



Annual Conference

Wednesday 17 November 2010

The TISA logo is centered at the top of a dark green rectangular box. The letters 'TISA' are white and set against a dark green background with a curved, abstract shape to the left.

ANNUAL CONFERENCE

17 November 2010

Life after cheques:
the continuing revolution
in UK payments

Paul Smee
Chief Executive, Payments Council



Annual Conference

Wednesday 17 November 2010

 PAYMENTS
COUNCIL

PAUL SMEE
CHIEF EXECUTIVE
PAYMENTS COUNCIL

DRIVING CHANGE
IN UK PAYMENTS

OBJECTIVES

PAYMENTS COUNCIL HAS 3 CORE
OBJECTIVES:

- EFFICIENCY
 - INNOVATION
 - INTEGRITY
-



Annual Conference

Wednesday 17 November 2010

KEY CHARACTERISTICS OF THE COUNCIL

- 11 BANK DIRECTORS
 - 4 INDEPENDENT DIRECTORS
 - NON-BANK CHAIRMAN – RICHARD NORTH
-

MODUS OPERANDI

- OPEN
 - CONSULTATIVE
 - MINUTES PUBLISHED
 - COST BENEFIT ANALYSIS
-



Annual Conference

Wednesday 17 November 2010

3 USER FORUMS

- LARGE CORPORATE AND PUBLIC SECTOR
- SME
- CONSUMER

EACH CHAIRED BY AN INDEPENDENT DIRECTOR

COLLABORATIVE, NOT COMPETITIVE SPACE

- IMPLICATIONS FOR HOW WE RELATE TO INNOVATION
 - BUT NEVER UNDER-ESTIMATE IMPORTANCE OF COLLABORATION IN PAYMENTS
-



Annual Conference

Wednesday 17 November 2010

THE NATIONAL PAYMENTS PLAN

- Launched May 2008
 - A framework for payments innovation and change
 - Based on a public consultation exercise
 - 82 responses, from a wide range of stakeholders
 - Committed the Payments Council to an ambitious timetable and wide range of actions
 - Available to download
www.paymentscouncil.org.uk
-

THE NATIONAL PAYMENTS PLAN AND CHEQUES

Cheques were a key focus of the Plan. It concluded that most users saw the benefits of managed migration from cheques, but further work was needed to establish the case for setting a target end date.

Work since then has had three main phases:

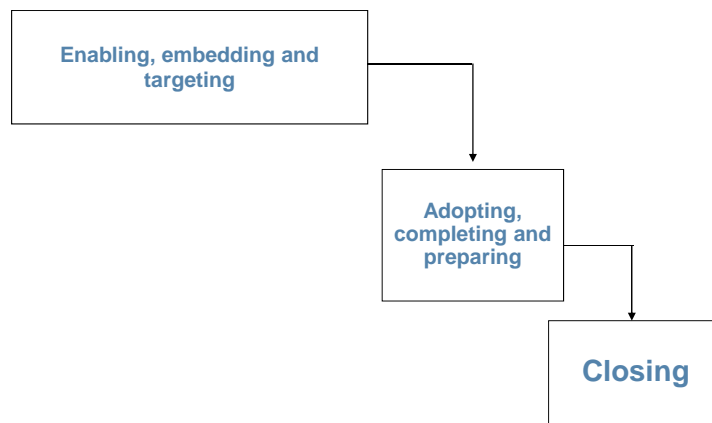
- Phase One, 2008, research and review
 - Phase Two, 2009, establish case, develop roadmap
 - Phase Three, 2010 onwards, deliver roadmap
-

THE VISION FOR CHEQUES IN 2018

- There will be no need for the vast majority of users to make or receive payments by cheque as acceptable alternatives will be in place
- Only residual volumes of cheque use will remain at levels radically below current use
- The needs of those highly-dependent vulnerable users who may have a continuing requirement for paper will have been identified and met
- It will be a competitive matter for individual banks if they also wish to continue to offer paper-based payments to customers beyond 2018

THE CHEQUE REPLACEMENT TIMELINE

2010 2011 2012 2013 2014 2015 2016 2017 2018





Annual Conference

Wednesday 17 November 2010

INTERMEDIATE CHECK POINTS

- By 2014:
 - There will be alternatives in place for the main areas where cheques continue to be used
 - The industry has demonstrated its commitment to change through delivering on targeted cheque replacement
 - By 2016:
 - There will be accessible alternatives to cheques for all significant areas where cheques continue to be used
 - The alternatives will have shown themselves to be acceptable to users
 - There will be widespread awareness and adoption of the alternatives
-

AN OPPORTUNITY FOR TISA

- NEED TO WORK WITH YOU TO IDENTIFY HOW YOU CAN REPLACE CHEQUES IN YOUR OPERATIONS
 - GOOD EXPERIENCE TO DRAW ON FROM OTHER SECTORS
 - WOULD YOU LIKE A WORKSHOP?
-