



Cheque &
Credit
Clearing
Company

CHEQUES: MARKET RESEARCH 2017

July 2017

INTRODUCTION



Market research conducted annually in April



Consumer research

- C&CCC 11th annual survey of consumers writing and receiving cheques by Kantar TNS
- 2,000 consumers surveyed face-to-face*



Business research

- C&CCC 10th annual survey of business users of cheques by BDRC
- 1,000 businesses surveyed by telephone*



Charity research

- C&CCC 2nd annual survey of charities writing and receiving cheques by Ipsos MORI
- 1,000 charities surveyed by telephone*



CONSUMER USE OF CHEQUES



USE OF CHEQUES



- **91%** of those questioned have a personal account with a bank or building society



- **34%** of UK account holders make payments by cheque



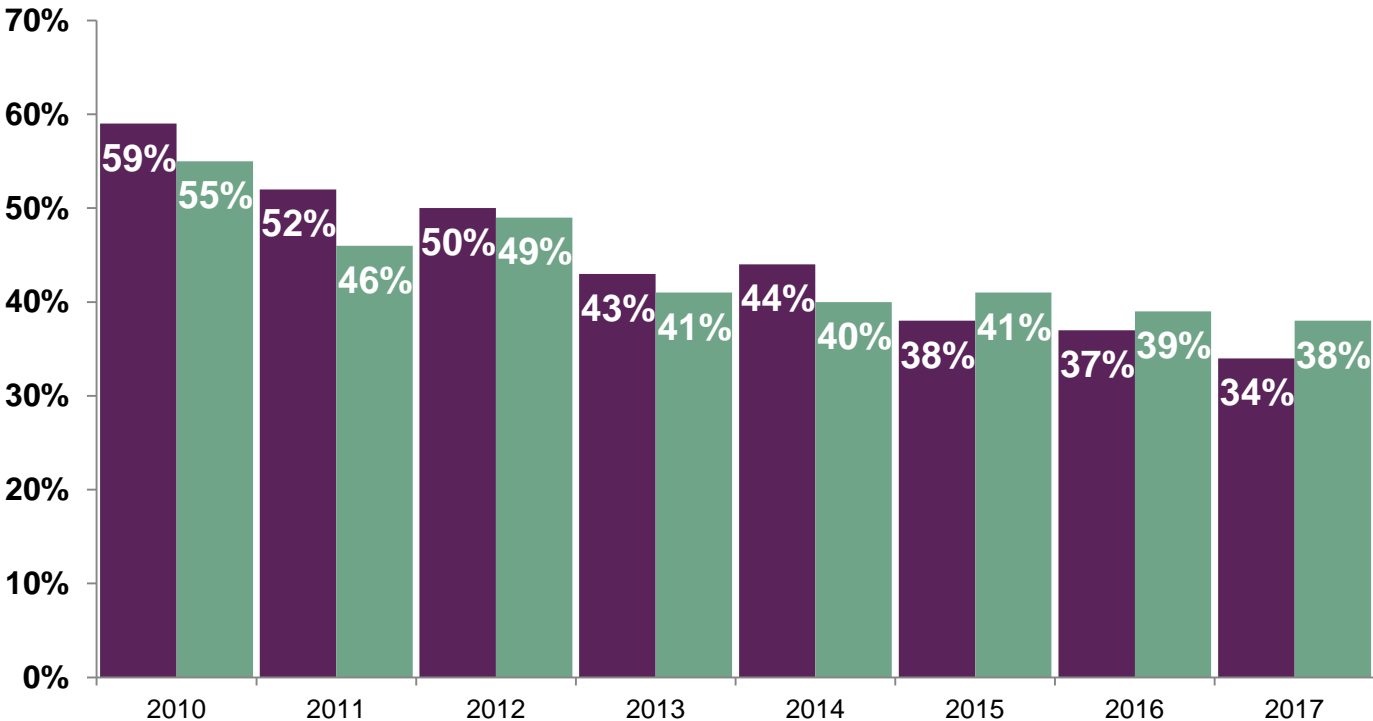
- **38%** of UK account holders received payments by cheque



- **55%** of UK account holders said that they had either made or received a payment by cheque in the past year



CONSUMER CHEQUE USE



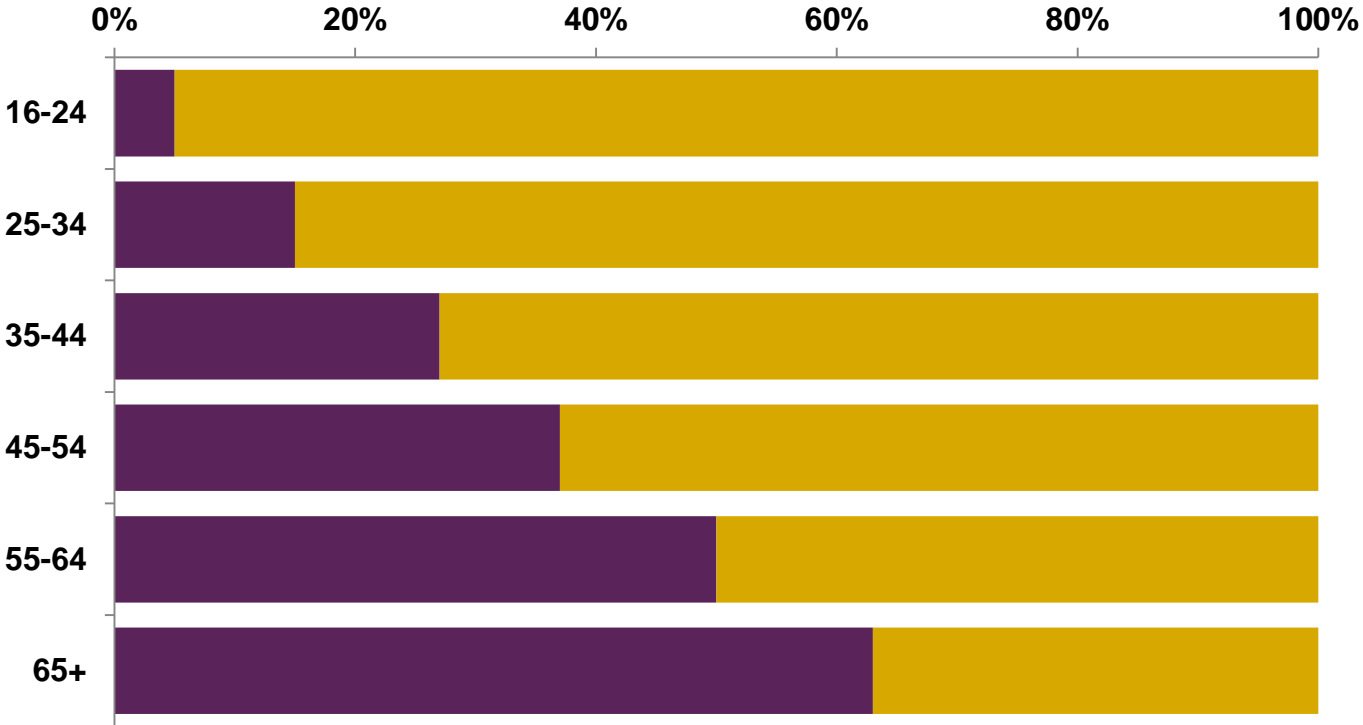
Proportion of people **writing** cheques

Proportion of people **receiving** cheques

% of account holders writing and receiving cheques



PROPORTIONS WRITING AND NOT WRITING CHEQUES, BY AGE



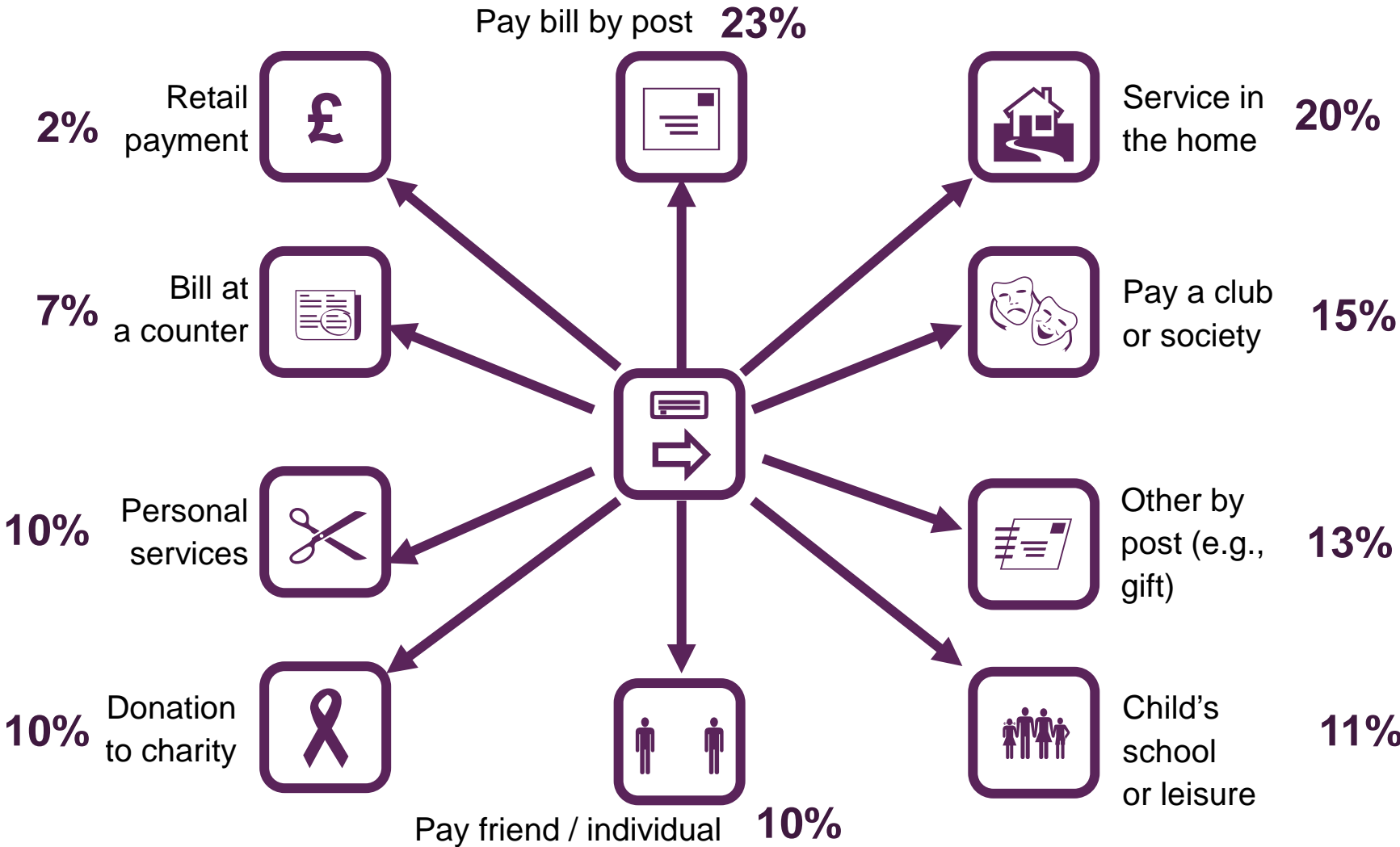
Proportion of people who **write** cheques by age group

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

% of account holders writing and receiving cheques








WHAT ARE CHEQUES WRITTEN FOR?



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





CONVENIENT ALTERNATIVES TO CHEQUES

PURPOSE	YES	CONVENIENT ALTERNATIVE	% OF YES PEOPLE
 Purchase in a shop not accepting credit or debit cards	33%	Cash	100%
 Money into savings account, investment	66%	Internet Banking Direct Debit	72%
 Paying by post for an internet purchase	71%	PayPal Credit Card	67%
 Bill at a counter	47%	Direct Debit Debit Card Internet Banking	64%
 Pay a club or society	47%	Internet banking Cash	51%

% of account holders writing cheques for each purpose who think there is a convenient alternative to a cheque
Other alternatives including Apple Pay and Android Pay – were not picked.



CONVENIENT ALTERNATIVES TO CHEQUES

PURPOSE	YES	CONVENIENT ALTERNATIVE	% OF YES PEOPLE
 Personal services	63%	Debit Card Cash	48%
 Childcare, children's school, leisure activities	59%	Internet Banking PayPal	43%
 Donation To charity	53%	Direct Debit Internet Banking	35%
 Bill by post	52%	Internet Banking Direct Debit	32%

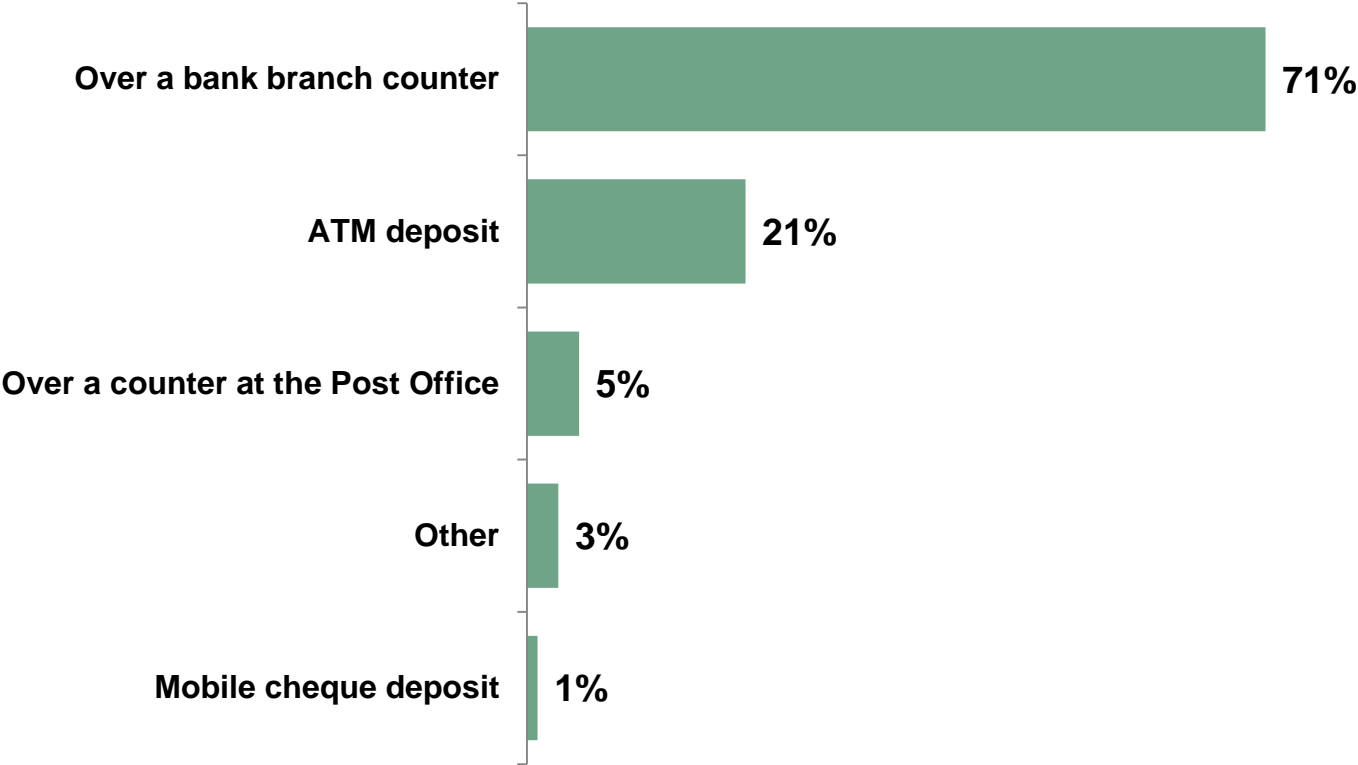
% of account holders writing cheques for each purpose who think there is a convenient alternative to a cheque
Other alternatives including Apple Pay and Android Pay – were not picked.



CHEQUES RECEIVED BY CONSUMERS

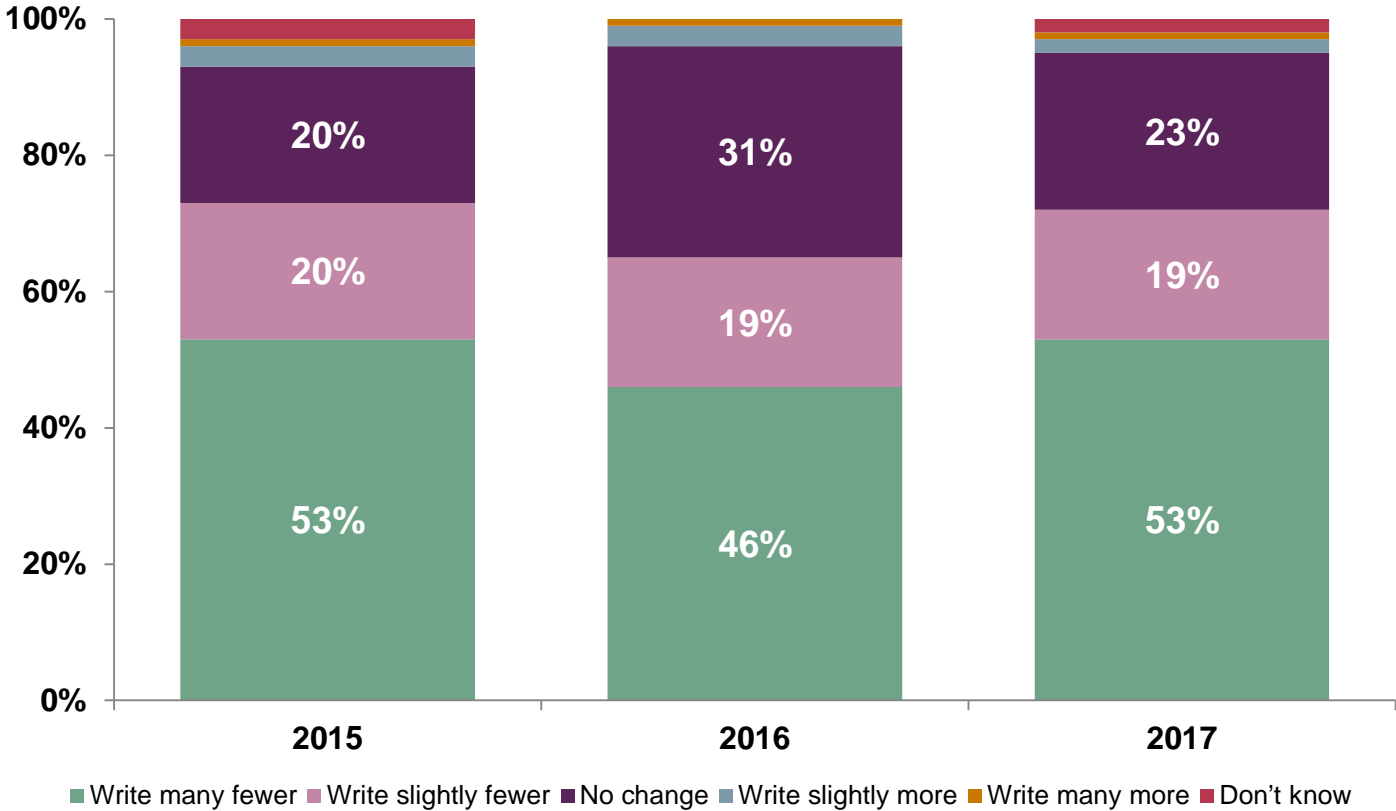


Method used to deposit cheques into bank account



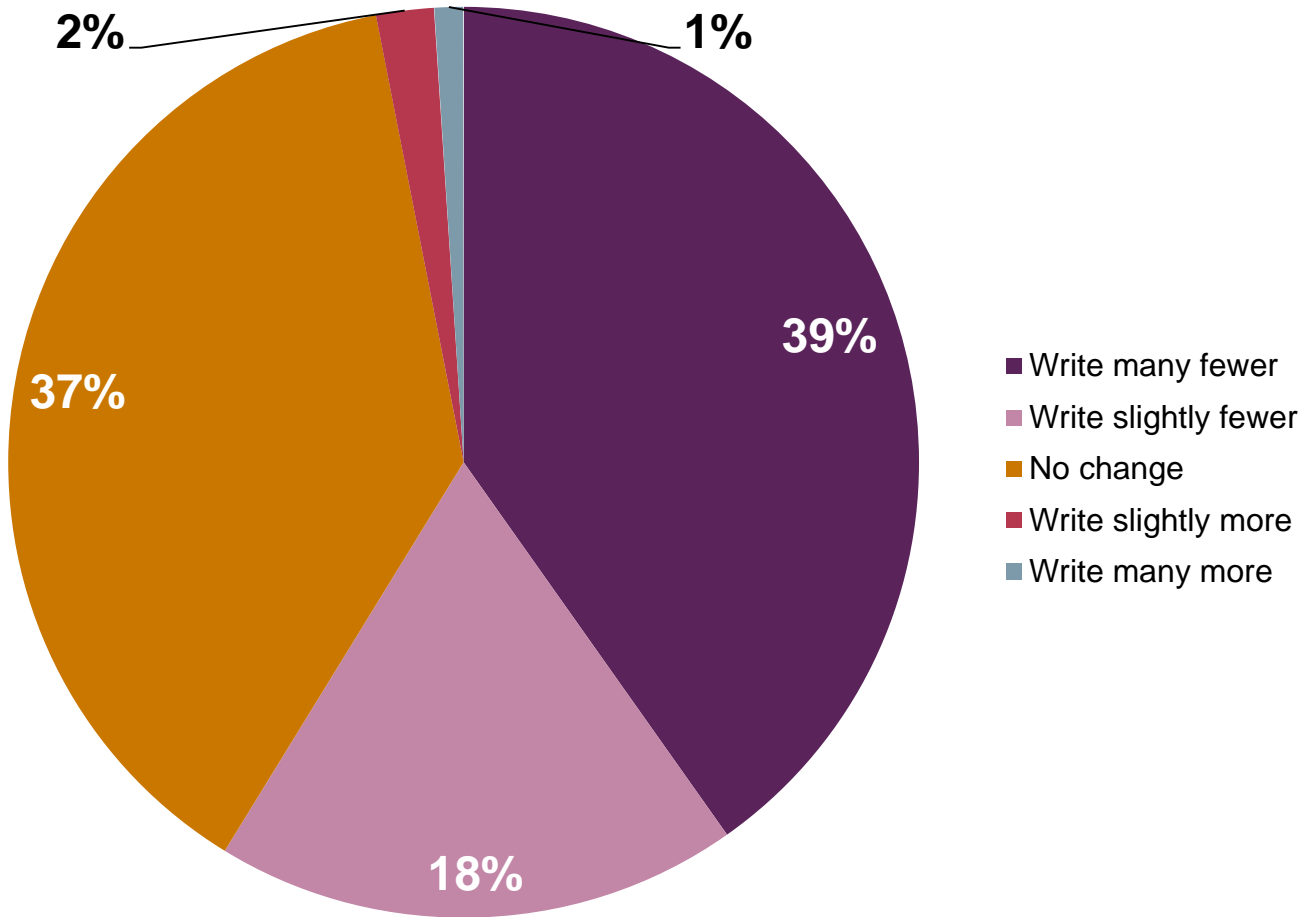


CHANGES IN CHEQUE WRITING OVER THE LAST THREE YEARS



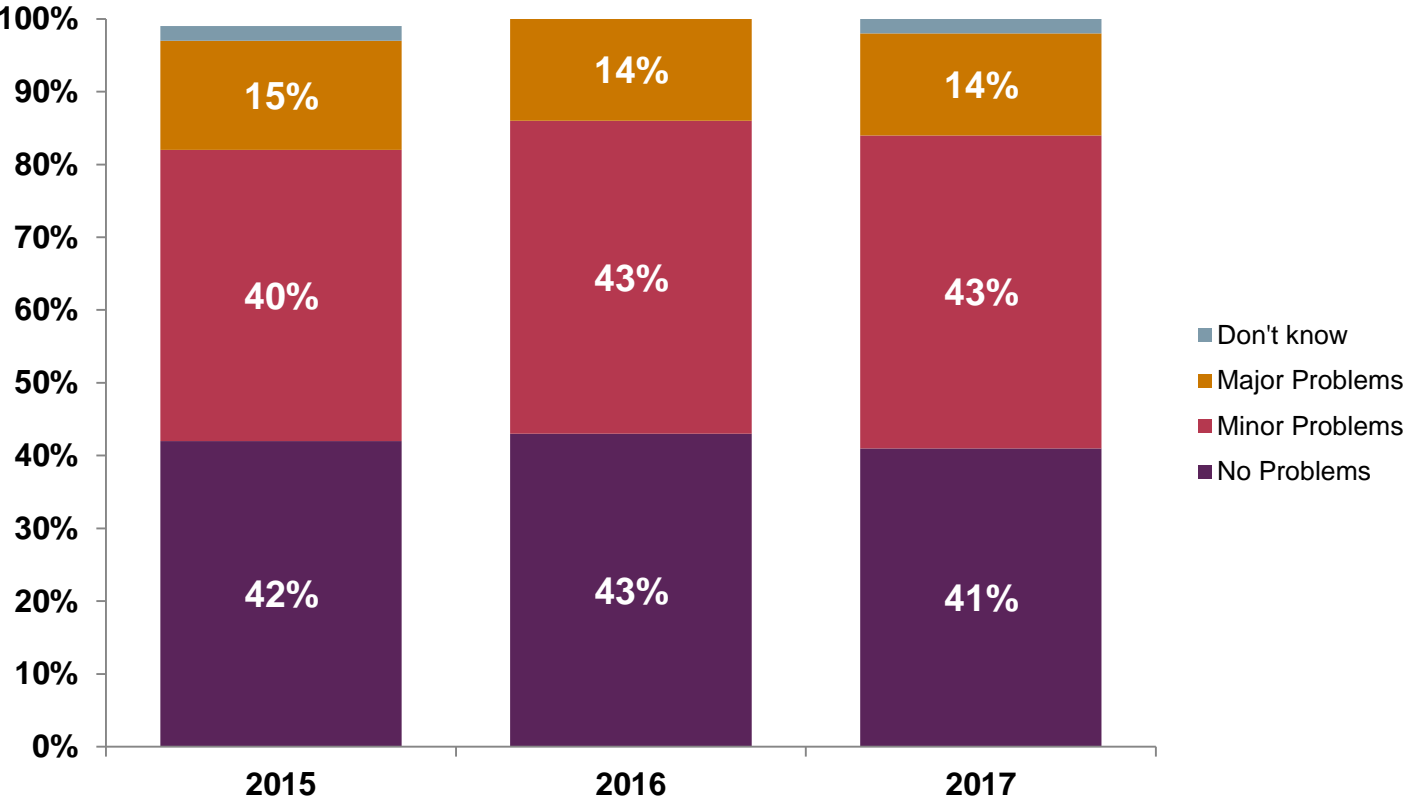


CHANGES IN CHEQUE WRITING OVER THE NEXT THREE YEARS



% of account holders writing cheques

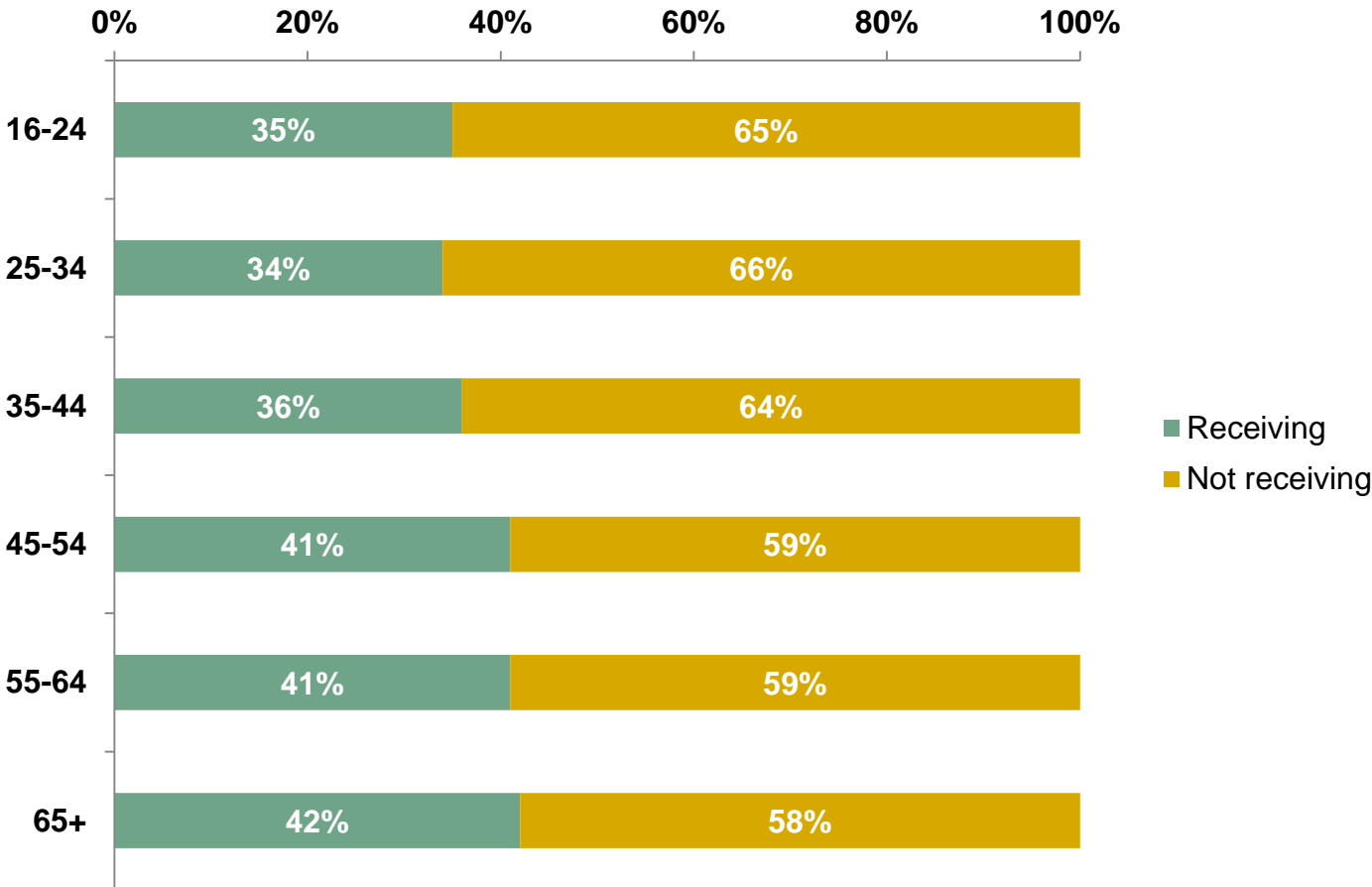
PROBLEMS IF UNABLE TO WRITE CHEQUES



Consumers still worried– 57% would have problems if unable to write cheques



PROPORTIONS RECEIVING AND NOT RECEIVING CHEQUES, BY AGE



Proportions writing and receiving cheques by age group; excludes don't knows

WHAT ARE CHEQUES RECEIVED FOR?



Gifts

38%



Insurance
settlement

7%



Refunds

25%



Expenses

6%



Wages
or salary

10%



Selling
something

5%



Dividends

10%



Benefit
payments

2%

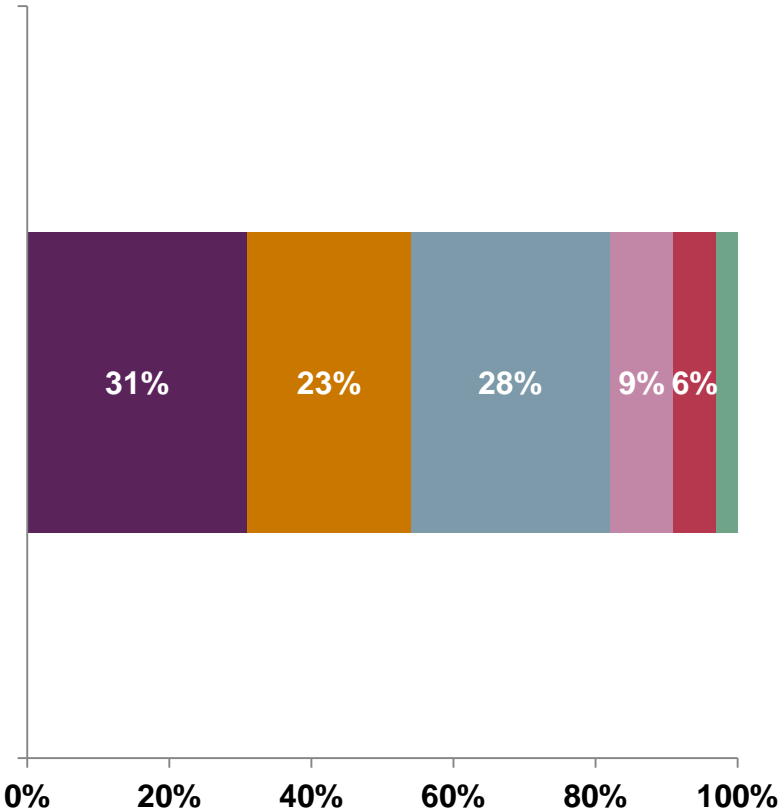
Gifts and refunds are most common purposes for receiving cheques



ATTITUDES TOWARDS CHEQUES



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



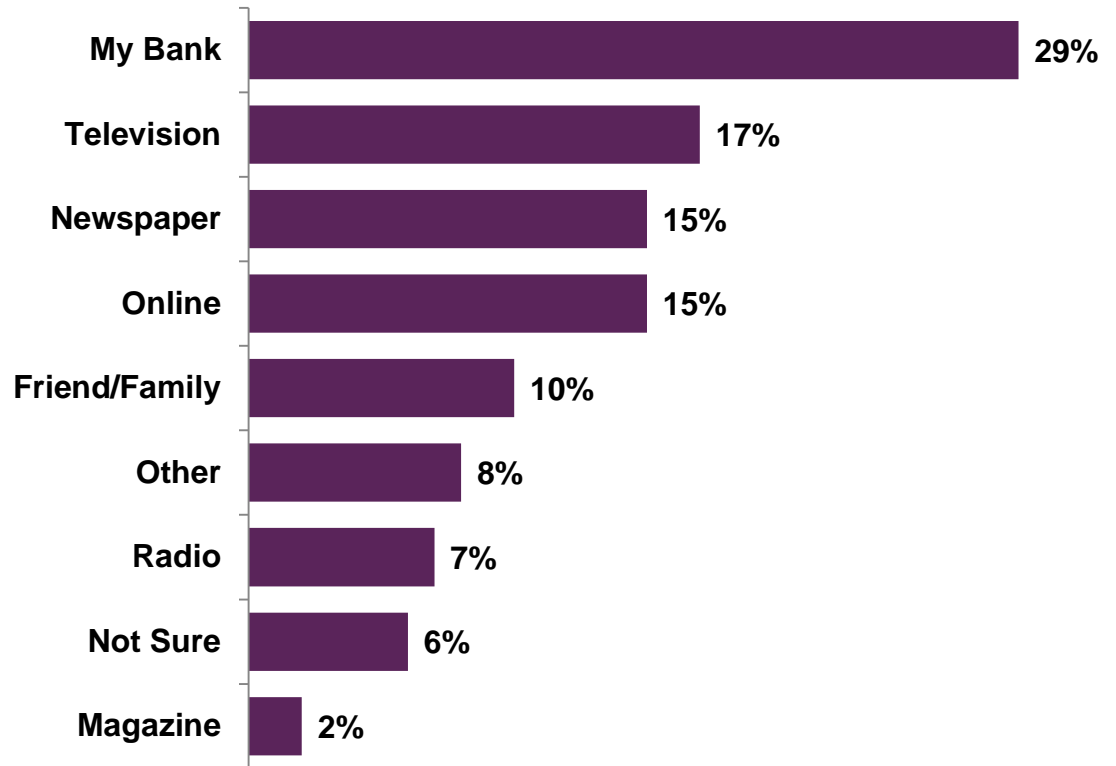
- Agree strongly
- Agree slightly
- Neither agree nor disagree
- Disagree slightly
- Disagree strongly
- Don't know

CHEQUE IMAGING



15% of consumers are aware that the Banking industry is planning to introduce cheque imaging, which will make the cheque clearing process faster - *similar to 2016 with 13%*

Where did you hear about cheque imaging?

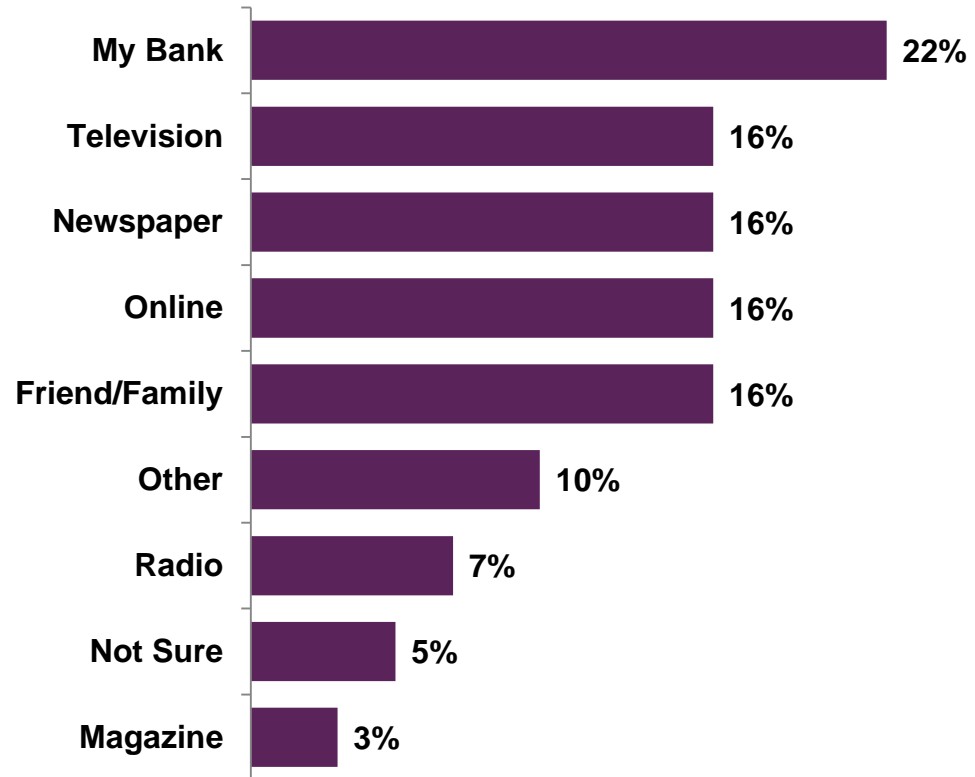


CHEQUE IMAGING – MOBILE



12% of consumers are aware that the Banking industry is planning to introduce cheque imaging, which **MAY** allow people to pay in cheques by taking **IMAGES** via **THEIR** mobile banking app – *similar to 2016 with 11%*

Where did you hear about cheque imaging on your mobile?

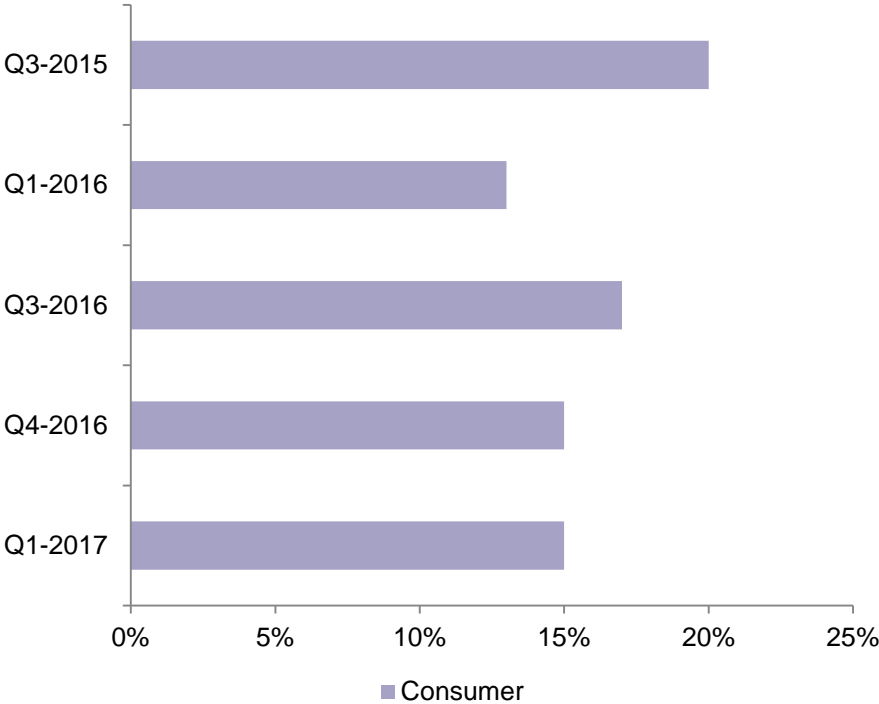




CHEQUE IMAGING AWARENESS

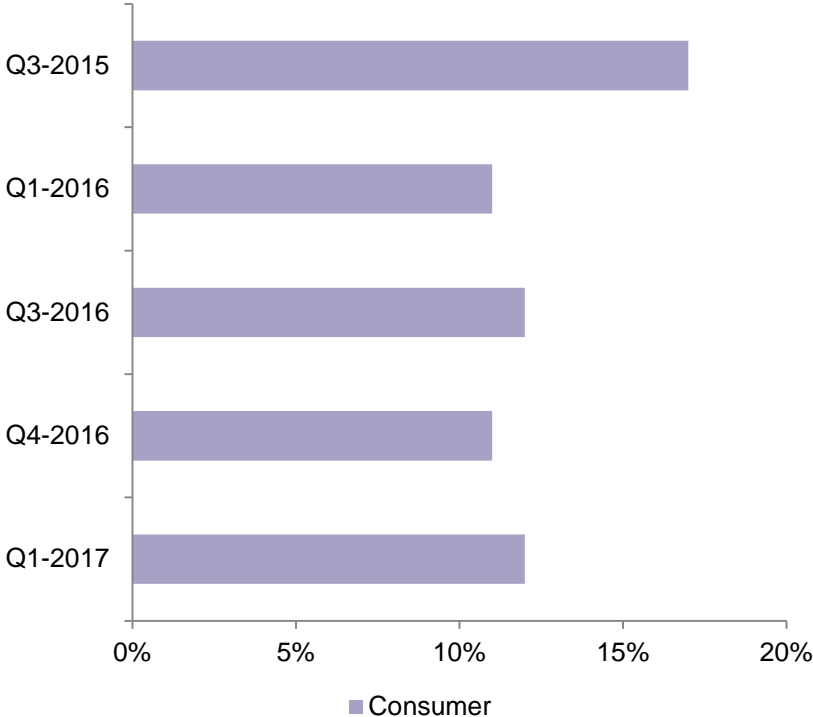
Awareness of cheque imaging

Change since Q3-2015



Awareness of a mobile app

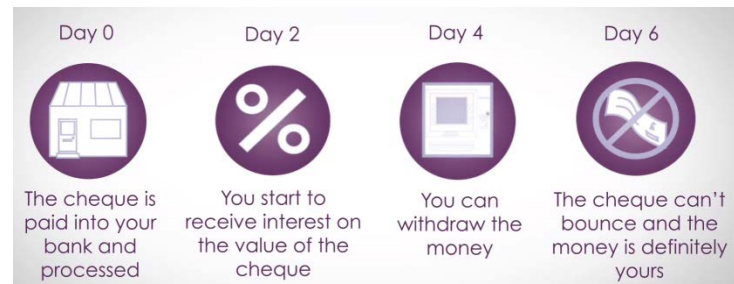
Change since Q3-2015



KNOWLEDGE OF 2-4-6 CHEQUE PROPOSITION AMONG CHEQUE RECIPIENTS

2-4-6

- C&CCC has surveyed knowledge of the 2-4-6 cheque proposition among cheque recipients since 2008
- 12% of cheque recipients in 2017 correctly identify T+2 as when value is received
- Withdrawal is the best understood proposition – in 2017 23% of cheque recipients think withdrawal happens on T+4
- Fate is the least well understood. 2% of cheque recipients correctly identify T+6 in 2017





BUSINESS USE OF CHEQUES



CHEQUES WRITTEN BY BUSINESSES



- **57%** of UK businesses said that they had made payments by cheque in the **past year**

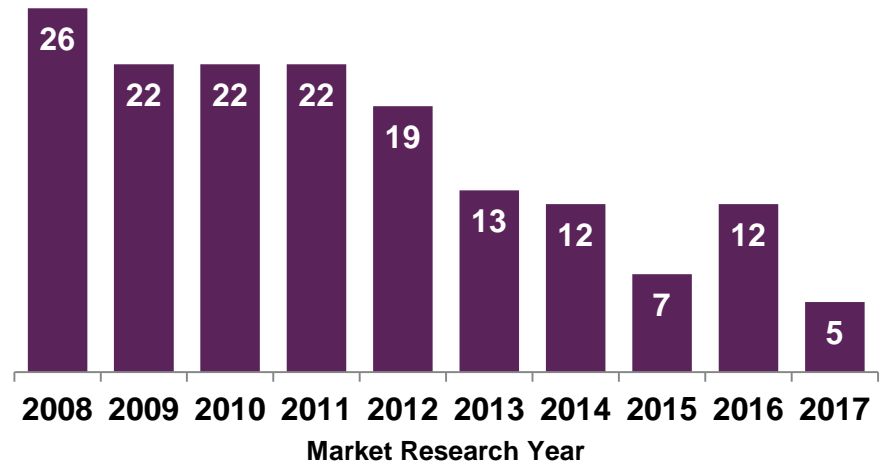


- **40%** of UK businesses said that they had made payments by cheque in the **past month**



Average number of
cheques written per
month by businesses:

5



CHEQUES RECEIVED BY BUSINESSES

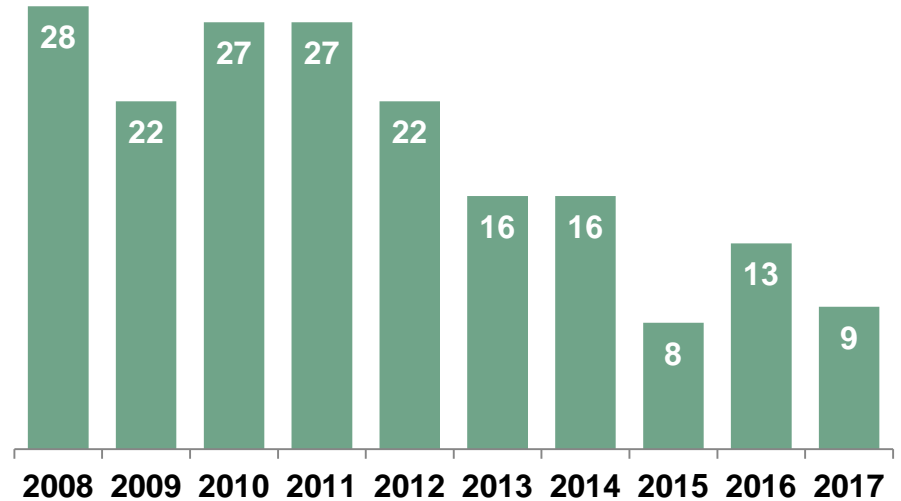


- **53%** of UK businesses said that they had received payments by cheque in the **past month**



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

9

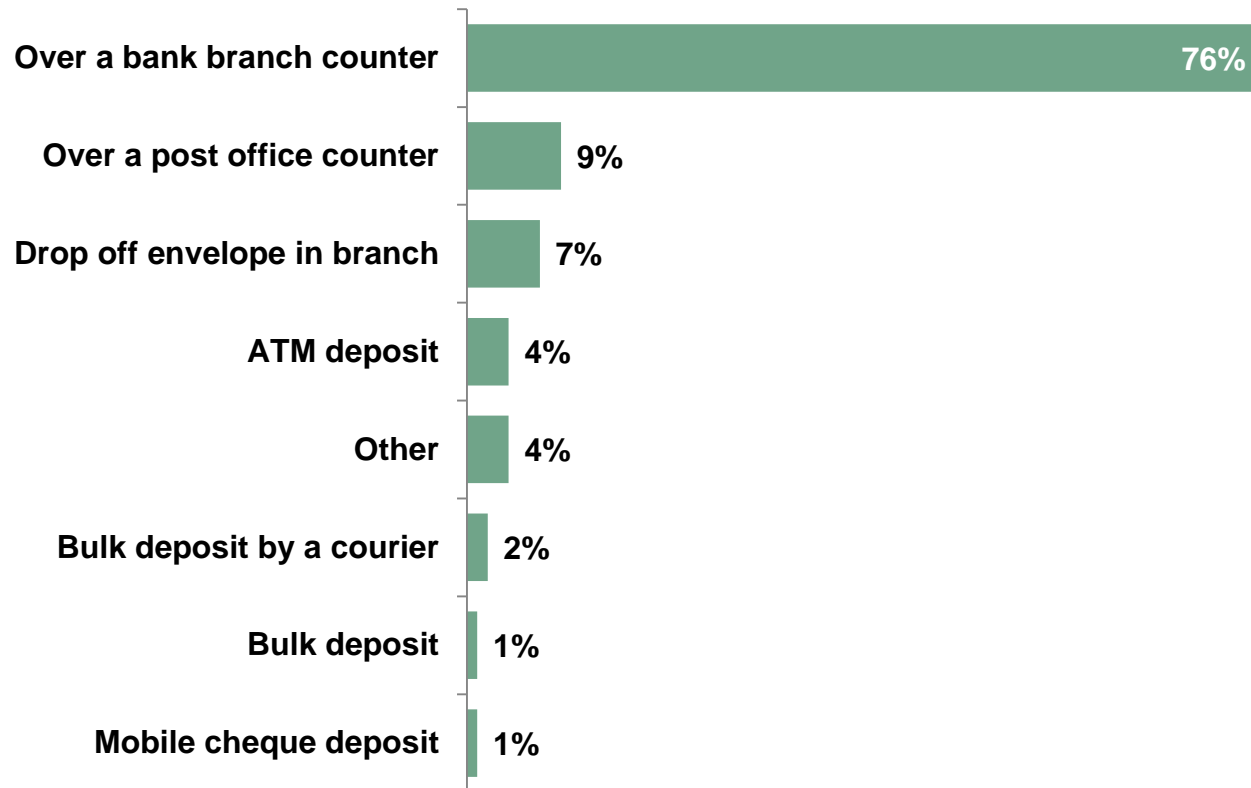


- **75%** of UK businesses said that they had either made or received any payments by cheque in the **past month**

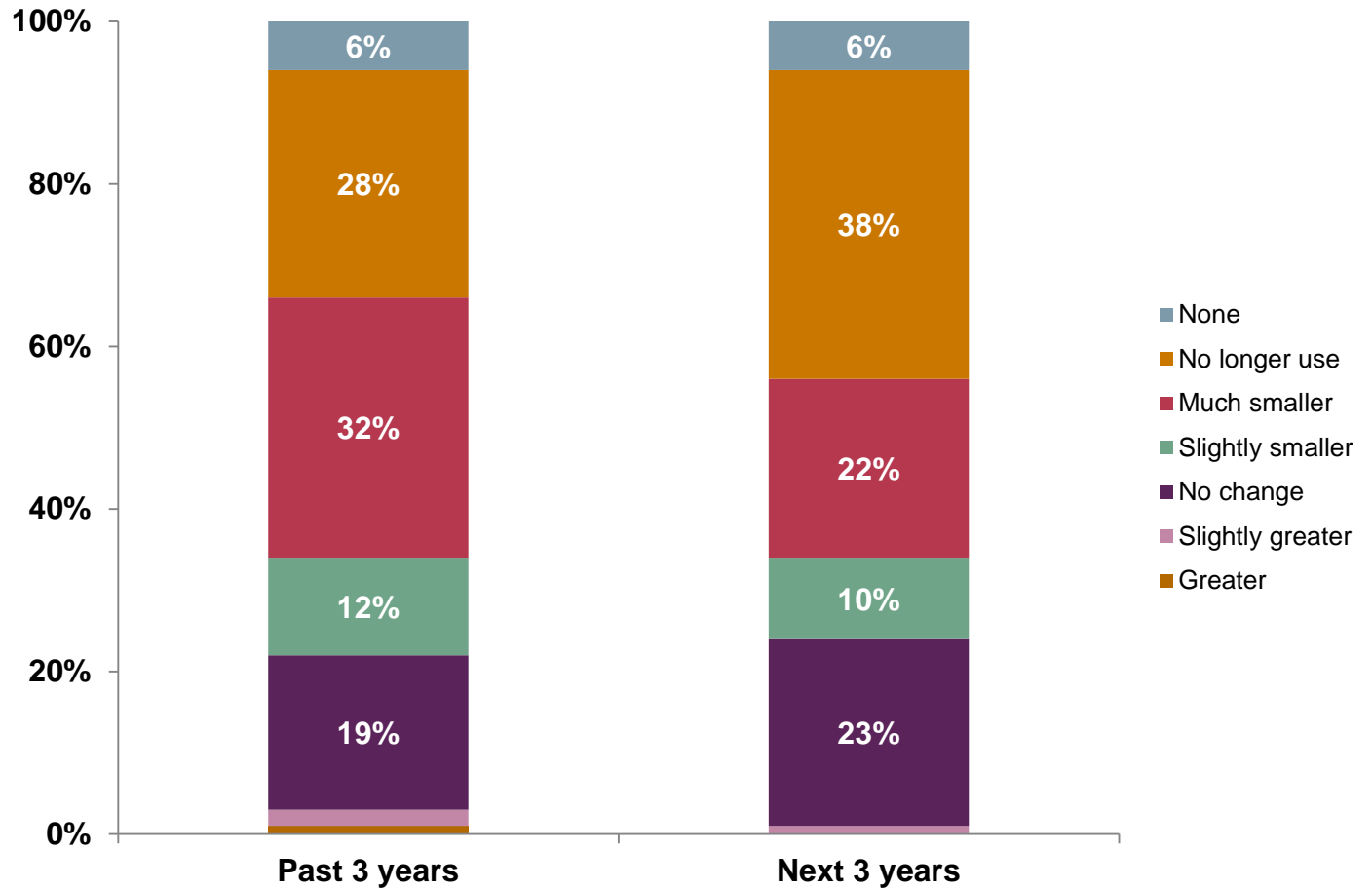
CHEQUES RECEIVED BY BUSINESSES



Method used to deposit cheques into the business bank account



HOW PROPORTION OF PAYMENTS MADE BY CHEQUE CHANGES OVER TIME



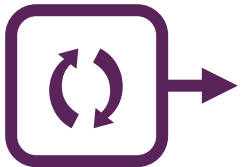
WHAT ARE CHEQUES WRITTEN FOR?



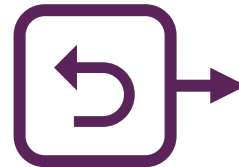
Pay a trade supplier **72%**



Other ad-hoc payments
to businesses **47%**



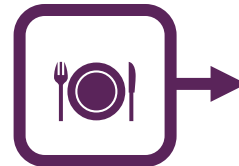
Regular business
commitment **33%**



Refunds to customers **14%**









Wages & salaries **13%**



Employee expenses **13%**

CONVENIENT ALTERNATIVES

PURPOSE	YES	CONVENIENT ALTERNATIVE	% OF YES PEOPLE
 Pay a trade supplier	56%	Bacs Internet	89%
 Other ad-hoc payments to businesses	47%	Bacs Internet	86%
 Regular business commitment	57%	Bacs Direct Debit	81%
 Refunds to customers	47%	Bacs Cash	79%
 Employee expenses	29%	Bacs Cash	78%
 Wages & salaries	41%	Bacs	69%

% of businesses who believe there is a convenient alternative payment method

REASONS WHY BUSINESSES USE CHEQUES



Payee request

35%



Must send by post

8%



Always have used cheques

34%



Money leaves account slowly

4%



Manage cash flow

28%



Cheaper than other methods

4%



No payee account details

19%



Payee may not cash cheque

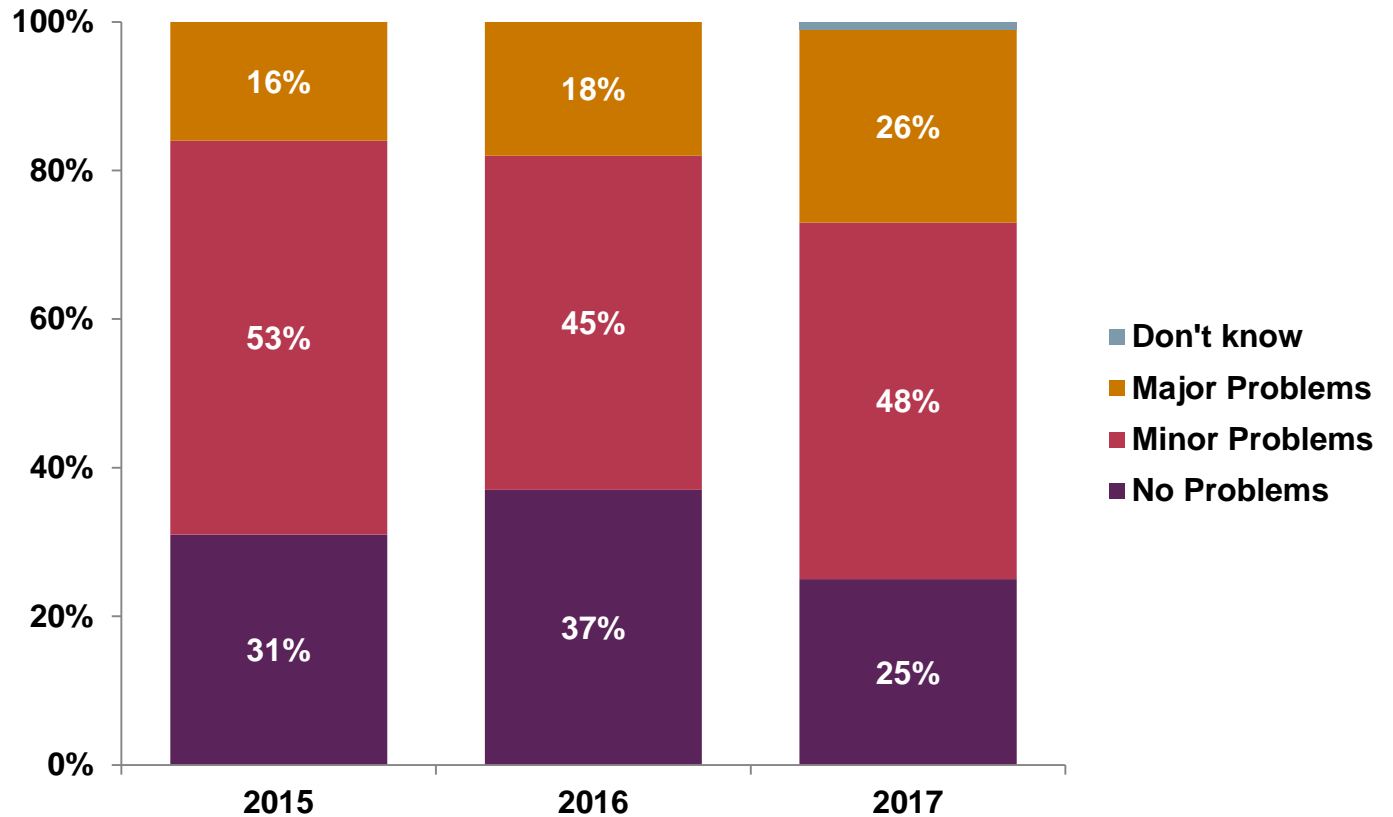
2%



Control who can pay

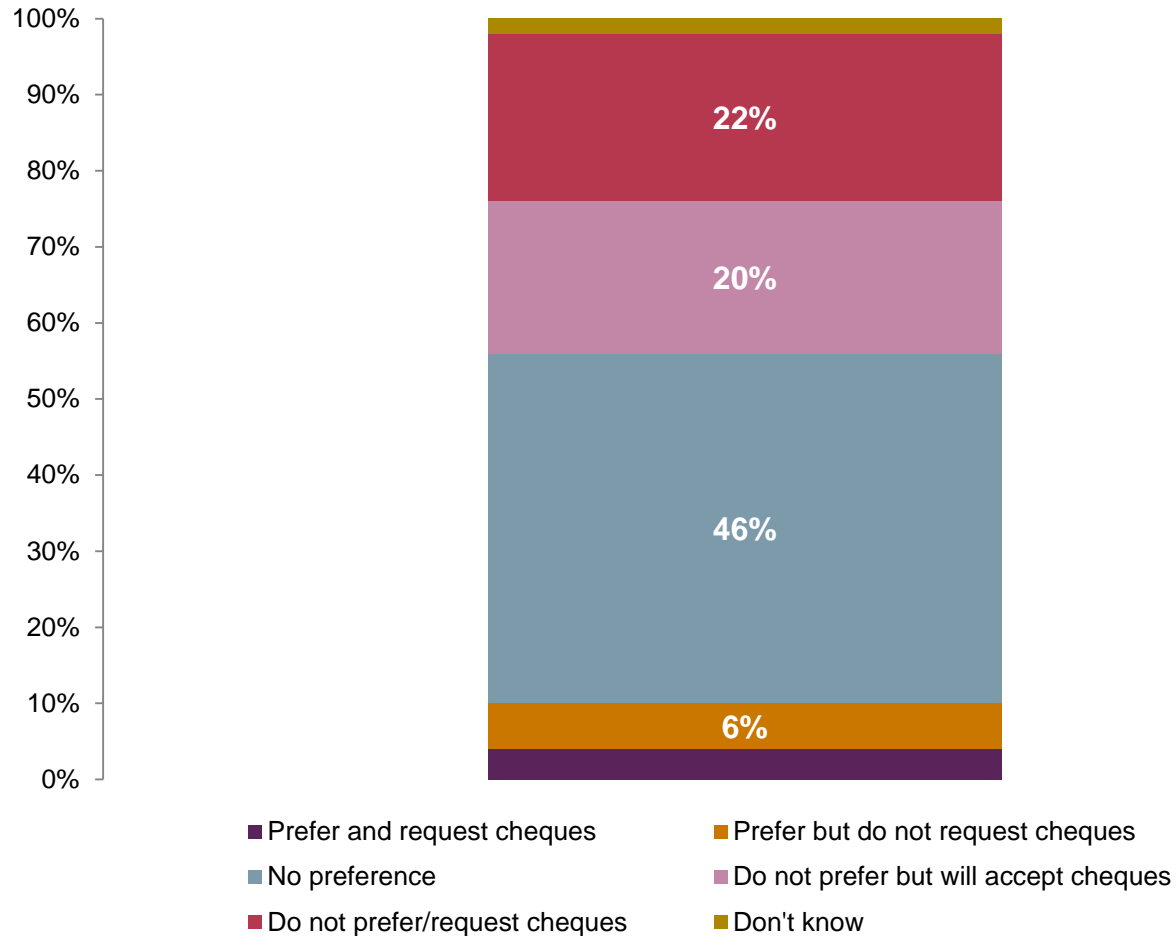
11%

PROBLEMS IF UNABLE TO WRITE CHEQUES



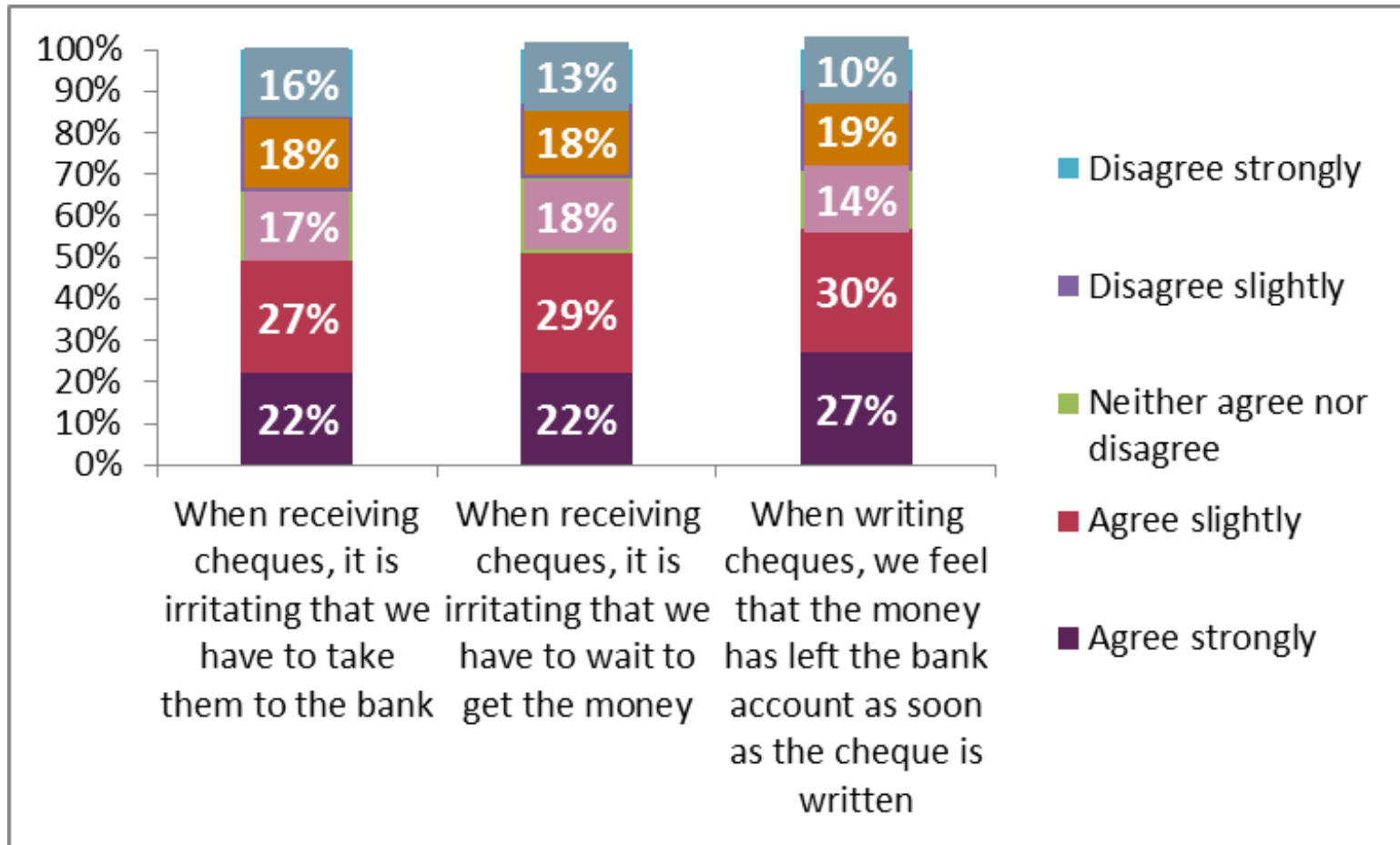
3/4 of businesses would have problems if unable to write cheques

ATTITUDES TO RECEIVING CHEQUES



% of businesses that received cheques in the past month

WIDER ATTITUDES TOWARDS CHEQUES

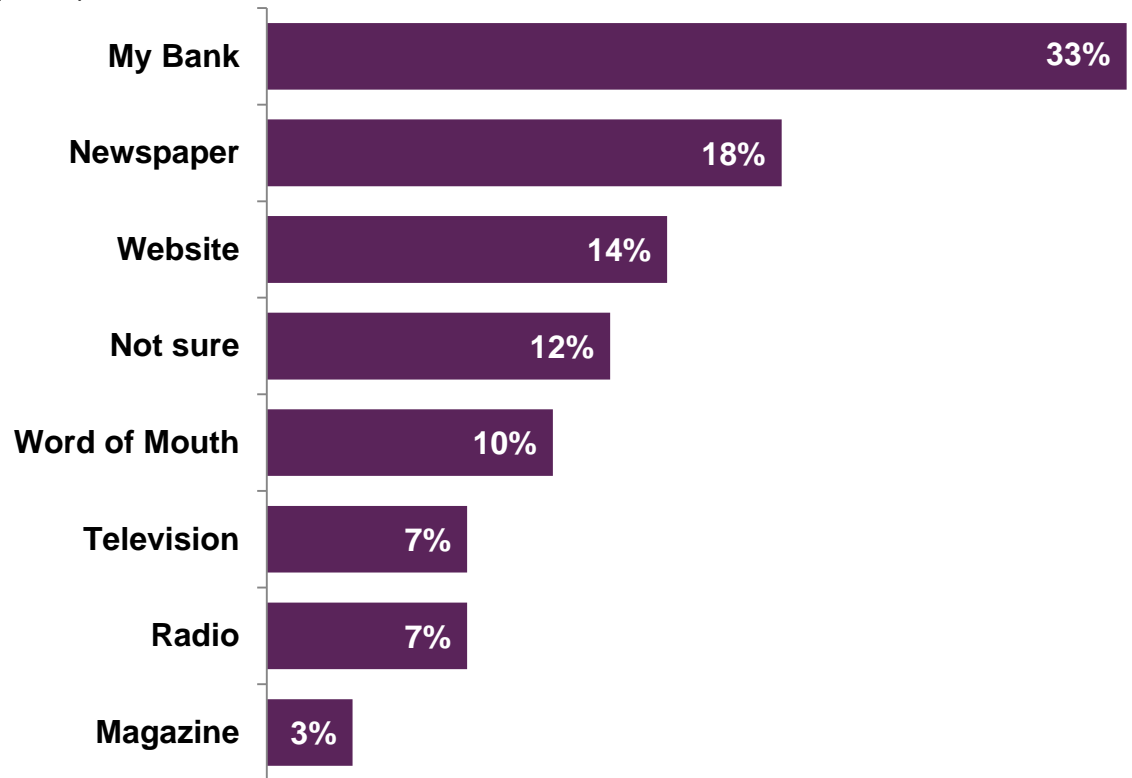


CHEQUE IMAGING



20% of businesses are aware that the Banking industry is planning to introduce cheque imaging, which will make the clearing process faster. This is broadly similar to 2016 (21%).

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

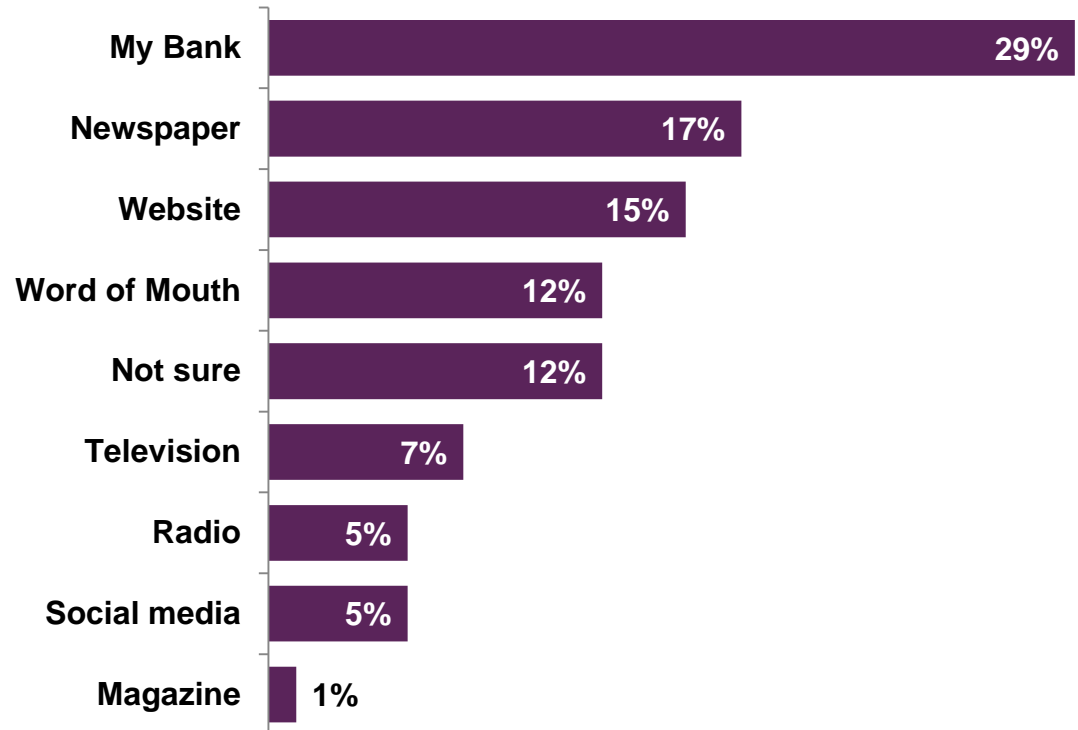


CHEQUE IMAGING – MOBILE



11% of businesses are aware that the Banking industry is planning to introduce 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 significant decrease from 2016 (16%).

Where did you hear about deposit by cheque imaging?

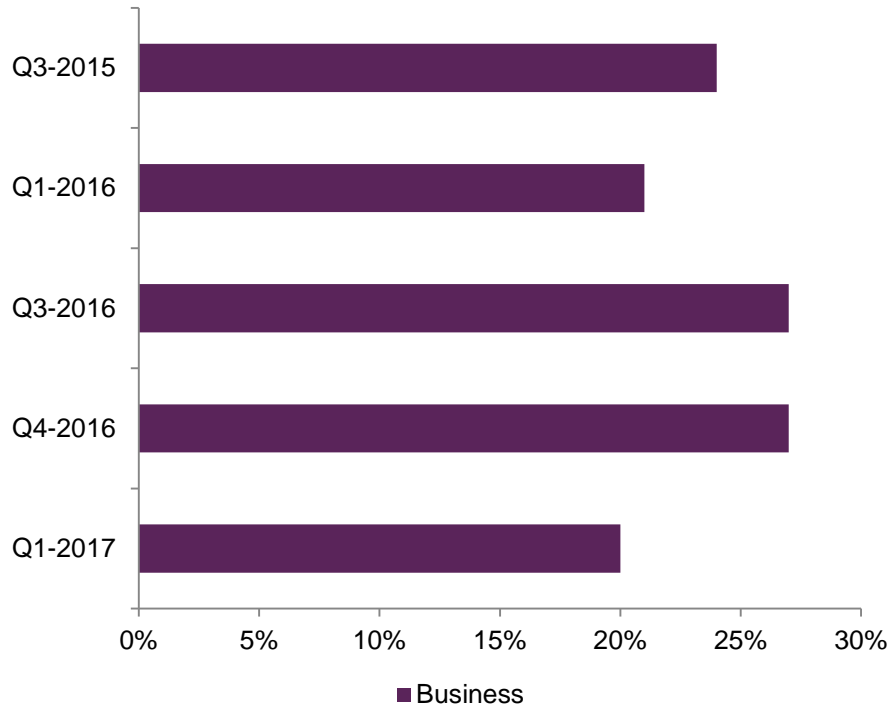




CHEQUE IMAGING AWARENESS

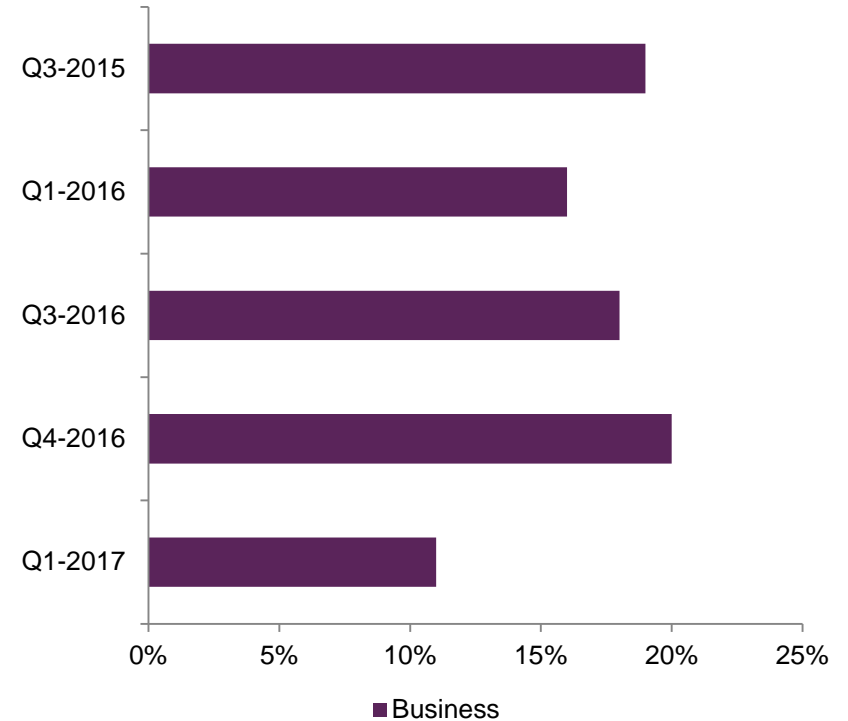
Awareness of cheque imaging

Change since Q3-2015



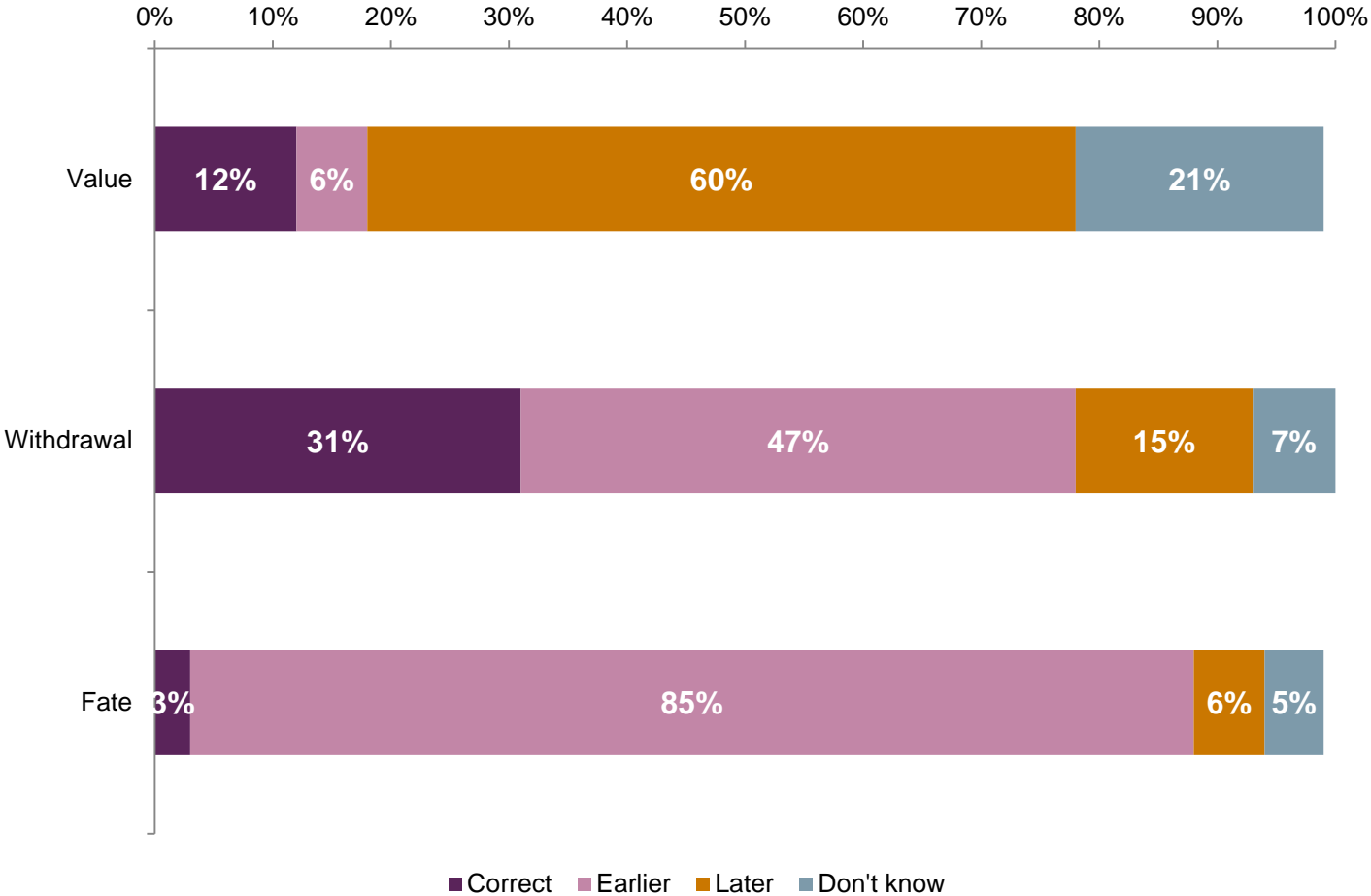
Awareness of a mobile app

Change since Q3-2015



KNOWLEDGE OF 246 PROPOSITION

246



% of businesses that received cheques in the past month



CHARITY USE OF CHEQUES



USE OF CHEQUES



- **75%** of charities had received a cheque in the **past month**



- **65%** of charities had made a payment by cheque in the **past month**



- **87%** of charities who had either made or received a payment by cheque in the **past month**



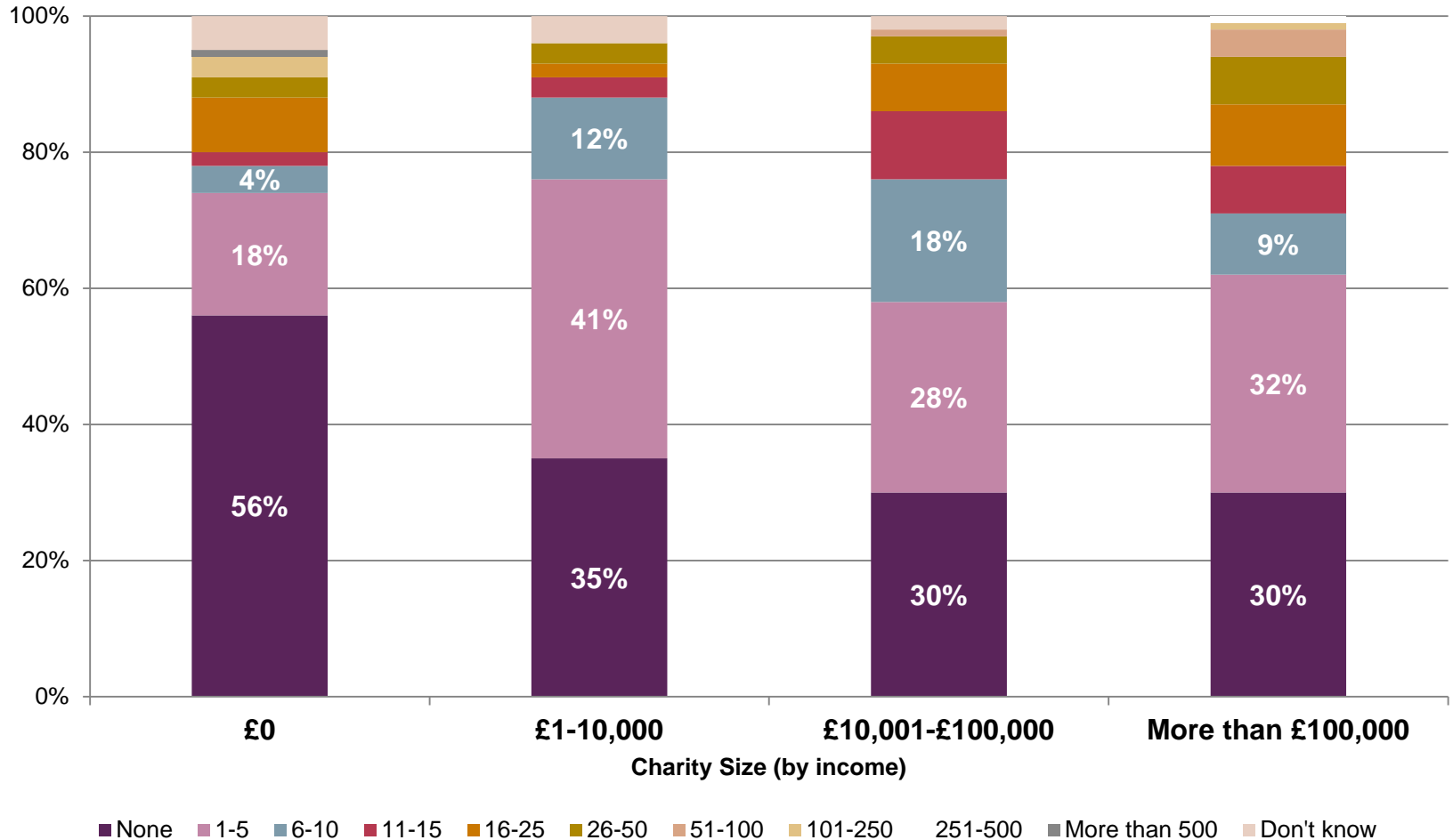
- **77%** of charities said they made a payment by cheque in the **past year**



- **87%** of charities also said they had received a cheque in the **past year**

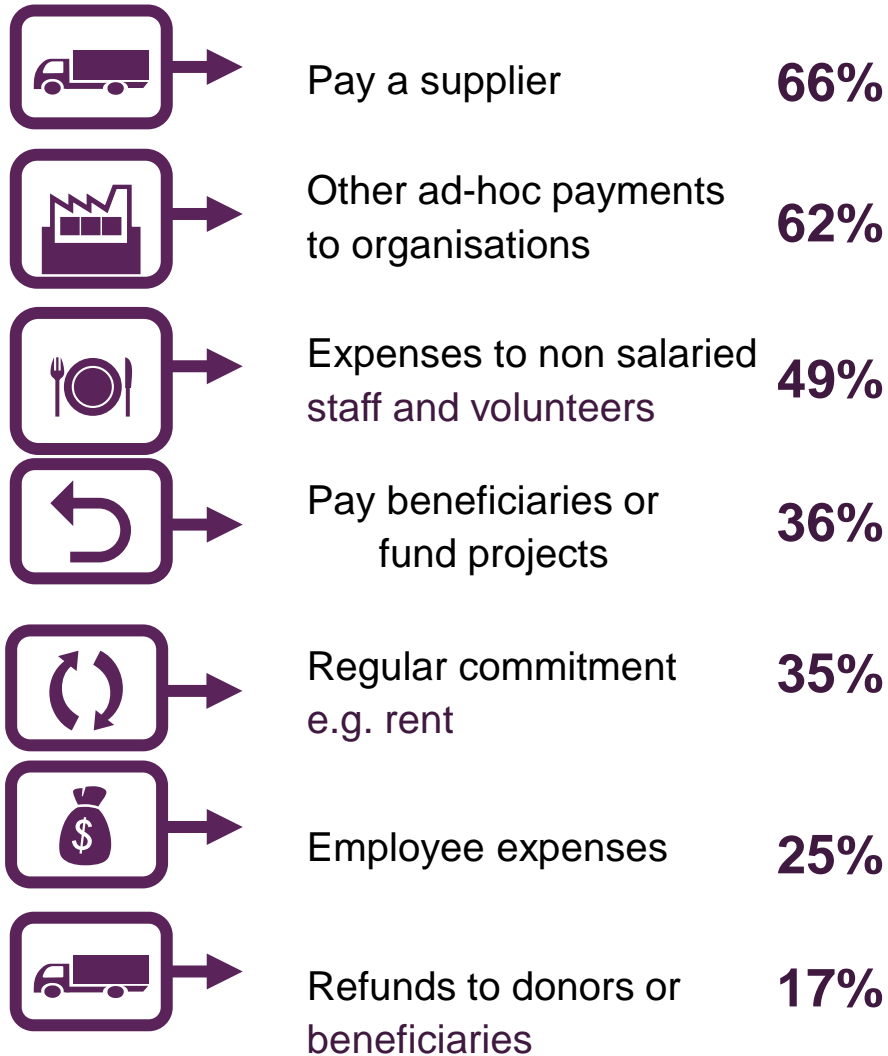


CHARITIES MAKING CHEQUE PAYMENTS OVER THE LAST MONTH







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

WHAT ARE CHEQUES WRITTEN FOR?



% of charities who use cheques for each purpose, 2017
Base: All charities writing at least one cheque in the past month

CONVENIENT ALTERNATIVES TO CHEQUES

		Paying beneficiaries or funding projects	Paying regular commitments e.g. rent	Expenses, wages and salaries for salaried staff	Expenses, wages and salaries for non salaried staff and volunteers	Refunds to donors or beneficiaries
Yes, there is an alternative		39%	61%	55%	49%	51%
Bacs Direct Credit		58%	31%	51%	53%	51%
Internet Banking		28%	21%	35%	25%	38%
Direct Debit		5%	39%	4%	2%	0%
Cash		1%	2%	4%	16%	2%

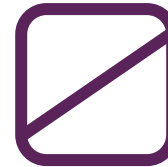
% of charities writing cheques for each purpose who think there is a convenient alternative to a cheque
Other alternatives including Apple Pay and Android Pay – were not picked

REASONS WHY CHARITIES PAY BY CHEQUE



Payee request

50%



No other method available

38%



Control who can pay

50%



No payee account details

36%



Need clear paper trail

46%



Manage cash flow

28%



Always have used cheques

44%



Money leaves account slowly

15%



Must send advice by post

39%



Payee may not cash cheque

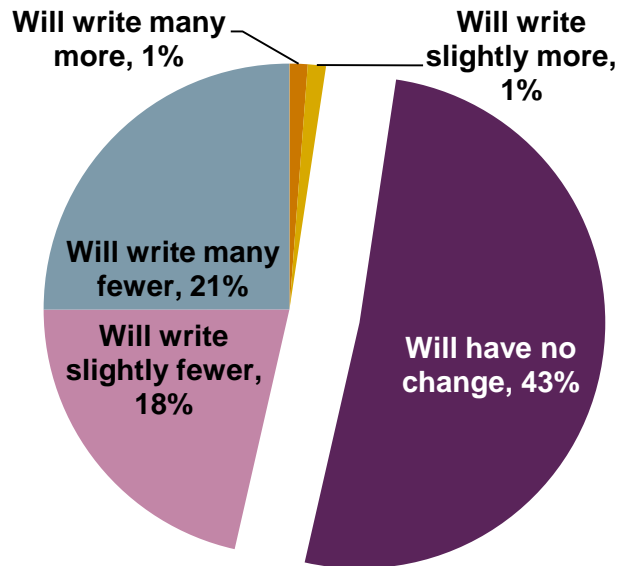
7%

CHANGES IN CHEQUE WRITING OVER THE LAST AND NEXT THREE YEARS

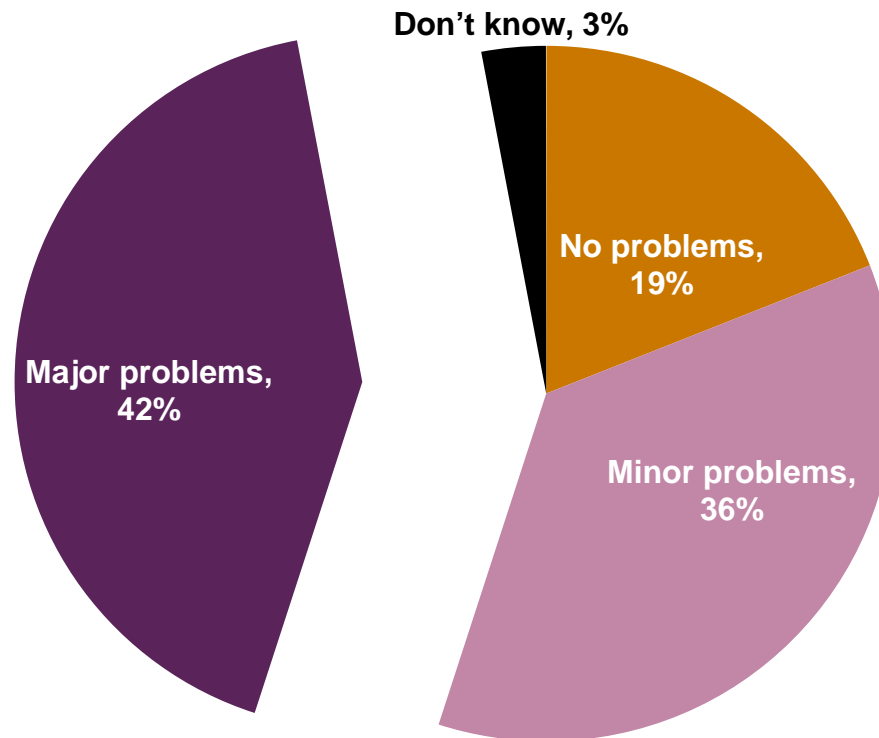


34% of charities say their cheque usage has not changed in the last three years, and...

...**43%** say their cheque usage will not change in the next three years!

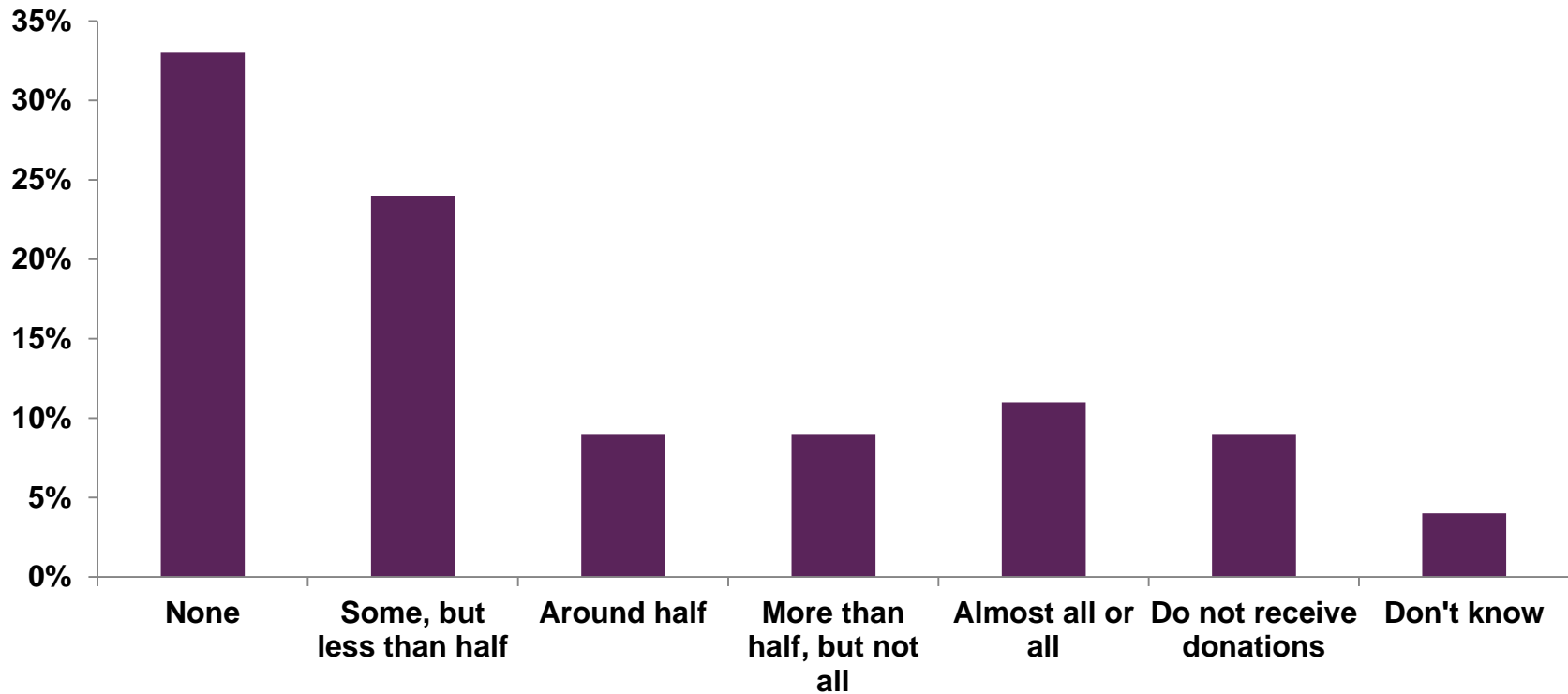


PROBLEMS IF UNABLE TO WRITE CHEQUES



Charities are concerned – 78% would have problems if unable to write cheques

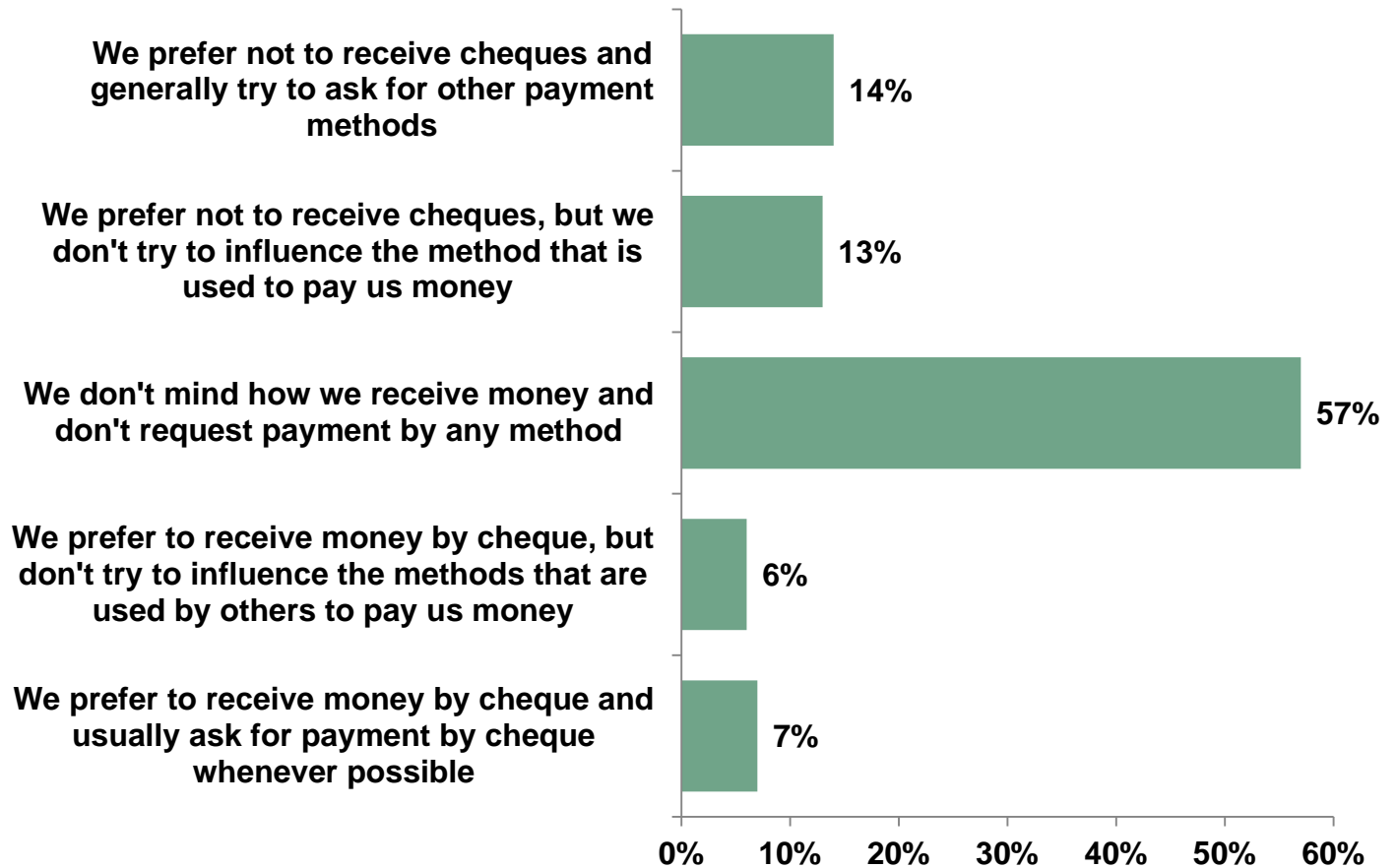
CHEQUE DONATIONS AS A PROPORTION OF ANNUAL DONATION INCOME



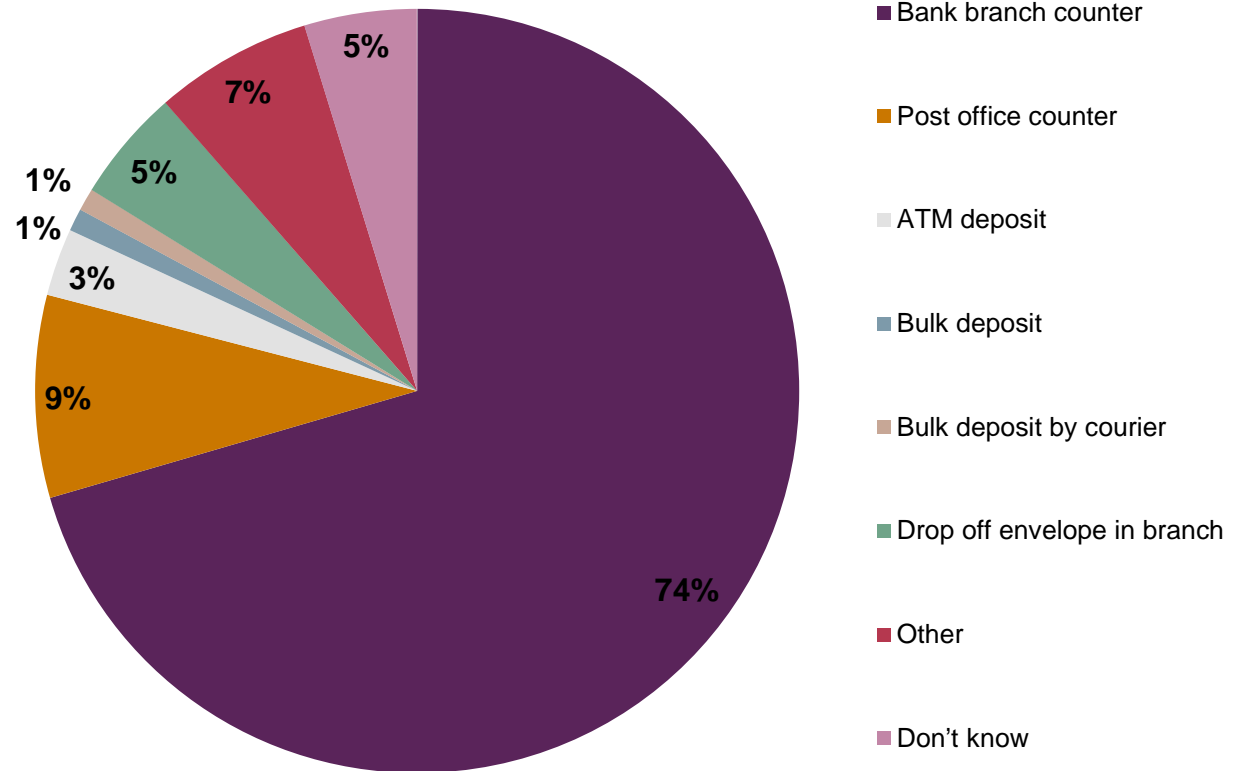
53% of charities say they receive donation income by cheque

29% of charities say they receive half or more of their donation income by cheque

ATTITUDES TOWARDS RECEIVING CHEQUES



HOW CHARITIES PAY CHEQUES IN



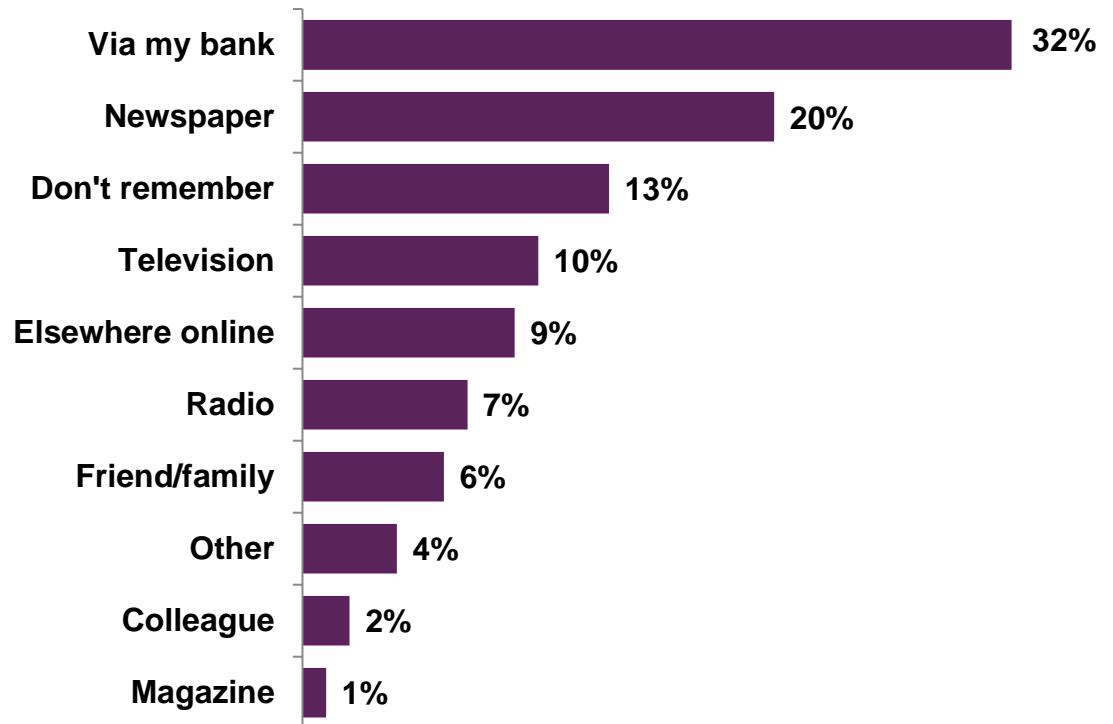
Respondents could select more than one option

CHEQUE IMAGING



30% of charities are aware that the banking industry is planning to introduce cheque imaging, which will make the cheque clearing process faster. Significant increase from 2016 (23%).

Where did you hear about cheque imaging?

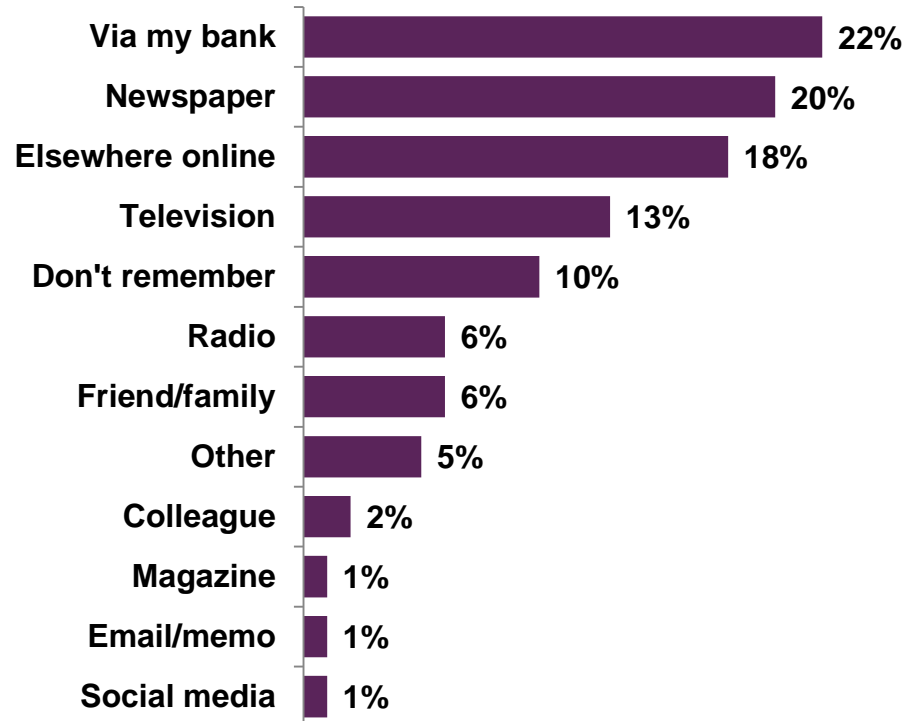


CHEQUE IMAGING – MOBILE



21% of charities are aware that the banking industry is planning to introduce cheque imaging, which **MAY** allow people to pay in cheques by taking **IMAGES** via **THEIR** mobile banking app. This is a significant increase from 2016 (15%).

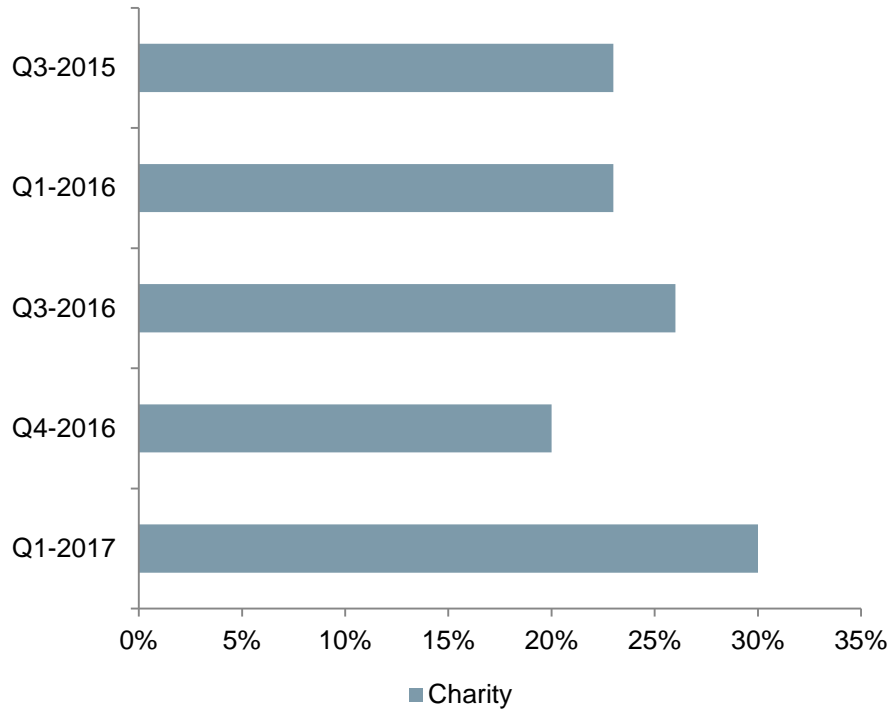
Where did you hear about cheque imaging on your mobile?



CHEQUE IMAGING AWARENESS

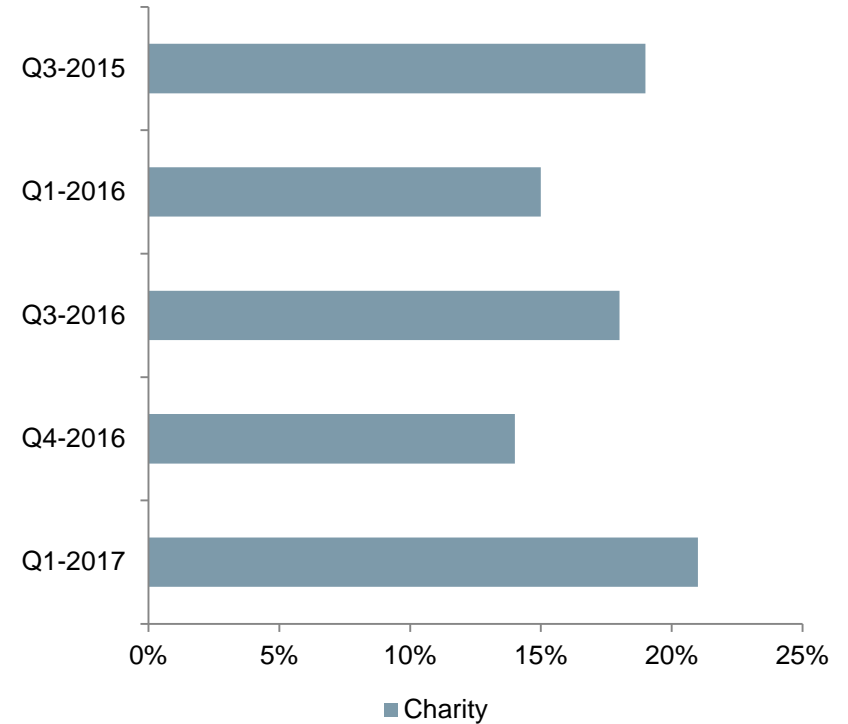
Awareness of cheque imaging

Change since Q3-2015



Awareness of a mobile app

Change since Q3-2015



KNOWLEDGE OF 2-4-6 CHEQUE PROPOSITION AMONG CHEQUE RECIPIENTS

2-4-6

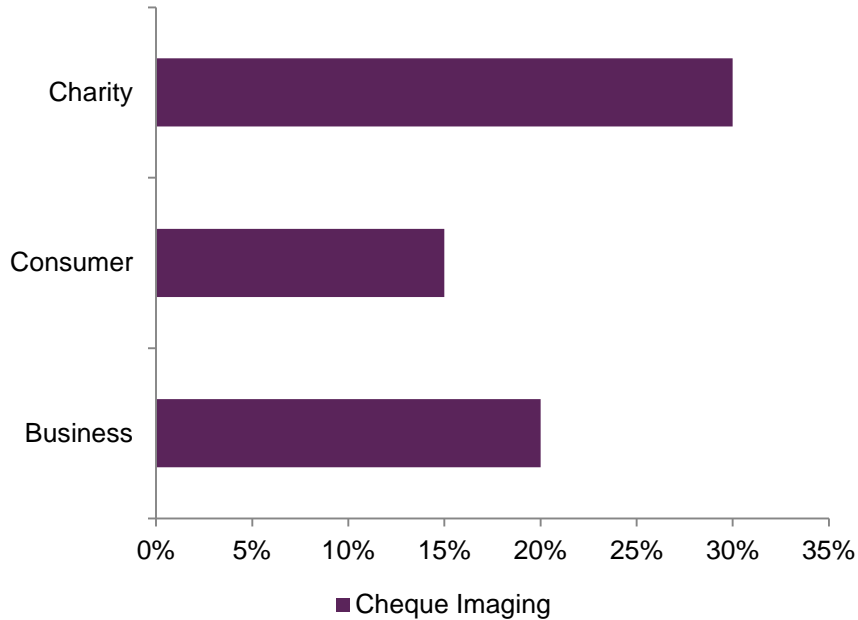
- C&CCC has surveyed knowledge of the 2-4-6 cheque proposition among charities
- 12% of cheque recipients in 2017 correctly identify T+2 as when **value** is received
- **Withdrawal** is the best understood proposition – in 2017 28% of cheque recipients think withdrawal happens on T+4
- **Fate** the least well understood. 2% of cheque recipients correctly identify T+6 in 2017



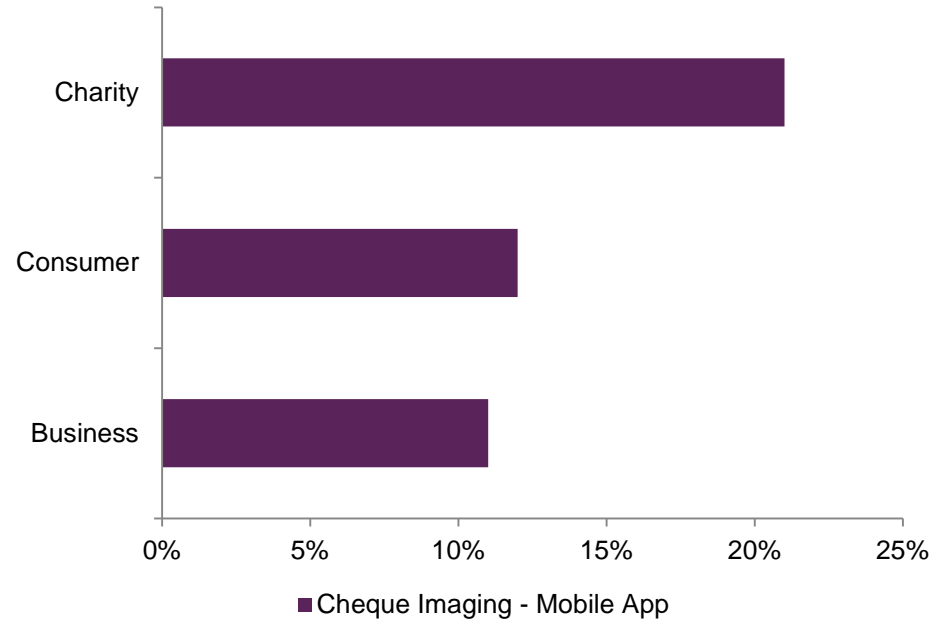
SUMMARY OF CHEQUE AWARENESS OVER TIME

SUMMARY – CHEQUE IMAGE AWARENESS Q1-2017

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



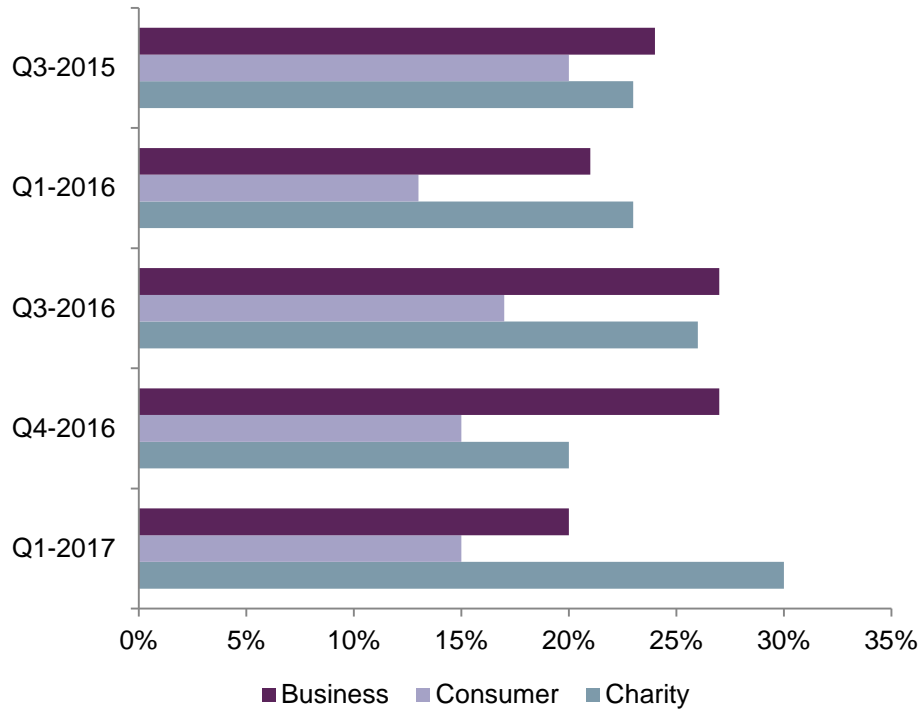
Awareness of cheque imaging which may allow people to pay in cheques through a mobile app – **greatest amongst charities**



SUMMARY – CHEQUE IMAGE AWARENESS OVER TIME

Awareness of cheque imaging

Change since Q3-2015



Awareness of a mobile app

Change since Q3-2015

