

## Contents

This page **Summary of key statistics**

A	<b>Bacs payments</b>	B	<b>Cheque &amp; credit transactions</b>
C	<b>Real-time payments: Faster Payments</b>	D	<b>Same-day payments: CHAPS</b>
E	<b>Cash machines withdrawals</b>		

## Summary of key payment statistics for Q1 2018

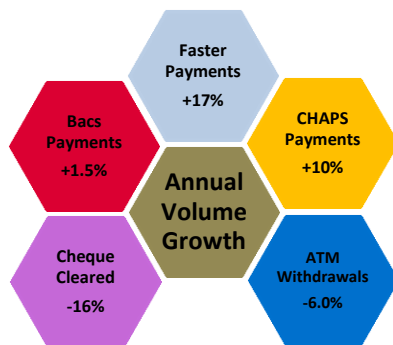
**Bacs:** 1,570 million Bacs payments were made during the quarter, with 67% of these comprised of direct debits. This corresponded with total a total of £1,226 billion Bacs payments made with direct debits accounting for 26% of the value.

**Cleared cheques and paper credits:** An average of 1.0 million cheques were cleared per day during Q1 with an average value of £1,234 per cheque.

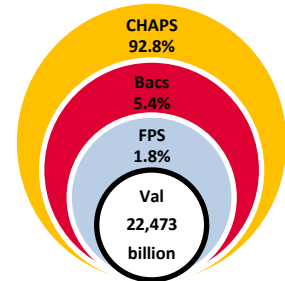
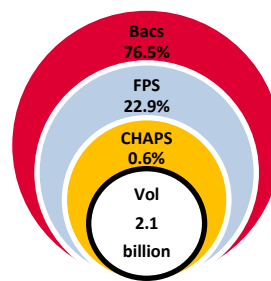
**Faster Payments:** There were 471 million Faster Payments processed during the quarter amounting to £404 billion. The average value of a Faster Payment stood at £857, up from £851 a year ago.

**CHAPS:** £20.8 trillion was processed in Q1, an increase of 3.9% on Q1 2017. Volumes averaged 187,345 payments per day, an increase of 20% on the same period a year ago.

**Cash withdrawals:** £41.1 billion was withdrawn from cash machines spread over 577 million withdrawals with the average withdrawal falling by £3 during the quarter to £71. The number of cash machines fell by its largest quarterly amount this decade, by 2,184 to 67,419.



### Automated Payments Volumes and Values



## Cash and cheque transactions

Number of	Q1 2018	Annual rate of growth <sup>1</sup>	Total value of	Q1 2018	Annual rate of growth <sup>1</sup>
Cash machine withdrawals	577 mn	-6.0%	Cash machine withdrawals	£41 bn	-4.8%
Inter-bank cheques cleared	65 mn	-15.7%	Inter-bank cheques cleared	£81 bn	-11.4%
Number of	Annual Figures (2017)	Annual rate of growth <sup>1</sup>	Total value of	Annual Figures (2017)	Annual rate of growth <sup>1</sup>
* Cash payments	15,359 mn	-10.7%	* Cash payments	£240 bn	-5.0%
Cash machine withdrawals	2,597 mn	-5.0%	Cash machine withdrawals	£187 bn	-3.4%
* Cheque transactions <sup>2</sup>	477 mn	-14.5%	* Cheque transactions <sup>2</sup>	£551 bn	-11.7%
Inter-bank cheques cleared	293 mn	-15.0%	Inter-bank cheques cleared	£356 bn	-10.9%

## Automated payments

Number of	Q1 2018	Annual growth <sup>1</sup>	Total value of	Q1 2018	Annual growth <sup>1</sup>
Bacs payments	1,570 mn	1.5%	Bacs payments	£1,226 bn	1.8%
Faster Payments	471 mn	17.4%	Faster Payments	£404 bn	19.0%
CHAPS payments	12 mn	10.2%	CHAPS payments	£20,843 bn	9.6%
Number of	Annual Figures (2017)	Annual growth <sup>1</sup>	Total value of	Annual Figures (2017)	Annual growth <sup>1</sup>
Bacs payments	6,347 mn	2.1%	Bacs payments	£4,924 bn	3.1%
Faster Payments	1,656 mn	16.1%	Faster Payments	£1,400 bn	17.7%
CHAPS payments	42 mn	6.9%	CHAPS payments	£84,082 bn	11.3%

<sup>1</sup> Per cent growth rates relate to 12 rolling months.

<sup>2</sup> Cheque transactions include inter-bank, inter-branch and in-house cheque items and includes cash acquisition.

\* Totals are currently 2016. 2017 figures are due in Q2 2018.

## A Bacs Direct Credits and Direct Debits



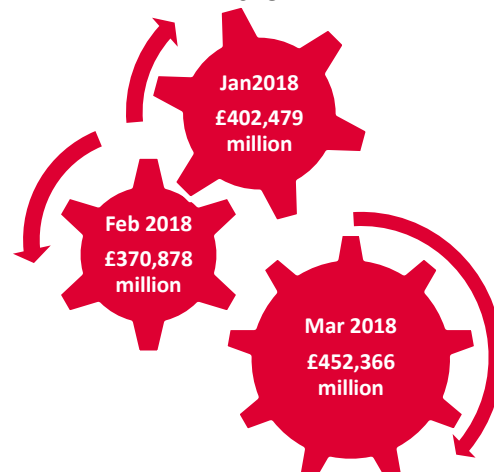
• Bacs volumes grew by 1.8% when compared to the same quarter a year ago to reach 1,570 million in Q1 2018. This corresponded to a 0.8% increase in the value. The average Bacs transaction equated to £781, an £8 decline on the value a year ago.

• The number of Direct Debit payments equated to 1,052 million payments in Q1 2018 after growing 2.8% on Q1 2017, while the corresponding value grew by 1.1% to reach £323 billion. Between these two quarters the average payment value for Direct Debits declined by £5 to 307. Direct Debits made up 67% of total Bacs payments by volume and 26% by value in the current quarter, similar proportions to a year earlier.

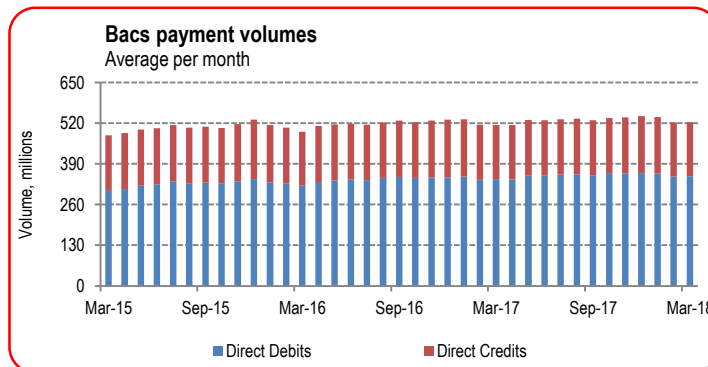
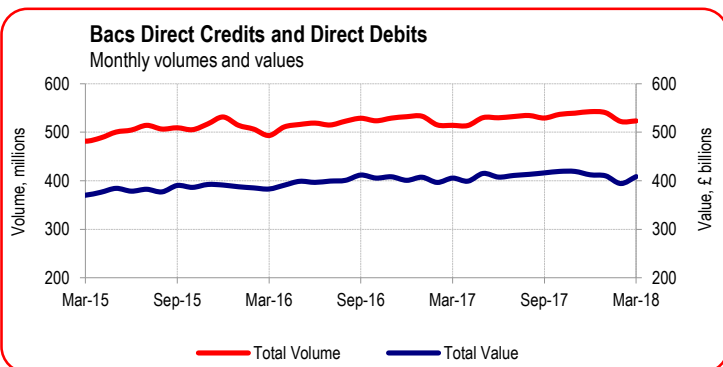
• The volume of Direct Credits declined marginally to 518 million payments in Q1 2018, when compared to the same quarter a year ago. By contrast, values rose by 0.7% to £903 billion. The average payment value almost rose by £15 to £1,743 between Q1 2017 and Q1 2018.

• Bacs Direct Credits are a popular and cost-effective method for business and Government to make bulk payments, where the value and timing of the payment are known in advance. They are the most common method for businesses and organisations to make payments, including employee wages and account for the main method with which government benefits are paid.

### BACS cumulative growth £1,226 billion Q1 2018



		Total				of which			
		Volume		Value		Bacs Direct Credits	Bacs Direct Credits	Direct Debits	
		000s	% growth <sup>1</sup>	£ mn	% growth <sup>1</sup>	Volume 000s	Value £ mn	Volume 000s	Value £ mn
2015	Q1	1,444,845	3.1%	1,110,686	4.3%	524,051	823,941	920,794	286,745
	Q2	1,513,449	3.4%	1,135,535	4.4%	537,920	832,365	975,529	303,171
	Q3	1,527,500	3.6%	1,170,662	4.1%	538,190	861,475	989,310	309,187
	Q4	1,594,249	4.1%	1,173,328	3.8%	571,536	857,035	1,022,713	316,293
2016	Q1	1,479,710	3.8%	1,148,920	3.8%	518,473	849,626	961,237	299,294
	Q2	1,556,533	3.4%	1,189,898	4.0%	535,129	873,828	1,021,404	316,070
	Q3	1,586,365	3.5%	1,235,233	4.4%	540,738	912,695	1,045,627	322,538
	Q4	1,596,138	2.3%	1,202,498	4.1%	552,495	878,164	1,043,643	324,333
2017	Q1	1,542,648	2.7%	1,216,336	4.7%	519,264	897,292	1,023,384	319,044
	Jan	504,469	3.0%	408,125	4.6%	167,182	305,546	337,287	102,579
	Feb	485,448	2.6%	364,264	4.3%	164,568	265,748	320,881	98,516
	Mar	552,732	2.7%	443,947	4.7%	187,515	325,998	365,216	117,949
2018	Q1	1,570,062	1.5%	1,225,723	1.8%	518,199	903,192	1,051,863	322,531
	Jan	527,321	2.0%	402,479	2.3%	169,574	294,550	357,747	107,928
	Feb	493,342	2.1%	370,878	2.3%	162,526	270,201	330,816	100,677
	Mar	549,399	1.5%	452,366	1.8%	186,099	338,441	363,300	113,925



<sup>1</sup> Per cent growth rates relate to rolling 12 months.

## B Cleared cheques and paper credits

- The annual rate of decline of cheque volumes accelerated in Q1 2018, decreasing by 16% annually, to 65 million. This has corresponded with an 11% annual decline in values to £81 billion. This rate of decline has remained relatively unchanged since Q1 2016.

- Despite these declines, cheques still remain valued by those who choose to use them as they provide a convenient and secure method of payment when the recipient's bank account details are unknown.

- Recent market research<sup>1</sup> found that in 2017: the most common reason for writing a cheque was to pay a bill (23%); the next most popular reason was to pay a tradesman at home (20%); the two most common reasons for receiving a cheque were gifts (38%) and refunds (25%); and, 55% of consumers said that they had either made or received a payment by cheque.

- 3.7 million paper credits were cleared for a total of £2.3 billion in Q1 2018, comparing with respective figures of 4.9 million and £3.9 billion a year ago.

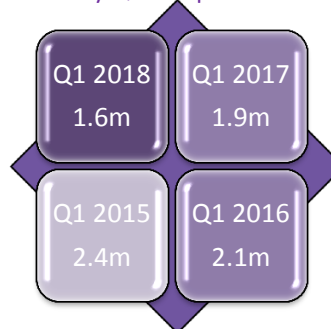
### Average Cheque Value Q1



### Average Credit Value Q1

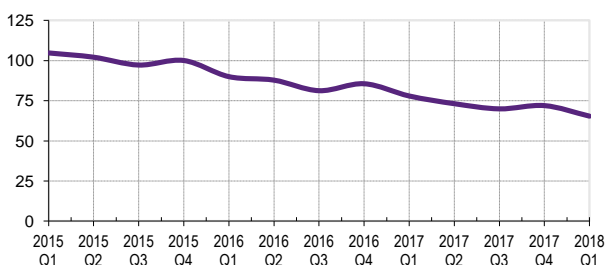


### Peak Day Q1 Cheque Cleared

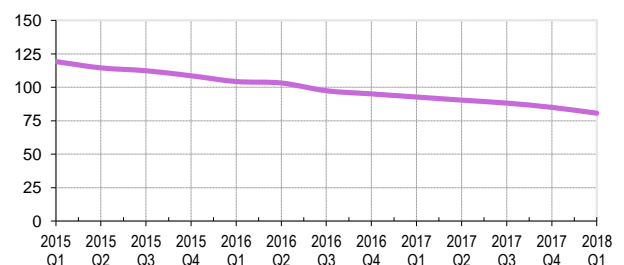


		Cheques <sup>2</sup>				Credits			
		Volume		Value		Volume		Value	
		000s	% growth <sup>3</sup>	£ mn	% growth <sup>3</sup>	000s	% growth <sup>3</sup>	£ mn	% growth <sup>3</sup>
2015	Q1	104,762	-12%	119,257	-7%	7,734	-15%	4,726	-10%
	Q2	102,102	-13%	114,547	-7%	7,154	-17%	4,029	-10%
	Q3	97,227	-13%	112,404	-9%	6,863	-18%	4,462	-9%
	Q4	100,042	-13%	108,629	-9%	6,298	-20%	3,999	-12%
2016	Q1	89,999	-13%	104,345	-11%	5,881	-21%	4,259	-11%
	Q2	87,813	-14%	103,240	-11%	5,545	-23%	3,516	-12%
	Q3	81,240	-14%	97,470	-11%	5,377	-23%	3,750	-14%
	Q4	85,569	-15%	95,104	-12%	5,054	-22%	3,499	-13%
2017	Q1	77,939	-15%	92,760	-12%	4,883	-20%	3,886	-13%
	Jan	26,923	-14%	31,665	-11%	1,722	-21%	1,703	-12%
	Feb	23,679	-15%	28,144	-12%	1,421	-21%	977	-13%
	Mar	27,337	-15%	32,952	-12%	1,741	-20%	1,206	-13%
2018	Q1	65,384	-16%	80,671	-11%	3,703	-23%	2,306	-31%
	Jan	24,411	-15%	29,674	-11%	1,408	-22%	1,125	-25%
	Feb	20,203	-15%	24,925	-10%	1,074	-22%	584	-27%
	Mar	20,770	-16%	26,072	-11%	1,221	-23%	597	-31%

Cheque volumes Millions per quarter



Cheque values £ Billions per quarter



<sup>1</sup> More details available in the Cheque and Credit 2017 annual review which is available at - <https://www.chequeandcredit.co.uk/information-hub/publications>

<sup>2</sup> Inter-bank payments only.

<sup>3</sup> Per cent growth rates relate to 12 rolling months.

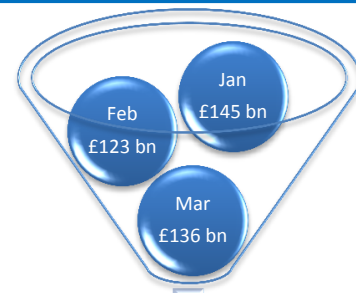
## C Real-time payments: Faster Payments

• There were 0.5 billion faster payments processed in Q1 2018, 21% up on a year ago. This coincided with 22% growth in values. The continued increase in faster payment transactions is being driven by the popularity of mobile (via an app on their smartphone or tablet) and online banking (via a web browser accessible through a smartphone, tablet or computer). Growth is also driven by more businesses taking advantage of the near real time functionality and universal reach of the service.

• The vast majority of faster payments are accounted for by Single Immediate Payments (SIPs), which accounted for nearly two thirds of volumes and 61% of values in Q1 2018. Following growth rates of 25% and 18% on Q1 2017, SIP volumes and values reached 0.3 billion and £247 billion respectively.

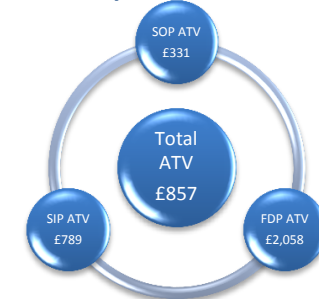
• Forward-dated payments (FDPs) are one-off payments sent and received on a pre-arranged date, set-up by the customer in advance. They are typically used to pay bills and rent etc. In Q1 2018, there were 60 million FDP transactions with a value of £124 billion following increases of 30% and 35% from a year ago. FDPs accounted for 13% of faster payments by volume and 31% by value in the current quarter.

• Standing orders (SOPs) tend to be used in circumstances where a regular payment of a fixed amount must be made, for example, for paying rent or making regular transfer payments from current accounts to savings accounts. SOPs, including scheme returns, accounted for 21% of faster payments by volume and 8.0% by value. Following growth rates of 6.2% and 9.9% on Q1 2017, SOP volumes and values reached 98 million and £32 billion respectively.

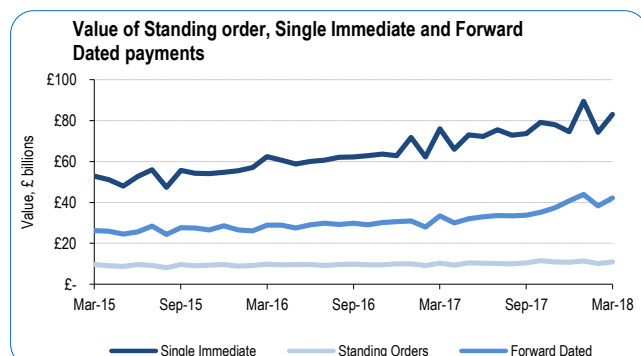
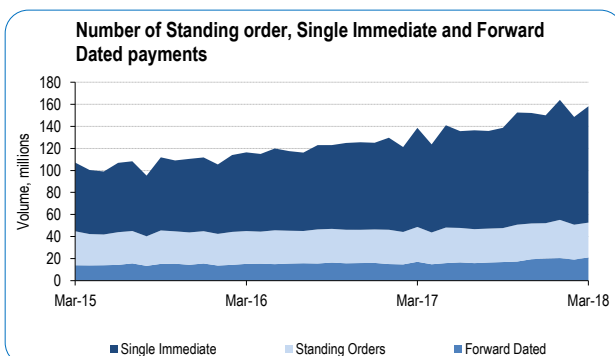


**£403.5 billion Faster Payments processed in Q1 2018**

**Faster Payments ATVs Q1 2018**



		Payment volumes					Payment values				
		<i>of which</i>					<i>of which</i>				
		Total <sup>1</sup>	%	Standing orders (inc Returns & Scheme Returns)	Forward Dated (inc Corporate Bulk)	Single Immediate	Total <sup>1</sup>	%	Standing orders (inc Returns & Scheme Returns)	Forward Dated (inc Corporate Bulk)	Single Immediate
		000s	growth <sup>2</sup>	000s		000s	£ mn	growth <sup>2</sup>	£ mn		£ mn
2015	Q1	293,837	13%	85,086	39,374	169,377	245,311	16%	25,630	74,171	145,510
	Q2	306,304	13%	86,091	41,881	178,333	255,296	15%	27,520	75,975	151,801
	Q3	315,529	13%	86,676	44,022	184,830	266,377	15%	27,102	80,382	158,893
	Q4	331,364	13%	88,167	45,062	198,135	273,734	15%	28,065	82,572	163,097
2016	Q1	335,820	14%	88,500	43,010	204,311	284,332	15%	27,905	81,534	174,893
	Q2	352,440	14%	89,691	45,642	217,107	293,808	15%	28,918	85,383	179,507
	Q3	362,189	15%	90,901	47,484	223,803	302,639	15%	28,808	88,930	184,902
	Q4	375,644	14%	91,099	47,540	237,005	308,228	14%	29,105	89,783	189,340
2017	Q1	389,603	15%	92,284	46,639	250,680	331,611	14%	29,518	92,216	209,877
	Jan	129,701	15%	31,169	14,964	83,568	112,618	15%	9,976	30,885	71,756
	Feb	121,258	14%	29,476	14,650	77,132	99,231	14%	9,186	27,915	62,130
	Mar	138,644	15%	31,639	17,025	89,981	119,762	14%	10,356	33,416	75,990
2018	Q1	470,954	17%	97,978	60,449	312,527	403,546	19%	32,440	124,375	246,730
	Jan	164,087	17%	34,700	20,401	108,986	144,782	18%	11,426	43,931	89,426
	Feb	148,571	18%	31,674	19,052	97,845	122,697	20%	10,142	38,276	74,279
	Mar	158,295	17%	31,604	20,995	105,696	136,067	19%	10,873	42,169	83,026



<sup>1</sup> Scheme limit increased from £100,000 to £250,000 in November 2015.

<sup>2</sup> Per cent growth rates relate to 12 rolling months.

## D Same-day payments: CHAPS



• Growth of CHAPS transactions continued into the first quarter of 2018. CHAPS volumes and values grew 18% and 3.9% when compared to a year ago.

• Daily volumes for Q1 2018 averaged 187,345 payments, a record high and representing a 20% increase on a year ago. Meanwhile daily values averaged £331 billion, a rise of 5.5% on Q1 2017. Daily averages have topped £300 billion since Q4 2016, surpassing levels last seen during the 2008 financial crisis. The value of sterling processed in CHAPS has increased significantly from mid-2015 onwards.

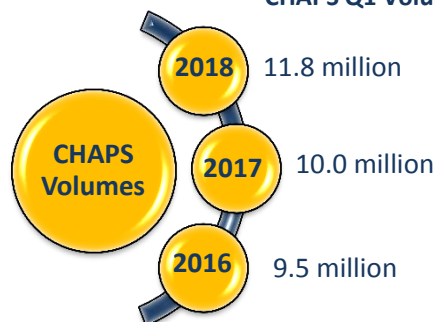
• Most of the value (73%) derived from wholesale financial transactions.

• Structural reform was one cause of the high increase in volumes. This is the ring-fencing of the largest banks, to protect the retail services they provide from wholesale and risk taking activities elsewhere in their banking group. Some of this increase in volumes is expected to be temporary and will fall away later in 2018. However, some of this increase is expected to be permanent.

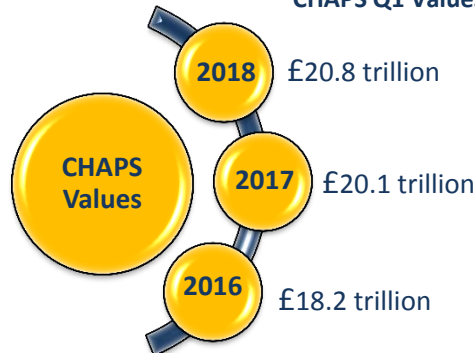
• The EU referendum related fall of sterling boosted the UK's international trade from mid-2016 onwards, creating higher-than-expected CHAPS volume growth.

• When compared to Q1 2017, the average CHAPS payment size declined by 12% to £1.8 million. This is because most of the new payments now settling in CHAPS as a result of structural reform are lower-value transfers between corporate customers of the non-ring fenced bank and retail customers of the ring-fenced bank within the same banking group. Prior to structural reform, these transactions would have been internalised within the same bank rather than being made through CHAPS. In contrast, the higher-value payments between corporate customers remain internalised within the non-ring fenced entity.

CHAPS Q1 Volumes

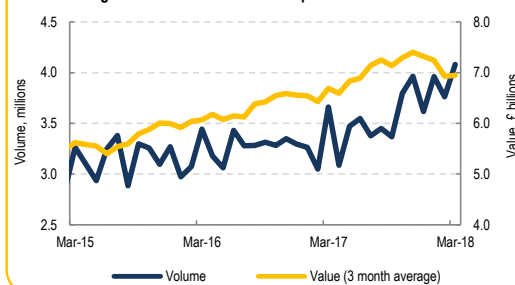


CHAPS Q1 Values

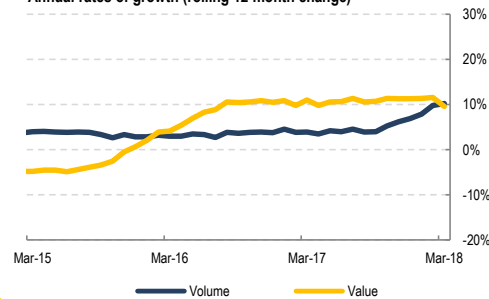


		Volumes		Values		Working Days per Period
		000s	% growth <sup>1</sup>	£ mn	% growth <sup>1</sup>	
2015	Q1	9,082	4%	16,857,471	-5%	63
	Q2	9,285	4%	16,206,916	-5%	61
	Q3	9,561	3%	17,368,637	-3%	65
	Q4	9,620	3%	17,978,153	1%	64
2016	Q1	9,492	3%	18,213,474	4%	62
	Q2	9,669	3%	18,427,735	8%	63
	Q3	9,878	4%	19,269,756	10%	65
	Q4	9,925	4%	19,662,662	10%	63
2017	Q1	9,975	4%	20,064,979	11%	64
	Jan	3,263	5%	6,580,873	11%	21
	Feb	3,050	4%	6,182,818	10%	20
	Mar	3,662	4%	7,301,288	11%	23
	Q2	10,104	4%	20,662,901	11%	61
	Q3	10,194	4%	21,403,494	11%	64
	Q4	11,379	7%	21,951,103	11%	63
	Q1	11,803	10%	20,843,232	10%	63
2018	Jan	3,962	8%	7,325,861	11%	22
	Feb	3,761	10%	6,593,179	12%	20
	Mar	4,080	10%	6,924,193	10%	21

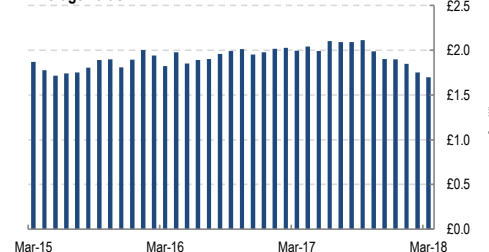
CHAPS payment volumes and values  
Average values and actual volumes per month



CHAPS payment volumes and values  
Annual rates of growth (rolling 12 month change)



CHAPS payments  
Average value



<sup>1</sup> Growth rates are based on 12 rolling months.



# E Cash machines withdrawals <sup>1</sup>

Please note that the data in this table show the total number and value of ALL withdrawals processed at UK cash machines, including those not handled by LINK, i.e, withdrawals where the card issuer and ATM owner is the same institution, known as on-us. Those handled by LINK are known as not-on-us.

- There were 67,419 cash machines in operation at the end of Q1, the lowest total since the second quarter of 2013. This decline occurred across the whole estate.

- The number of IAD machines fell below 40,000 for the first time in over a year.

- The number of off-site machines has fallen below 50,000 for the first time in over three years.

- There were record lows for the number of BBS (28,196) and pay-to-use (12,628) cash machines, following respective declines for the quarter of 194 and 1,823. Pay-to-use machines accounted for 83% of the decline in the total number of cash machines.

- Three quarters of off-site machines are free-to-use, up from 70% a year ago.

- There were 577 million withdrawals in Q1 2018 corresponding with £41.1 billion withdrawn. This compares with 627 million withdrawals and £44.3 billion in Q1 2017. The average withdrawal declined by £3 during the quarter to £71.

- Despite accounting for only 42% at year-end, BBS machines still make up the vast majority of withdrawals. In Q1 2018, they made up 63% of withdrawals by volume and 69% by value, down from respective figures of 68% and 75% a year ago.

## Largest decline in cash machines by sector (excluding retail)

### Social



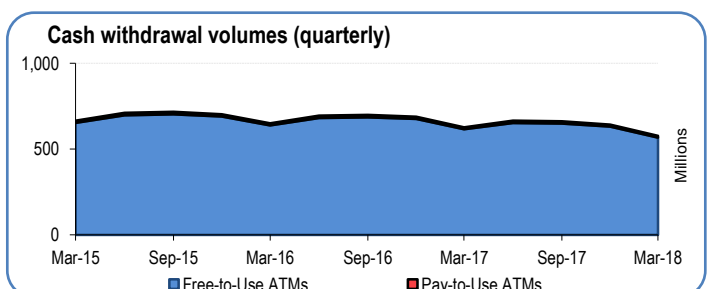
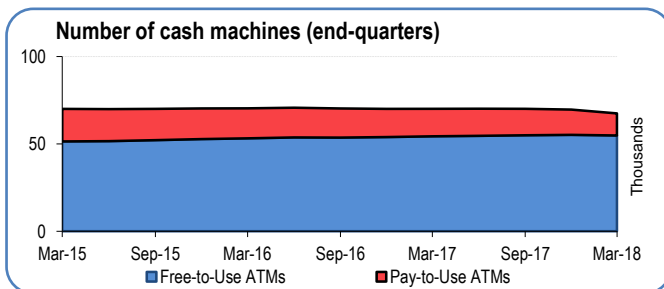
1971

## The only sector increase in cash machines (excluding retail)



100

	Number of cash machines at period end	Cash withdrawals						
		Volume (inc 'on-us' transactions)			Value (inc 'on-us' transactions)			Number of withdrawals where a fee is charged to the cardholder
		mn	% growth increase <sup>2</sup>	£ mn	% growth increase <sup>2</sup>	Average value £	%	
<b>2015</b>	Q1	70,006	666	-3.1%	44,598	-0.8%	67	1.9%
	Q2	69,876	711	-2.6%	47,975	-0.2%	67	2.0%
	Q3	70,018	717	-2.3%	50,940	1.0%	71	2.1%
	Q4	70,270	703	-1.2%	50,800	2.6%	72	1.9%
<b>2016</b>	Q1	70,330	650	-1.2%	44,945	2.5%	69	1.9%
	Q2	70,682	695	-1.3%	48,983	2.9%	70	2.0%
	Q3	70,254	699	-1.7%	49,984	1.5%	71	2.1%
	Q4	70,020	689	-2.3%	50,168	-0.1%	73	1.9%
<b>2017</b>	Q1	70,045	627	-2.6%	44,305	-0.6%	71	1.8%
	Q2	70,114	666	-3.1%	47,656	-1.8%	72	2.1%
	Q3	70,045	662	-3.8%	48,188	-2.3%	73	2.0%
	Q4	69,603	643	-5.0%	47,315	-3.4%	74	1.8%
<b>2018</b>	Q1	67,419	577	-6.0%	41,080	-4.8%	71	1.8%



<sup>1</sup> On-us transactions amounted to some 17% of the total volume and 21% of the total value at the end of Q1 2018.

<sup>2</sup> Per cent growth rates relate to 12 rolling months.