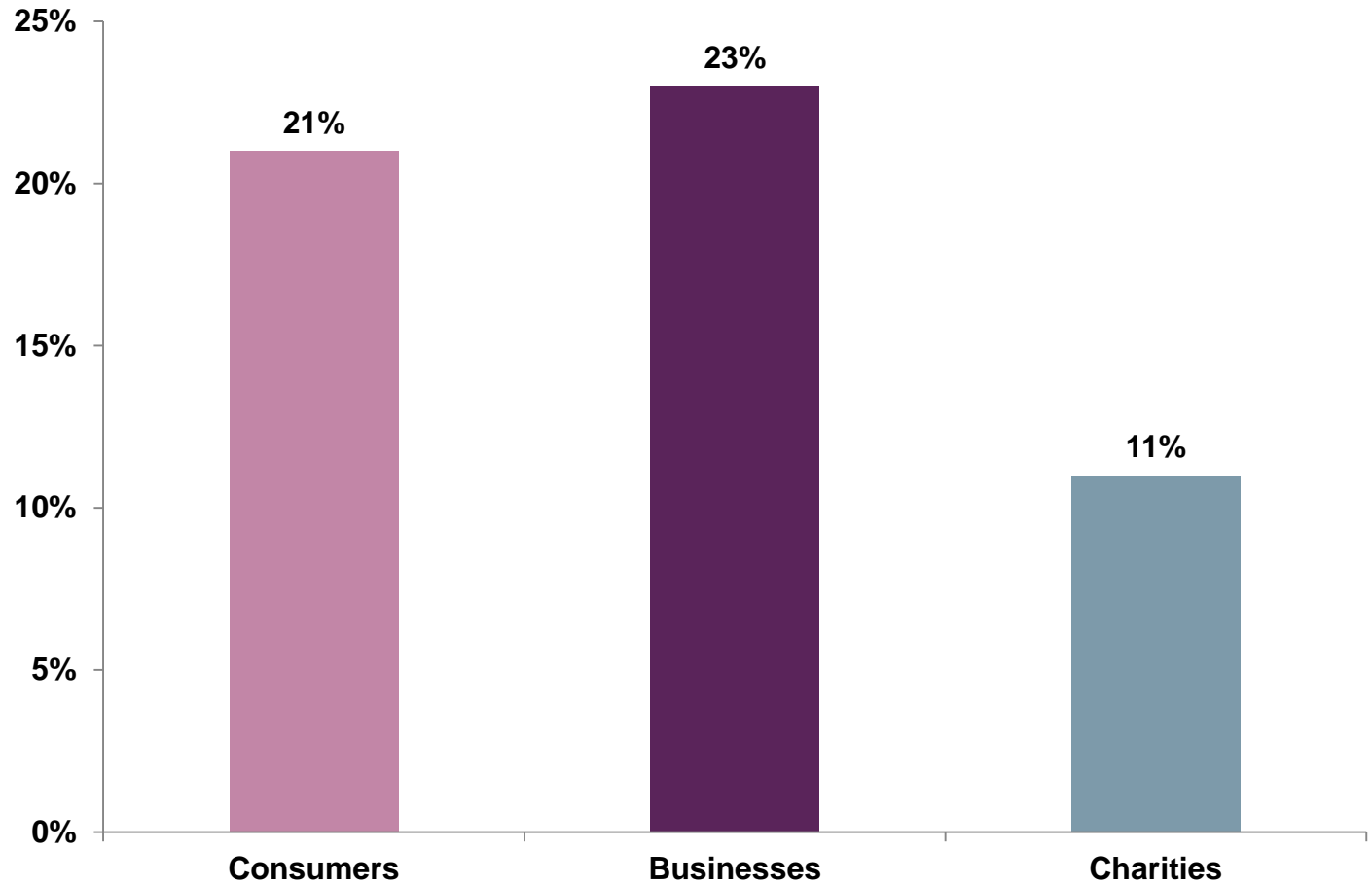


## Awareness of a mobile app

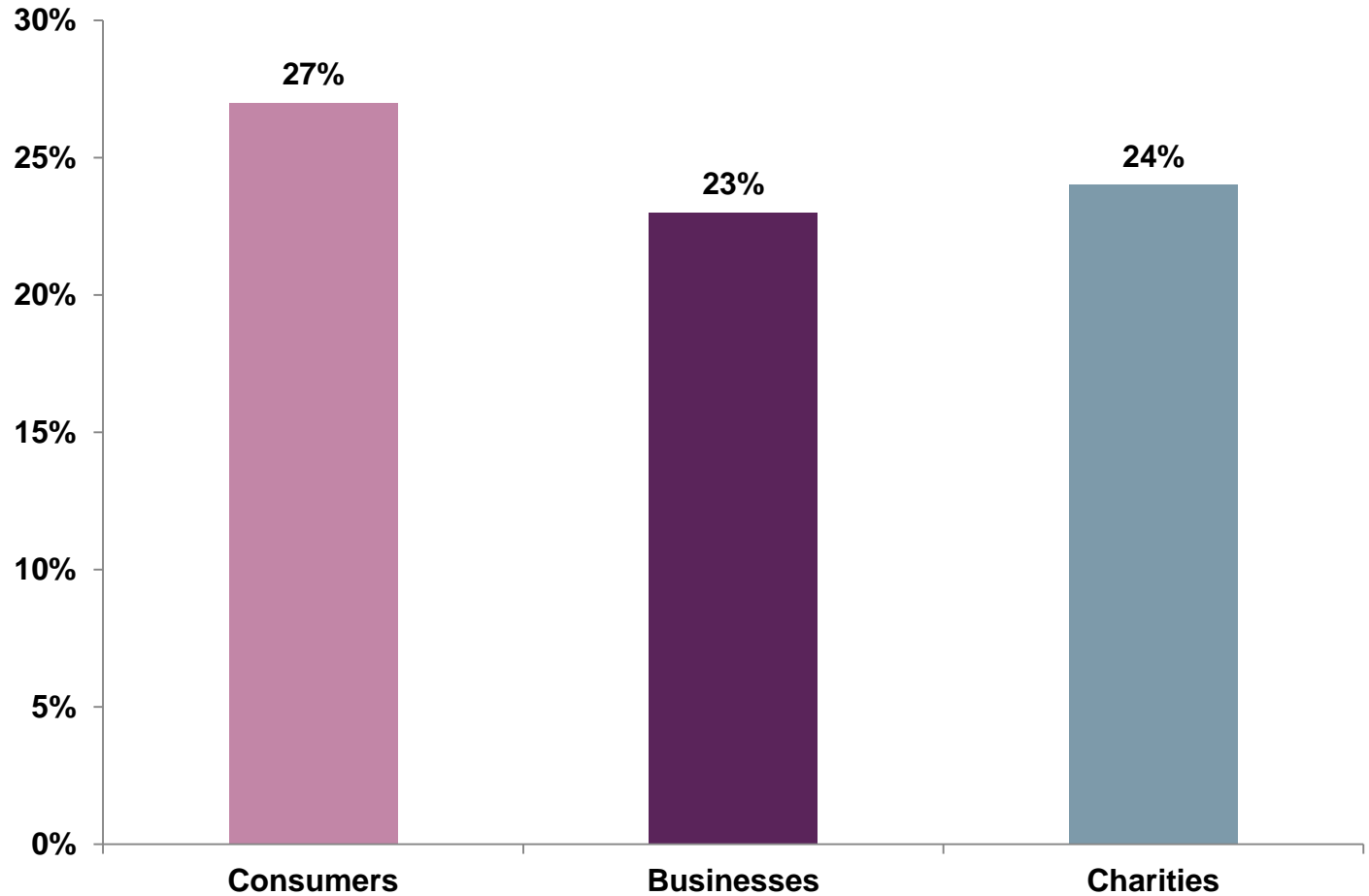
Change since Q3-2015



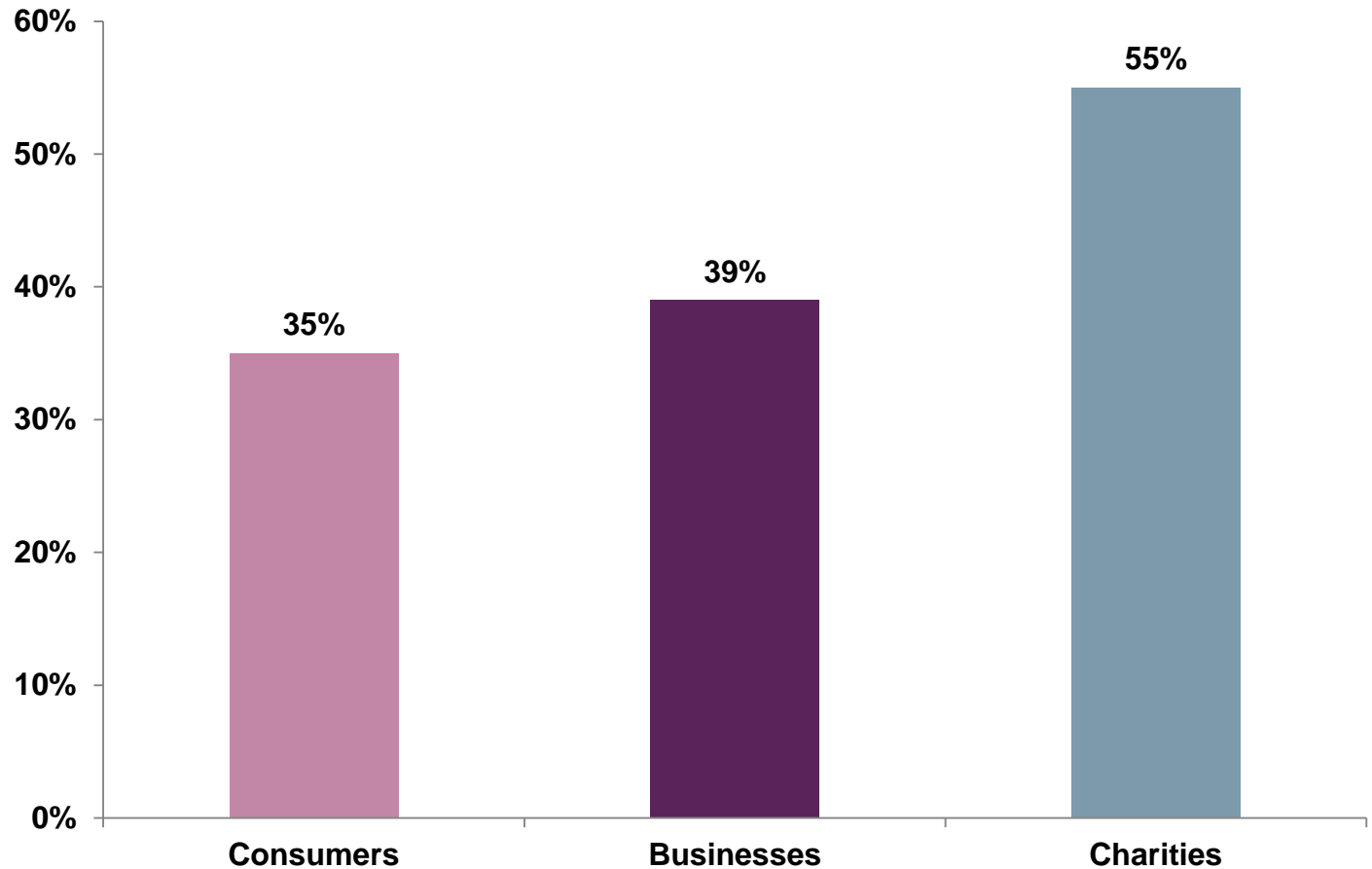
# SUMMARY – LIKELIHOOD OF ACCEPTING CHEQUES WITH QUICKER CLEARING TIMESCALES



# 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)

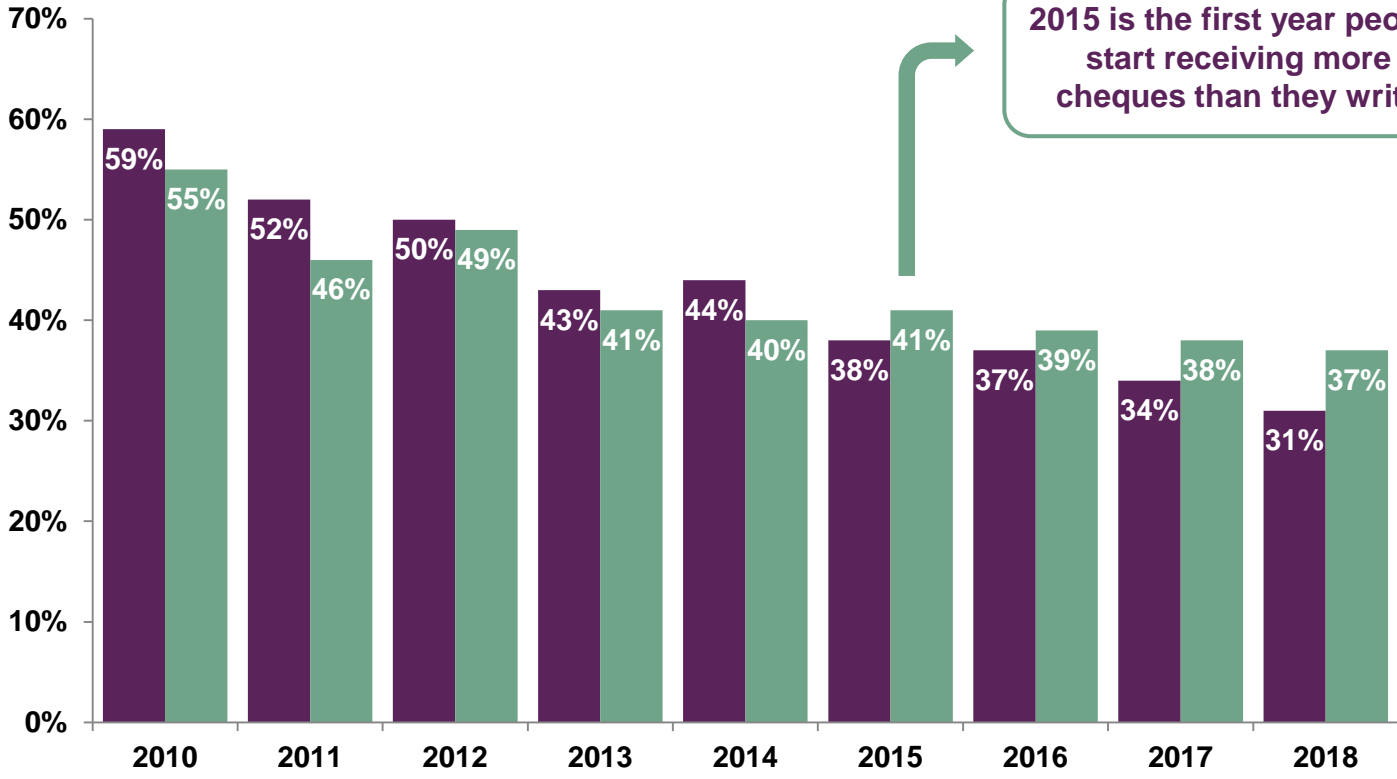


- **37%** of UK account holders received payments by cheque
  - (55% in 2008; 41% in 2013)



- **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

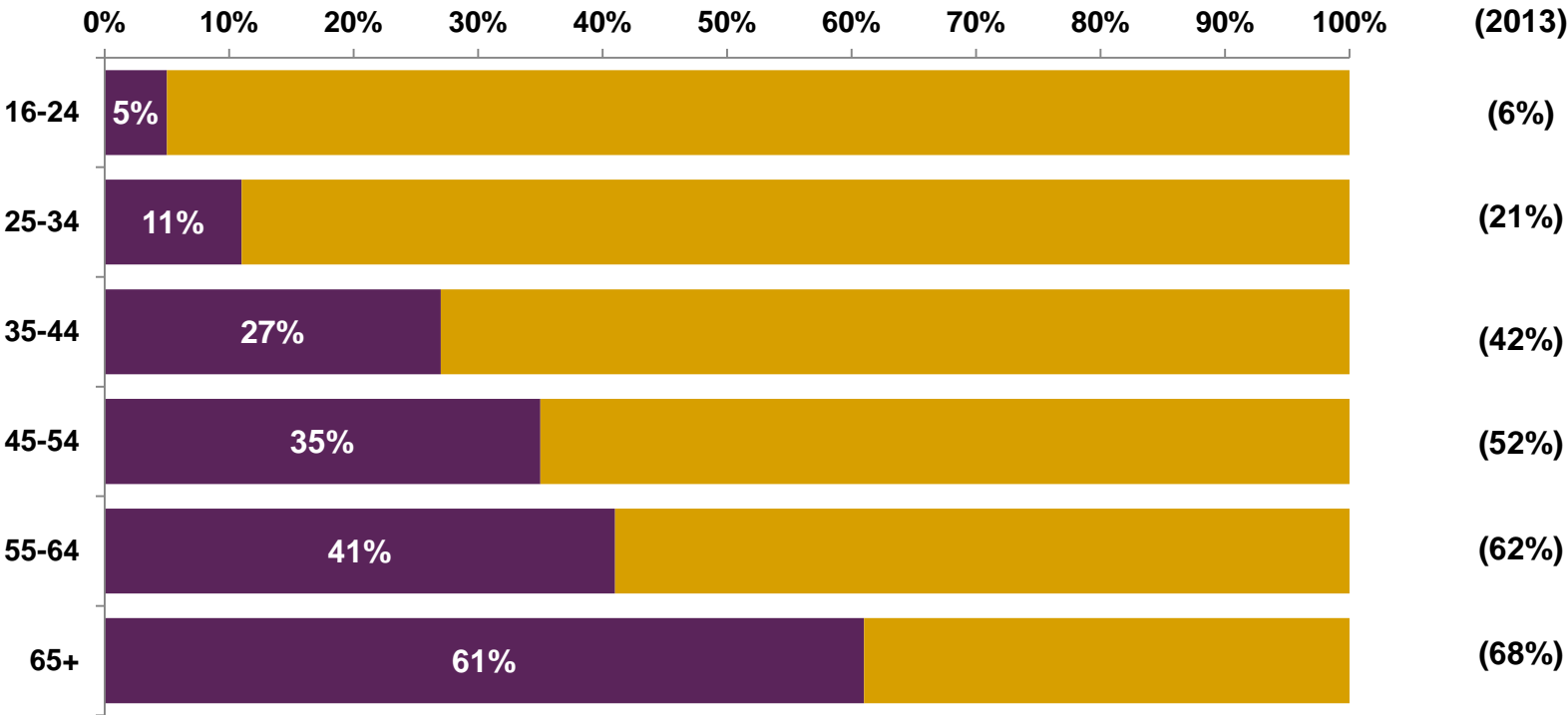
Proportion of people **writing** cheques

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\*

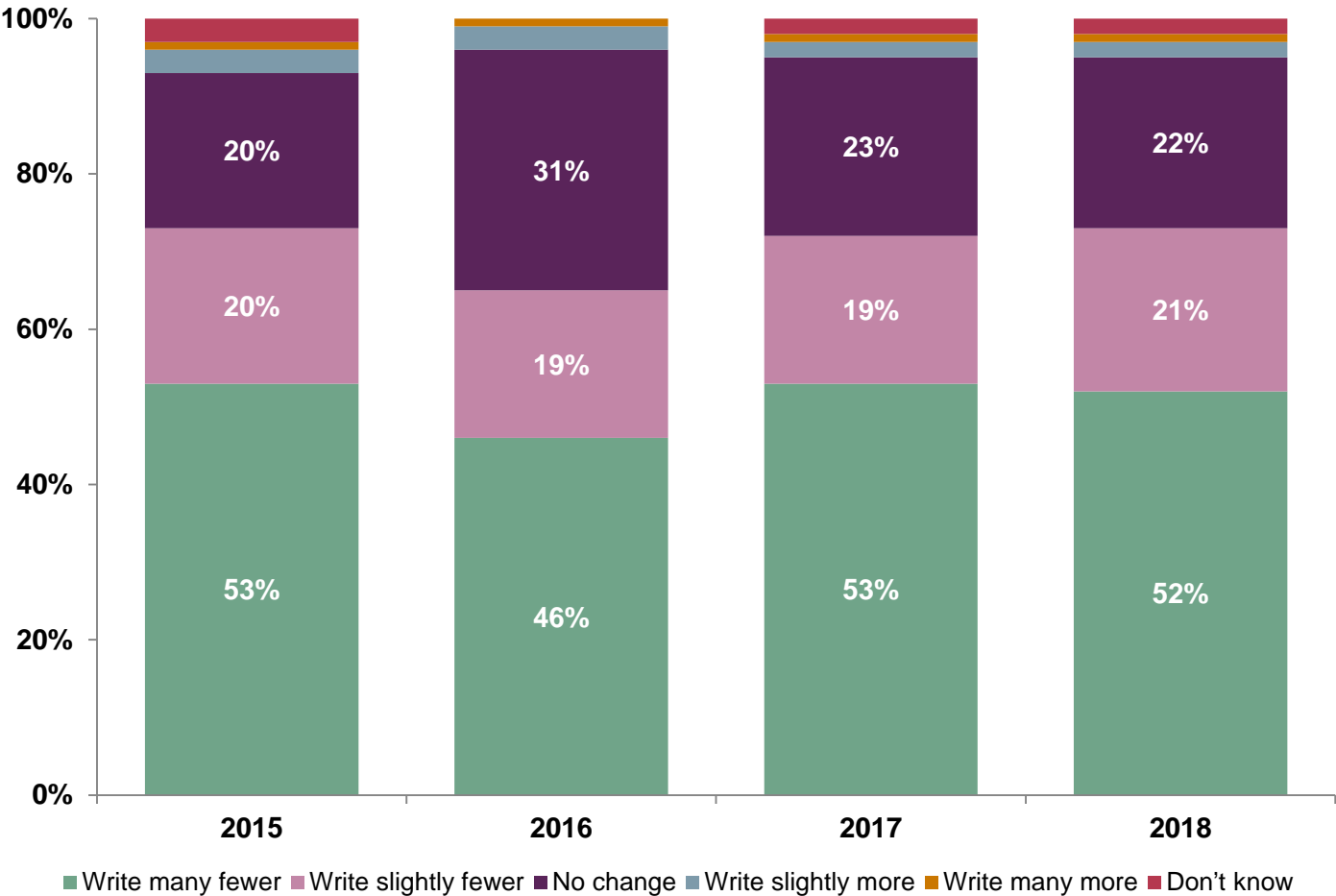
**4%** 2%

% 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

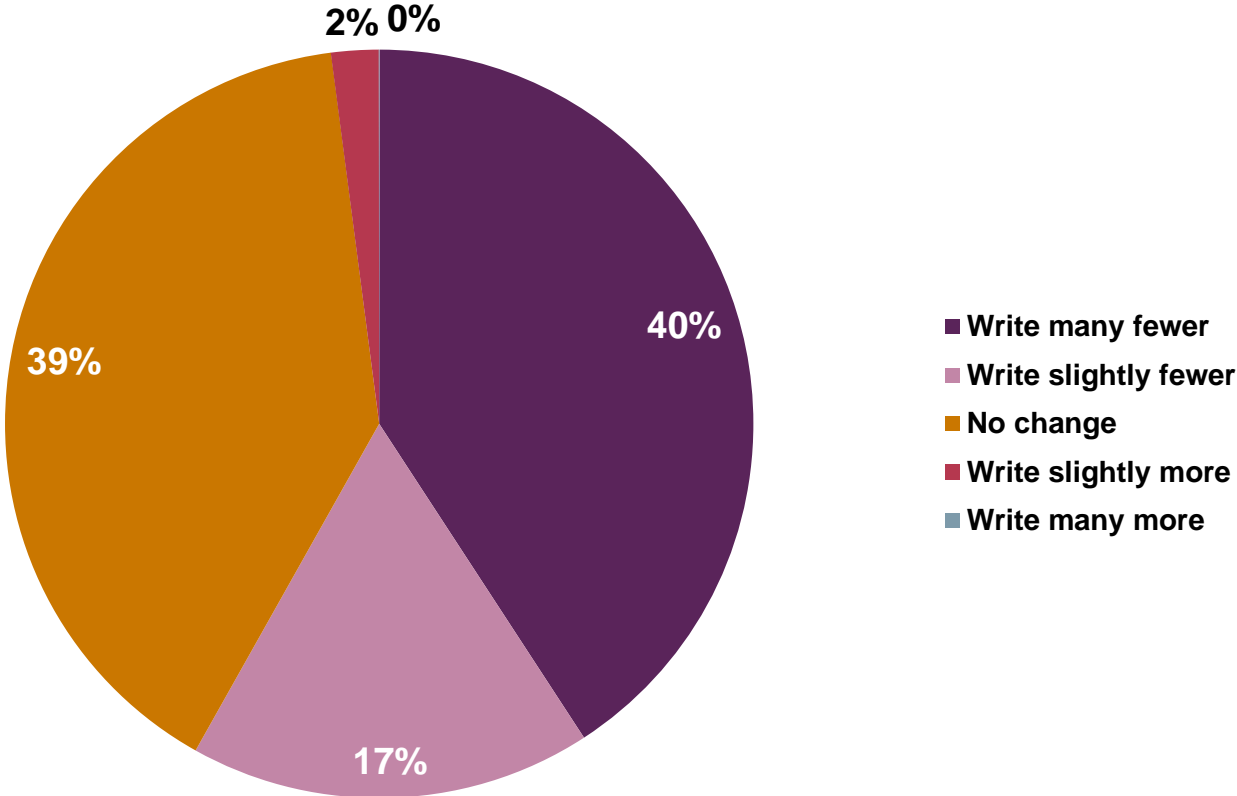


# CHANGES IN CHEQUE WRITING “OVER THE LAST THREE YEARS”



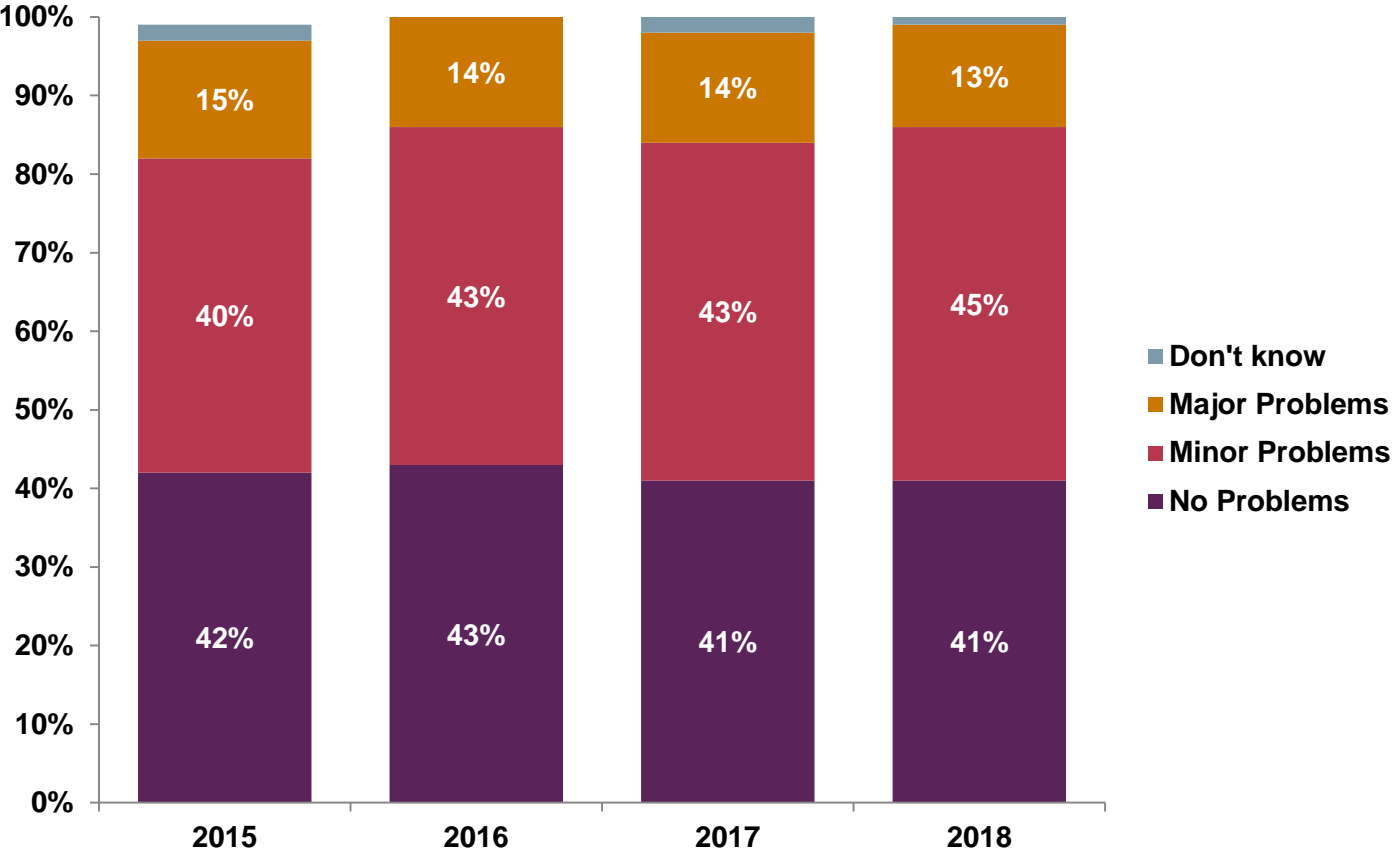


# CHANGES IN CHEQUE WRITING OVER THE NEXT THREE YEARS



% of account holders writing cheques

# PROBLEMS IF UNABLE TO WRITE CHEQUES

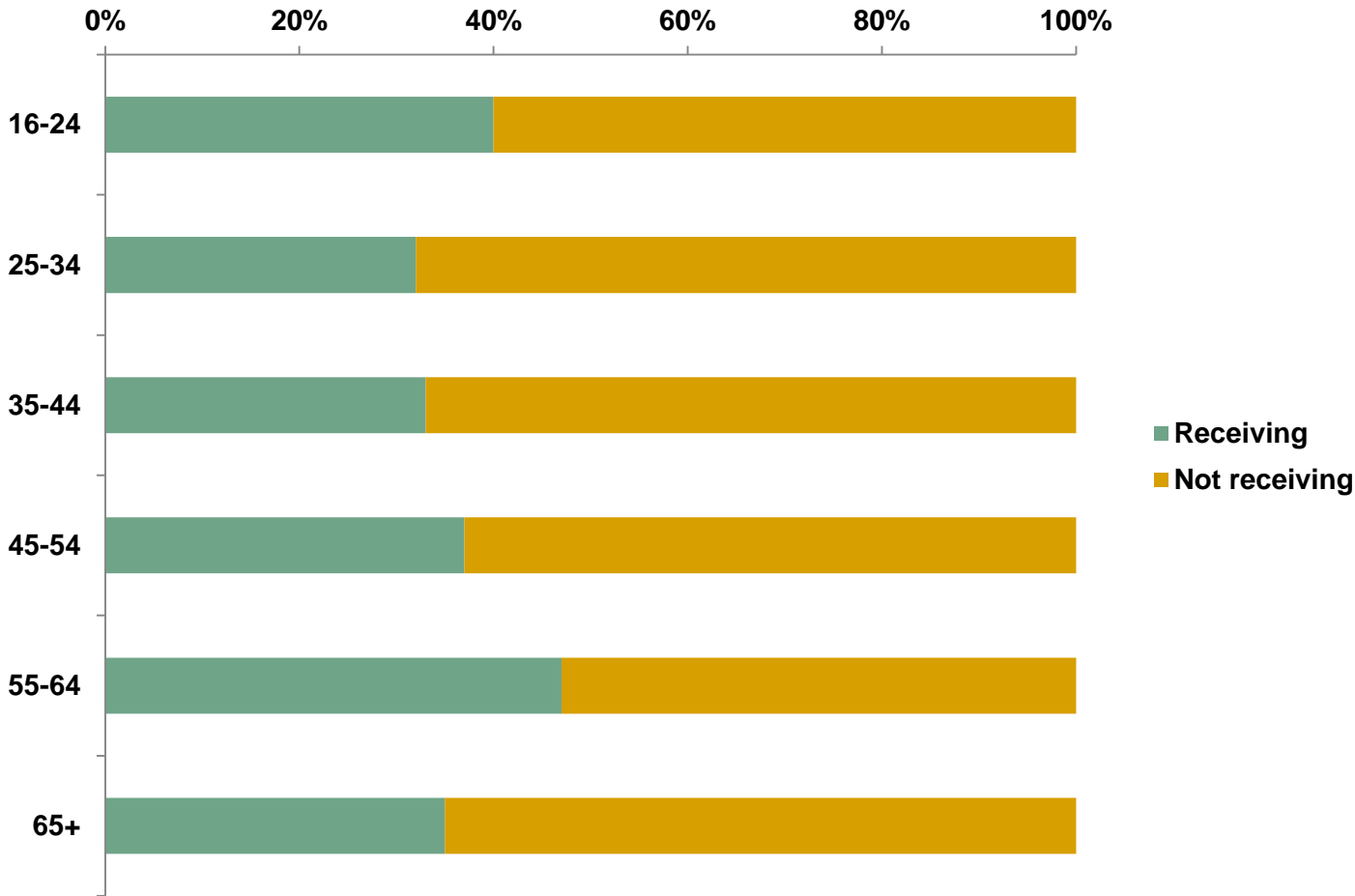


**Consumers still worried**– 58% would have problems if unable to write cheques  
*(57% in 2017, 62% in 2013, only 49% in 2008)*





# 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

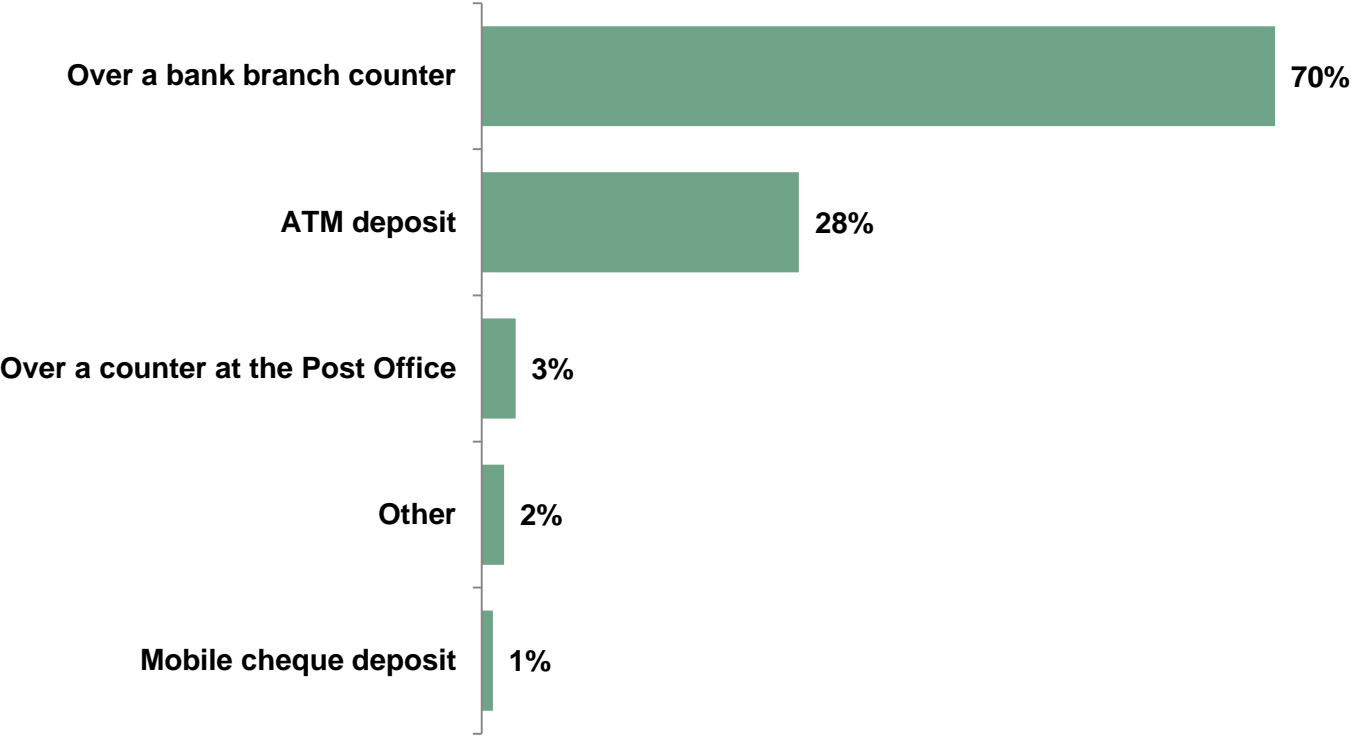
% of account holders who received a cheque in the past year



# CHEQUES RECEIVED BY CONSUMERS



Method used to deposit cheques into bank account





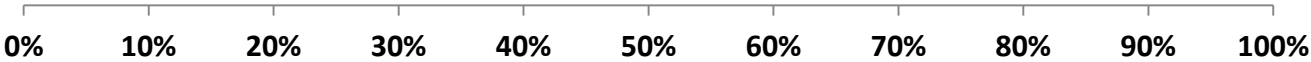
# ATTITUDES TOWARDS CHEQUES



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



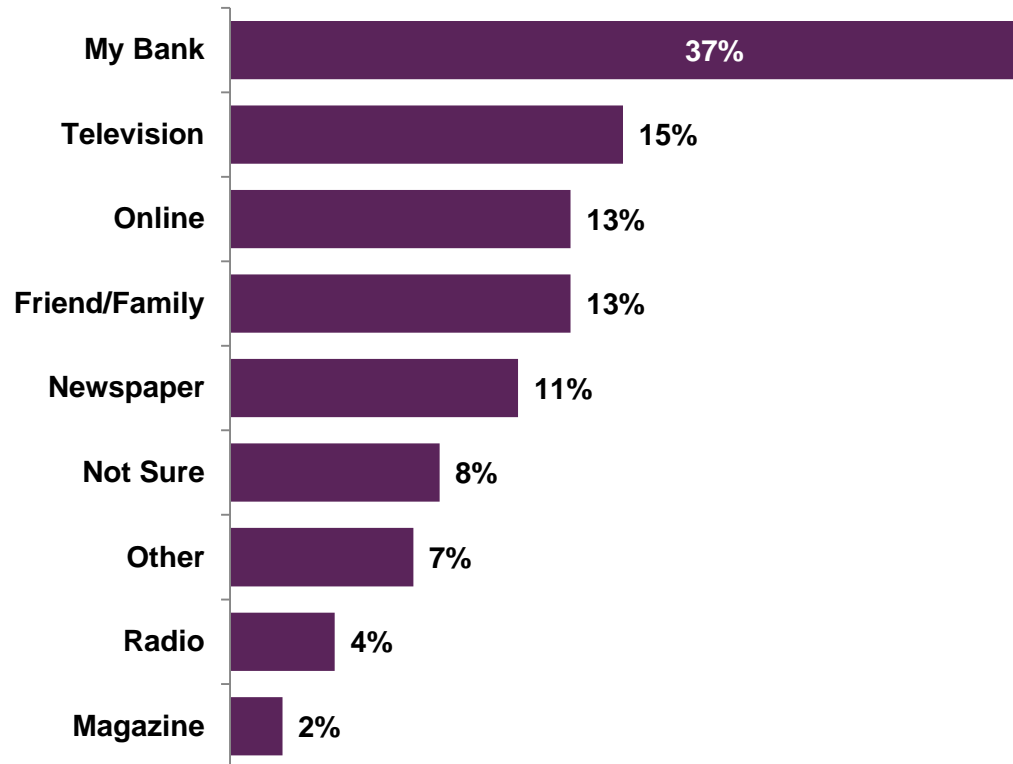
- Agree strongly
- Agree slightly
- Neither agree nor disagree
- Disagree slightly
- Disagree strongly
- Don't know

# 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?

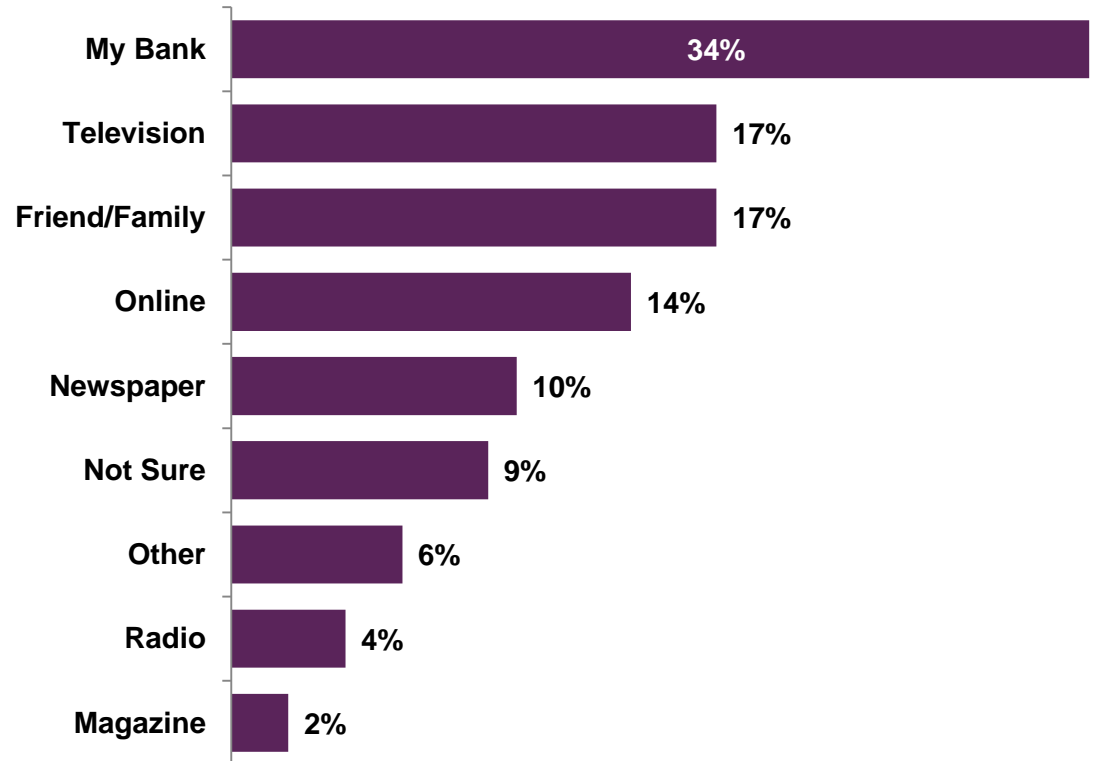


# CHEQUE IMAGING – MOBILE

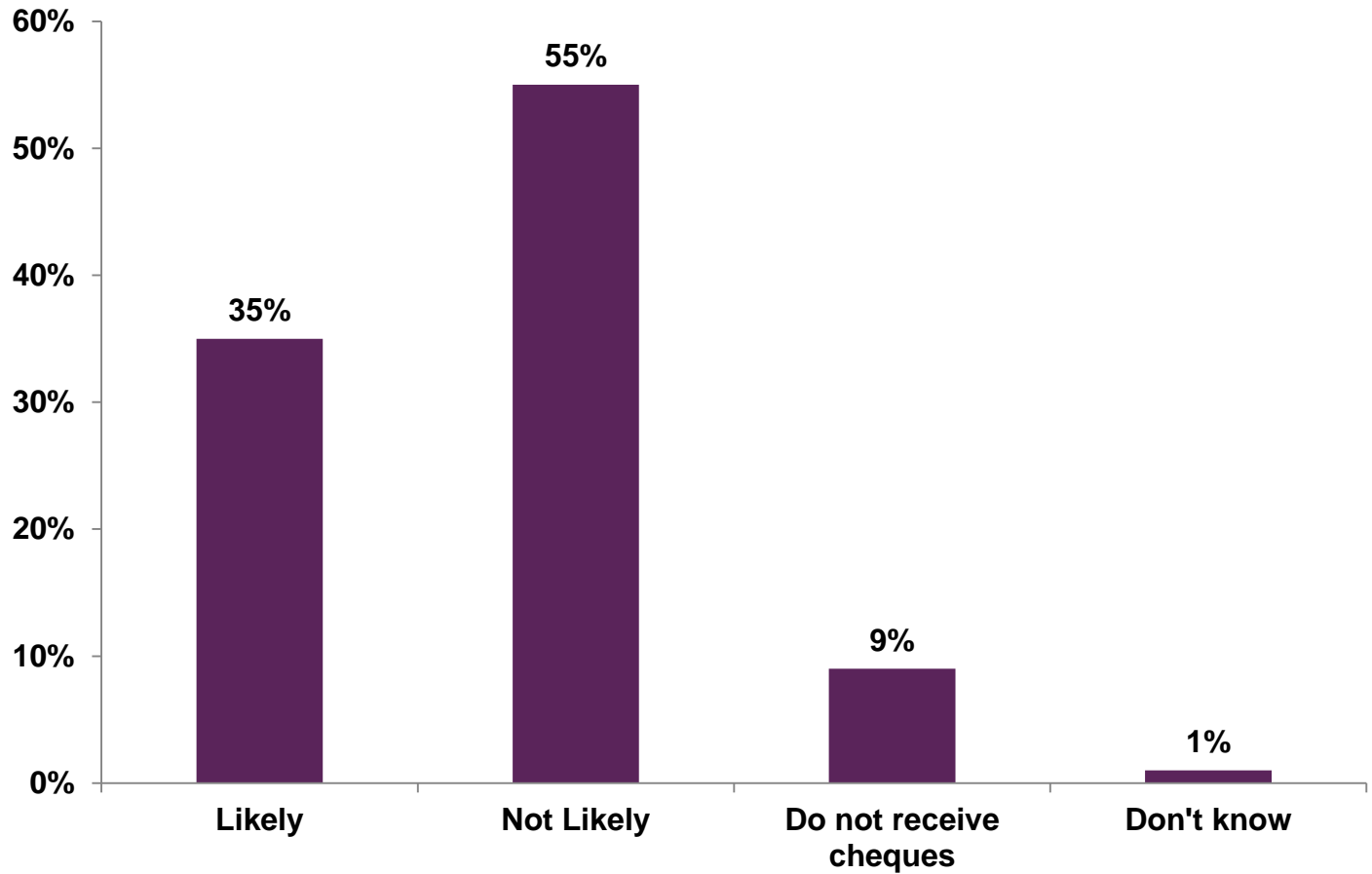


**13%** of consumers are aware that the Banking industry is in the process of introducing cheque imaging, which MAY allow people to pay in cheques by taking IMAGES via THEIR mobile banking app – *similar to Q3-2017 with 14%*

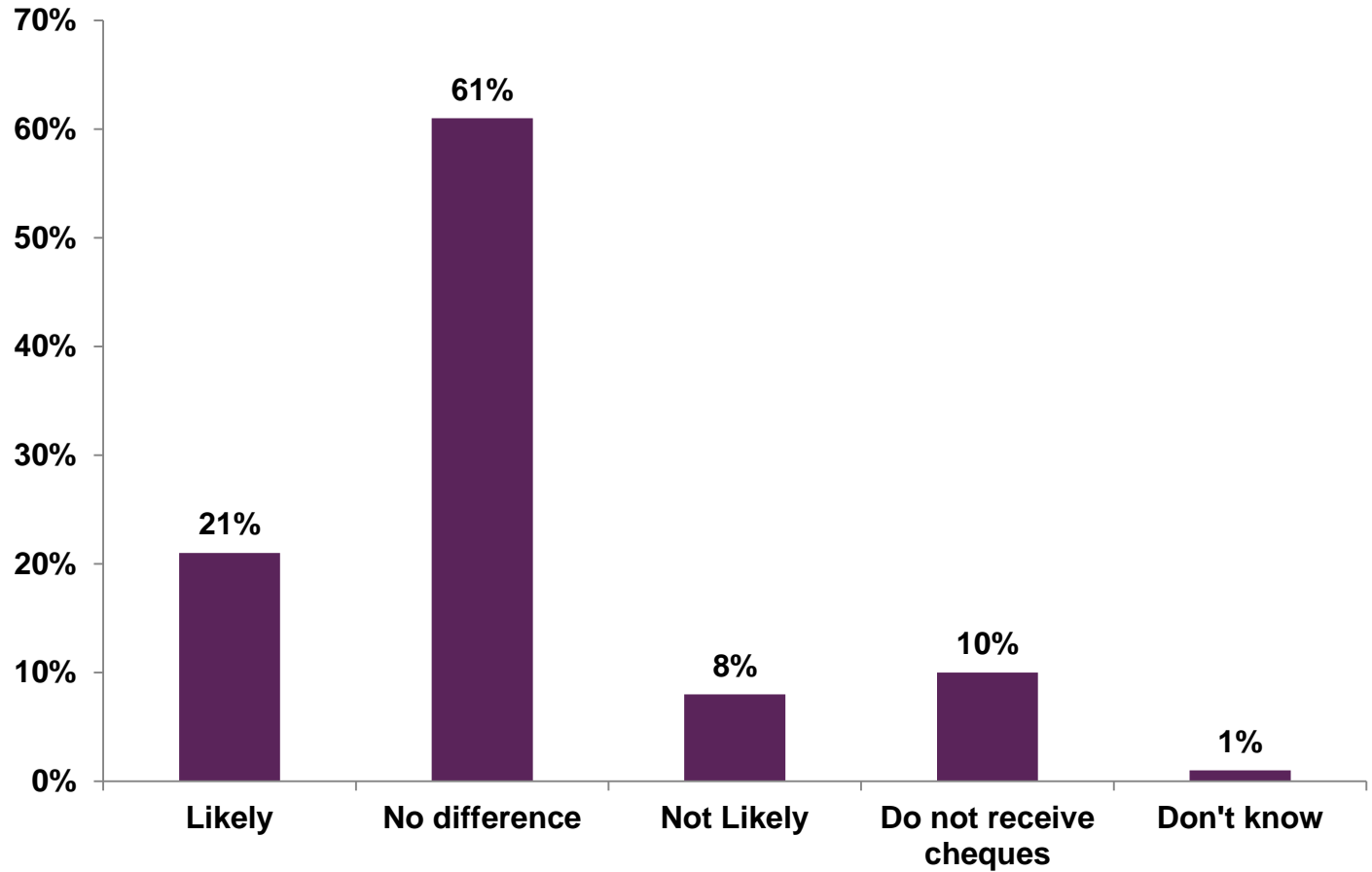
Where did you hear about cheque imaging on your mobile?



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

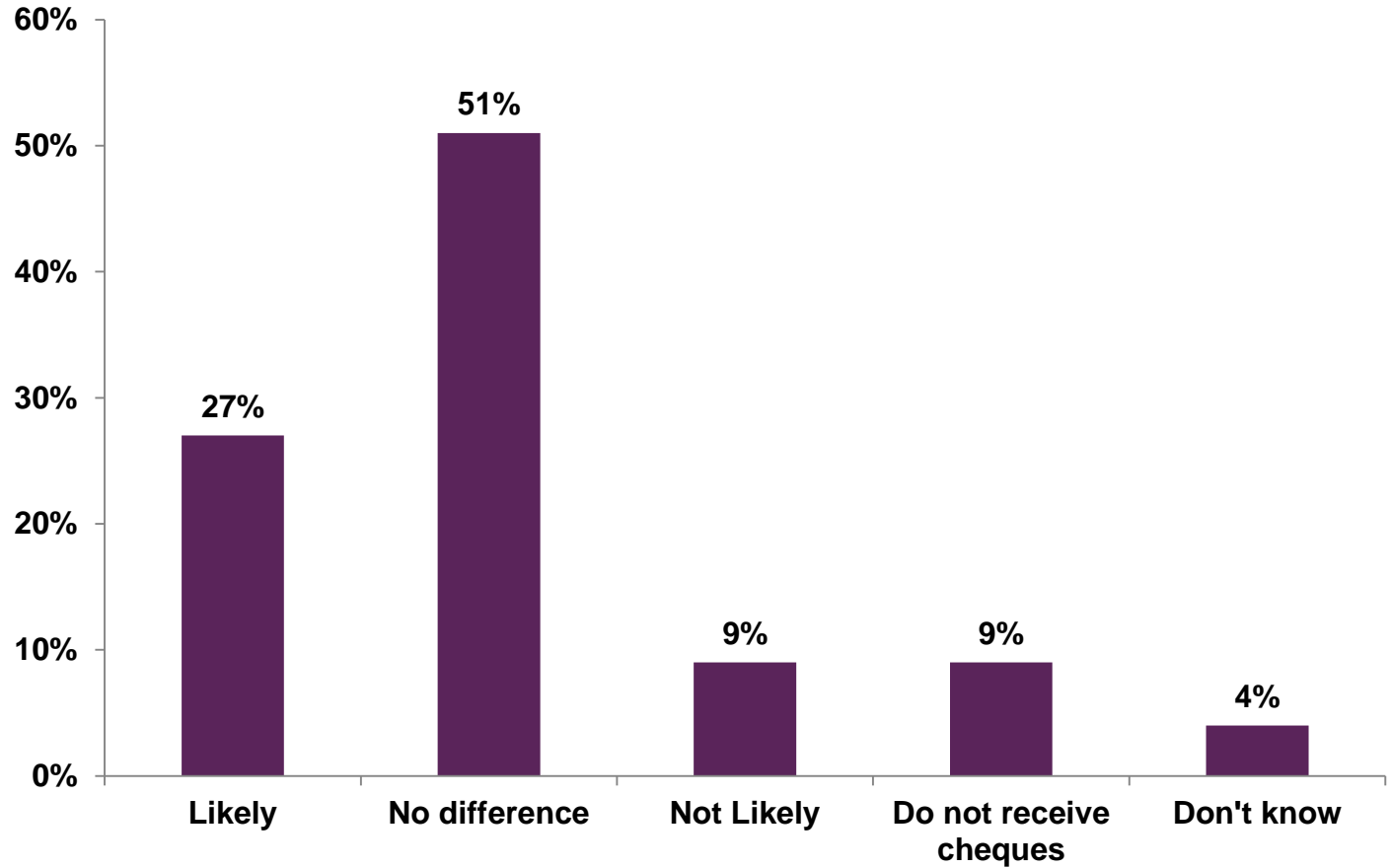


# LIKELIHOOD OF ACCEPTING MORE CHEQUE PAYMENTS WITH QUICKER CLEARING TIME





# 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**



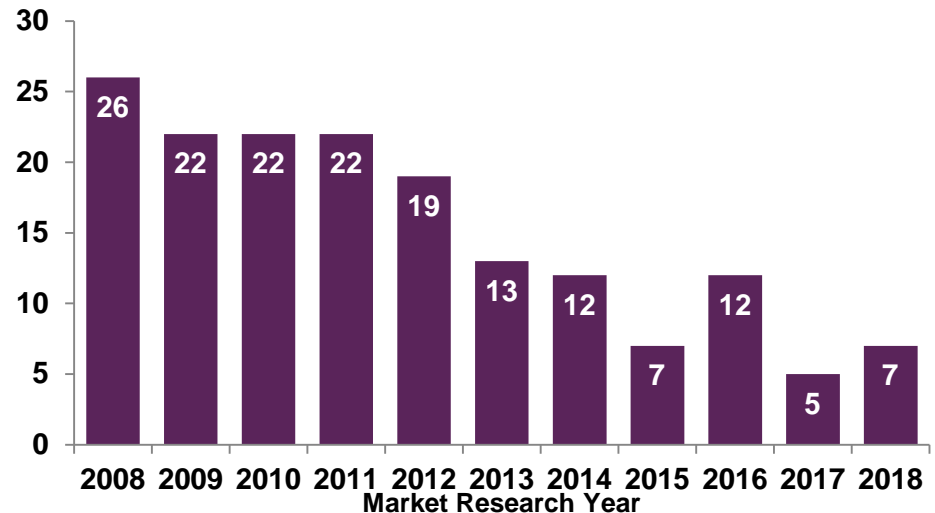
- **46%** of UK businesses said that they had made payments by cheque in the **past month**
  - 89% in 2008, 70% in 2013



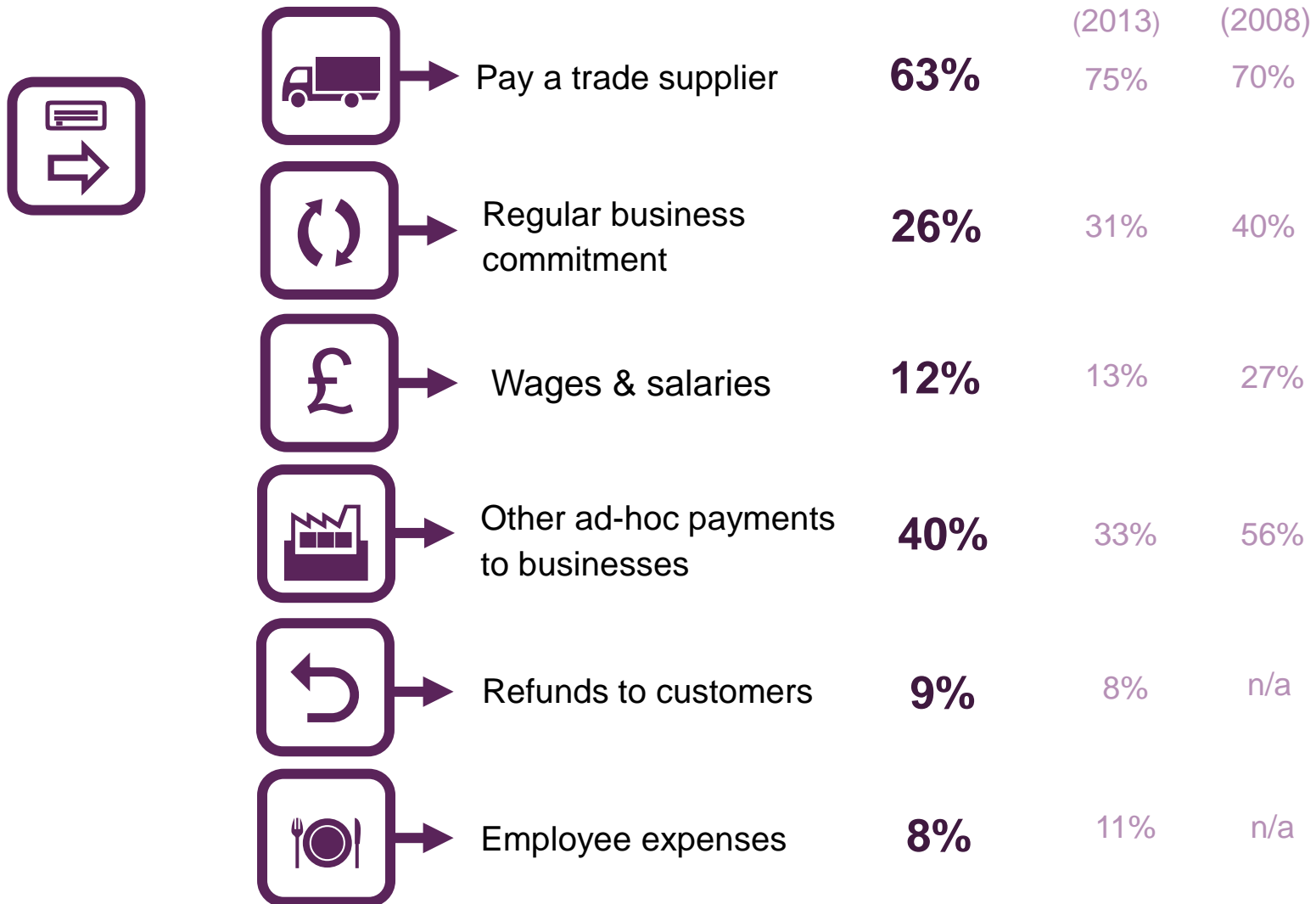
Average number of **cheques written** per month by businesses:

**7**

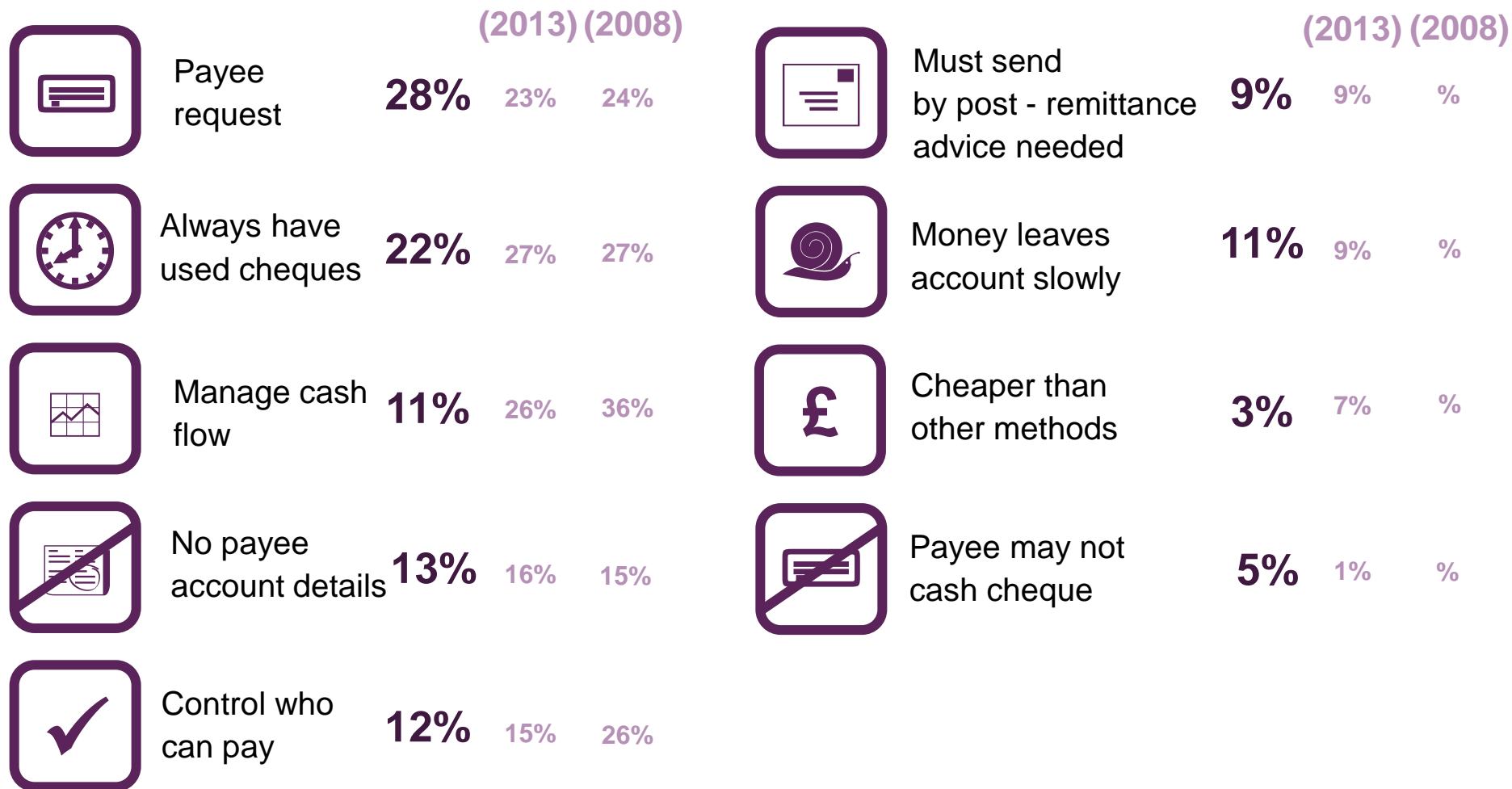
(13 in 2013, 26 in 2008)



## WHAT ARE CHEQUES WRITTEN FOR?

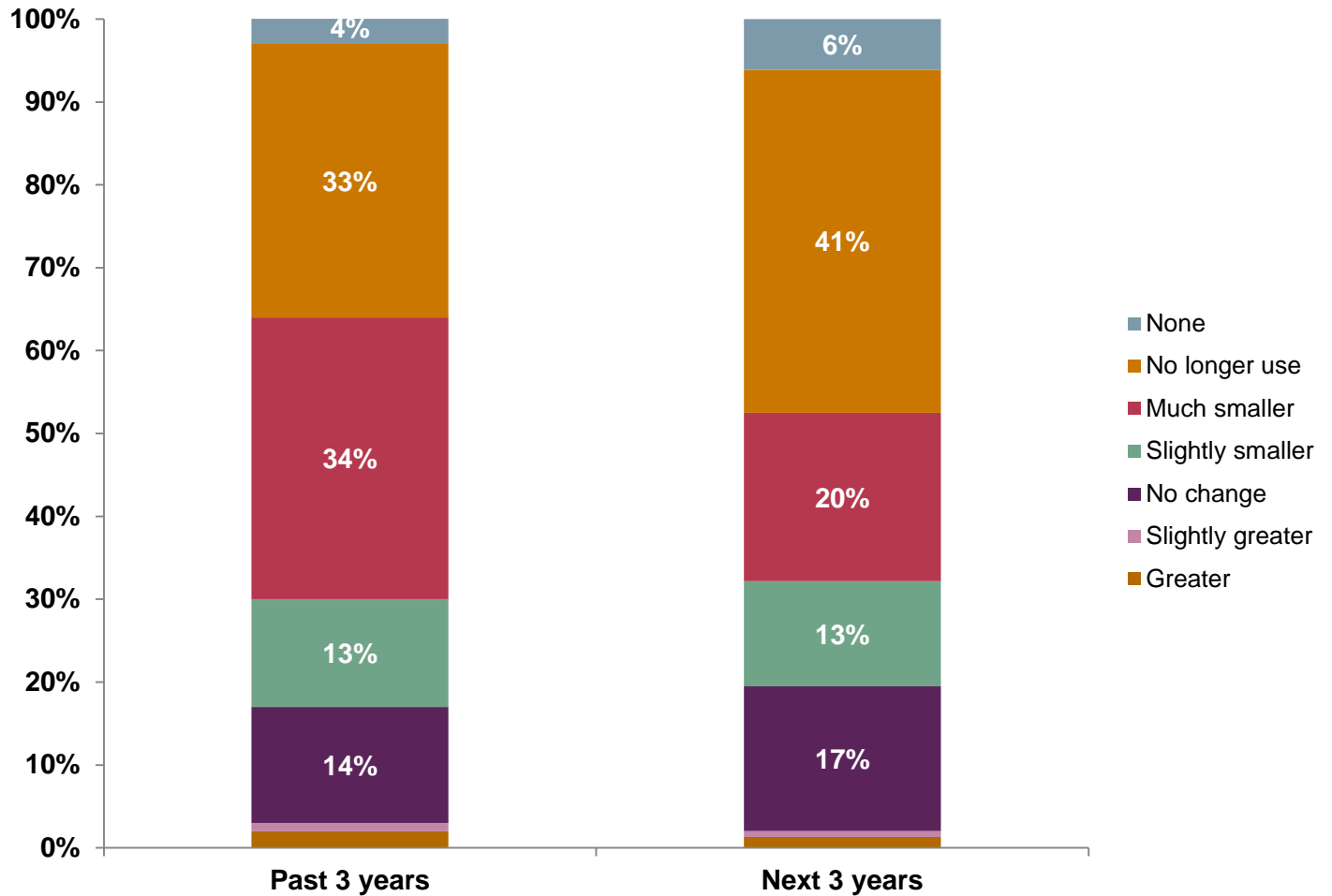


# REASONS WHY BUSINESSES USE CHEQUES

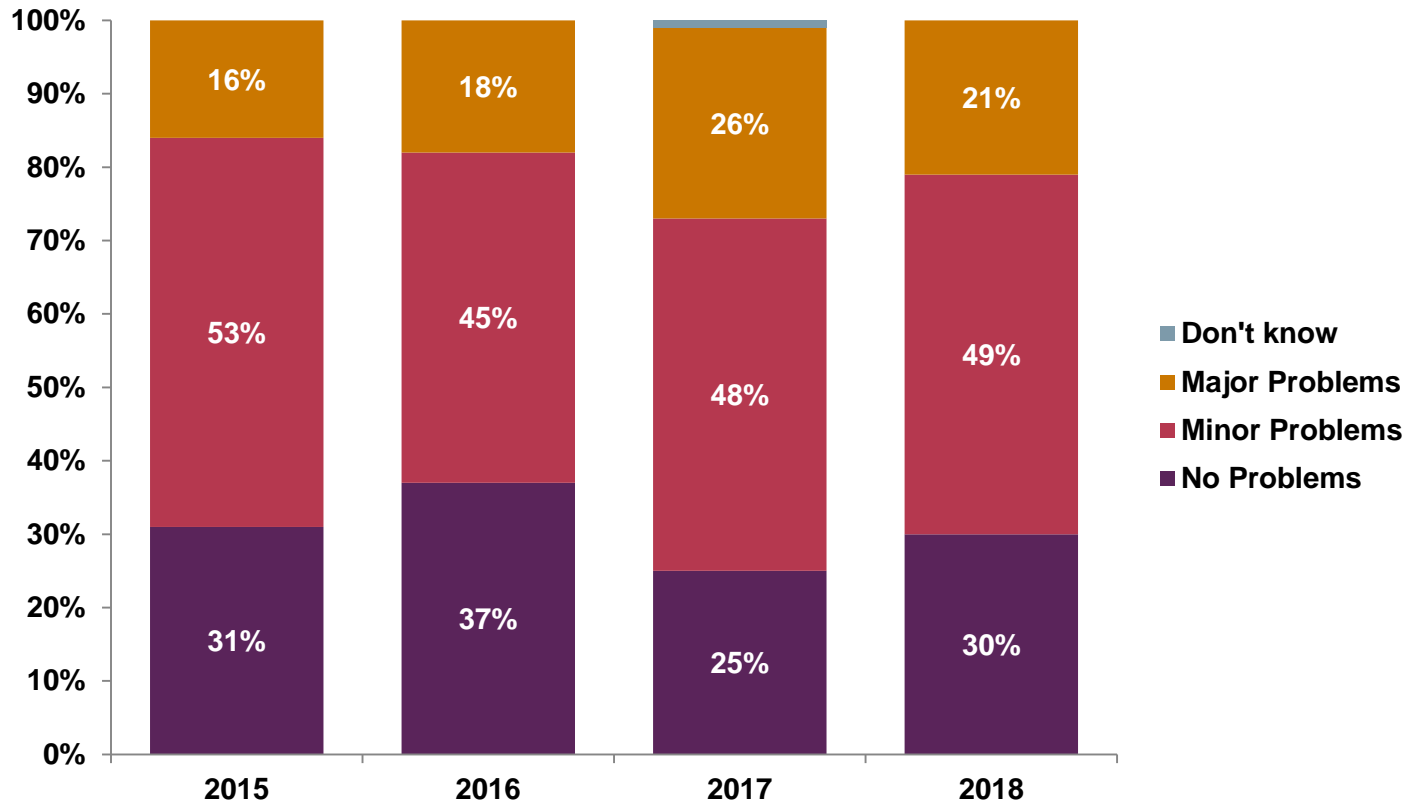


% of businesses who gave each reason for making payments by cheque

# 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



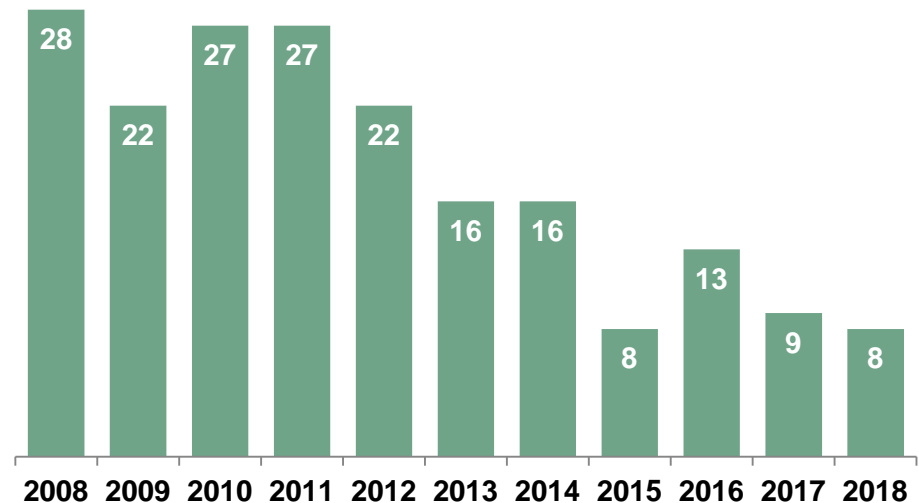
- **57%** of UK businesses said that they had received payments by cheque in the **past month** (87% in 2008, 72% in 2013)



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%**



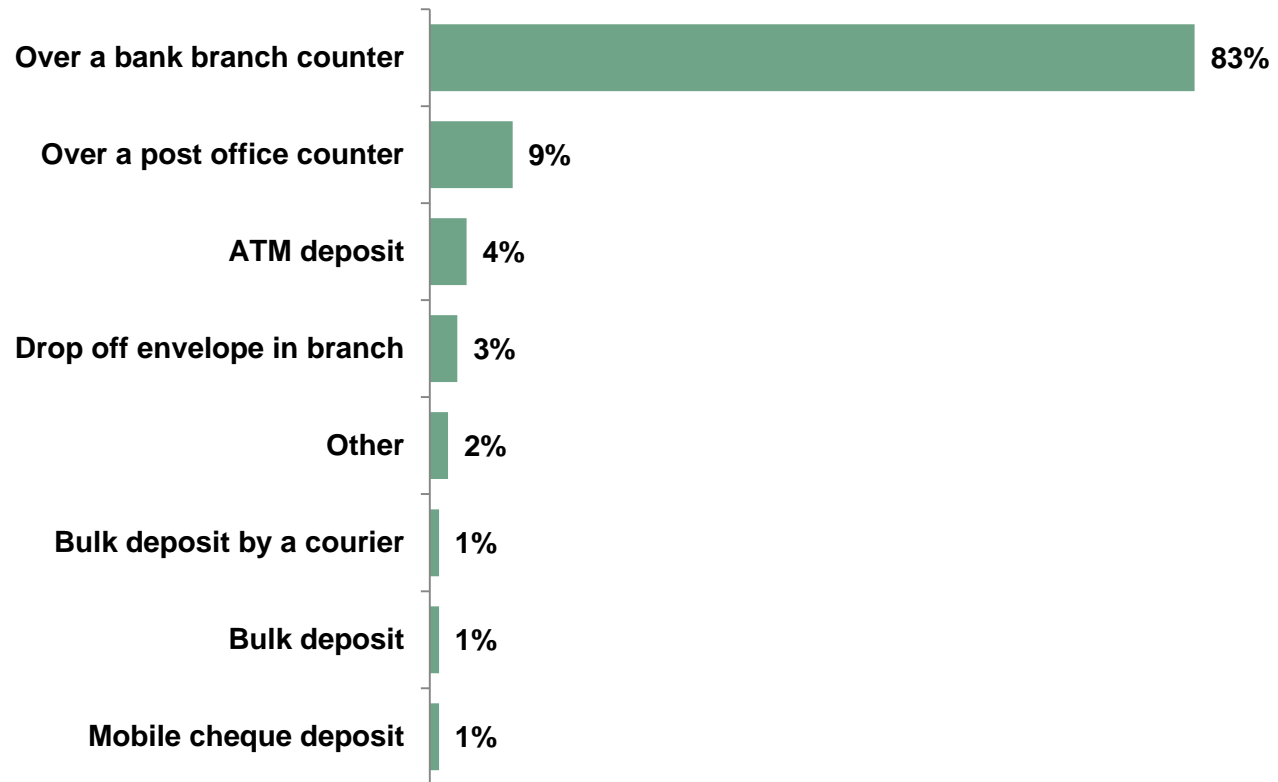
Dividends

**3%**

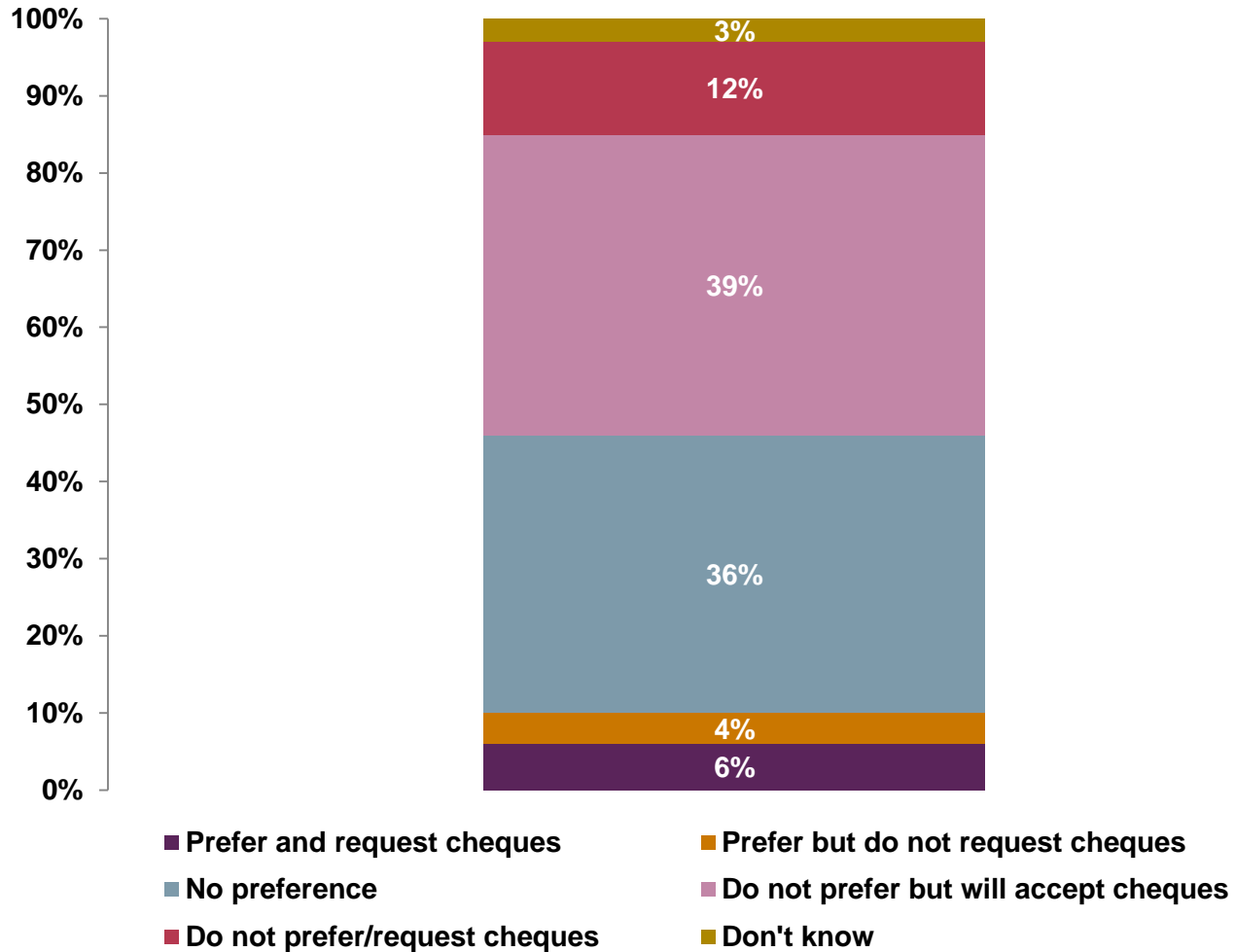
# CHEQUES RECEIVED BY BUSINESSES



Method used to deposit cheques into the business bank account



# ATTITUDES TO RECEIVING CHEQUES

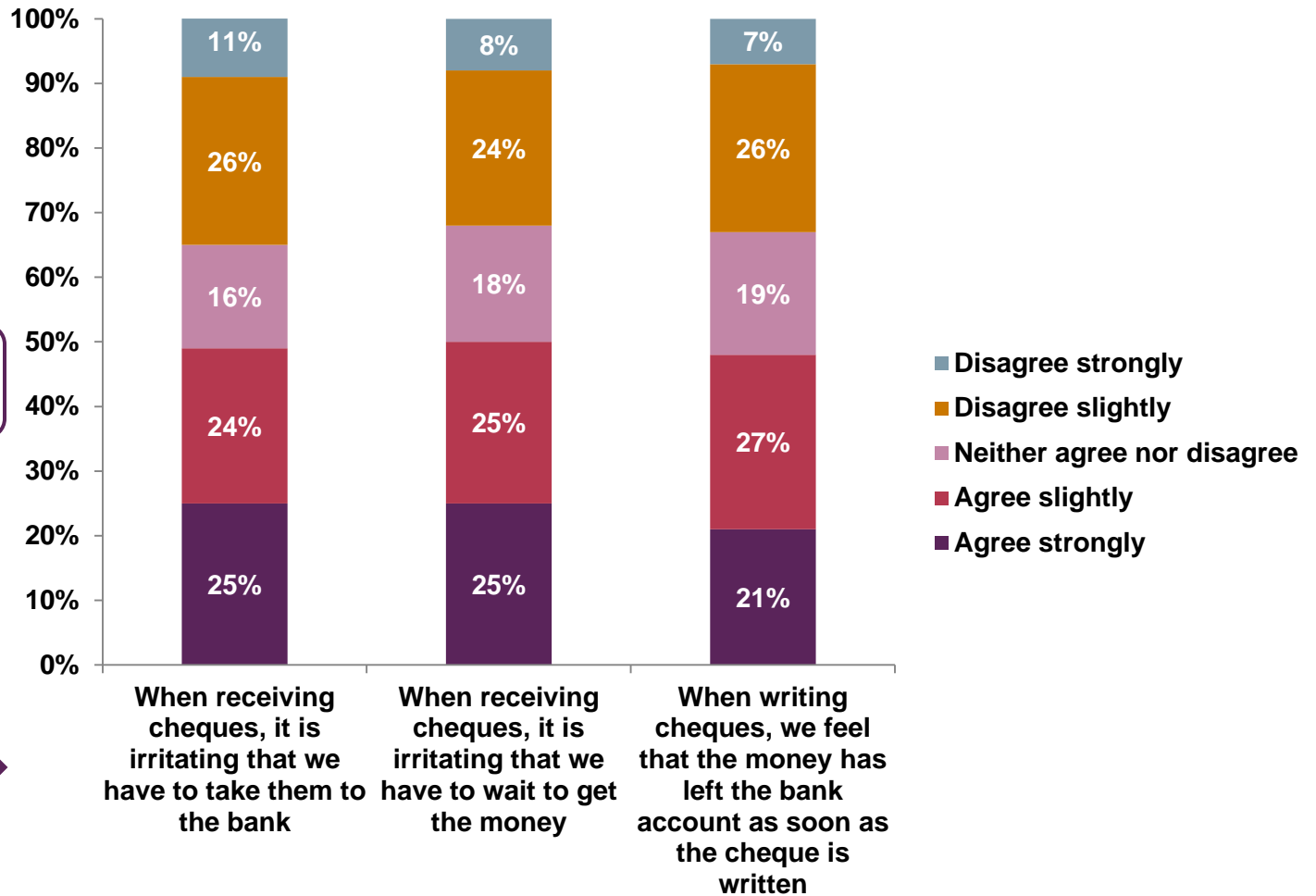


% of businesses that received cheques in the past month

# WIDER ATTITUDES TOWARDS CHEQUES



49 %

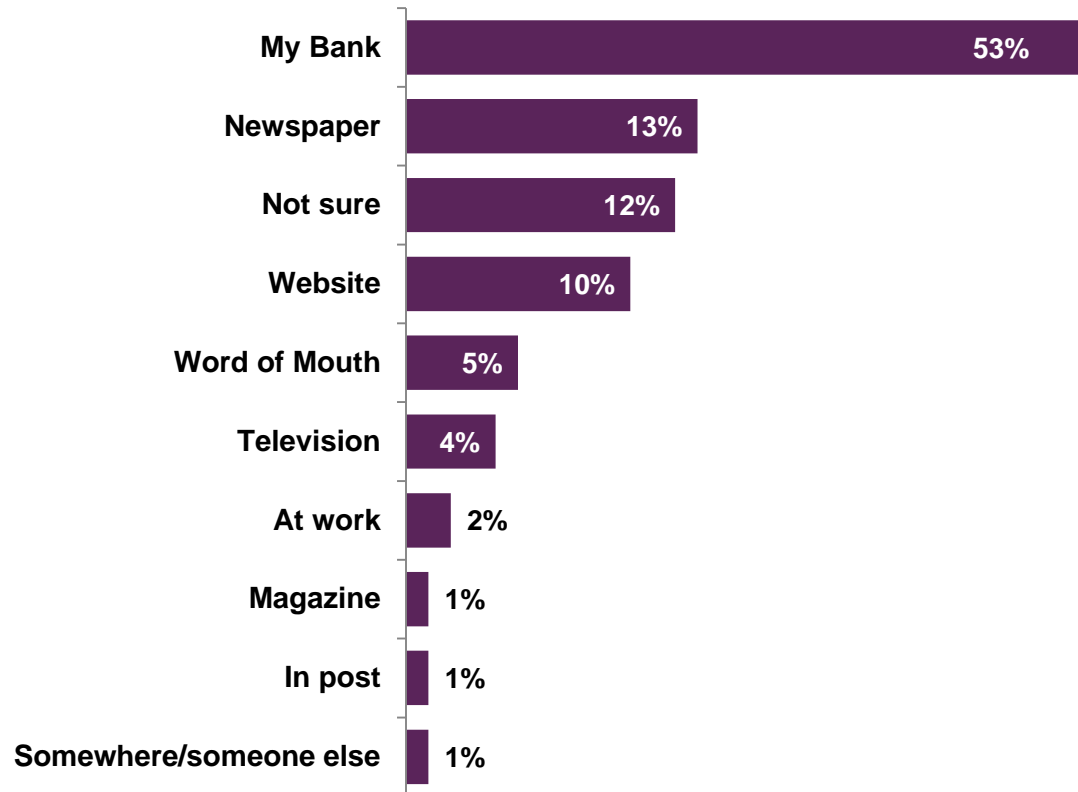


# CHEQUE IMAGING



**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?

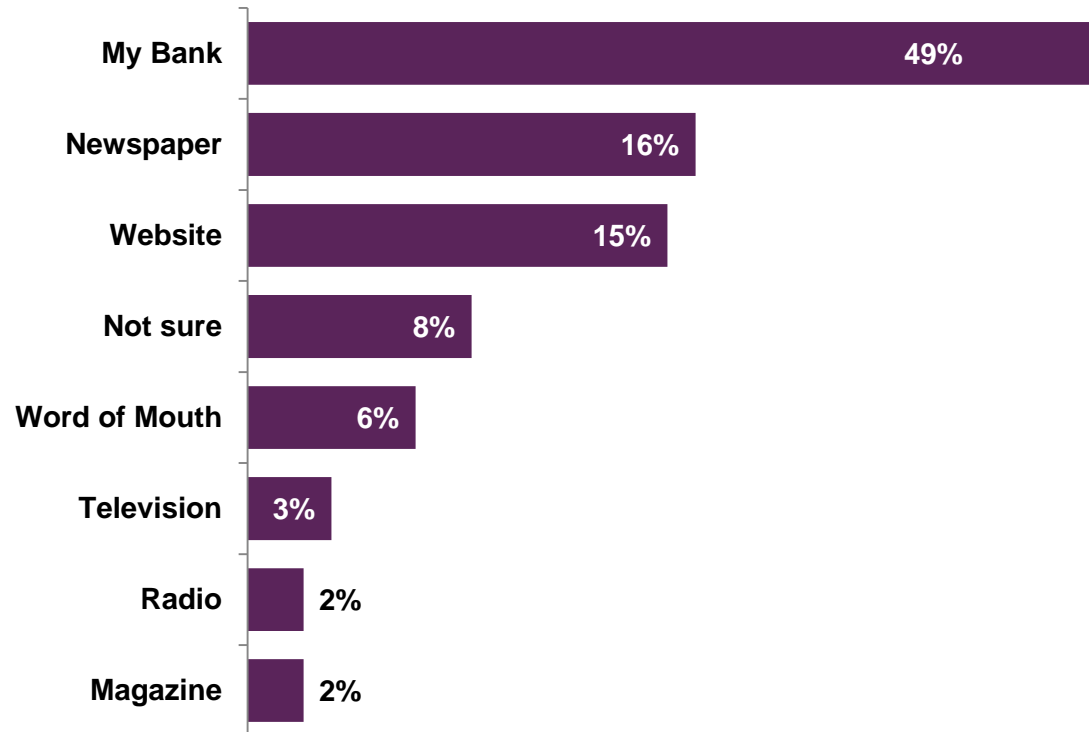


# CHEQUE IMAGING – MOBILE

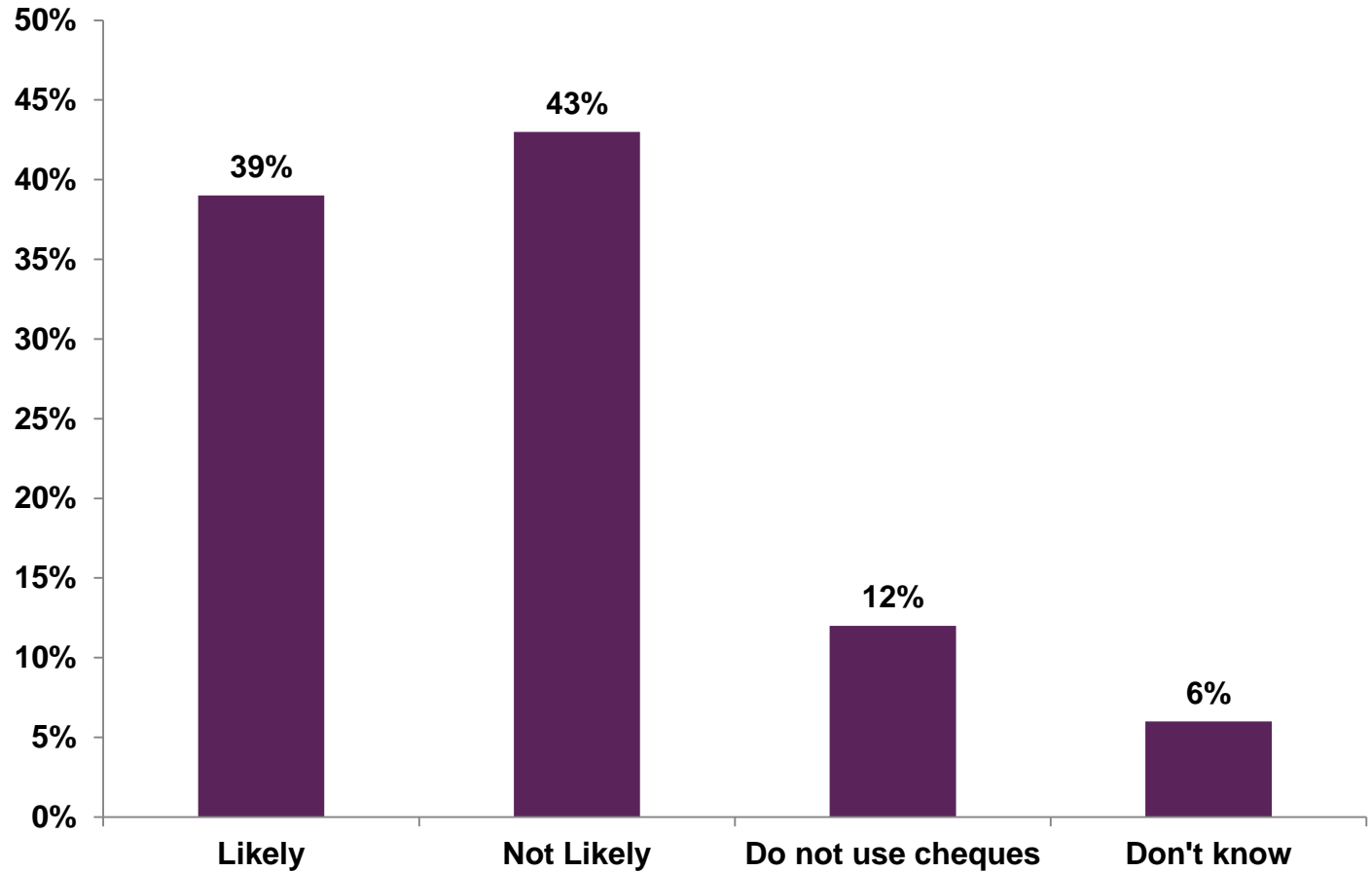


**23%** of businesses are aware that the Banking industry is in the process of introducing cheque imaging, which may allow businesses to deposit cheques by taking images via their mobile banking app or using a desktop scanner. *This is a decrease on Q3-2017 (26%).*

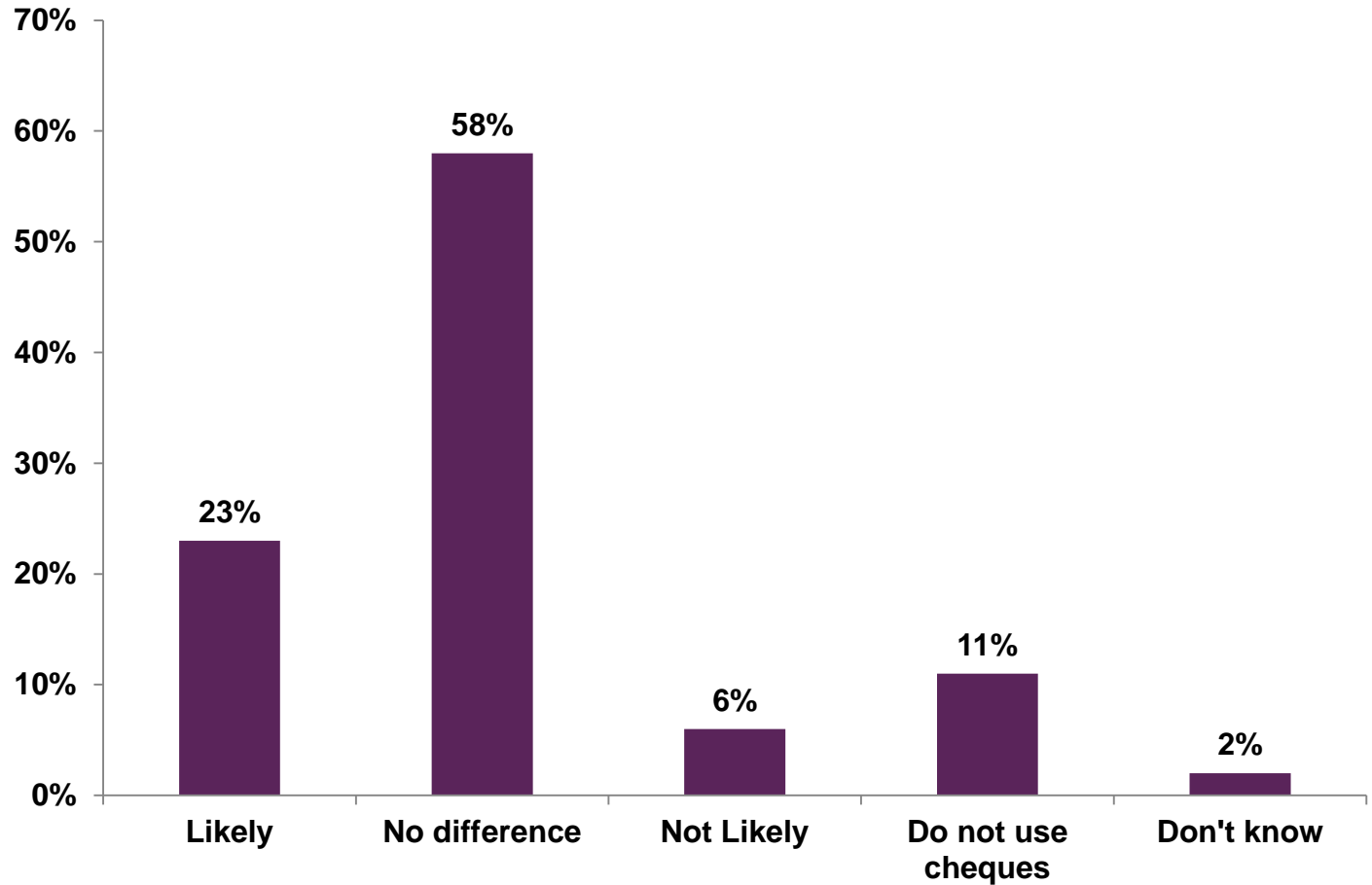
Where did you hear about deposit by cheque imaging?



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

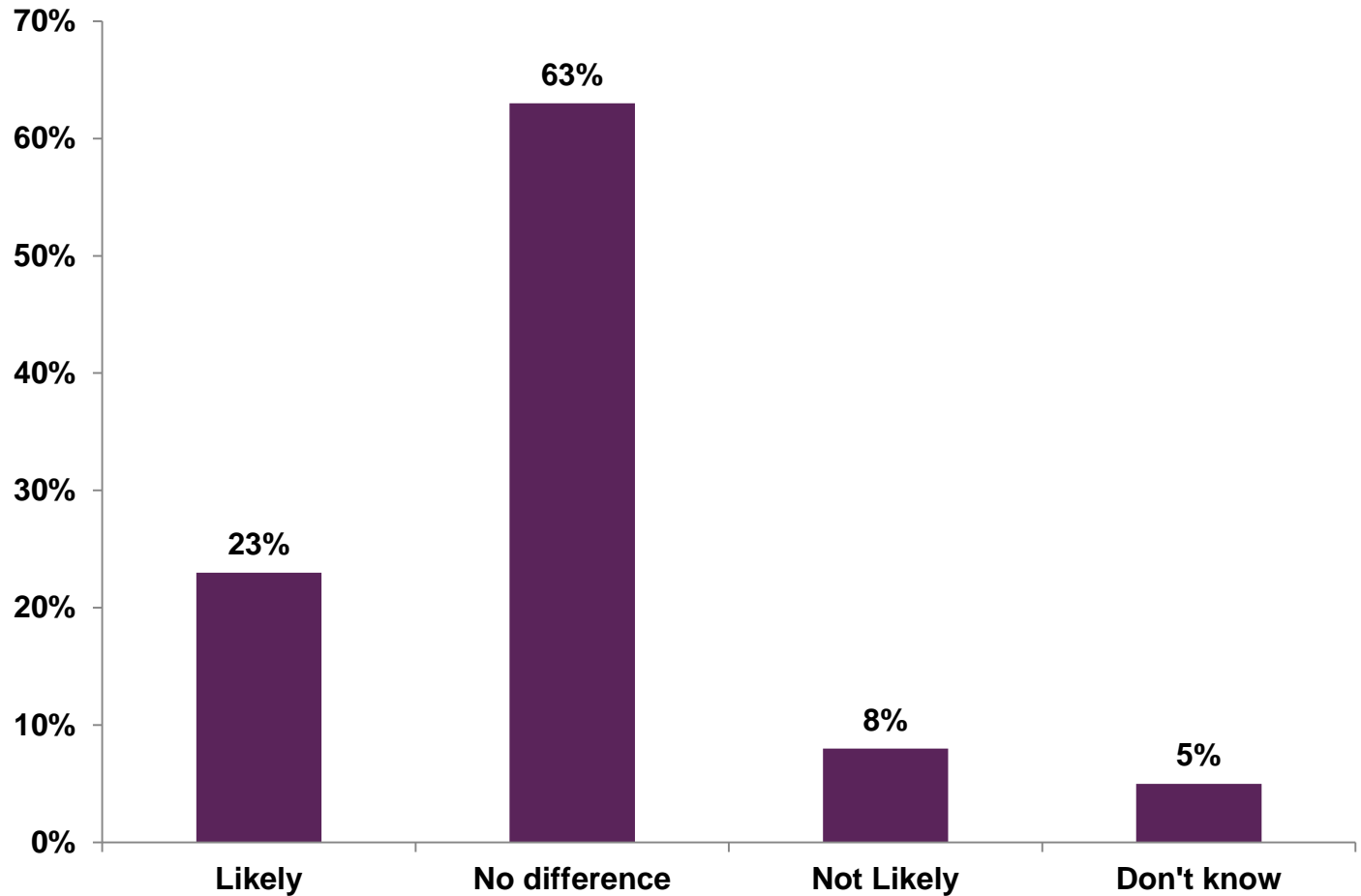


# LIKELIHOOD OF ACCEPTING MORE CHEQUE PAYMENTS WITH QUICKER CLEARING TIME





# LIKELIHOOD THAT CHEQUE IMAGING WILL INCREASE CHEQUE USAGE











# CHARITY USE OF CHEQUES

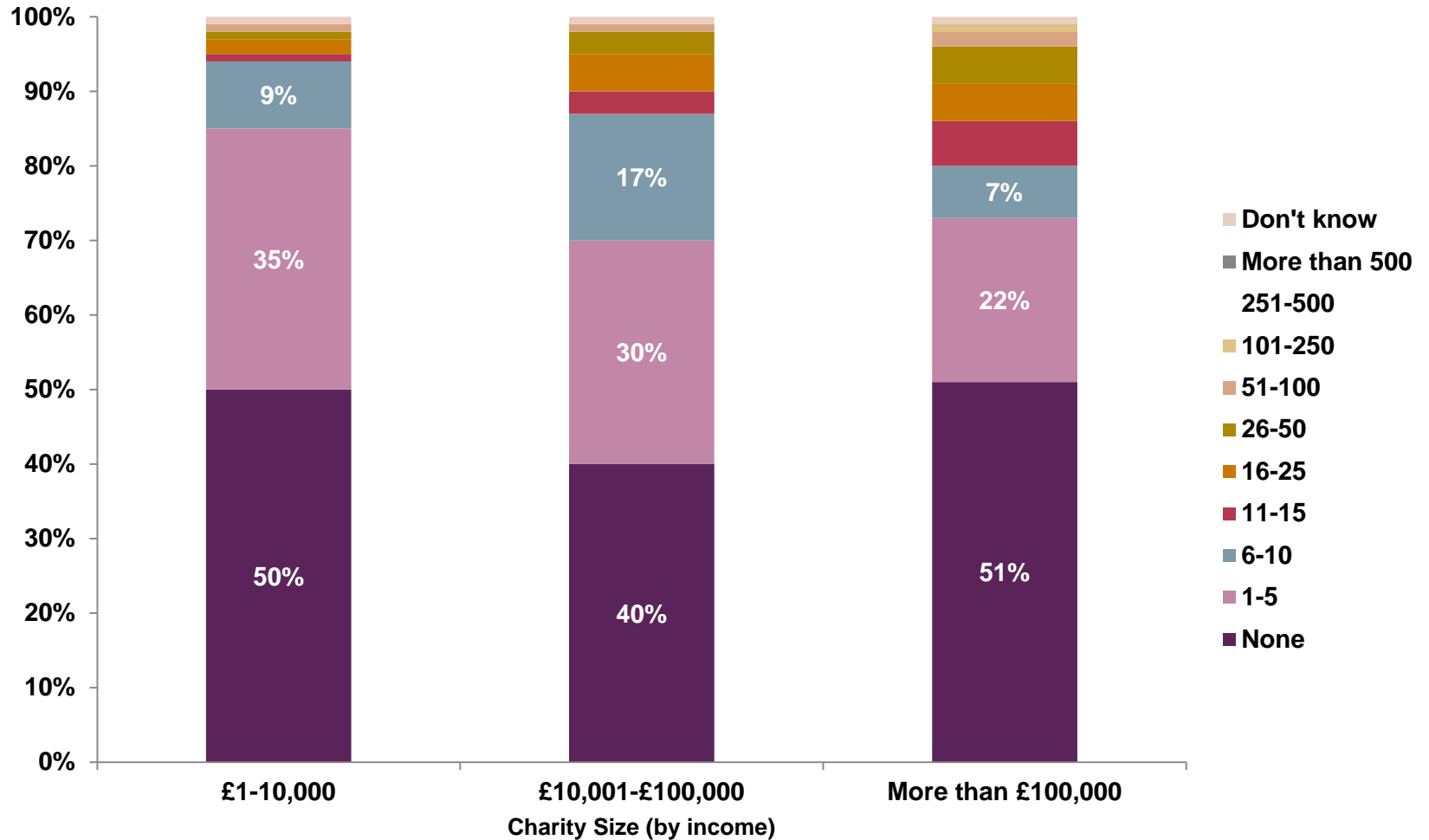


## USE OF CHEQUES

- 
  - **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**

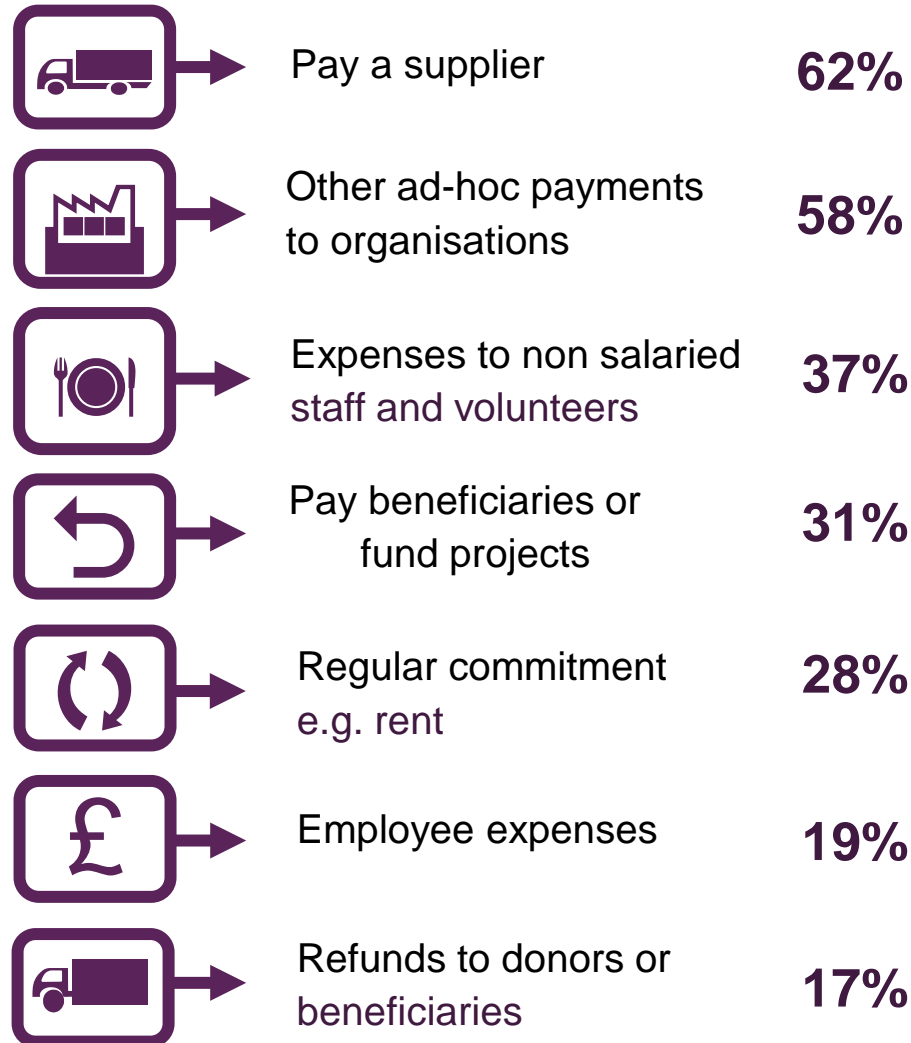


# CHARITIES MAKING CHEQUE PAYMENTS OVER THE LAST MONTH



% 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

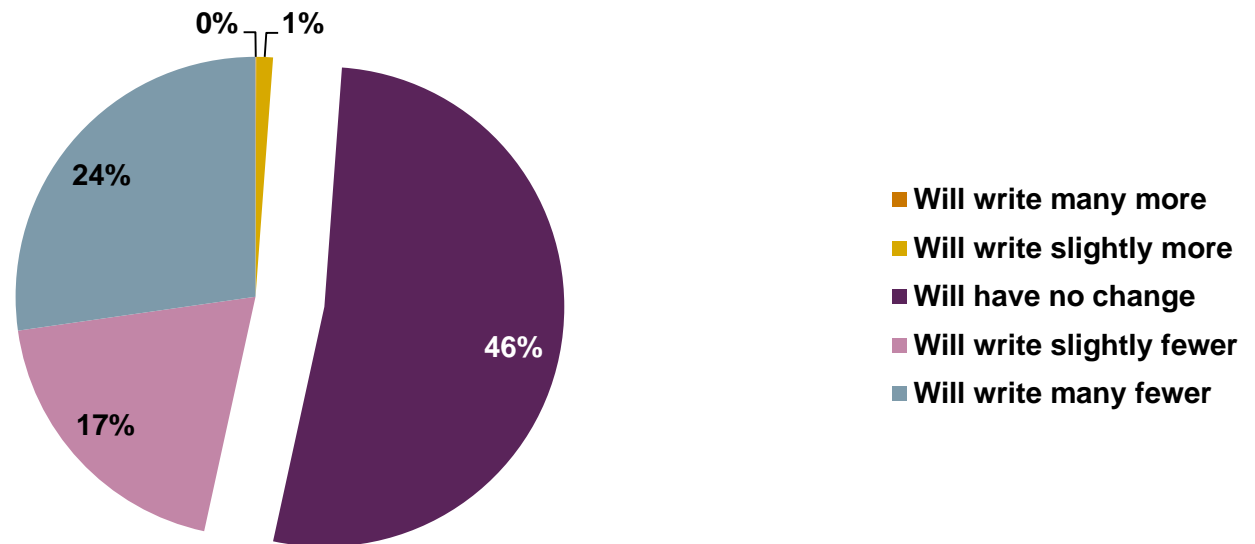
**13%**

# CHANGES IN CHEQUE WRITING OVER THE LAST AND NEXT THREE YEARS

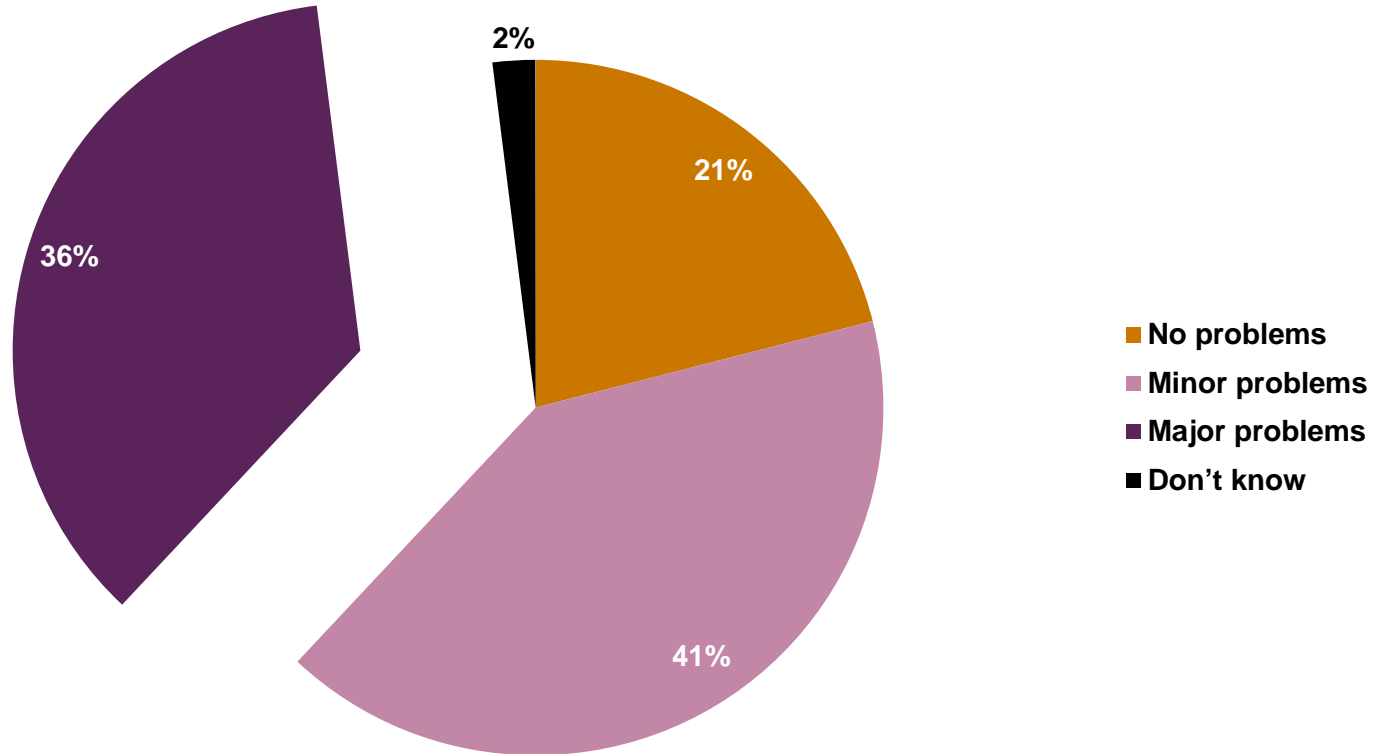


**34%** of charities say their cheque usage has not changed much in the last three years, and...

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



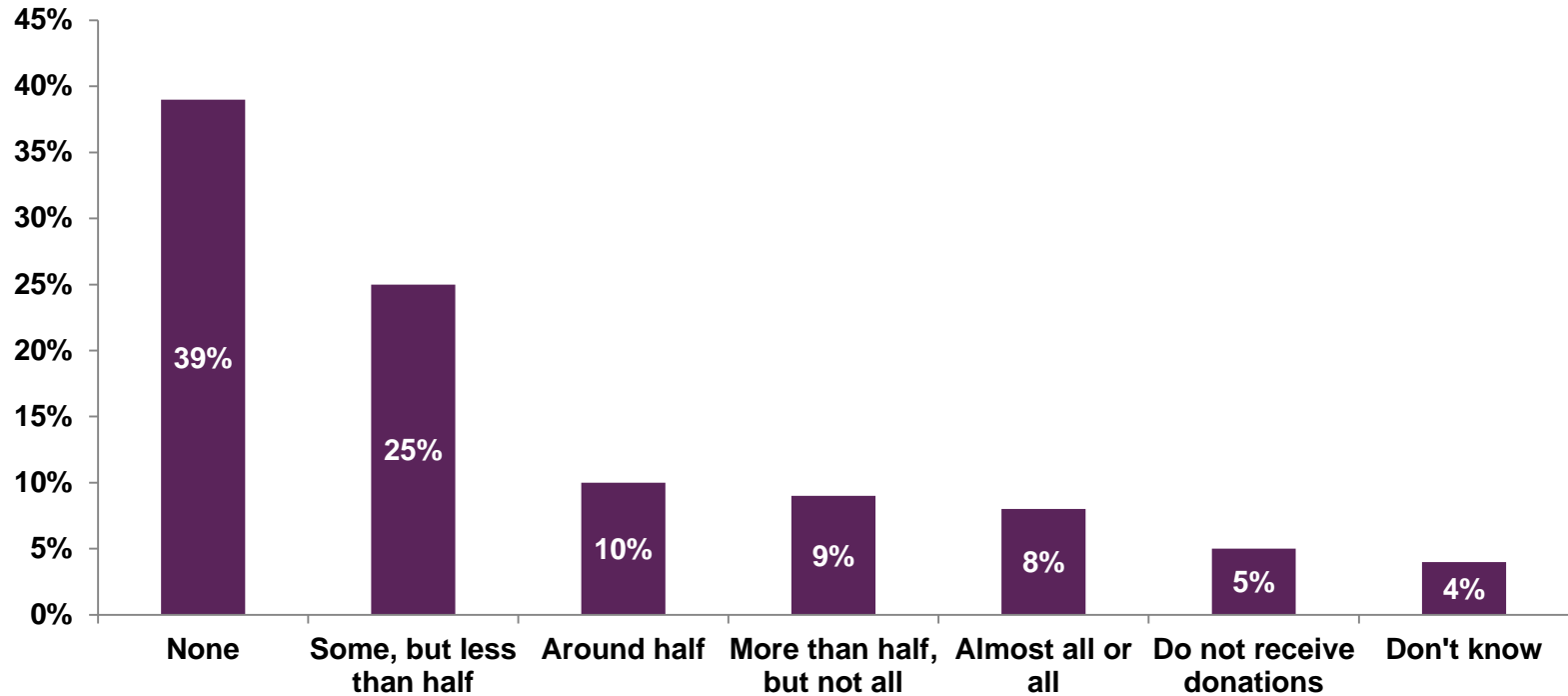
# PROBLEMS IF UNABLE TO WRITE CHEQUES



**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**

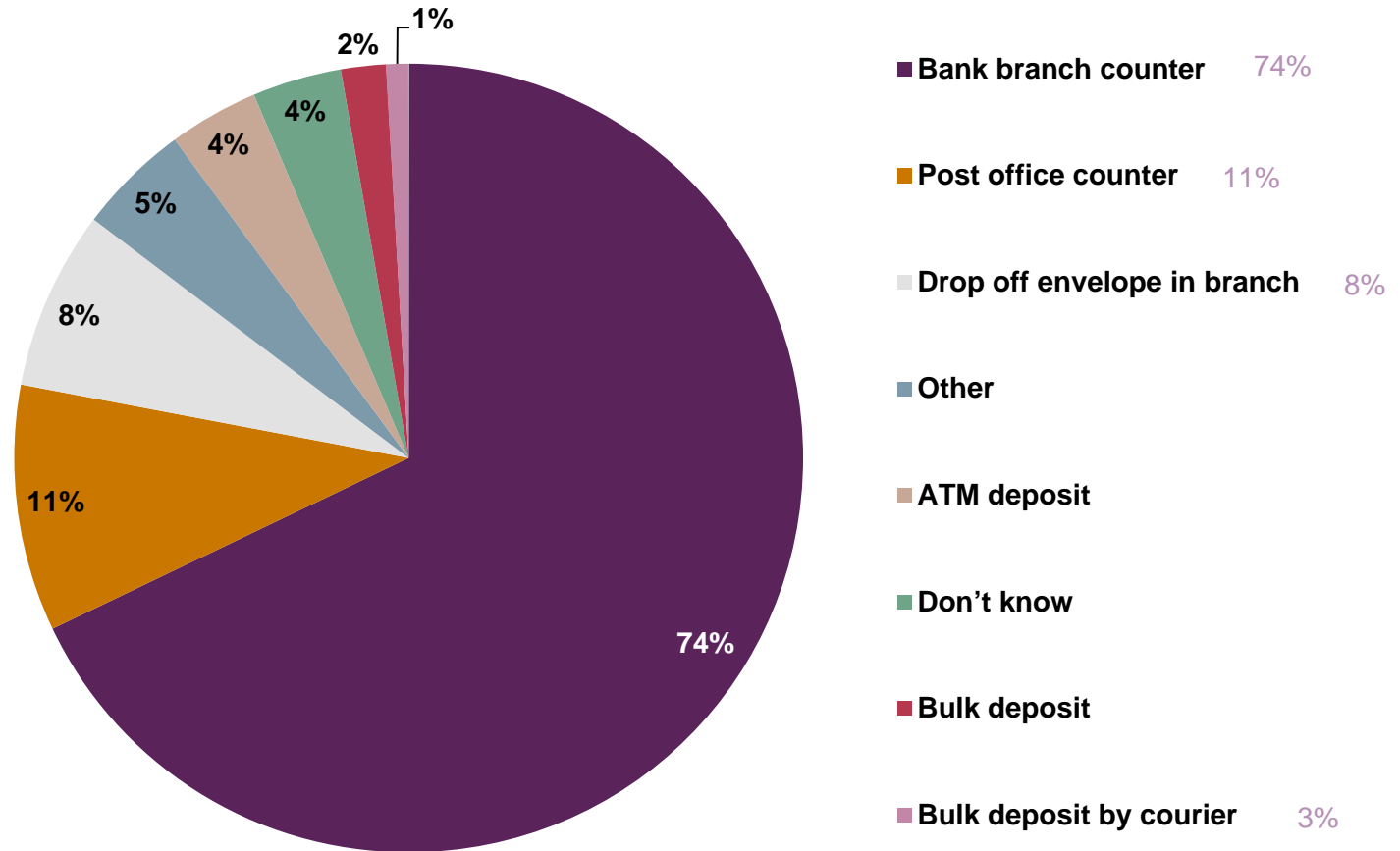
7%

**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



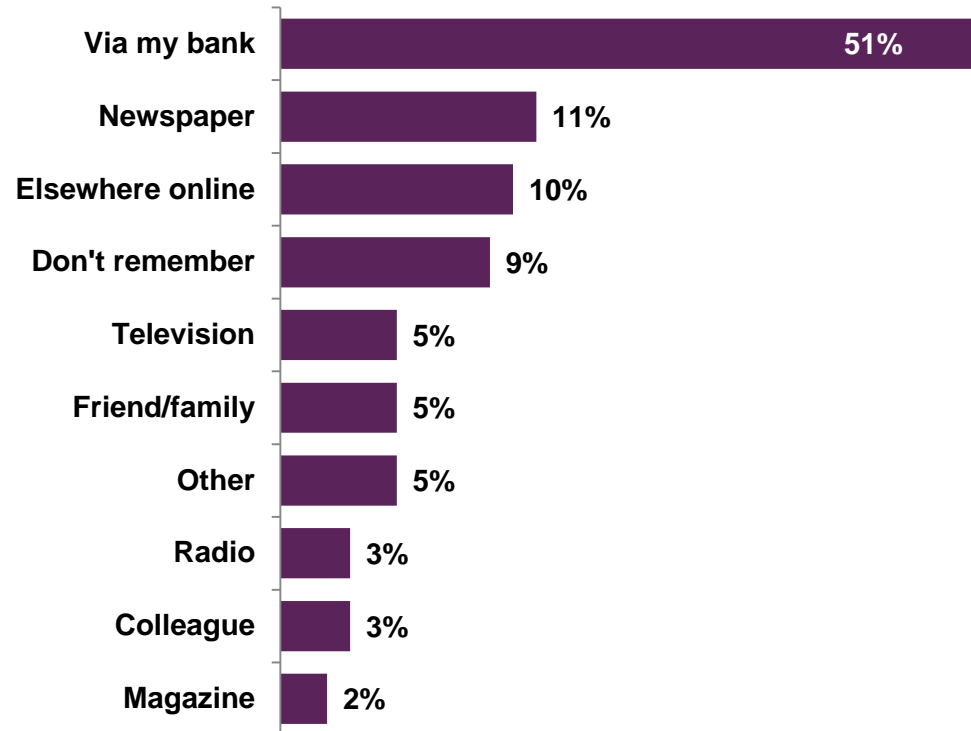
Respondents could select more than one option

# 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?

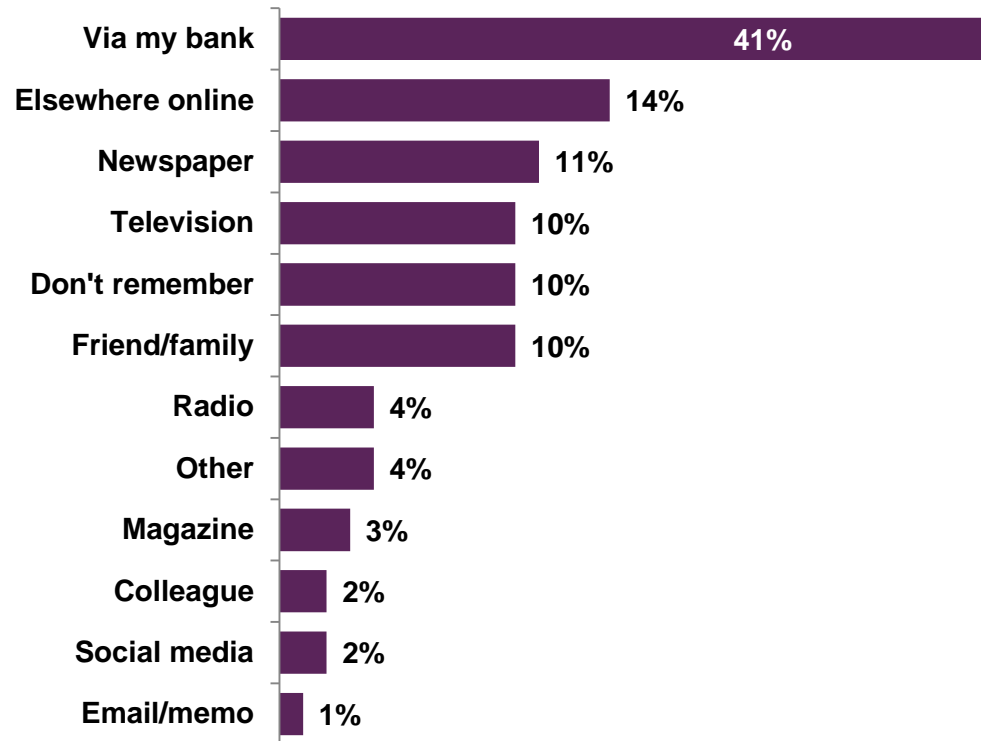


# CHEQUE IMAGING – MOBILE

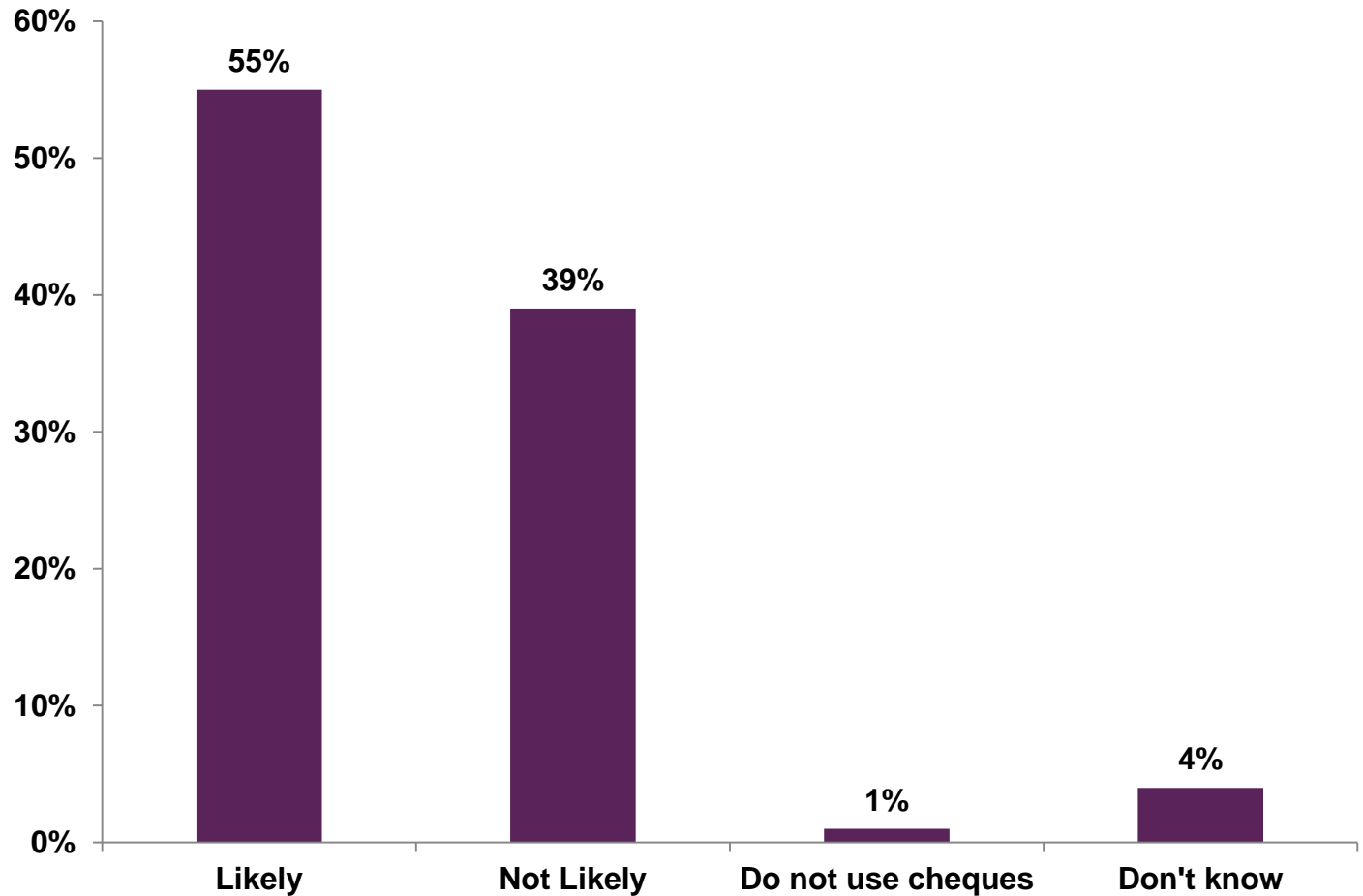


**21%** of charities are aware that the banking industry is in the process of introducing cheque imaging, which **MAY** allow people to pay in cheques by taking **IMAGES** via **THEIR** mobile banking app. *This is an increase on Q3-2017 (18%).*

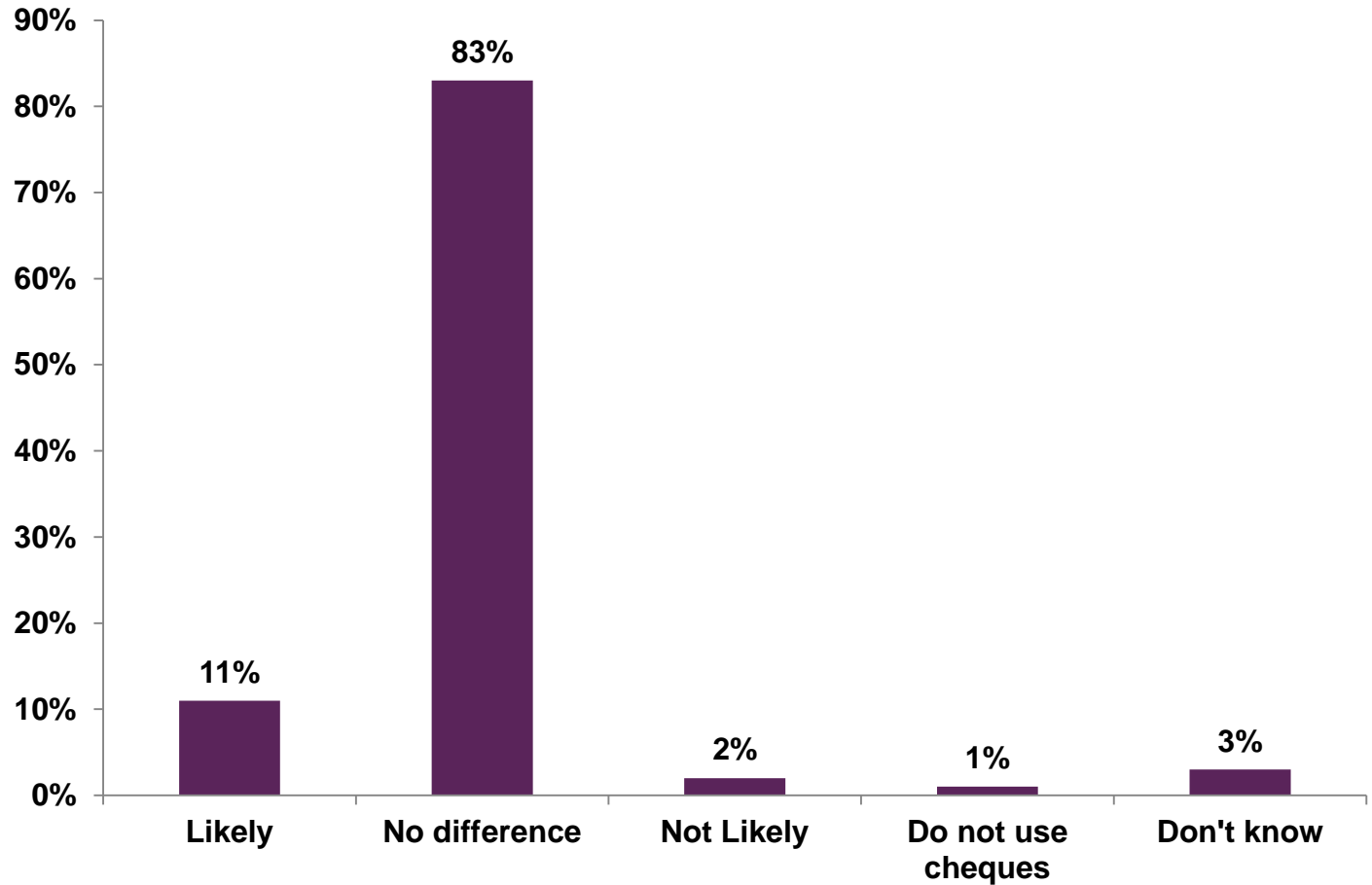
Where did you hear about cheque imaging on your mobile?



# 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

