



Cheque &
Credit
Clearing
Company

CHEQUES: MARKET RESEARCH 2014

June 2014

INTRODUCTION



Market research conducted annually



Business research

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



Consumer research

- C&CCC annual survey of consumers writing and receiving cheques
- 2,000 consumers surveyed face-to-face



BUSINESS USE OF CHEQUES



CHEQUES WRITTEN BY BUSINESSES

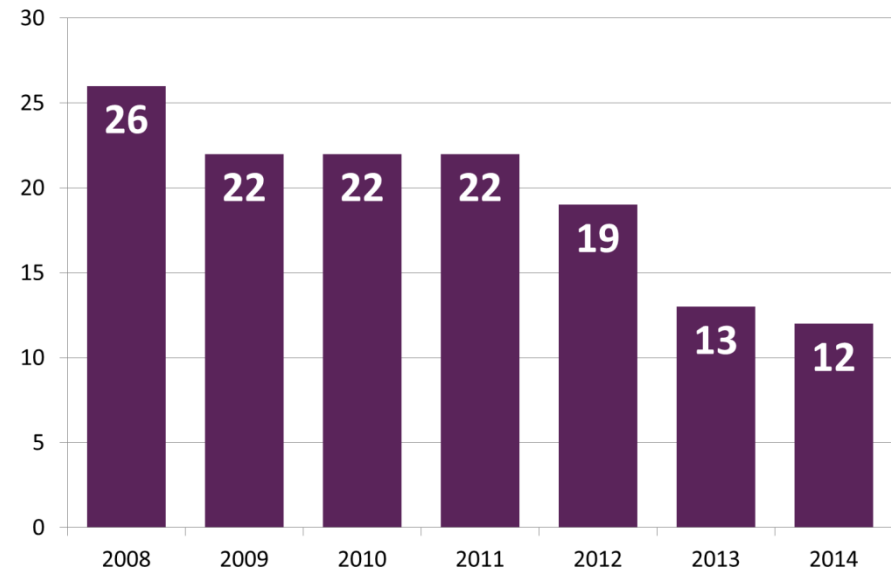


- **64%** of UK businesses said that they had made payments by cheque in the past month, down from 70% in 2012



Average number of
cheques written per
month by businesses
fell to

12



CHEQUES RECEIVED BY BUSINESSES

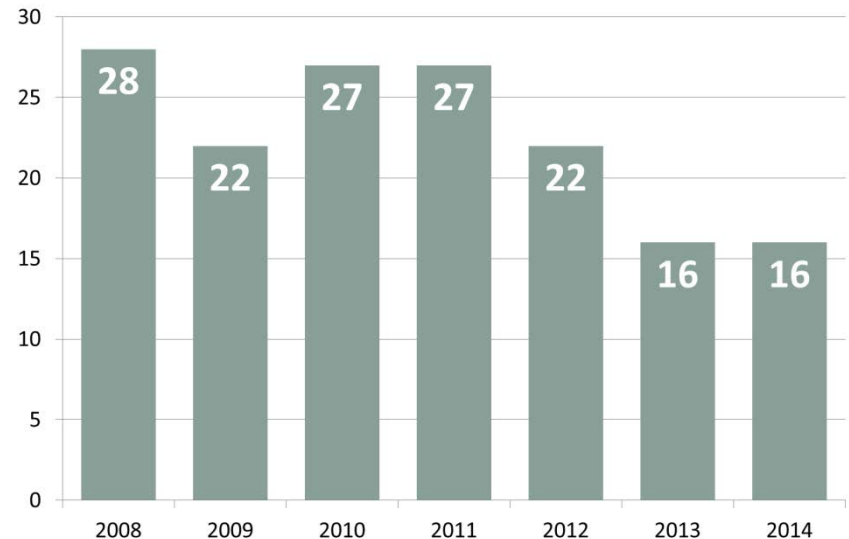


- **69%** of UK businesses said that they had received payments by cheque in the past month, down from 72% in 2012



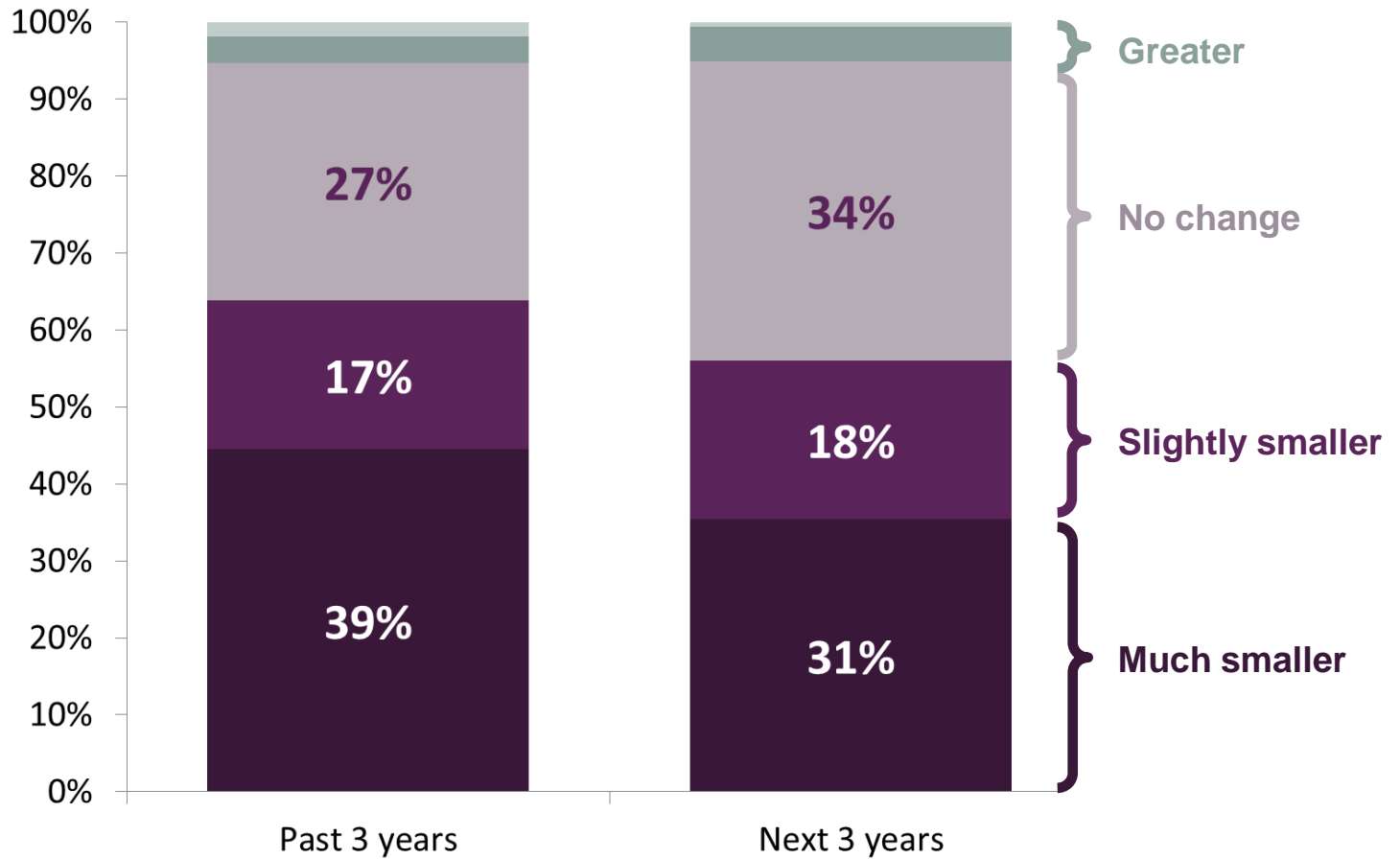
Average number of
cheques received per
month by businesses

16



- **17%** of UK businesses said that they had neither made nor received any payments by cheque in the past month, equivalent to the result in 2013 (but significantly above the figure in previous years)

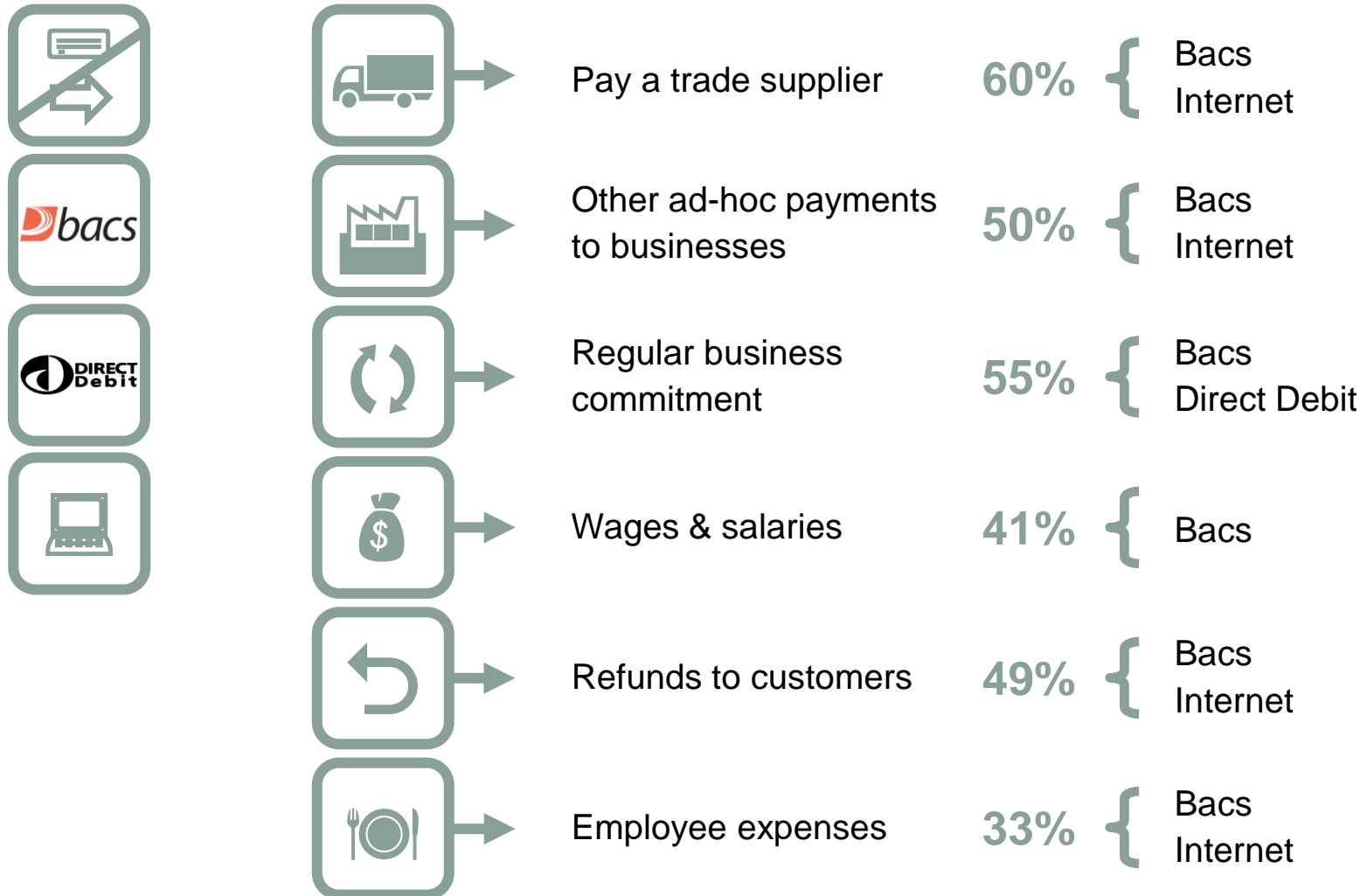
HOW PROPORTION OF PAYMENTS MADE BY CHEQUE CHANGES OVER TIME



WHAT ARE CHEQUES WRITTEN FOR?



CONVENIENT ALTERNATIVES



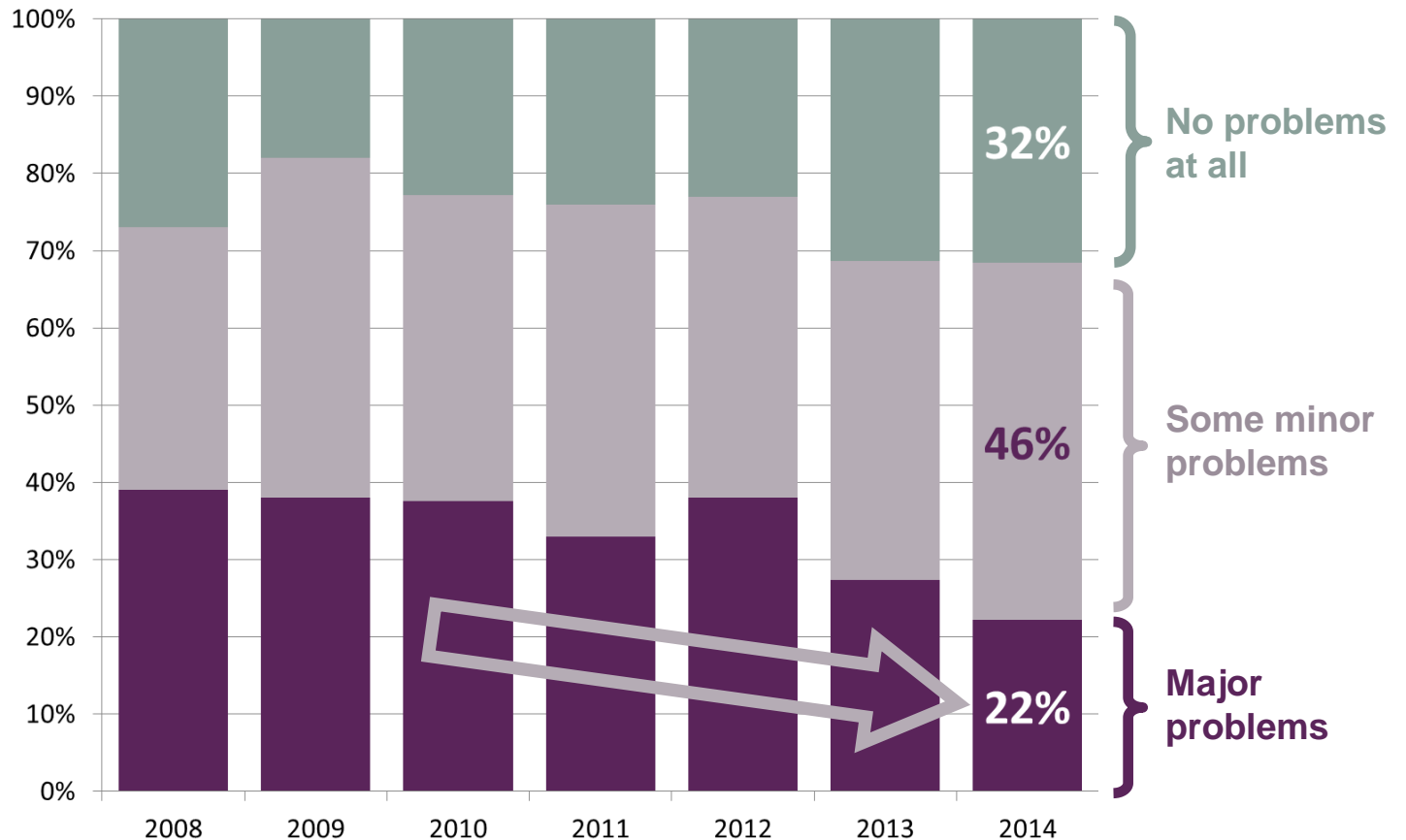
% of businesses who believe there is a convenient alternative payment method

REASONS WHY BUSINESSES USE CHEQUES



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

PROBLEMS IF UNABLE TO WRITE CHEQUES

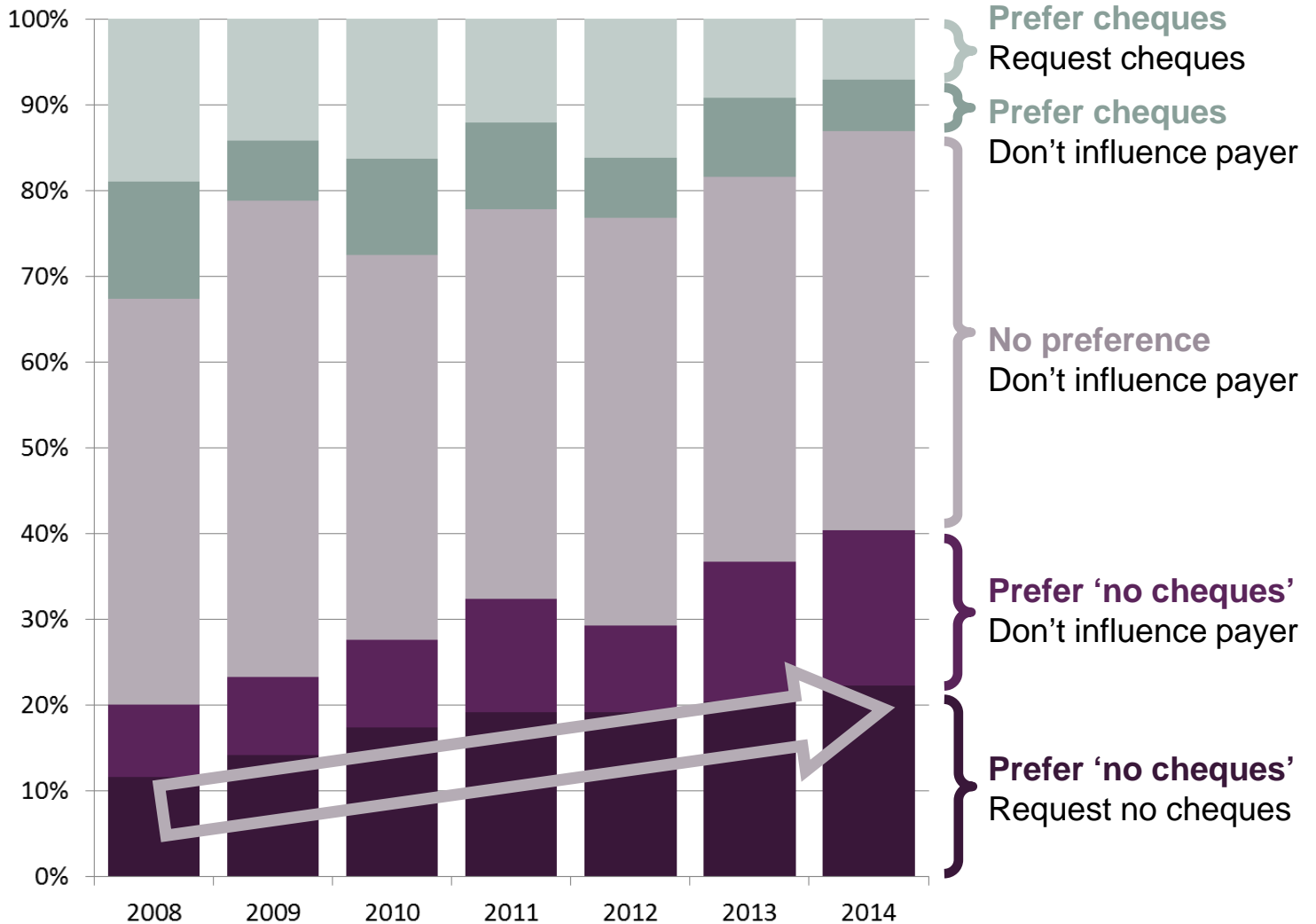


Small change over time – **2/3** would have problems if unable to write cheques
 Proportion who would experience **major** problems is falling

ATTITUDES TO RECEIVING CHEQUES



More now prefer 'no cheques'

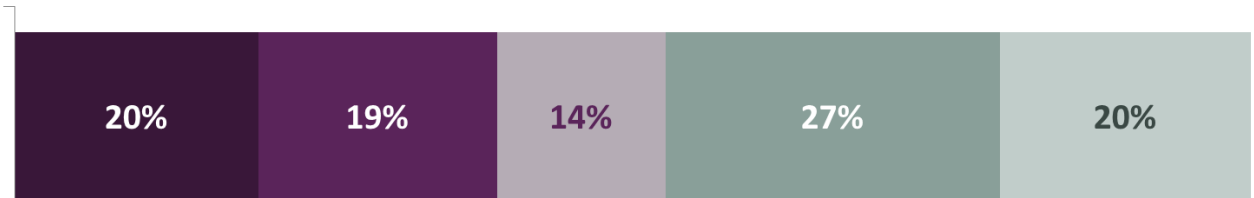


% of businesses that received cheques in the past month

WIDER ATTITUDES TOWARDS CHEQUES



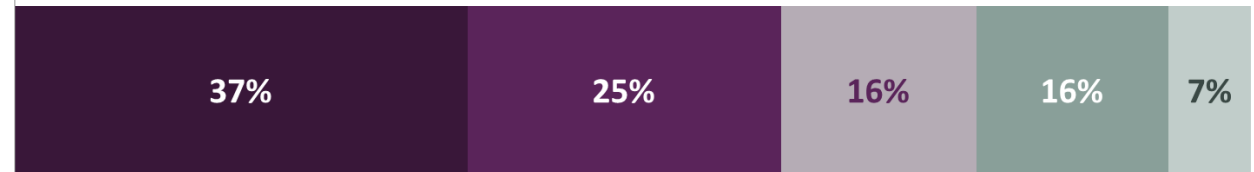
When receiving cheques, it is irritating that we have to take them to the bank



When receiving cheques, it is irritating that we have to wait to get the money



When writing cheques, we feel that the money has left the bank account as soon as the cheque is written



Agree strongly

Agree slightly

Neither agree nor disagree

Disagree slightly

Disagree strongly

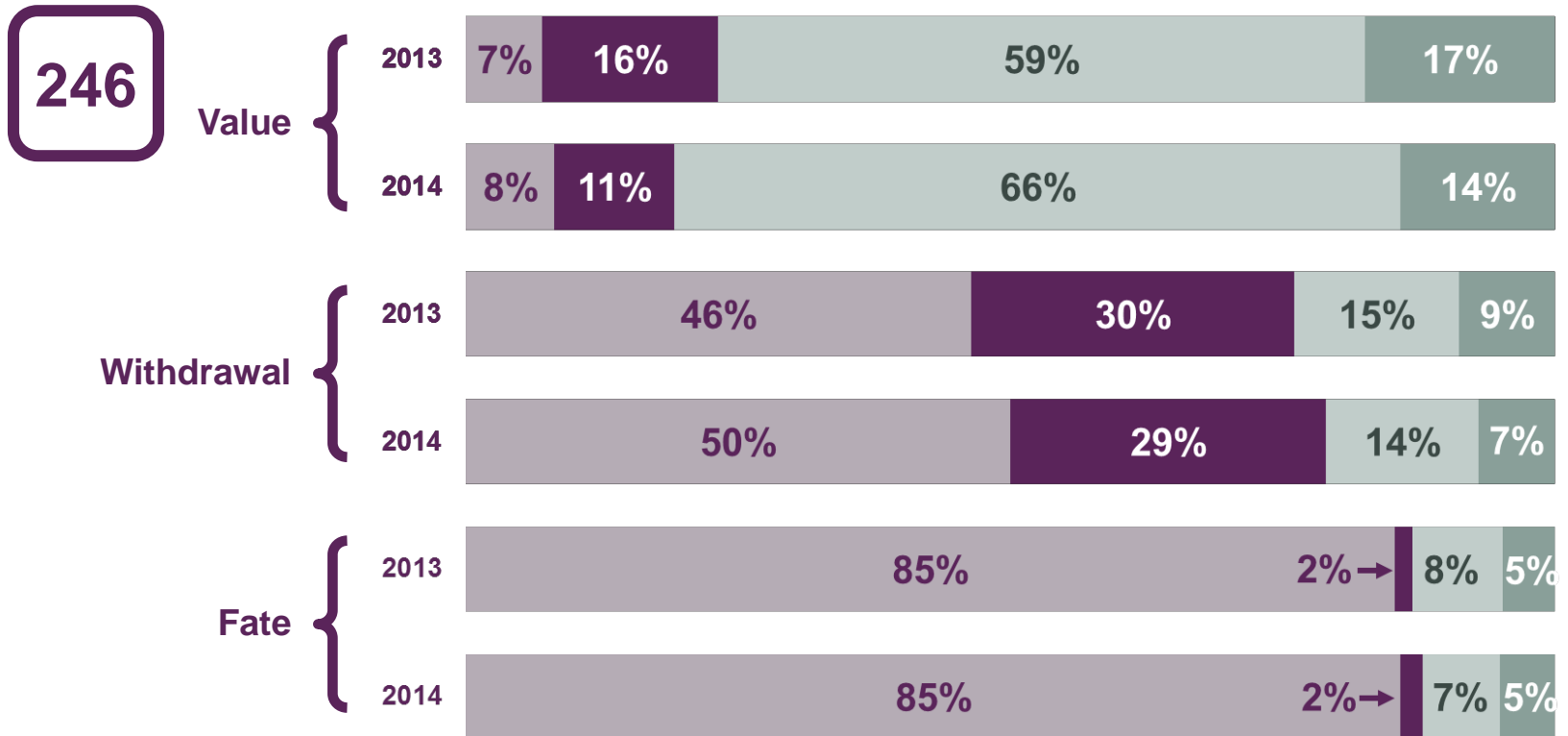
Knowledge of 246 proposition

246

- Understanding of the 246 timescales was tested
- The correct timescales are described below
- The next slide shows the proportion of respondents that correctly understand the 246 timings, compared to those that believe timings are earlier or later

- Value** { **Day 2**
- Interest begins to be paid on the amount paid in by cheque, or interest due on outstanding overdraft balances is reduced accordingly
- Withdrawal** { **Day 4**
- The payee can withdraw money paid in by cheque
- Fate** { **Day 6**
- The payee can be certain the money won't be reclaimed from their account without their consent (unless they are a knowing party to fraud)

Knowledge of 246 proposition



Knowledge of precise timings remains limited

Earlier

Correct

Later

Don't know



CONSUMER USE OF CHEQUES

USE OF CHEQUES



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



- **44%** of UK account holders make payments by cheque
- Similar to 2013, when number fell below 50% for first time

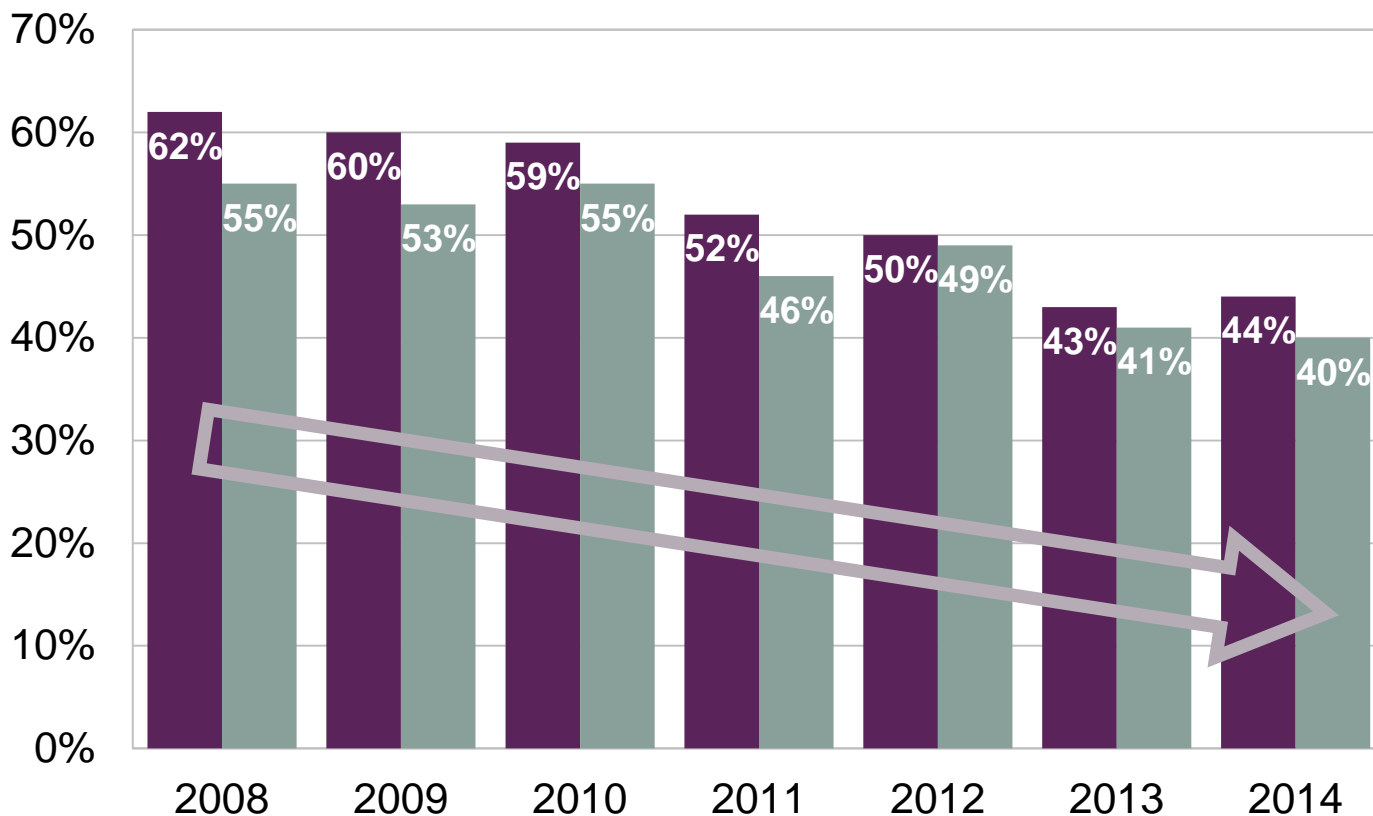


- **40%** of UK account holders received payments by cheque
- Similar to results in 2013



- **43%** of UK account holders said that they had neither made nor received a payment by cheque in the past year

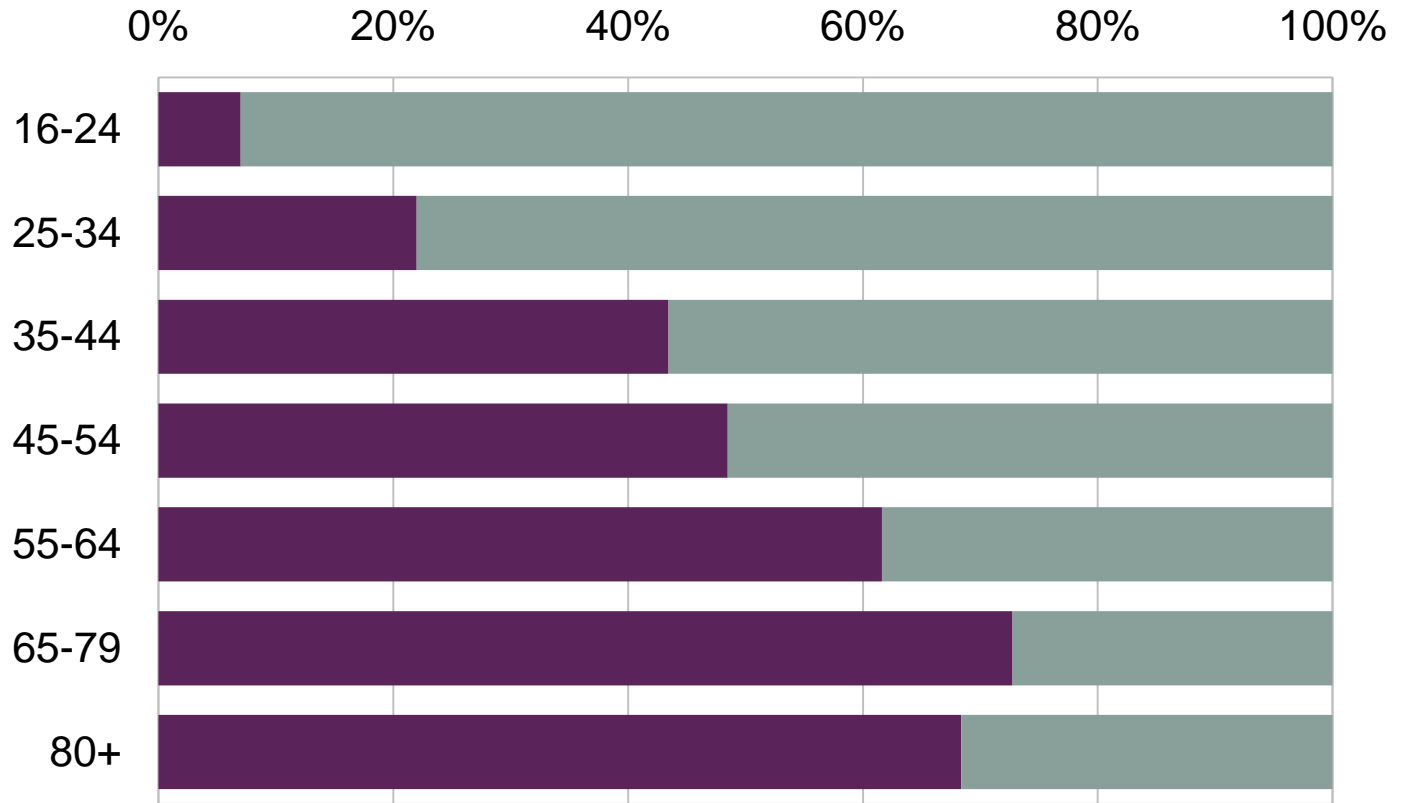
CONSUMER CHEQUE USE FALLING



Proportion of people **writing** cheques falling

Proportion of people **receiving** cheques falling

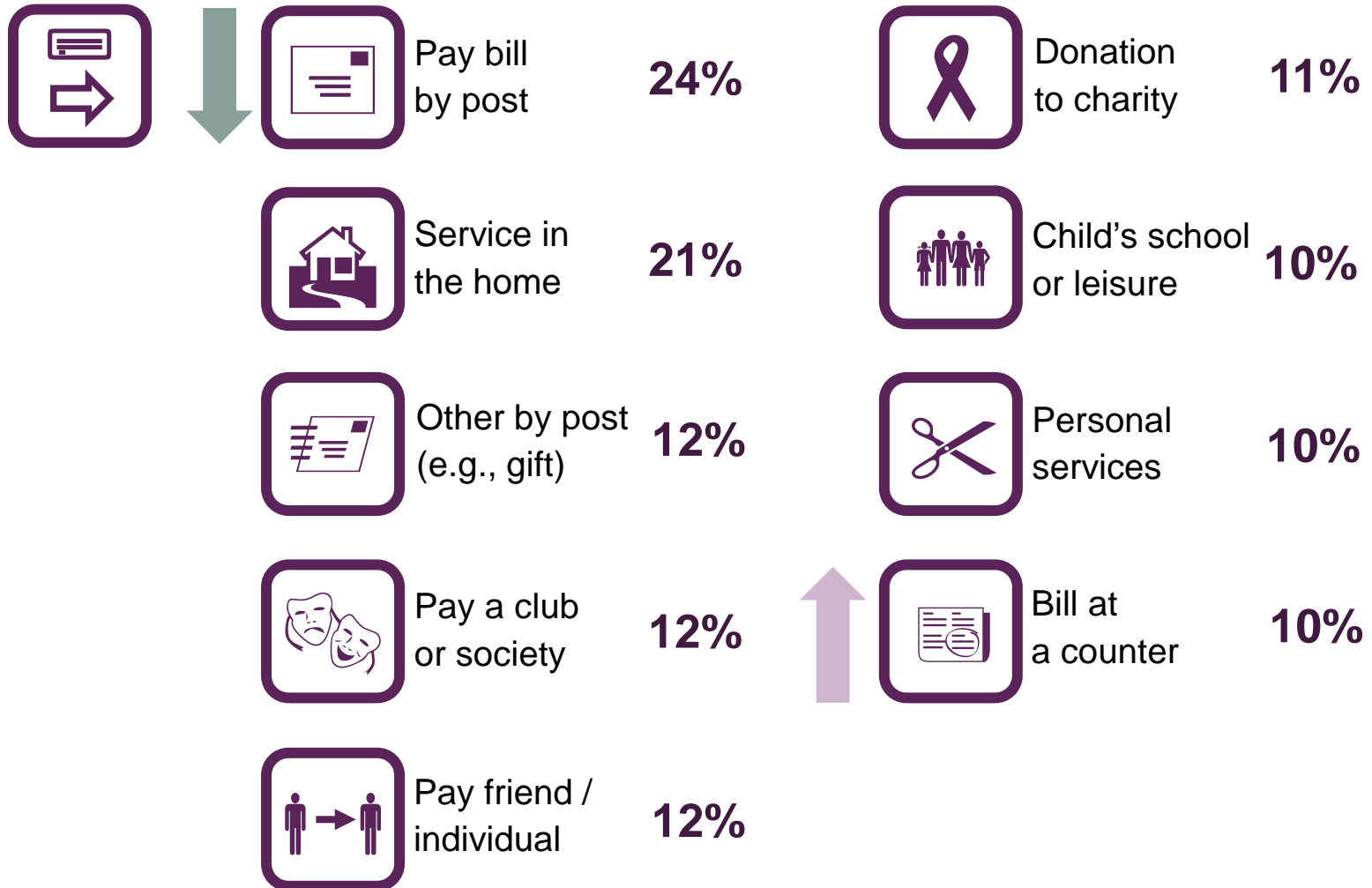
PROPORTIONS WRITING AND NOT WRITING CHEQUES, BY AGE



Older people most likely to **write** cheques

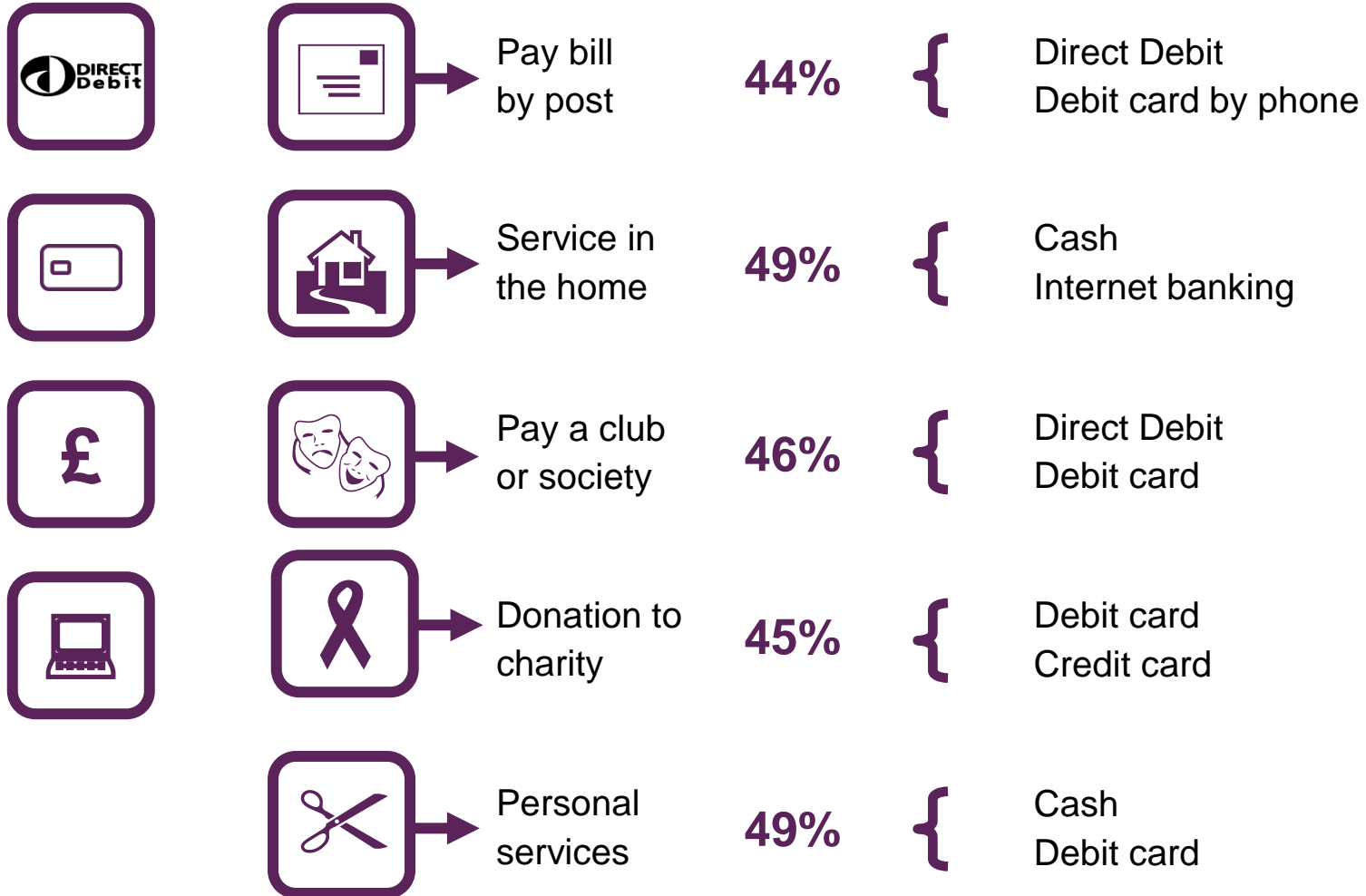
93% of 16-24 age group **do not write** cheques

WHAT ARE CHEQUES WRITTEN FOR?



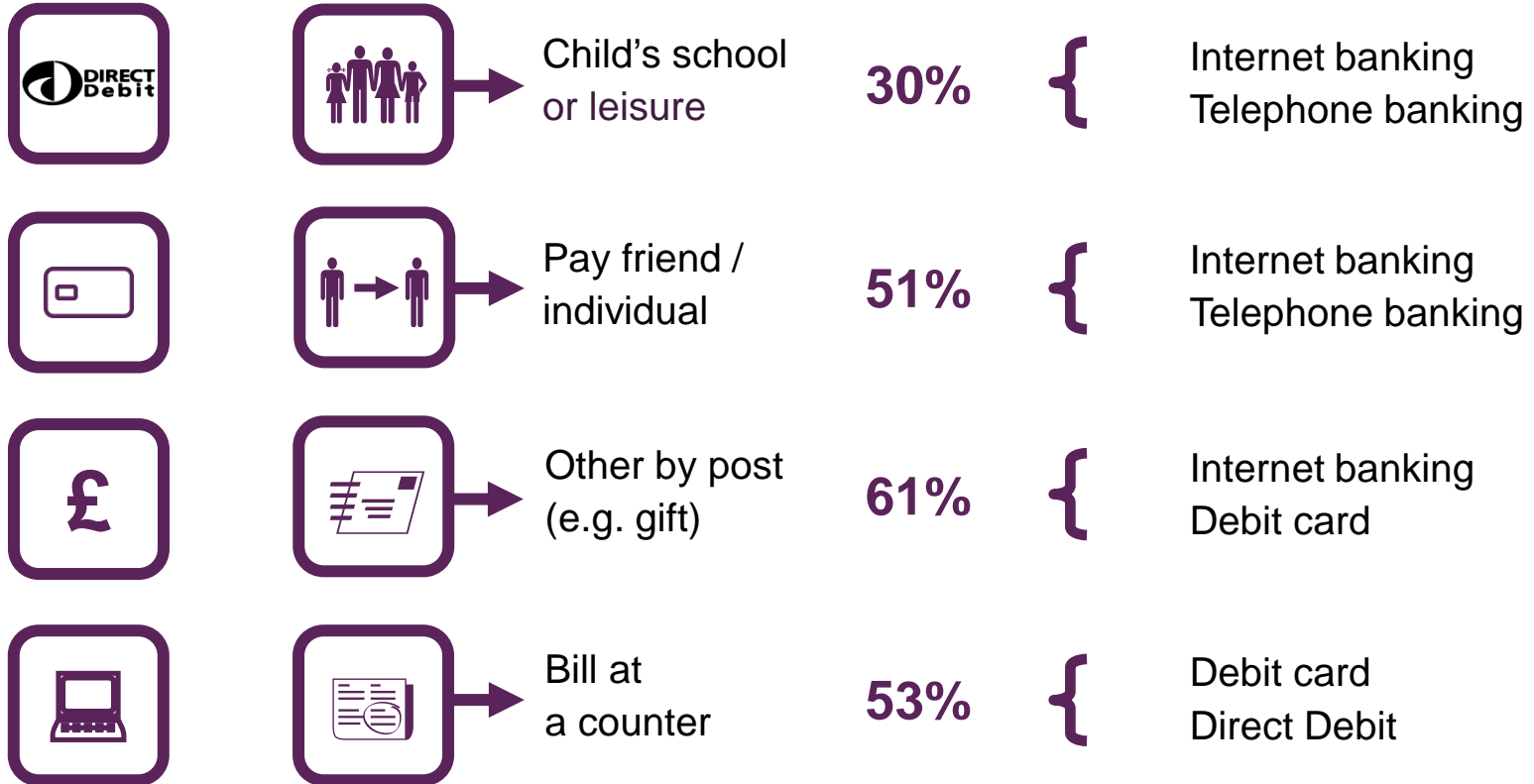
% of account holders writing cheques and who used a cheque for these purposes in the past year

CONVENIENT ALTERNATIVES TO CHEQUES



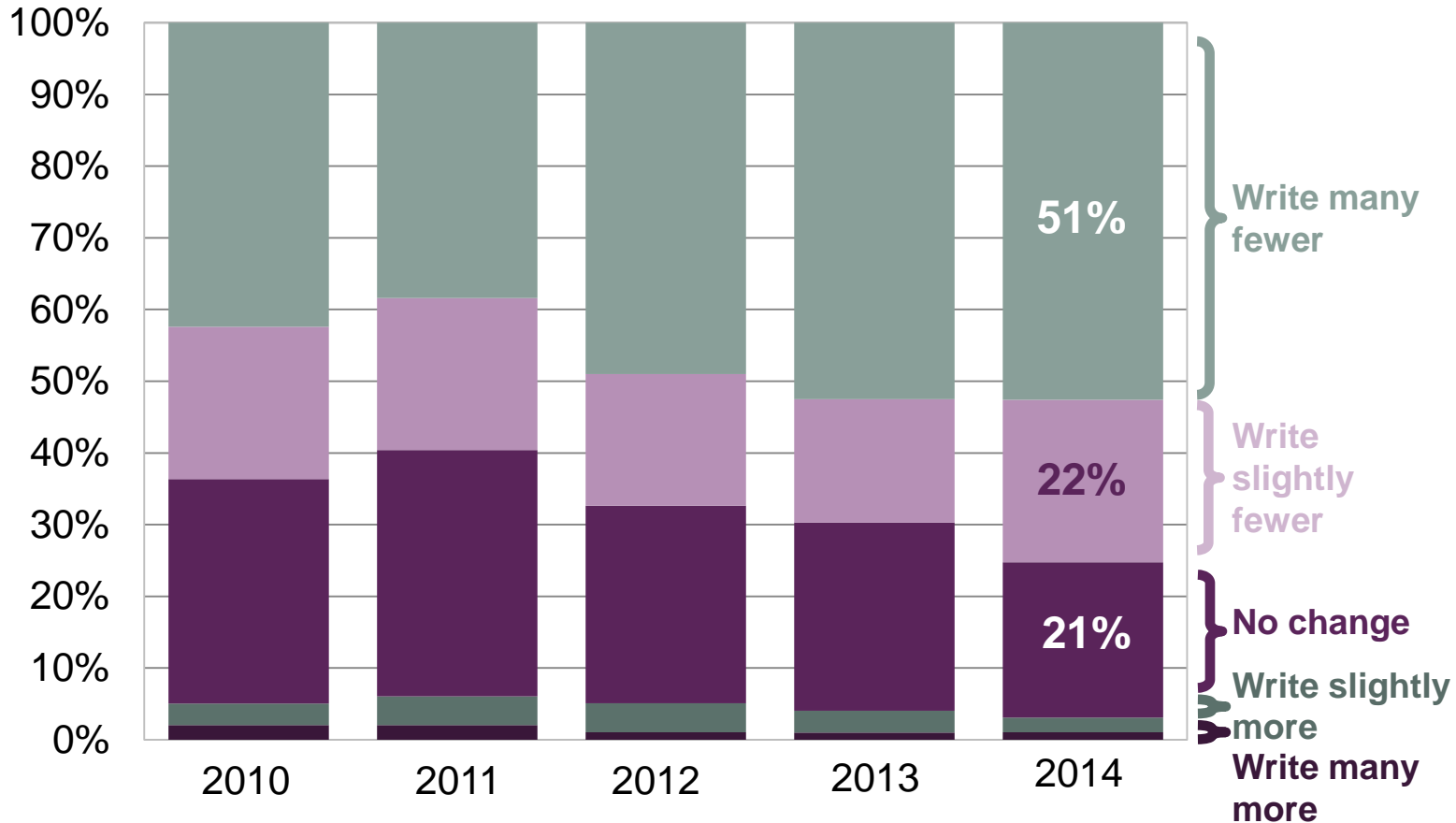
% of account holders writing cheques for each purpose who think there is a convenient alternative to a cheque

CONVENIENT ALTERNATIVES TO CHEQUES



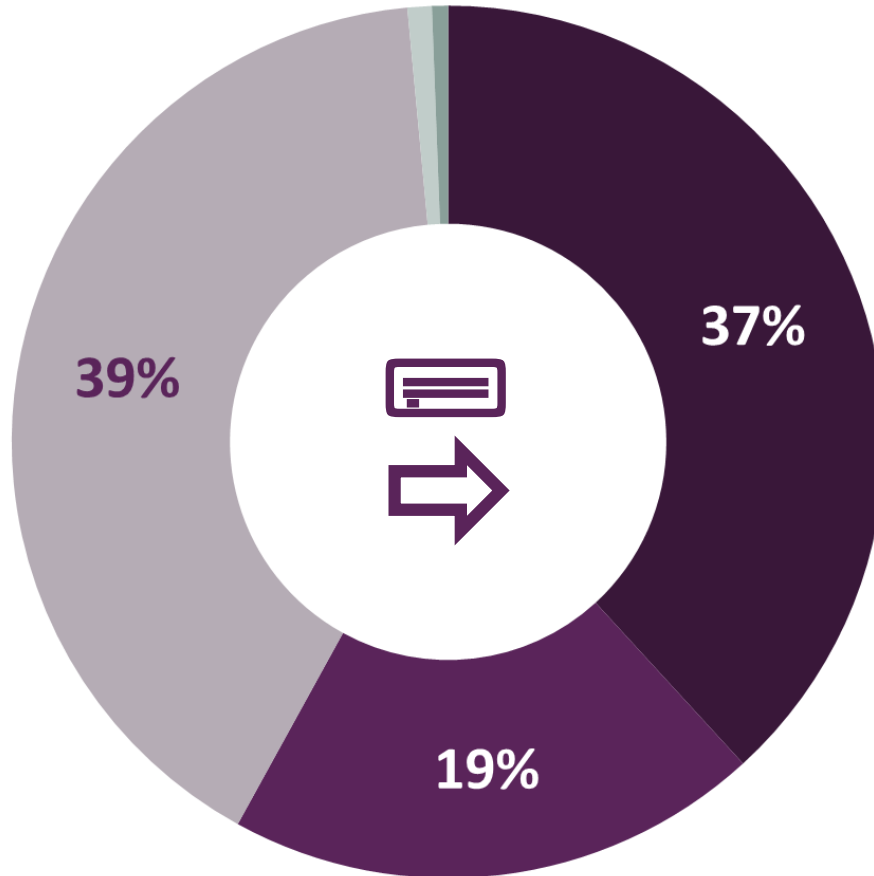
Internet banking and cards often named as convenient alternative. Cash also popular.

CHANGES IN CHEQUE WRITING OVER THE LAST FEW YEARS



Increasing numbers saying they write many fewer cheques now than they used to

CHANGES IN CHEQUE WRITING OVER THE NEXT FEW YEARS



Write many fewer

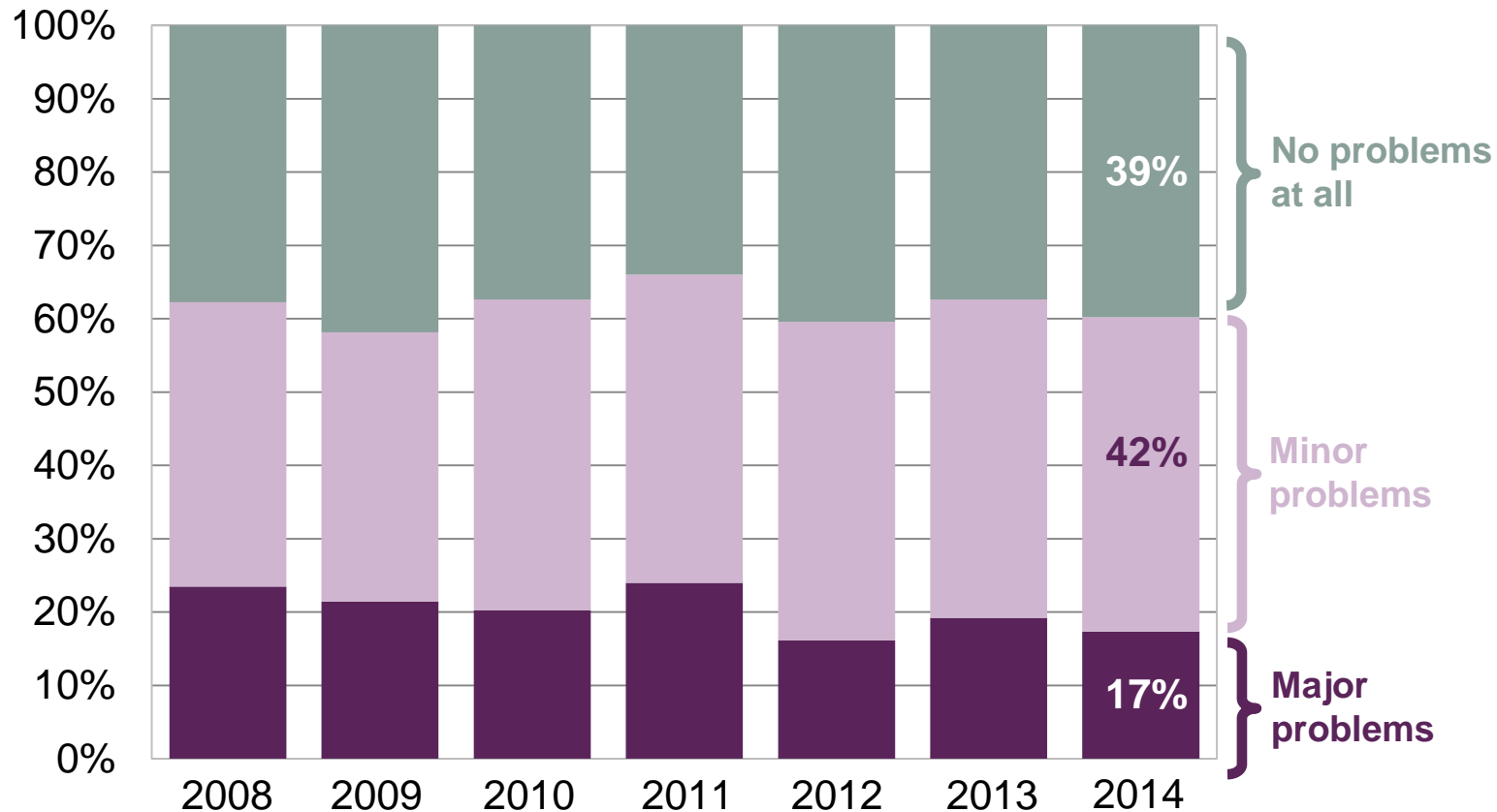
Write slightly fewer

No change

Write slightly more

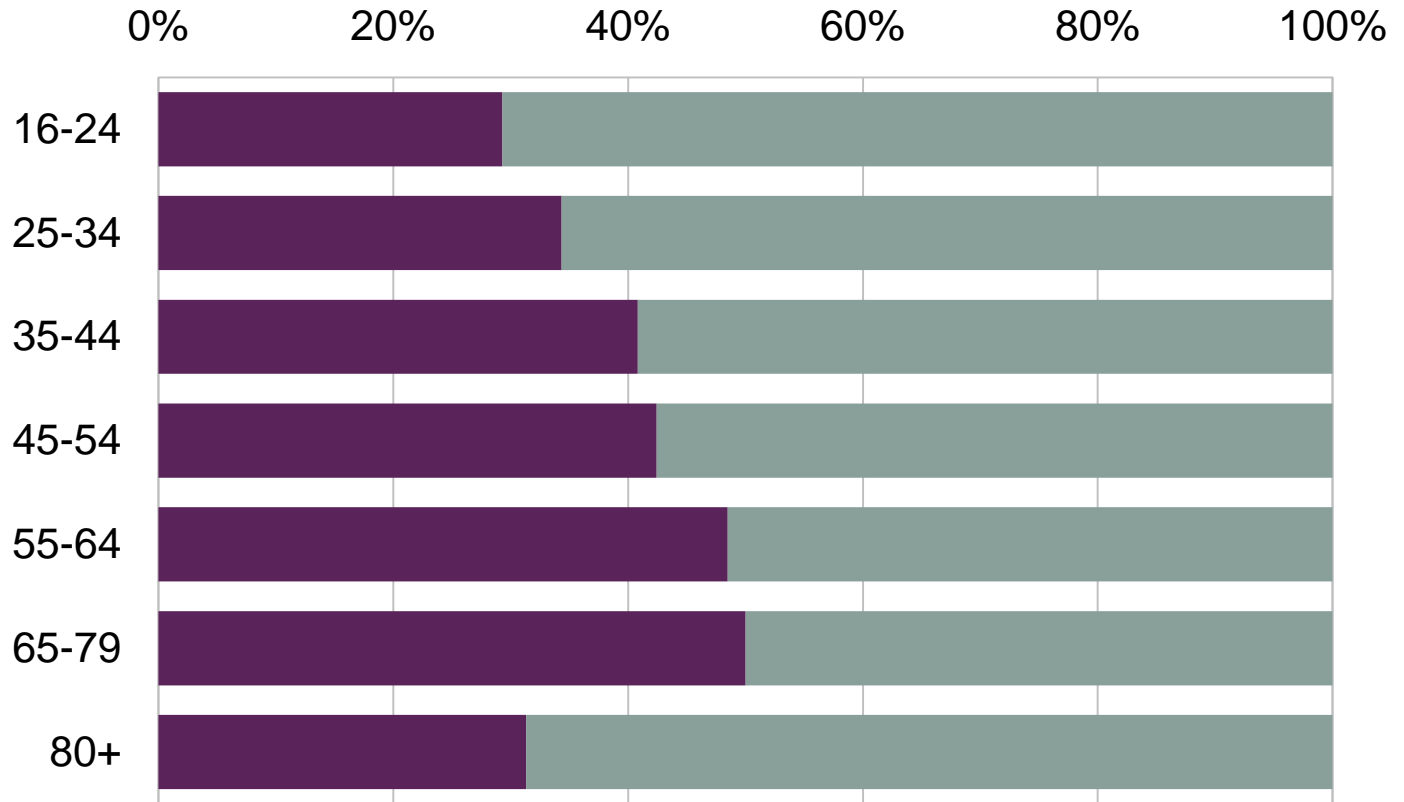
Write many more

PROBLEMS IF UNABLE TO WRITE CHEQUES



Little change over time – **60%** would have problems if unable to write cheques

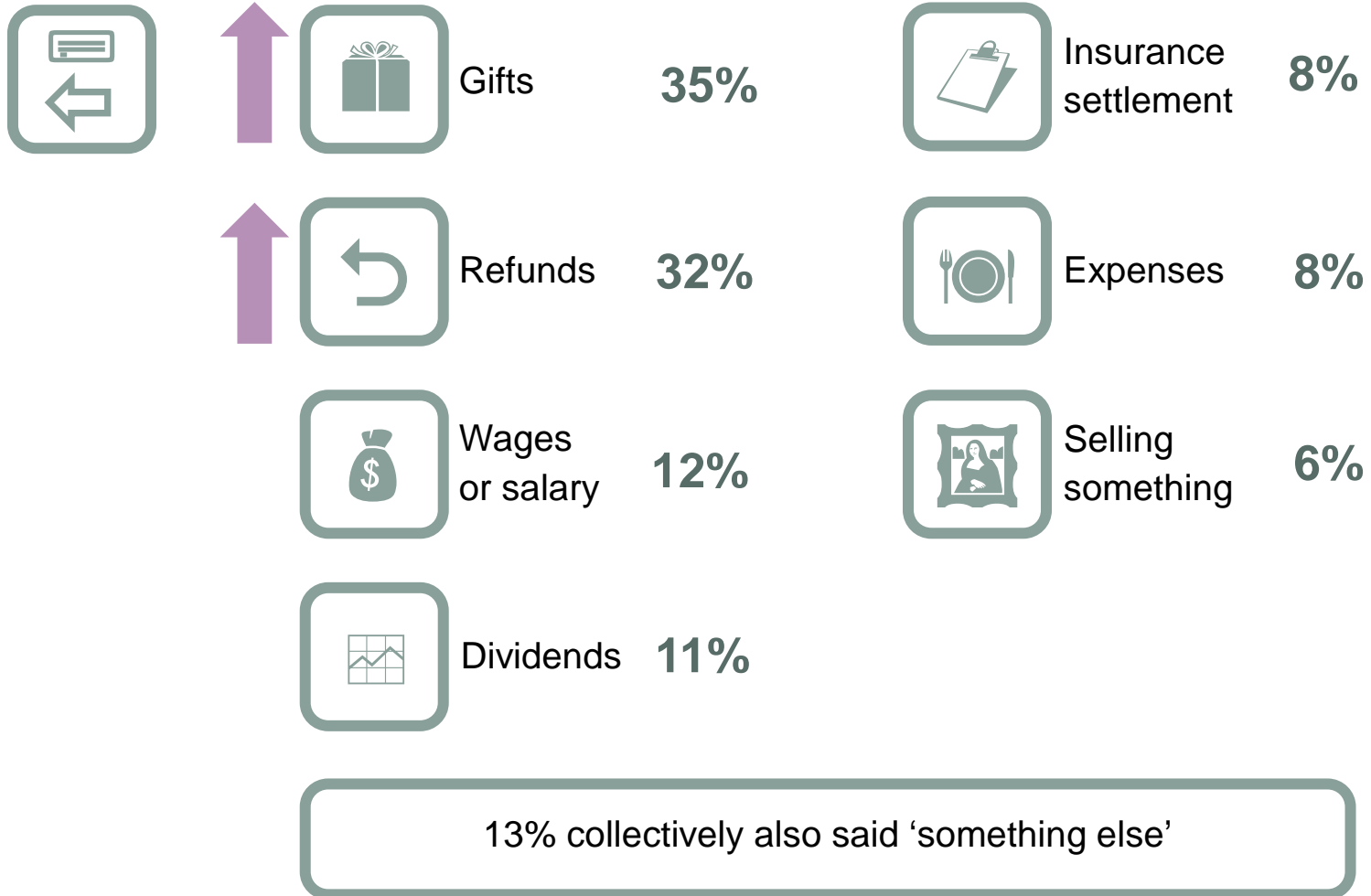
PROPORTIONS RECEIVING AND NOT RECEIVING CHEQUES, BY AGE



65-79 only group with majority of **receivers**

Youngest age groups most likely to **not to receive**

WHAT ARE CHEQUES RECEIVED FOR?



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



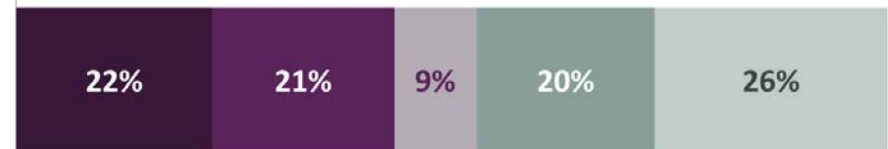
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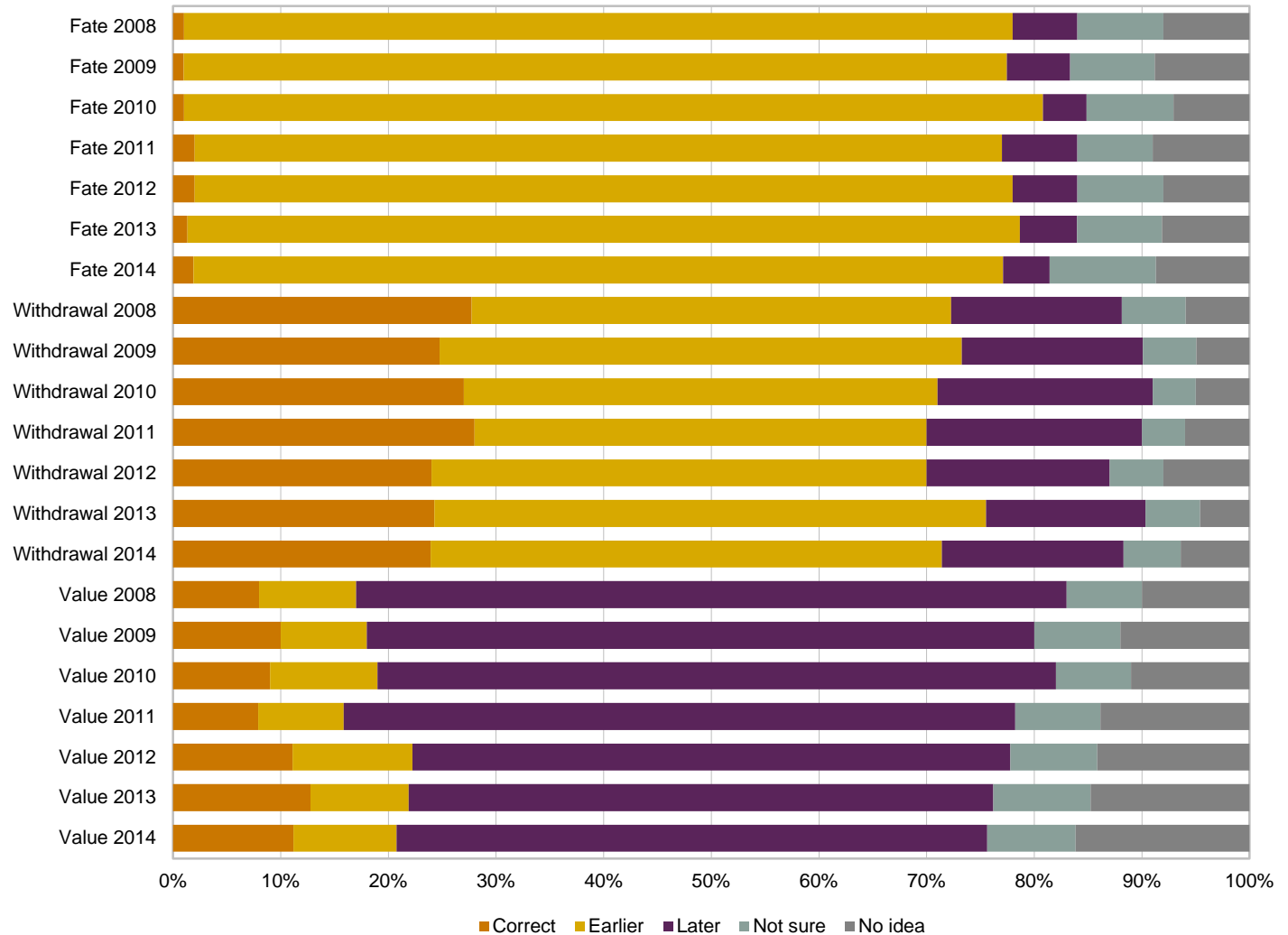
KNOWLEDGE OF 2-4-6 CHEQUE PROPOSITION AMONG CHEQUE RECIPIENTS

2-4-6

- C&CCC has surveyed knowledge of the 2-4-6 cheque proposition among cheque recipients since 2007
- Withdrawal is the best understood proposition – in 2014 24% of cheque recipients think withdrawal happens on T+4
- Fate the least well understood. 2% of cheque recipients correctly identify T+6 in 2014
- 11% of cheque recipients in 2014 correctly identify T+2 as when value is received

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

2-4-6



Base: account holders who received a cheque in the last year