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Dear Sirs

**C&CCC RESPONSE TO HMT CONSULTATION “DESIGNATION OF PAYMENT SYSTEMS FOR REGULATION BY PAYMENT SYSTEMS REGULATOR”**

The Cheque and Credit Clearing Company welcomes the opportunity to respond to HMT’s consultation, “Designation of Payment Systems for Regulation by the Payment Systems Regulator”.

**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;
- 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.

**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.

As you are aware, C&CCC is developing a new clearing system based upon image transfer which will replace the requirement for extensive and cumbersome daily movement of large volumes of cheque and credit paper in the UK. The use of images will allow a range of competitive, image-based customer products to be developed by financial institutions which will:

- enable customers who wish to continue to write paper cheques to do so;
- enable innovative new services such as the ability to pay cheques in remotely (e.g. via mobile phone apps or remote corporate image capture); and
- allow an unpaid cheque to be returned to a customer electronically.

Cheque imaging also provides the potential to reduce clearing timescales and meet the Payment Systems Regulator's promotion of open access to payment systems for challenger banks by removing barriers to entry.

The Company welcomes any regulatory environment where our end users, including customers and the wider economy, can continue to benefit to the fullest extent from an efficient cheque clearing system. We have long maintained our preference to work within a robust and effective governance structure geared to consider, and have the authority to sanction, for the benefit of customers and the wider industry, proposals which are supported by the highest quality subject matter expertise and we, therefore, welcome the proposals for our designation, along with seven other payment systems, having met the criteria in the Financial Service (Banking Reform) Act 2013.

We recognise that the regulatory environment within which the Company works will continue to evolve and our main priority will be to continue to maintain the integrity of the clearings and provide a centre of excellence in respect of cheques.

We would, of course, be happy to meet to discuss this response.

Yours sincerely

Angela Thomas  
Managing Director of Cheque & Credit Clearing Company Ltd