



Part of **pay.uk**

CHEQUES: ANNUAL TRACKING MARKET RESEARCH 2019

Conducted August 2019

Public

EXECUTIVE SUMMARY – WHY, WHO AND HOW

- **Why we carry out our annual market research*.** We consider it important to understand
 - who uses cheques
 - what they use them for (writing and receiving)
 - why they use them
 - the extent to which cheques are still valued and
 - users’ understanding of the future of cheques

Also

 - users’ awareness of cheque imaging with its faster clearing timescale
 - availability of cheque image deposit apps

- **Who we survey**
 - Consumers - 2,150 face-to-face interviews by Kantar
 - Businesses - 500 phoned by BVA BDRC
 - Charities - 1,000 phoned by Ipsos MORI

- **How we use the results**
 - Inform our communication campaigns on what cheque users need to know about
 - Inform the industry and our participants in planning their cheque clearing services

EXECUTIVE SUMMARY – LEVELS OF USE

■ **Consumer Use**

- Dropping away – for the first time, less than half (44%) of UK account holders write or receive cheques.
- Since 2014, no change to the propensity that over 65s (followed by 55 – 64 year olds) write the most cheques but people are using them less in each age group.

■ **Business Use**

- Still buoyant, with 82% of businesses still writing or receiving cheques in the past year.
- However, whilst 57% said that they had made payments by cheque in the past year, it comes as no surprise that the average number of cheques written per month by businesses has fallen from 12 in 2014 to three in 2019.

■ **Charity Use**

- Almost all charities (94%) said they wrote or received cheques in the past year.
- Just over half (51%) received donations by cheque.
- Nearly three quarters (71%) said they had made a payment by cheque.
- Cheque usage still very strong in this sector.

EXECUTIVE SUMMARY – WHAT CHEQUE PAYMENTS ARE USED FOR

- **What cheque payments are used for:** The three main reasons for writing cheques have not changed amongst our three audiences since 2014 (2016 for charities, the first year of their survey)
 - **Consumers**
 - paying a bill by post
 - gifts by post; services in the home
 - paying a club or society
 - **Businesses**
 - ad-hoc business payments
 - paying a trade supplier
 - regular business commitments
 - **Charities**
 - paying a trade supplier
 - ad-hoc business payments
 - expenses to non-salaried staff

 - **Considerably fewer businesses and charities are citing these purposes,** underlining that cheques, whilst still used, are being used less and less. There is **less change in the percentage of consumers citing these purposes,** perhaps indicating a cohort more resistant to change
-

EXECUTIVE SUMMARY – REASONS FOR USE

- **Why cheques are used for payments by businesses:** the top reasons have changed considerably in the last 10 years, from sound business reasons to rather more *faute de mieux**
 - In 2009, three top reasons
 - managing cash flow – 47%
 - tradition - “always have used cheques” - 33%
 - sending a remittance by post (30%) and controlling who can pay (29%)
 - In 2019, three top reasons
 - payee request - the top reason by a long way (48%), followed by
 - managing cash flow (a lot fewer citing this at 29%)
 - no payee account details (26%)

- **Why cheques are used for payments by charities:** Trends in four surveys have seen less change
 - In 2016, three top reasons
 - control who can pay (59%), always have used cheques (55%) and need a paper trail (54%)
 - In 2019, three top reasons
 - payee request, as with businesses, in first place at 41%, control who can pay (37%) and need a paper trail (34%)

EXECUTIVE SUMMARY - A PROXY FOR CONFIRMATION OF PAYEE?

- **Purposes for which cheques are received by consumers have not changed in five years**

The two most common purposes cited are

- Gifts - 35% in 2019 vs. 34% in 2014
- Refunds - 26% in 2019 vs. 31% in 2014

- **Are cheques being used as a proxy for confirmation of payee?**

In the wake of APP scams, research by Pay.UK in 2018 and ourselves, as well as anecdotal evidence, we wanted to find out if there was any evidence of this. We think there is

- **Sending a cheque provides reassurance that the payment goes to the right person:** More than one in four consumers (43%), half of businesses (49%) and half of charities (50%) agreed with this statement

- **Do banks provide enough relevant information about cheques?**

- Well over half of charities (60%) and businesses (57%) think that their banks provide enough relevant information about cheques
- Getting on for half of consumers (42%) think the same

- And yet awareness of the faster cheque clearing timescale could be said **not** to reflect that confidence
-

EXECUTIVE SUMMARY – CHEQUES STILL A VALUED PAYMENT CHOICE

- **Cheques are still a valued payment choice**
 - Consumers – 53%
 - Businesses – 54%
 - Charities – 74% would have problems if they were unable to write cheques

- **Importance of having a cheque book with a new bank account**
 - Consumers - 47%
 - Businesses - 49%
 - Charities - 51% attach importance to having a cheque book if they were to have a new bank account

- **Yet confidence in the future of cheques is low (on the whole)**
 - Only 1 in 3 of consumers (35%), businesses (35%) and charities (34%) think that they will be able to use cheques for as long as they want to
 - Only 32% of consumers and 27% of businesses think that cheques will continue as a payment instrument
 - However, 56% of charities think this will be the case. Such a difference in their answer probably reflects the importance of cheques to this group

EXECUTIVE SUMMARY – CHEQUE IMAGING AWARENESS

- **Awareness of the faster cheque clearing timescale:** This has increased by an average of 10 percentage points amongst each of our audiences since our survey in 2018

Even so, awareness is still not high

- Consumers - 26%
- Businesses - 40%
- Charities - 53%

- **Awareness of cheque imaging apps and scanners linked to online banking**
 - This is greatest amongst charities (43%) with consumers at 22% and businesses at 31% but again, this is not high, though this is as likely to relate to the availability of these services as much as it does to actual awareness.
- **Likelihood of using cheque imaging apps and scanners to deposit cheques**
 - Consumers – 41%
 - Businesses – 50%
 - Charities – 59%
- We hope this encourages more participants to offer these services



CONSUMER REPORT – FULL ANALYSIS



USE OF CHEQUES



- **92%** of those questioned have a personal account with a bank or building society



- **29%** of UK account holders made payments by cheque
 - (60% in 2009; 45% in 2014)

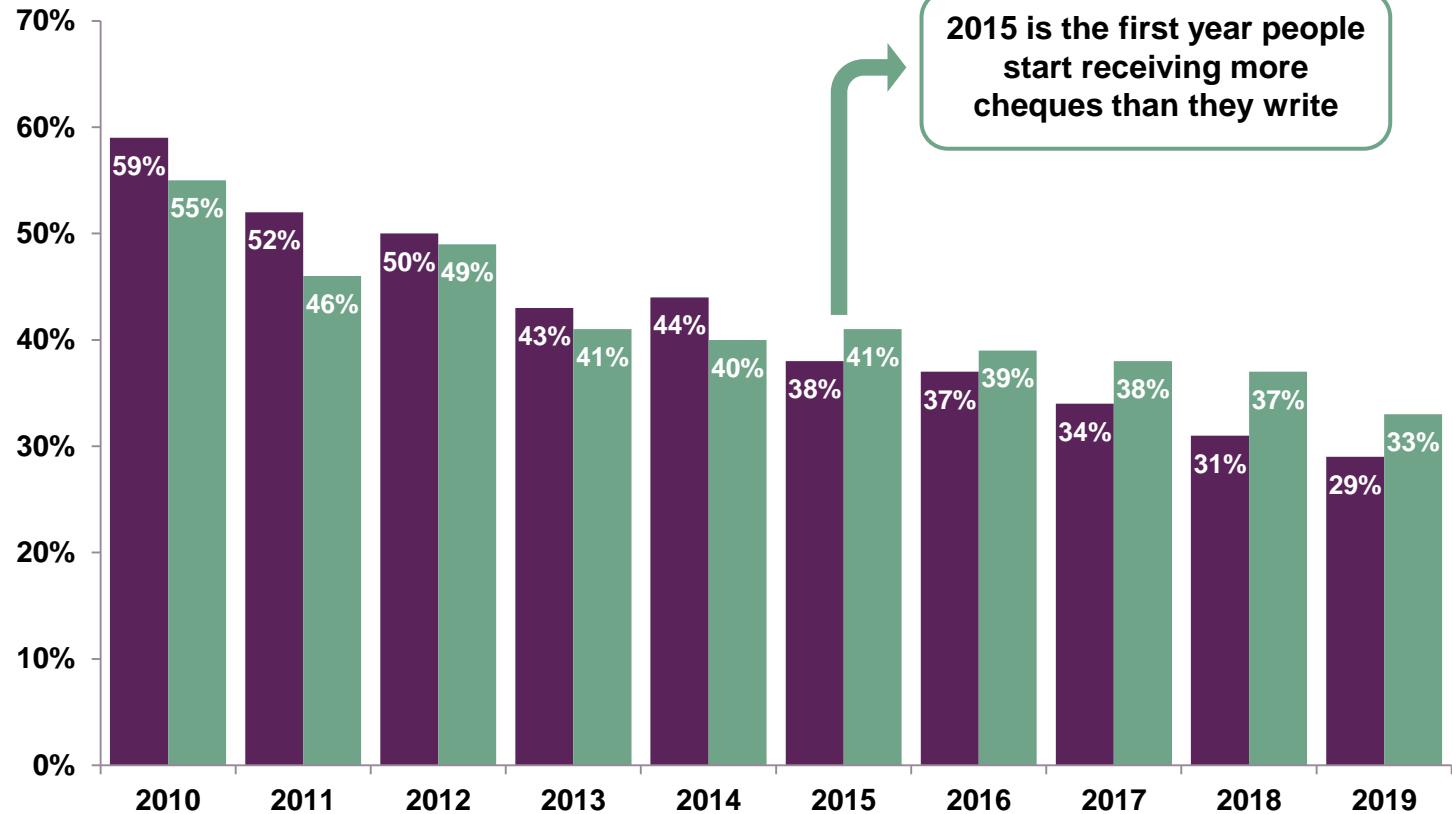


- **33%** of UK account holders received payments by cheque
 - (53% in 2009; 41% in 2014)



- **44%** of UK account holders said that they had either made or received a payment by cheque in the past year
 - (57% in 2014)

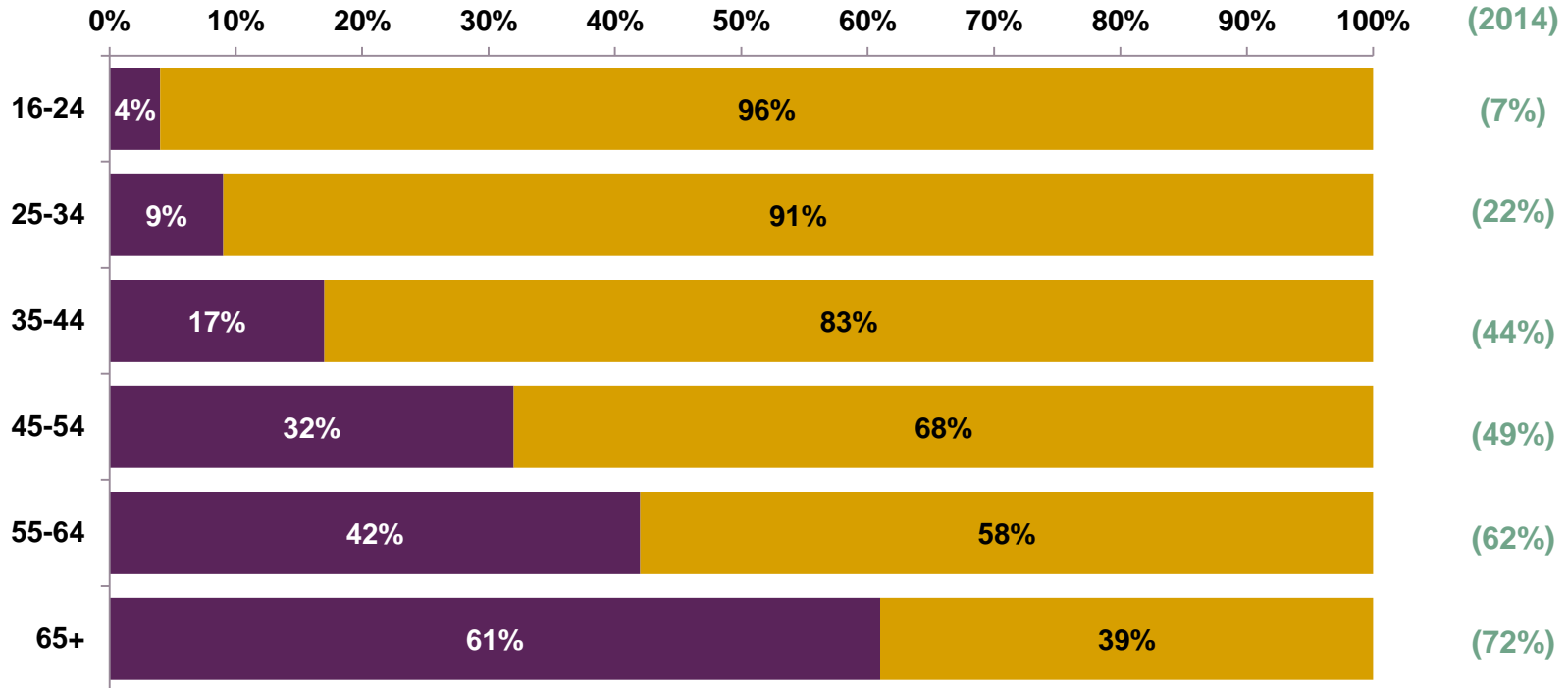
CONSUMER CHEQUE USE



Proportion of people **writing** cheques

Proportion of people **receiving** cheques

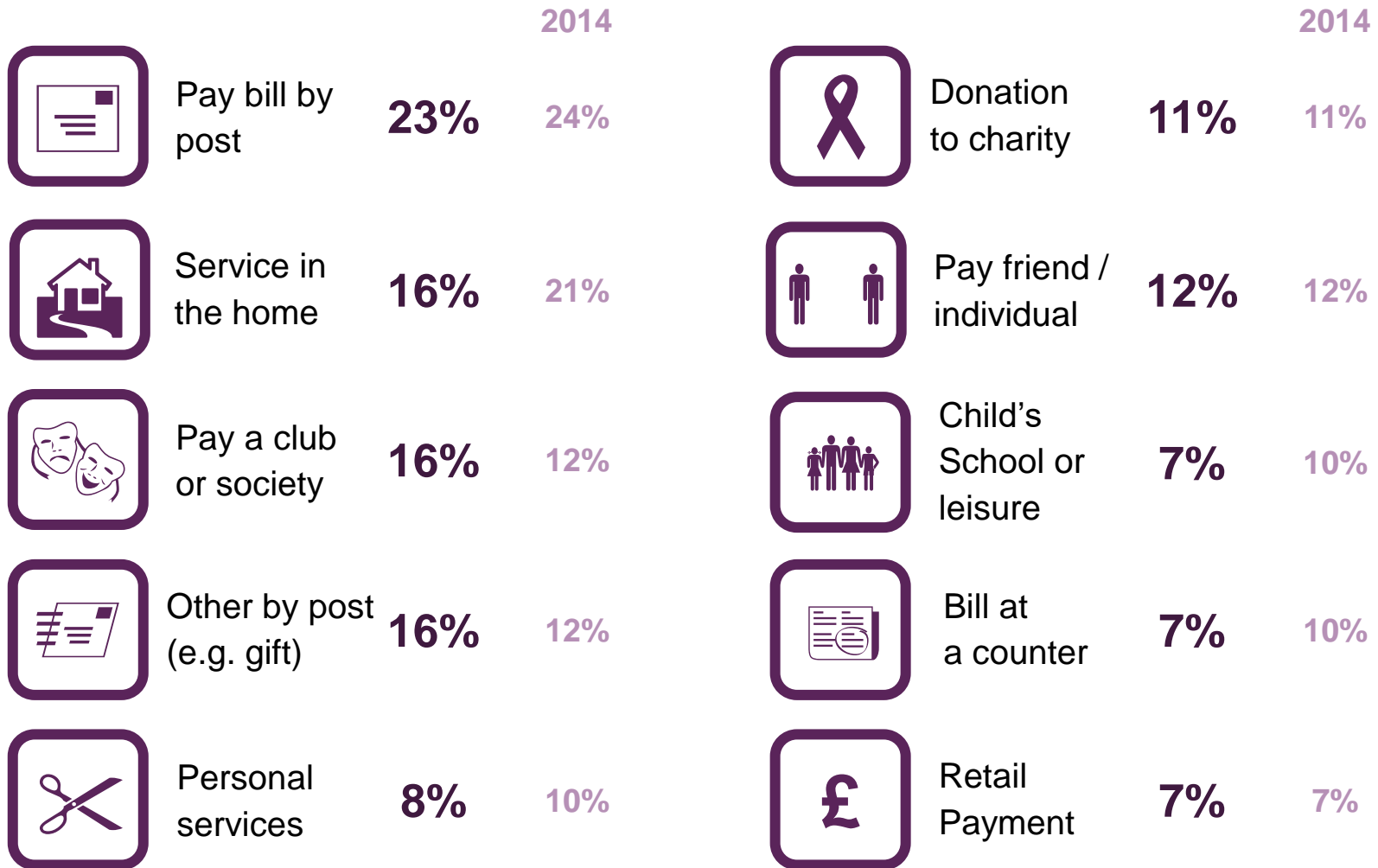
PROPORTIONS WRITING AND NOT WRITING CHEQUES, BY AGE



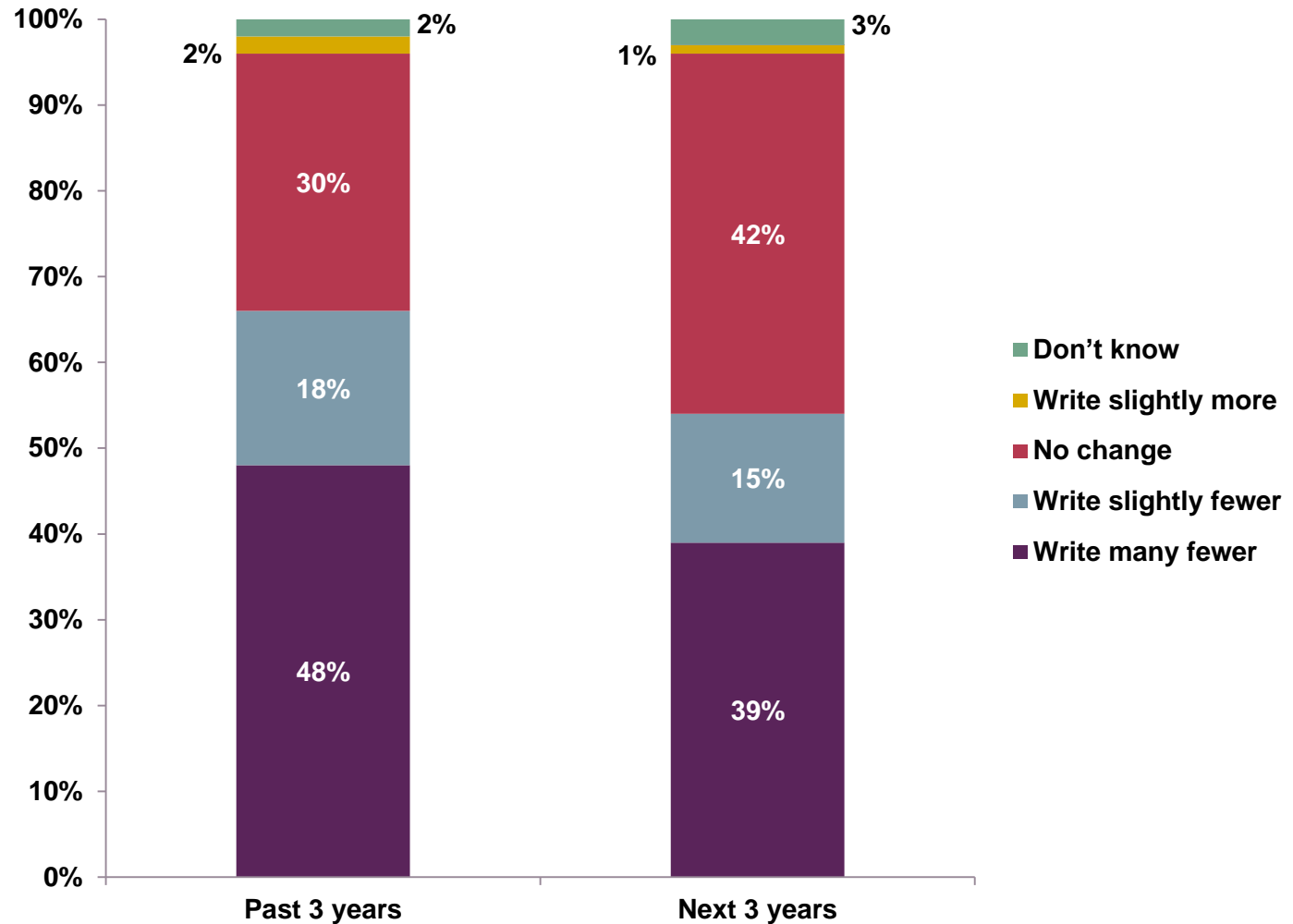
Proportion of people who
write cheques by age
group

Proportion of people who
do not write cheques by
age group

WHAT ARE CHEQUES WRITTEN FOR?



HOW PROPORTION OF PAYMENTS MADE BY CHEQUE CHANGES OVER TIME

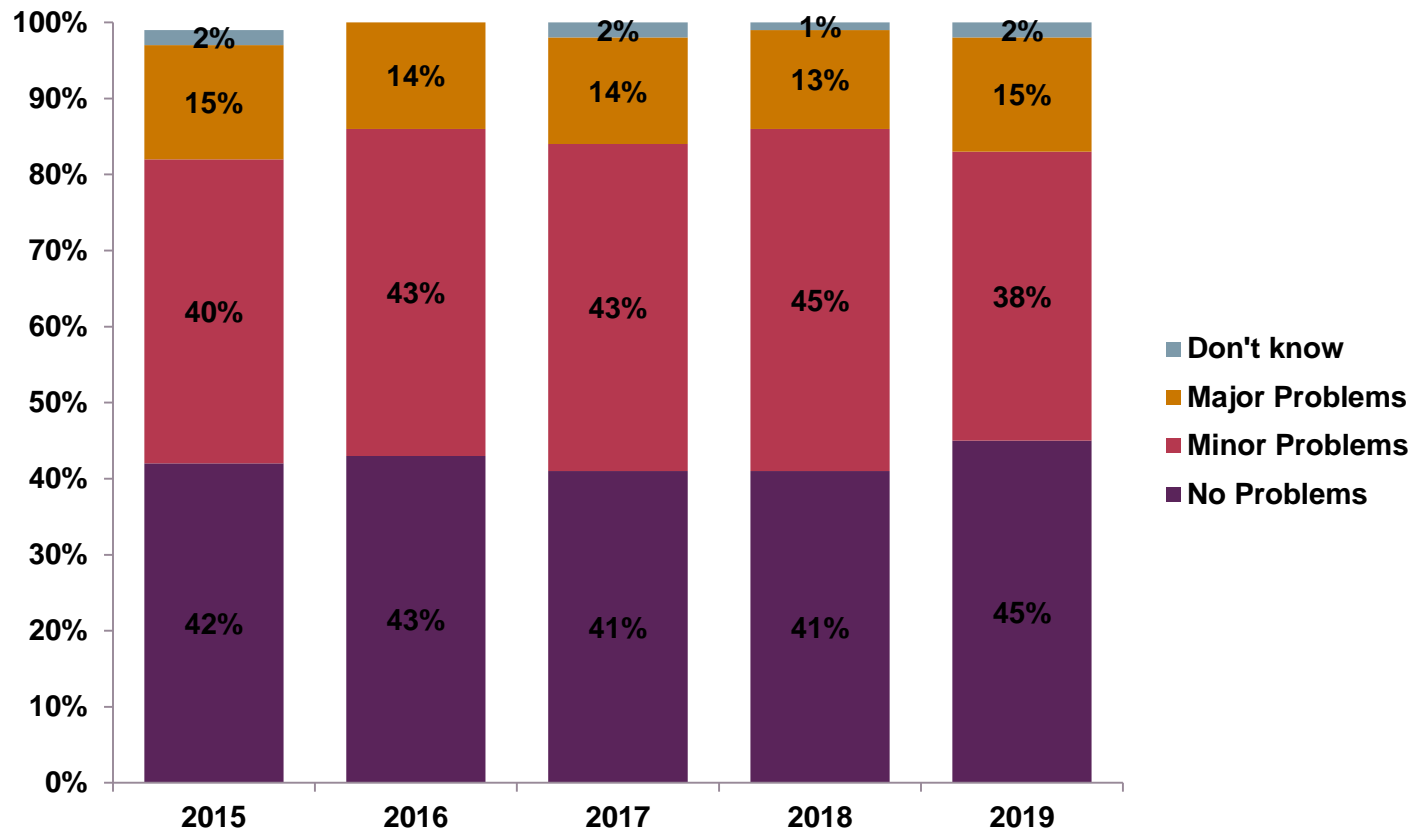


Q.6a Which of the following best describes how your personal use of cheques has changed over the last three years?

Q.6b And which of the following best describes how you expect your personal use of cheques to change over the next three years?

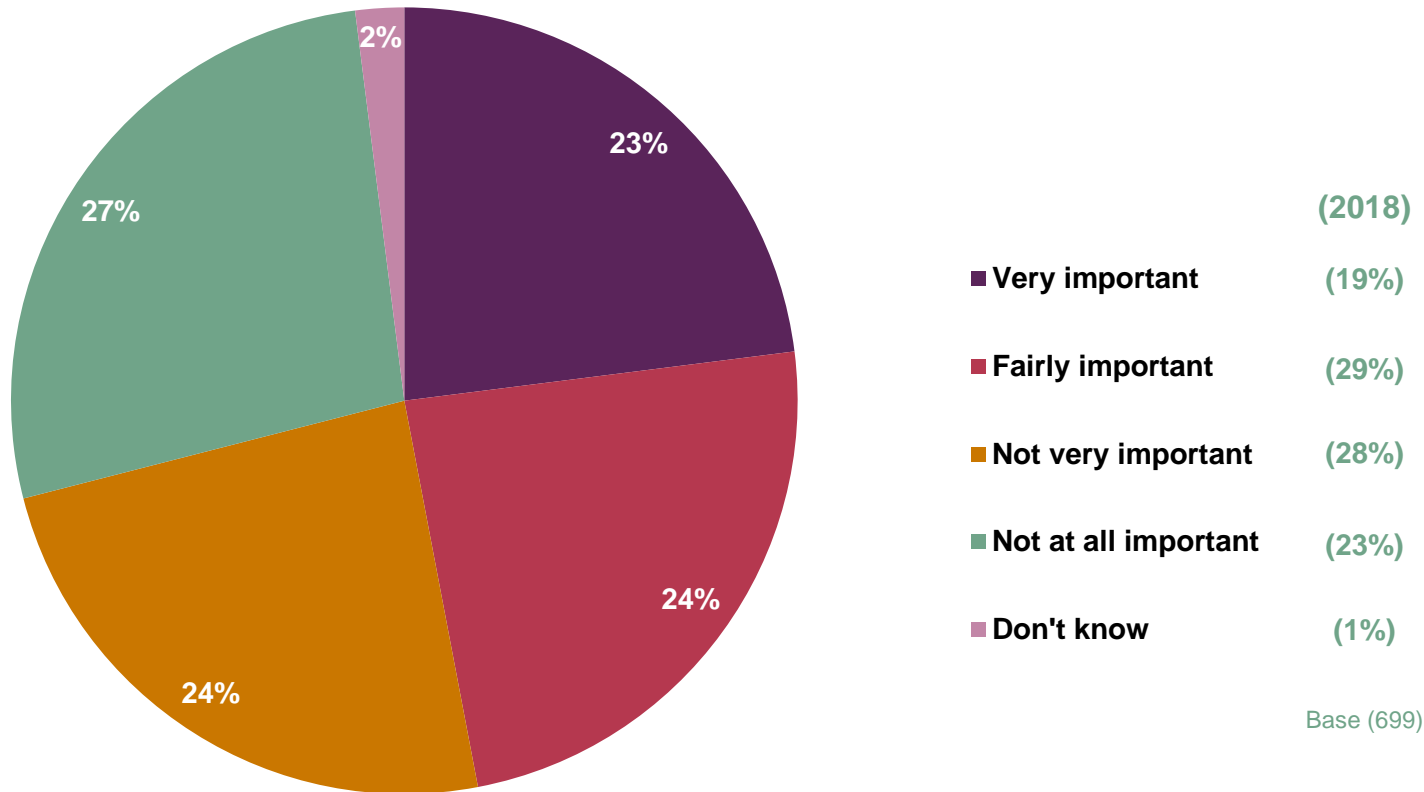
Base: All who write cheques these days (678)

PROBLEMS IF UNABLE TO WRITE CHEQUES



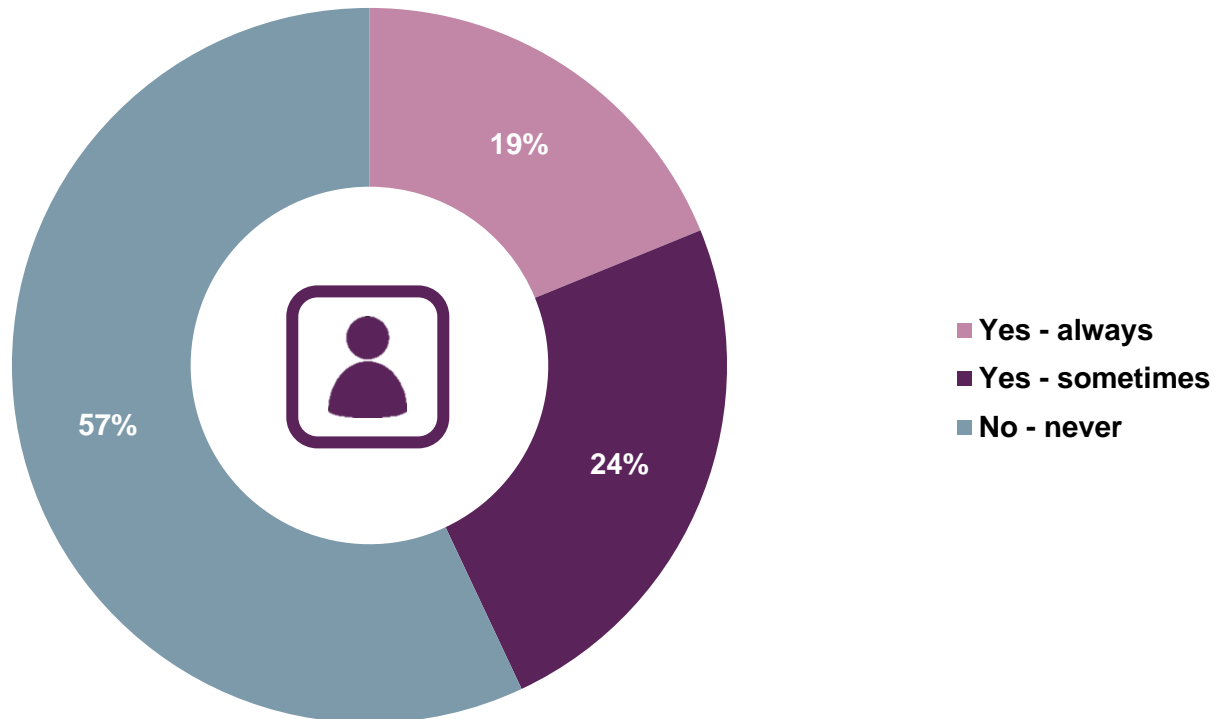
Consumers still worried – 53% would have problems if unable to write cheques
(60% in 2014, 57% in 2009)

CHEQUE BOOK WITH A NEW ACCOUNT



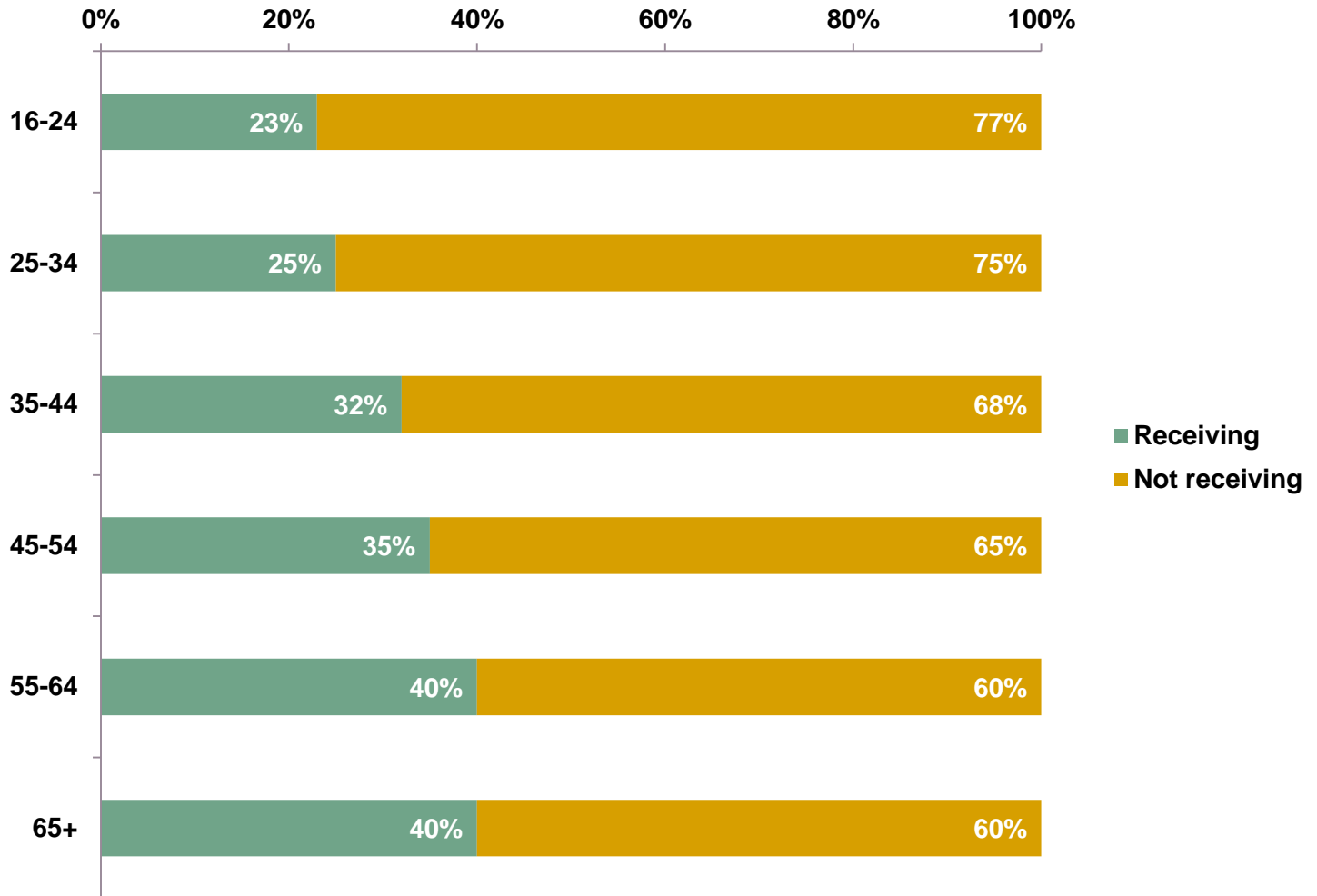
For nearly **half (47%)** of the consumers it is important to receive a cheque book with their new account

REASSURANCE ON RECIPIENT OF CHEQUE PAYMENT

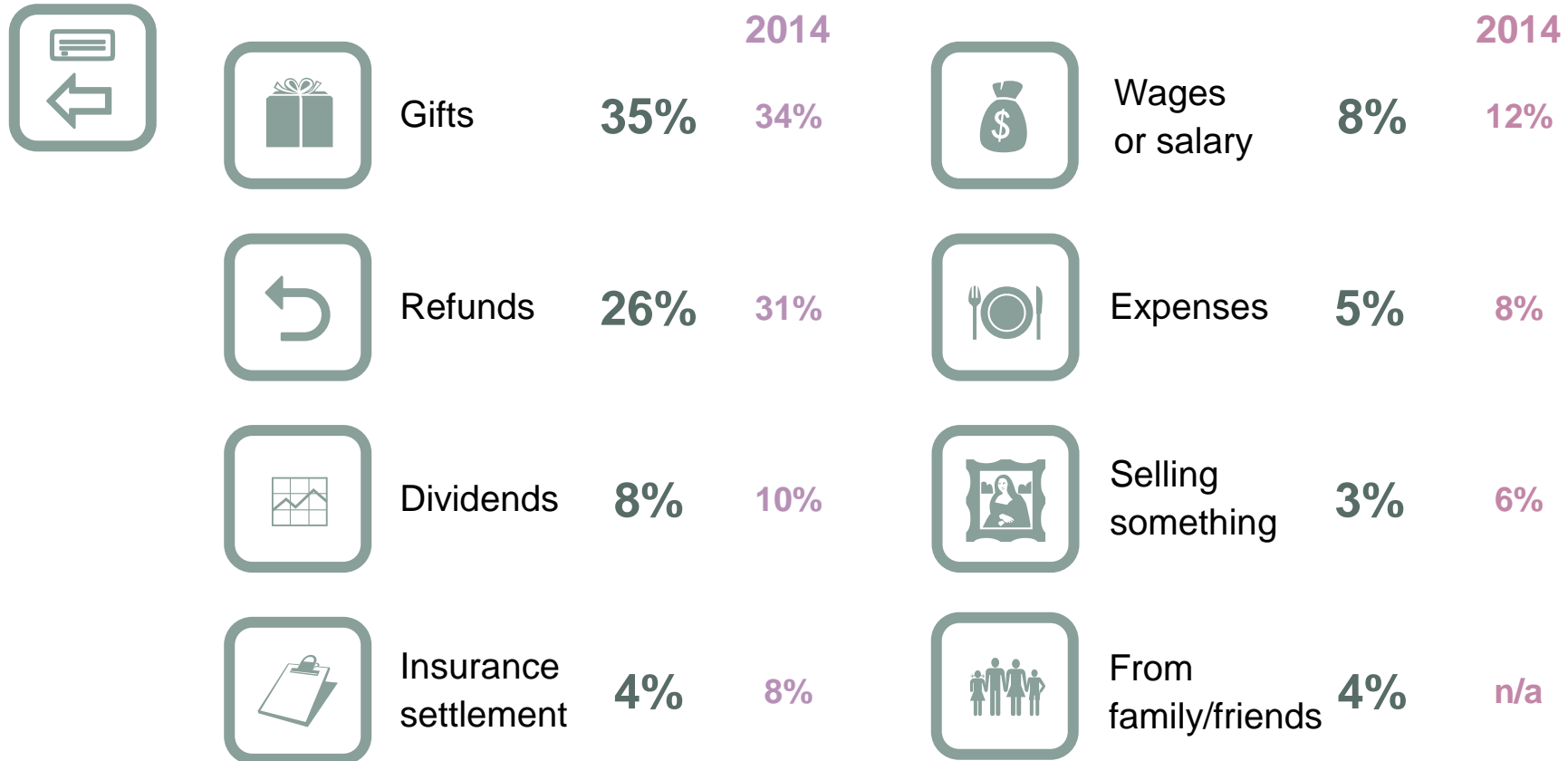


Nearly **half (43%)** the people who use cheques for payments do so because it reassures them that the money will go to the right person or business

PROPORTIONS RECEIVING AND NOT RECEIVING CHEQUES, BY AGE

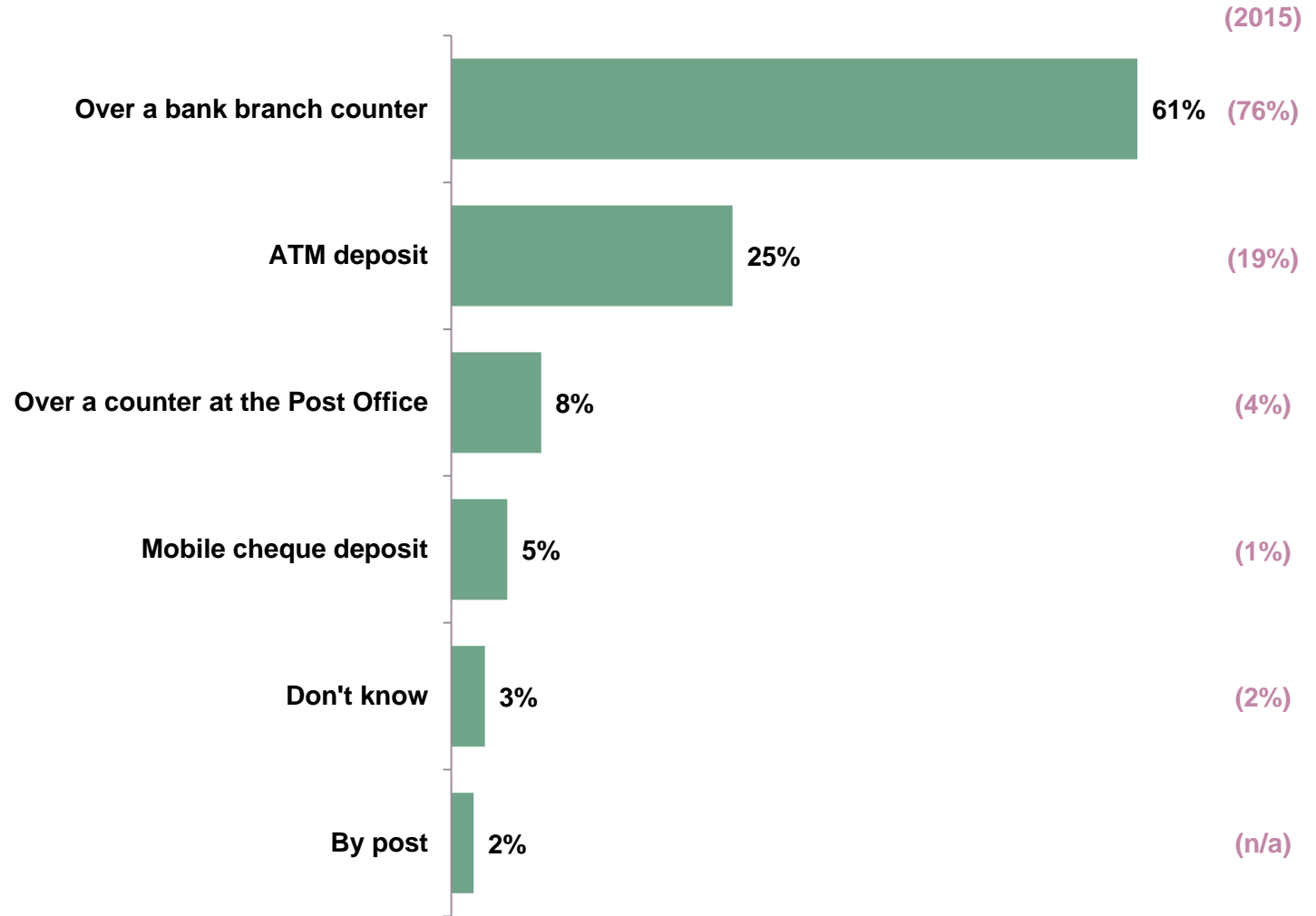


WHAT ARE CHEQUES RECEIVED FOR?



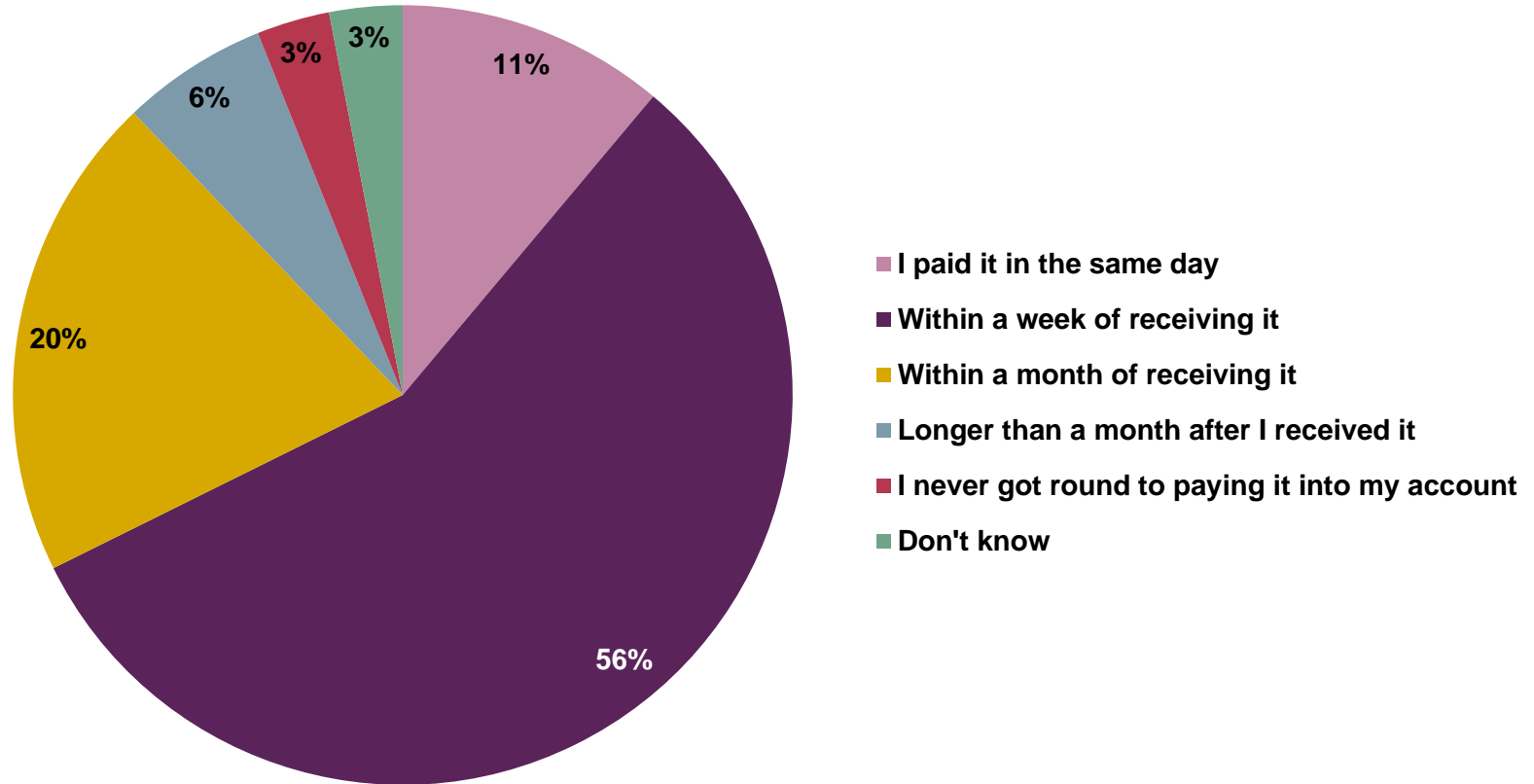
Gifts and refunds are most common purposes for receiving cheques

METHODS USED TO PAY IN CHEQUES



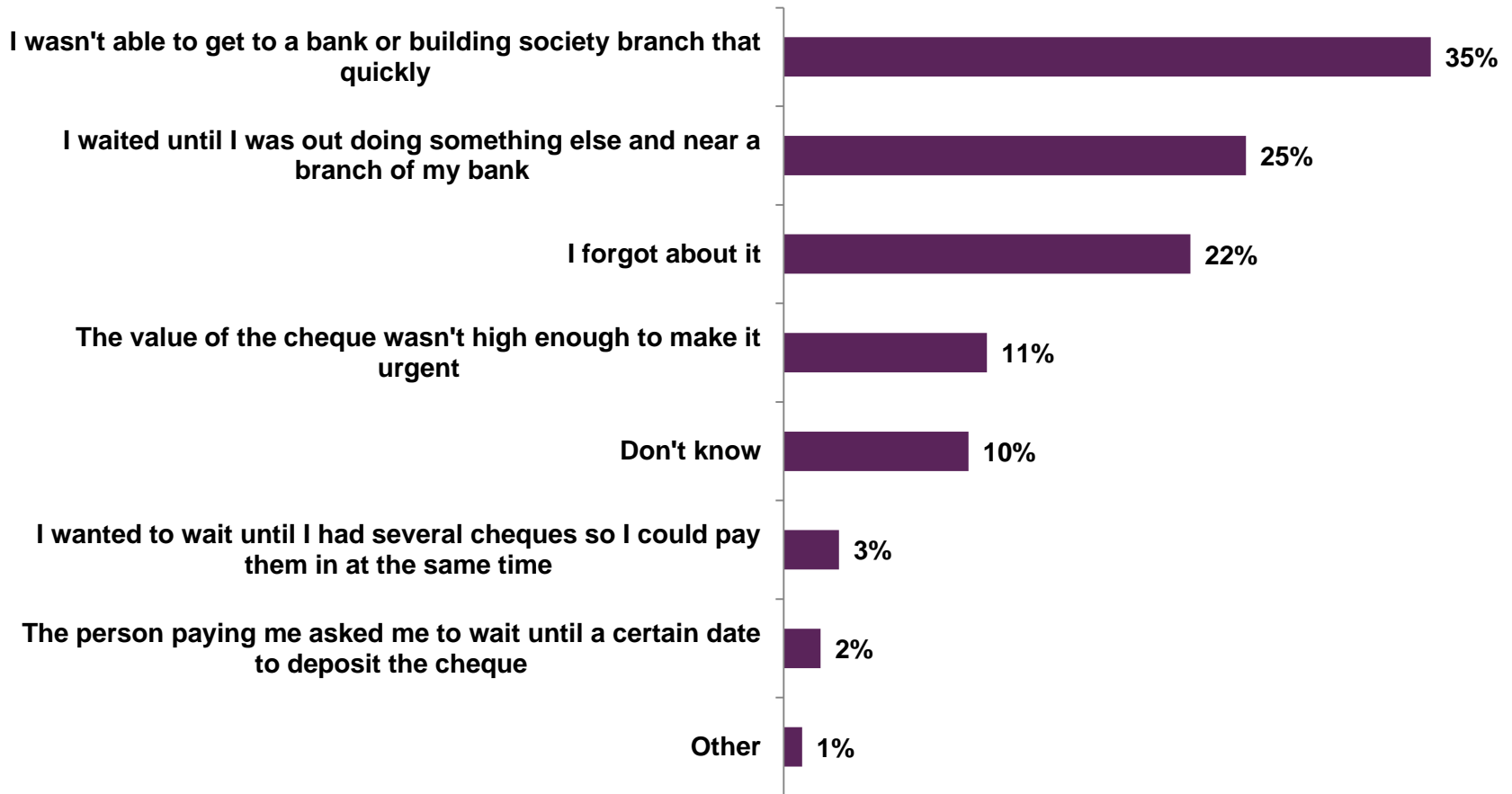
Base (756)

TIME TAKEN TO DEPOSIT CHEQUES

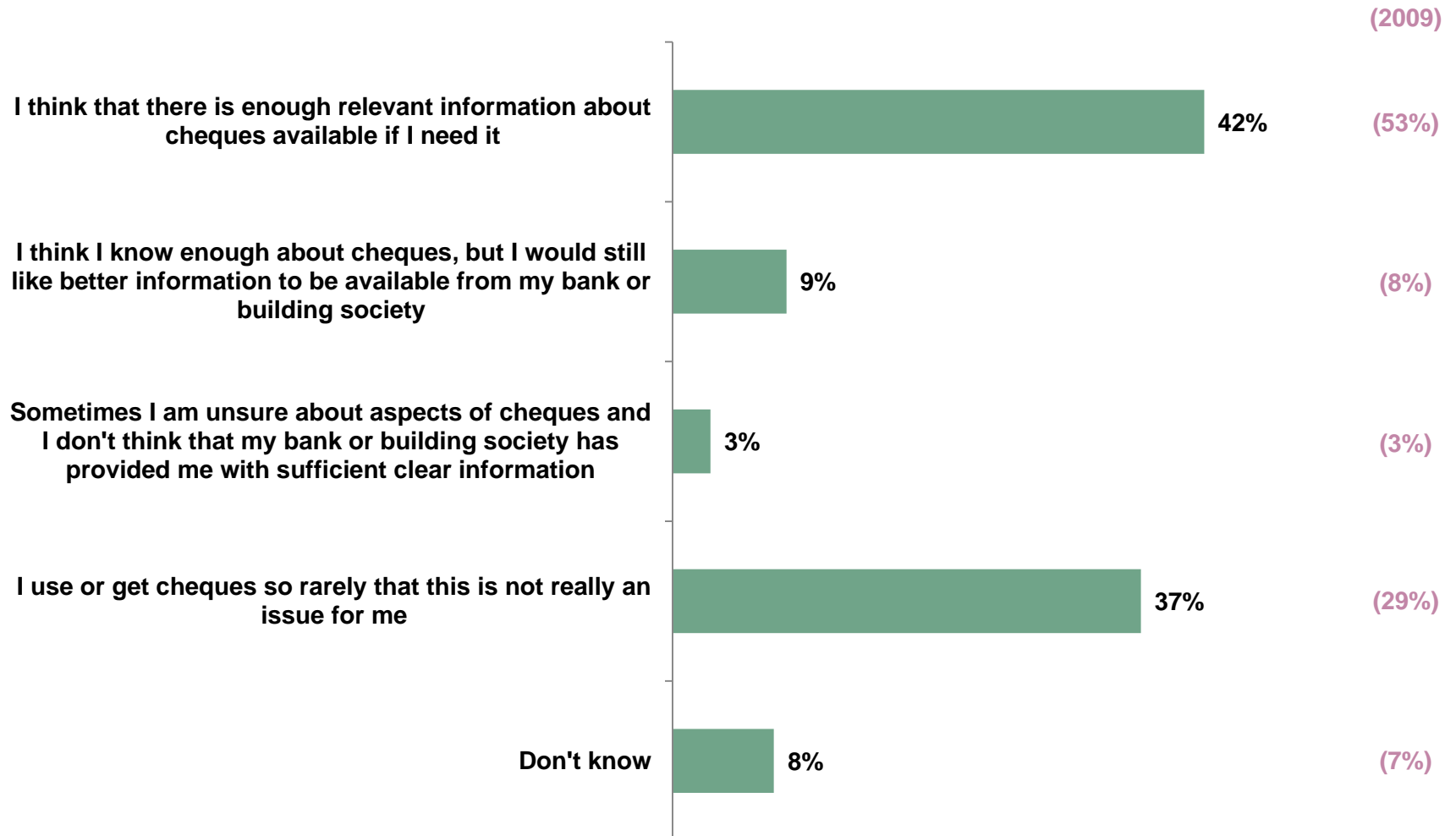


Nearly 7 in 10 people who receive a cheque deposit it within a week of receiving

REASONS PEOPLE TAKE MORE THAN A WEEK TO DEPOSIT CHEQUES



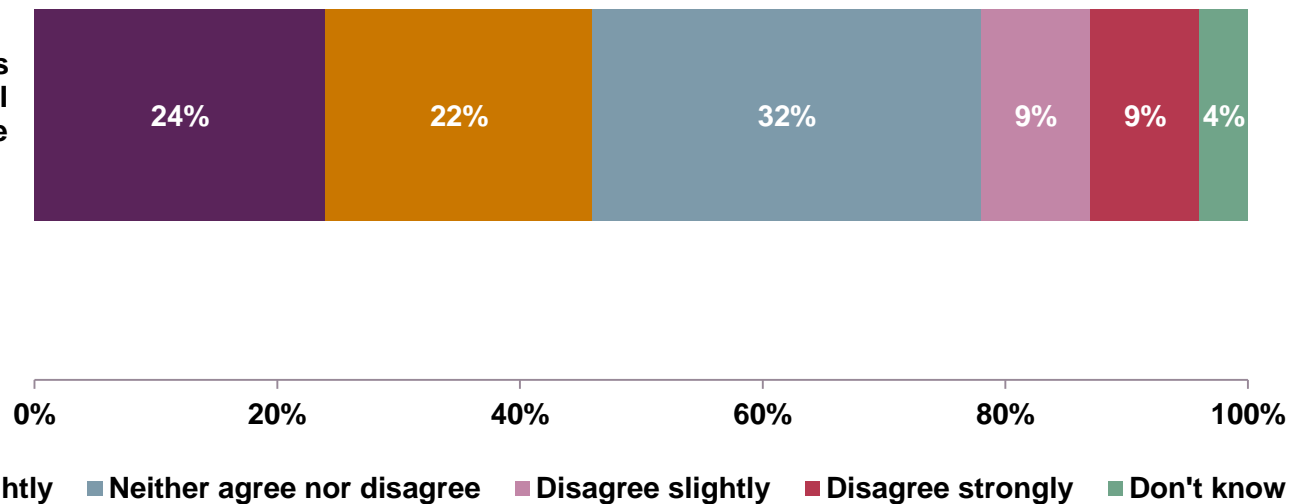
INFORMATION ABOUT CHEQUES RECEIVED FROM BANKS OR BUILDING SOCIETIES



ATTITUDES TOWARDS CHEQUES



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



Q.15_ Please tell me how much you agree or disagree with the statement...

_01: I'm wary of accepting cheques from people or organisations I don't know, because I can't be sure that they won't bounce

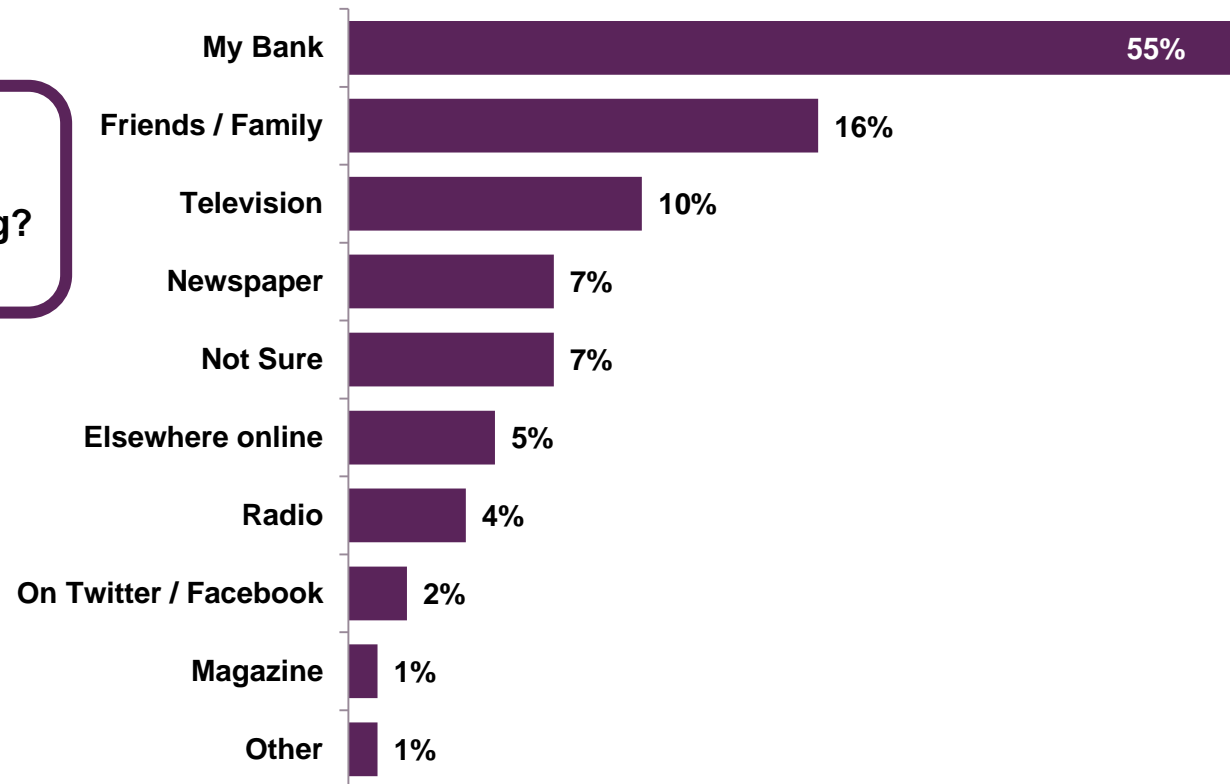
Base: All adults with a personal account (1959)

CHEQUE IMAGING



26% of consumers are aware that the banking industry is in the process of introducing cheque imaging, which will make the cheque clearing process faster - *an increase of 9% from 2018*

Where did you hear about cheque imaging?

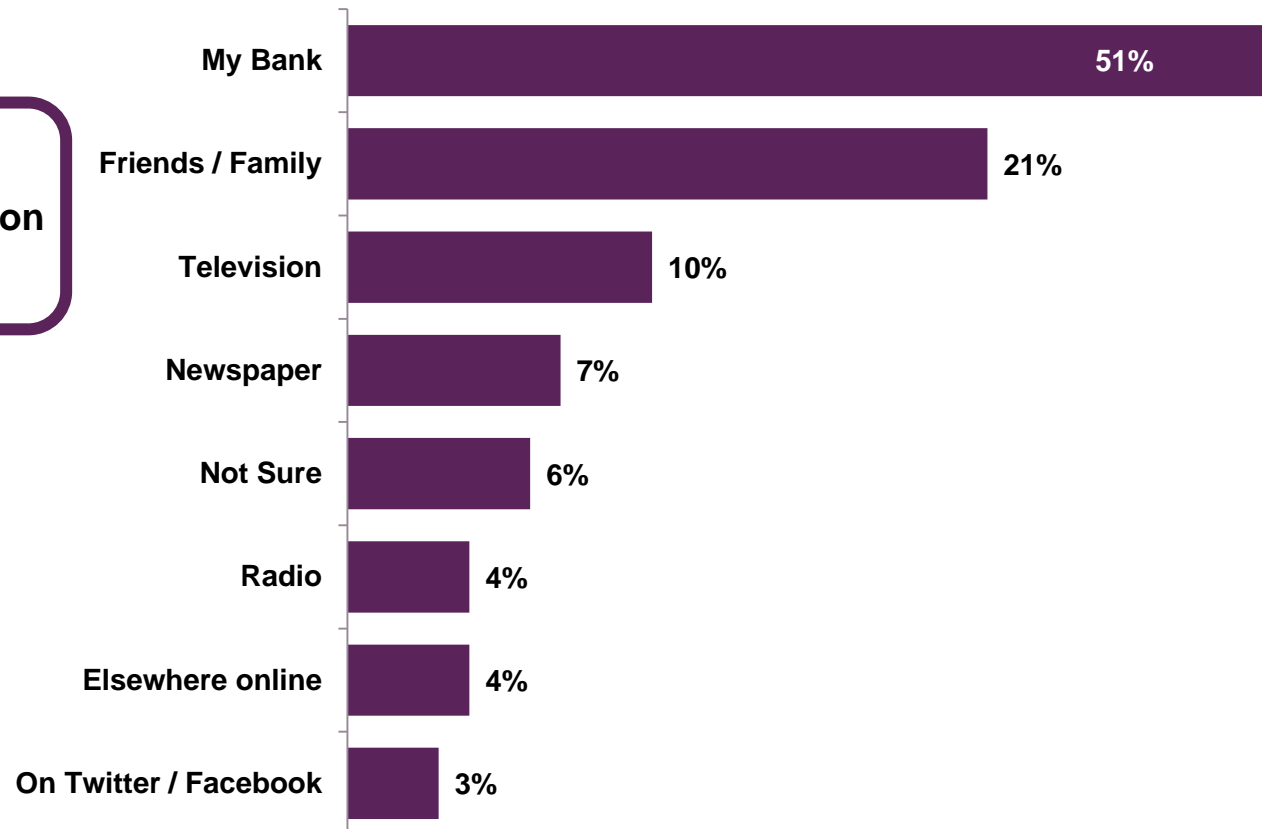


CHEQUE IMAGING - MOBILE



22% of consumers are aware that the banking industry is in the process of introducing cheque imaging, which may allow people to pay in cheques via their mobile banking app.

Where did you hear about cheque imaging on your mobile?

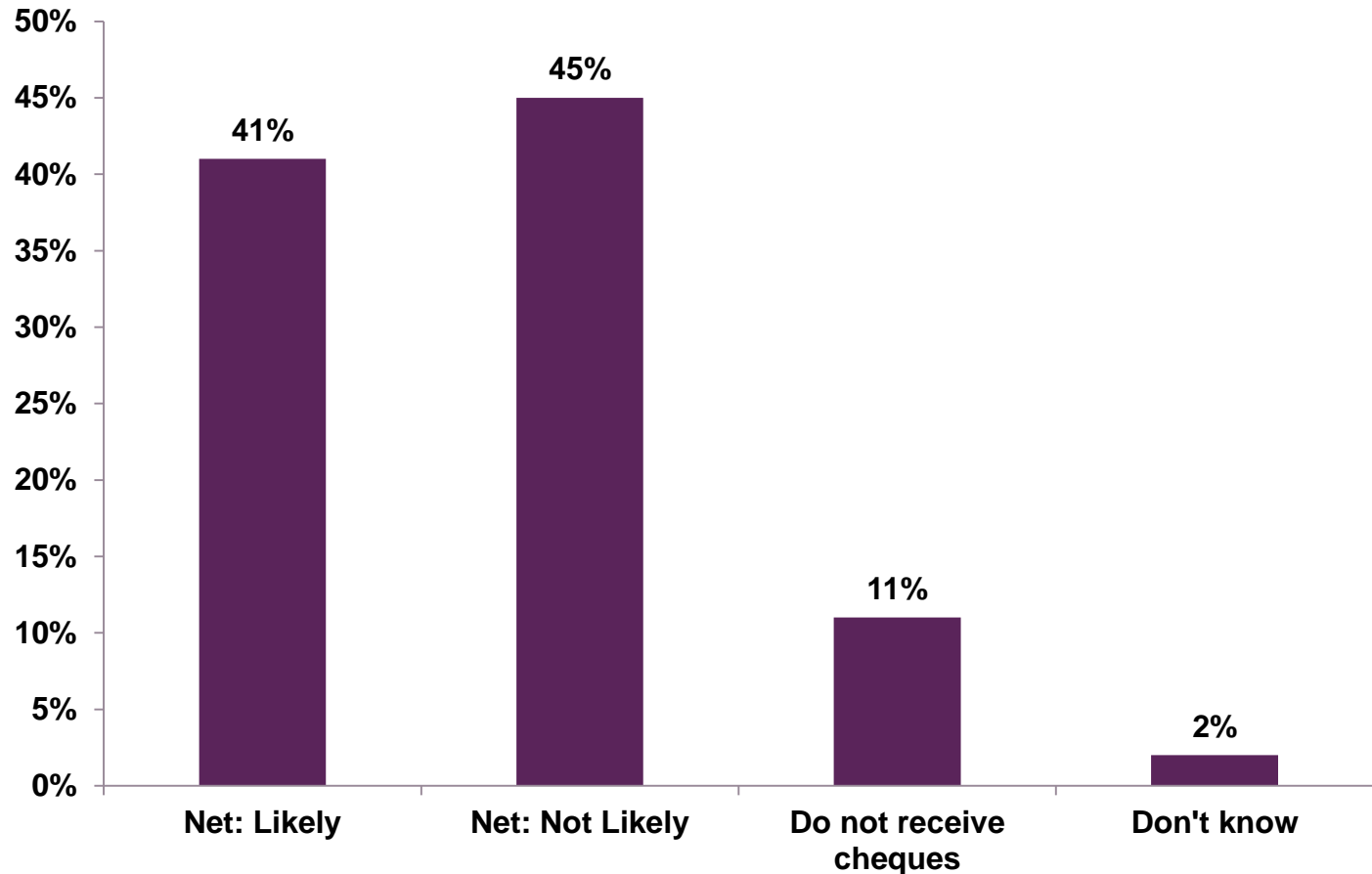


Q.16c Are you aware the Banking industry is in the process of introducing cheque imaging which may allow people to pay in cheques by taking images of the cheques using their mobile banking app?

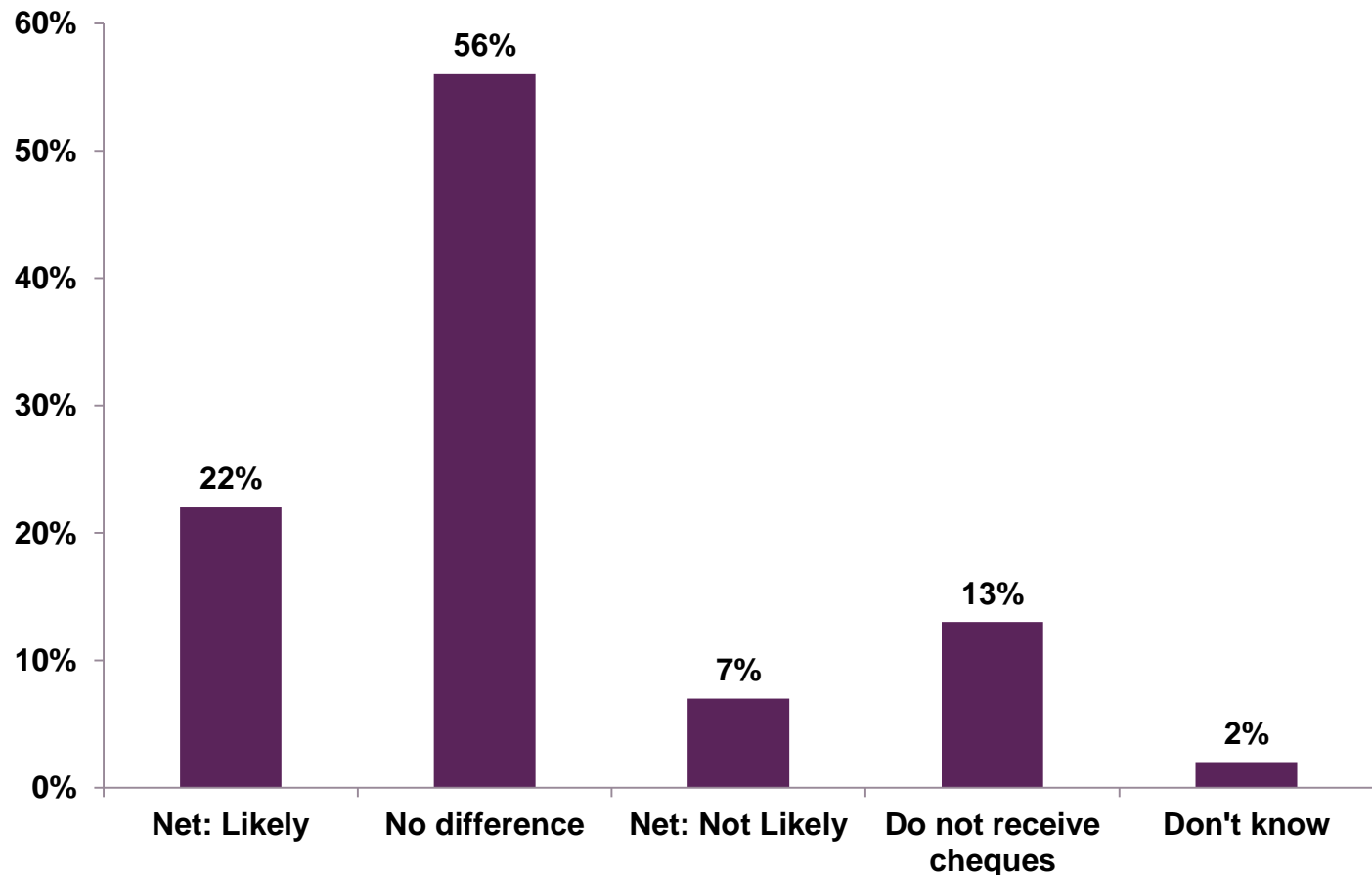
Base: All adults with a personal account (1959)

Q.16d Where did you see/hear about the introduction of using smartphones to deposit cheques? Base: All aware that cheque imaging allowing cheques to be paid in via mobile banking app may be introduced (397)

LIKELIHOOD OF DEPOSITING CHEQUES WITH AN APP, IF BANKS OFFERED THIS FACILITY



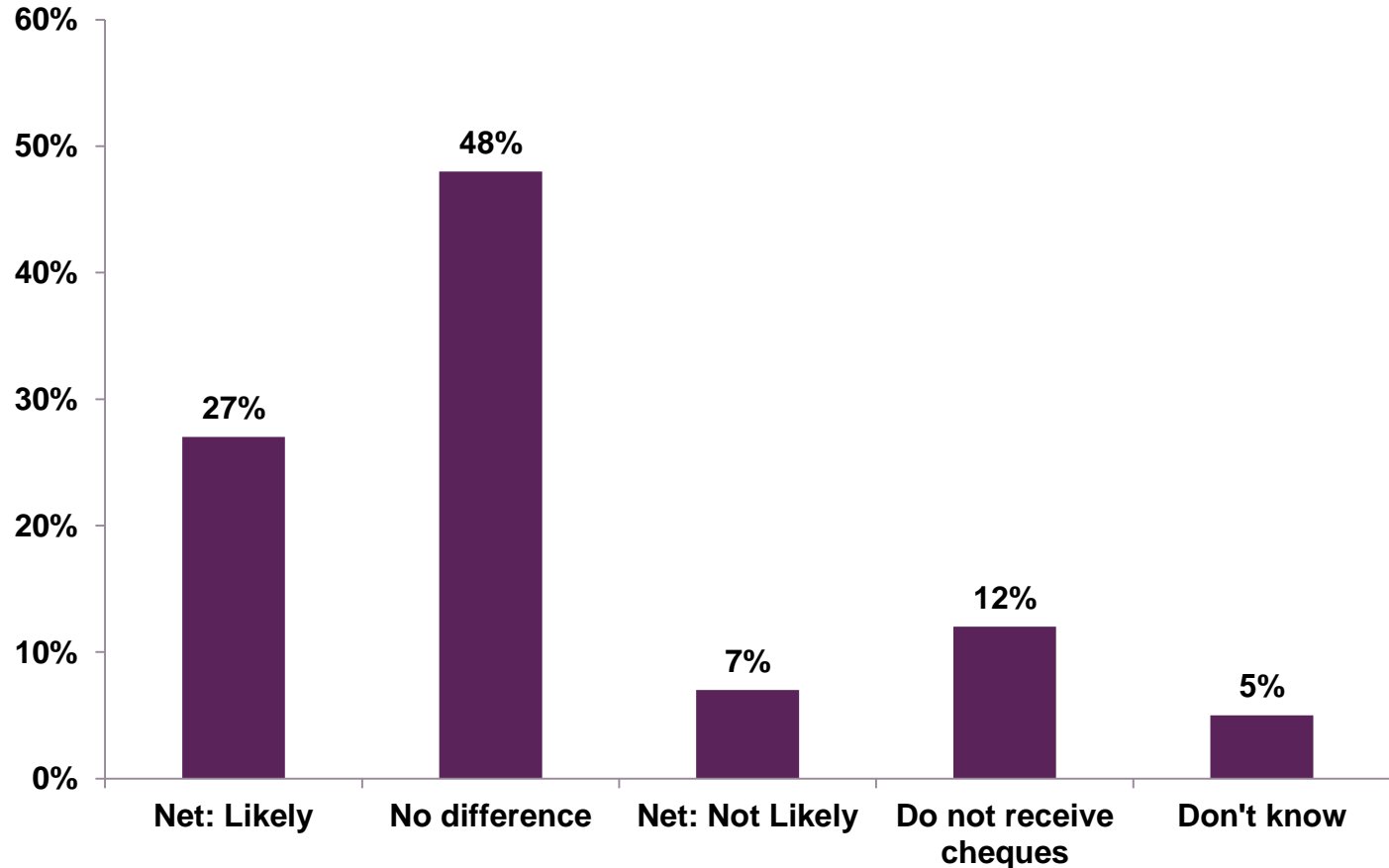
LIKELIHOOD OF ACCEPTING MORE CHEQUE PAYMENTS WITH QUICKER CLEARING TIME



Q.18 Under the new cheque imaging system, cheque payments will be cleared on the next weekday after they have been deposited, compared to six weekdays under the current system. Once your bank starts using the cheque imaging system, will this make you more or less likely to accept cheques in payment, or would it make no difference?

Base: All adults with a personal account (1959)

LIKELIHOOD THAT CHEQUE IMAGING WILL INCREASE CHEQUE USAGE



Q.19 And more generally, do you think the new cheque imaging system will make people more or less likely to use cheques as a method of payment in their everyday lives, or will it have no impact?

Base: All adults with a personal account (1959)

UNDERSTANDING THE FUTURE OF CHEQUES



Cheques will continue as a payment method

**32% believe
this is true**

People will be able to use cheques
for as long as they want to

**35% believe
this is true**



BUSINESS REPORT – FULL ANALYSIS



Cheque &
Credit
Clearing
Company

CHEQUES WRITTEN BY BUSINESSES



- **57%** of UK businesses said that they had made payments by cheque in the **past year**
 - 59% in 2018



- **37%** of UK businesses said that they had made payments by cheque in the **past month**
 - 65% in 2014, 89% in 2009



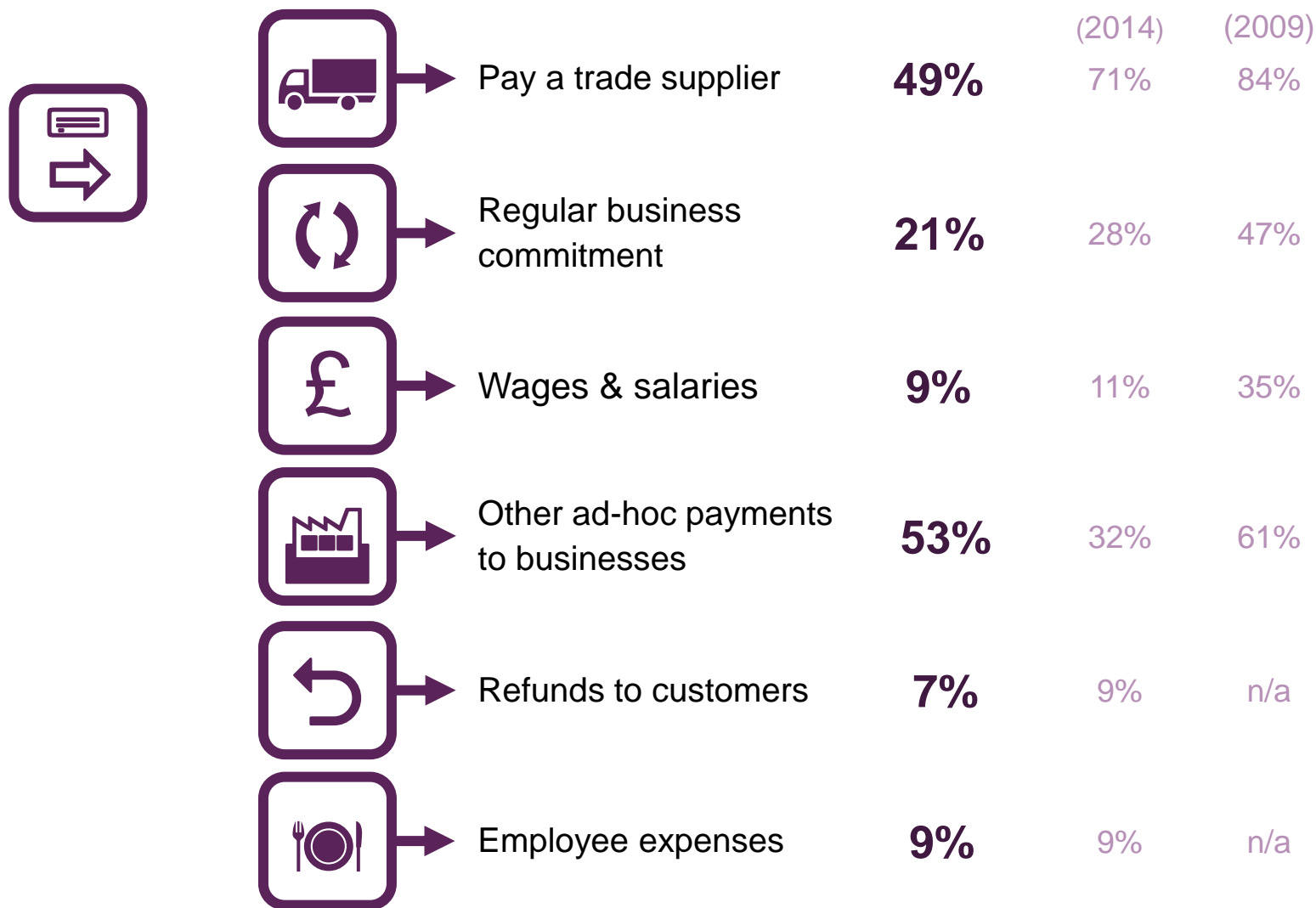
Average number of
cheques written per
month by businesses:

3

(12 in 2014, 22 in 2009)



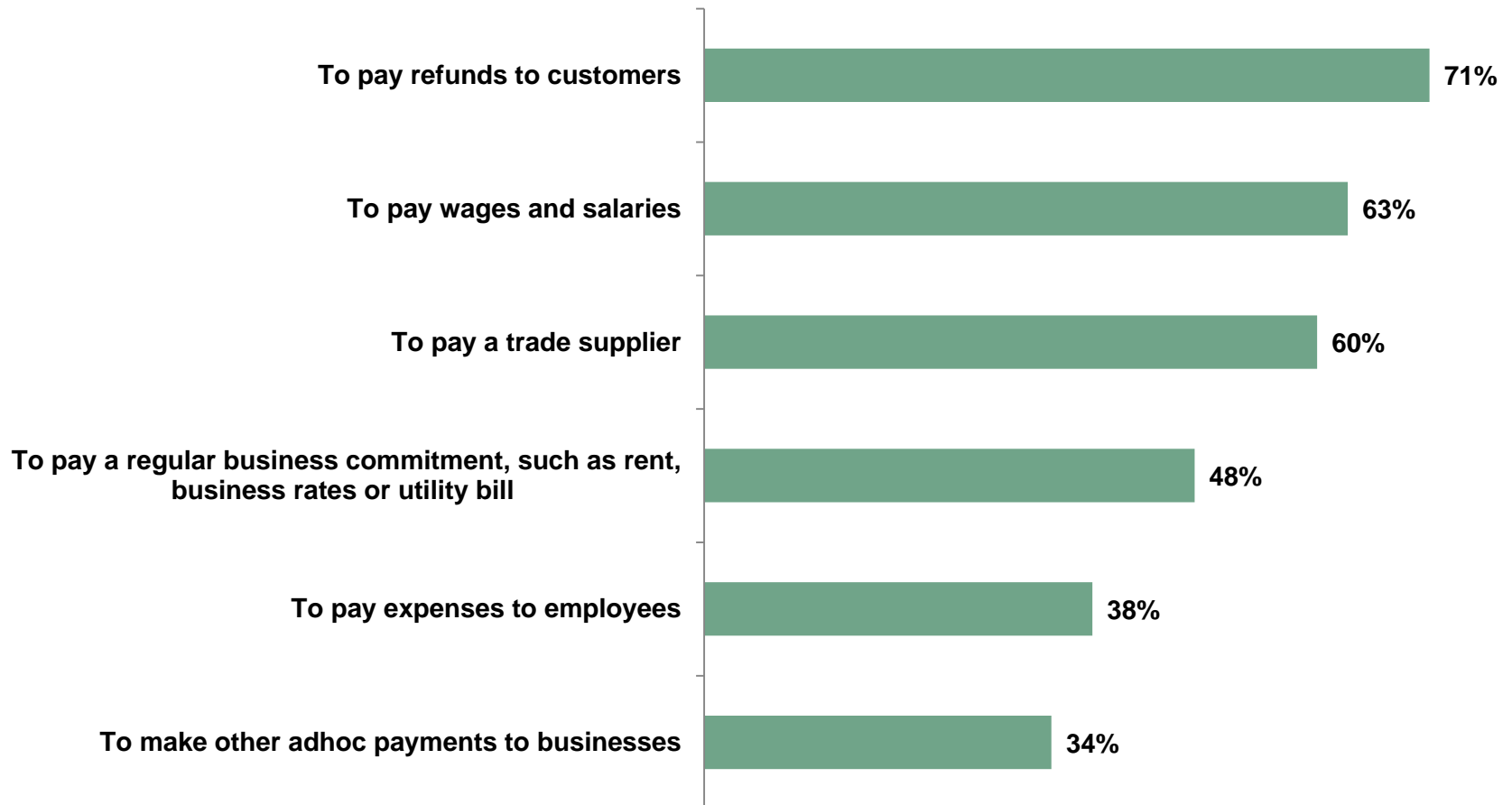
WHAT ARE CHEQUES WRITTEN FOR?



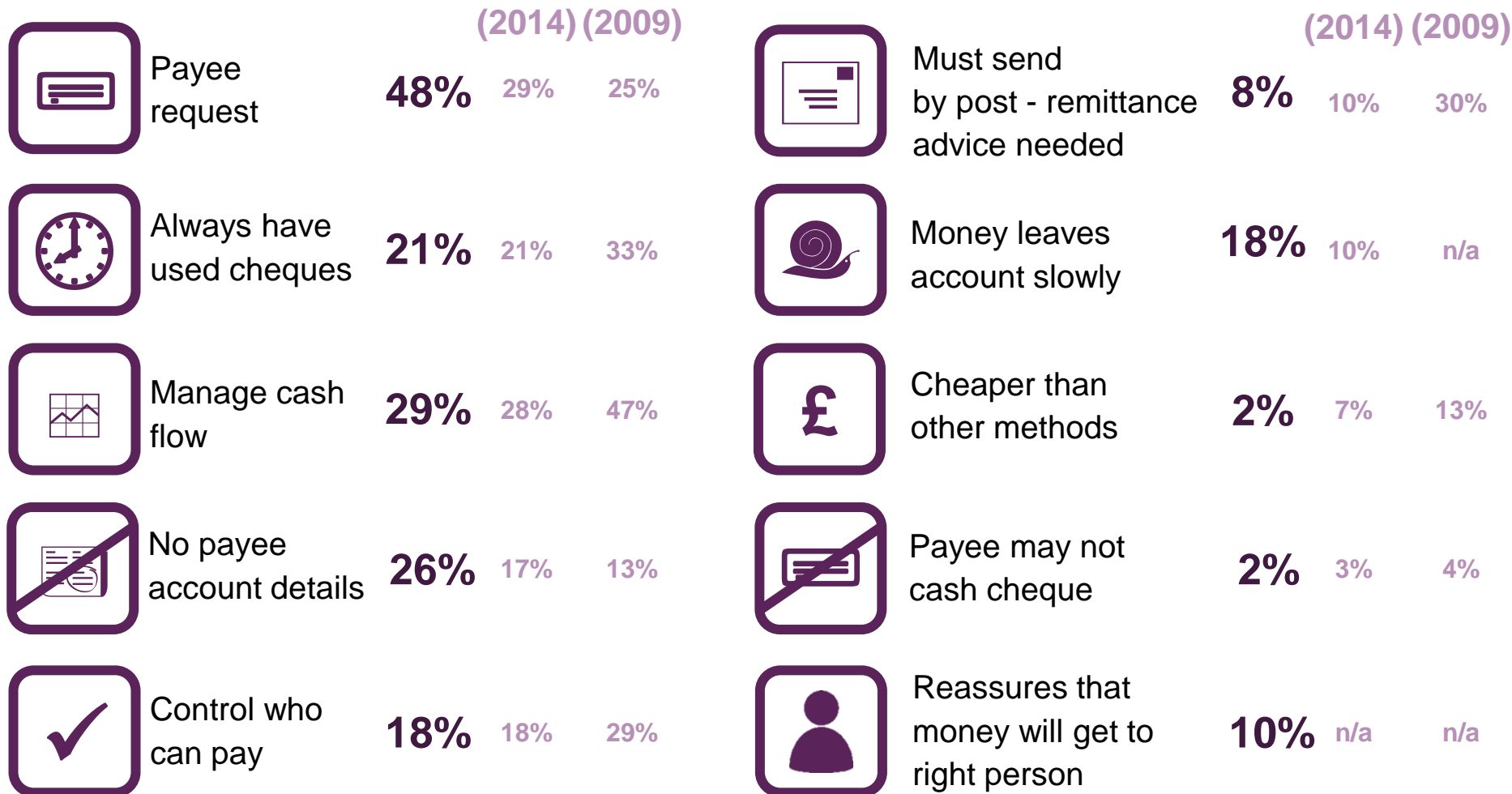
Q.2 Which of the following purposes, if any, have you used a cheque for in the past year?
Base: All who make payments by cheque at Q.1 (238)

ALTERNATIVE TO WRITING CHEQUES

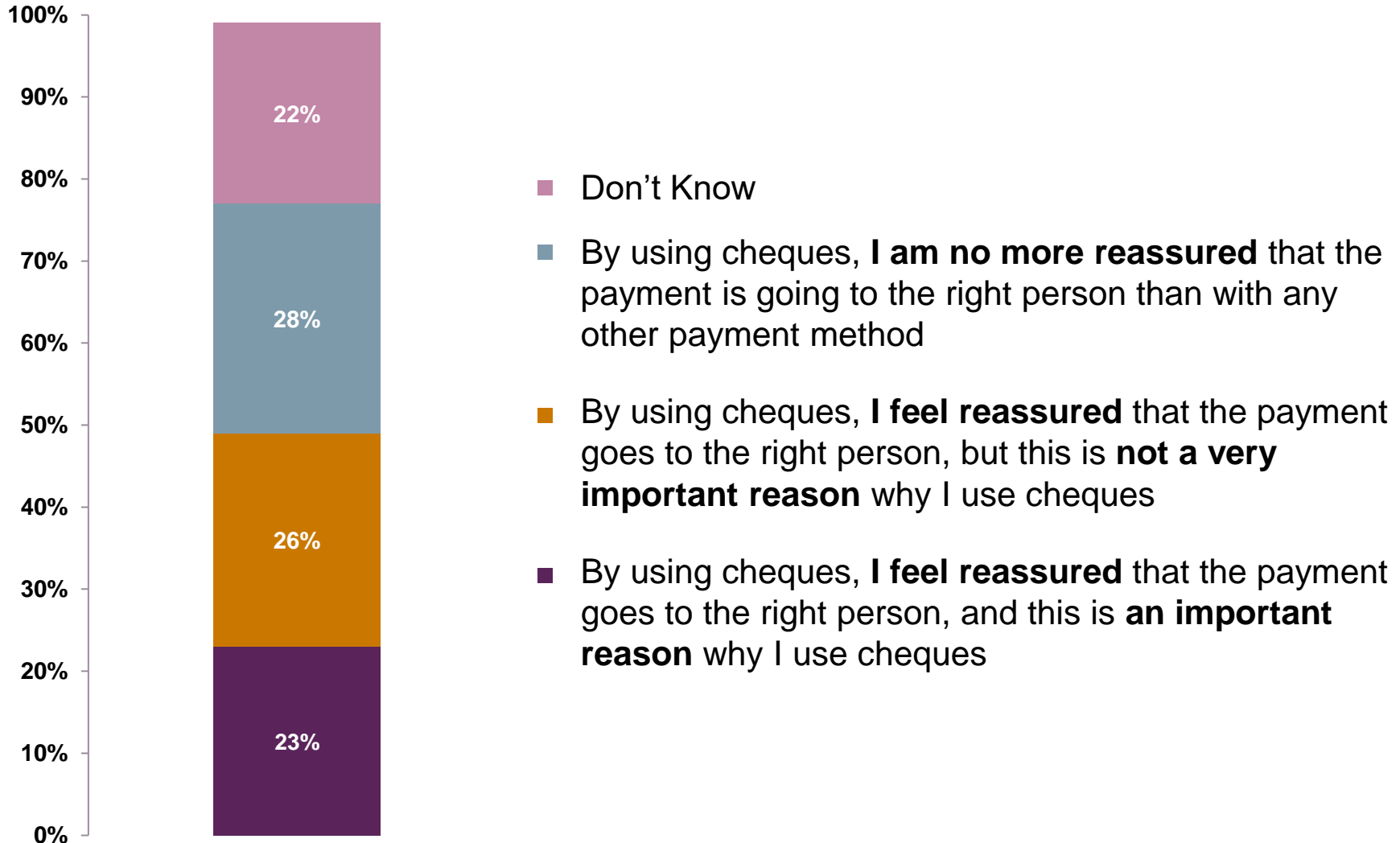
Businesses think that there is a convenient alternative for their organisation to paying by cheque when they need to ...



REASONS WHY BUSINESSES USE CHEQUES



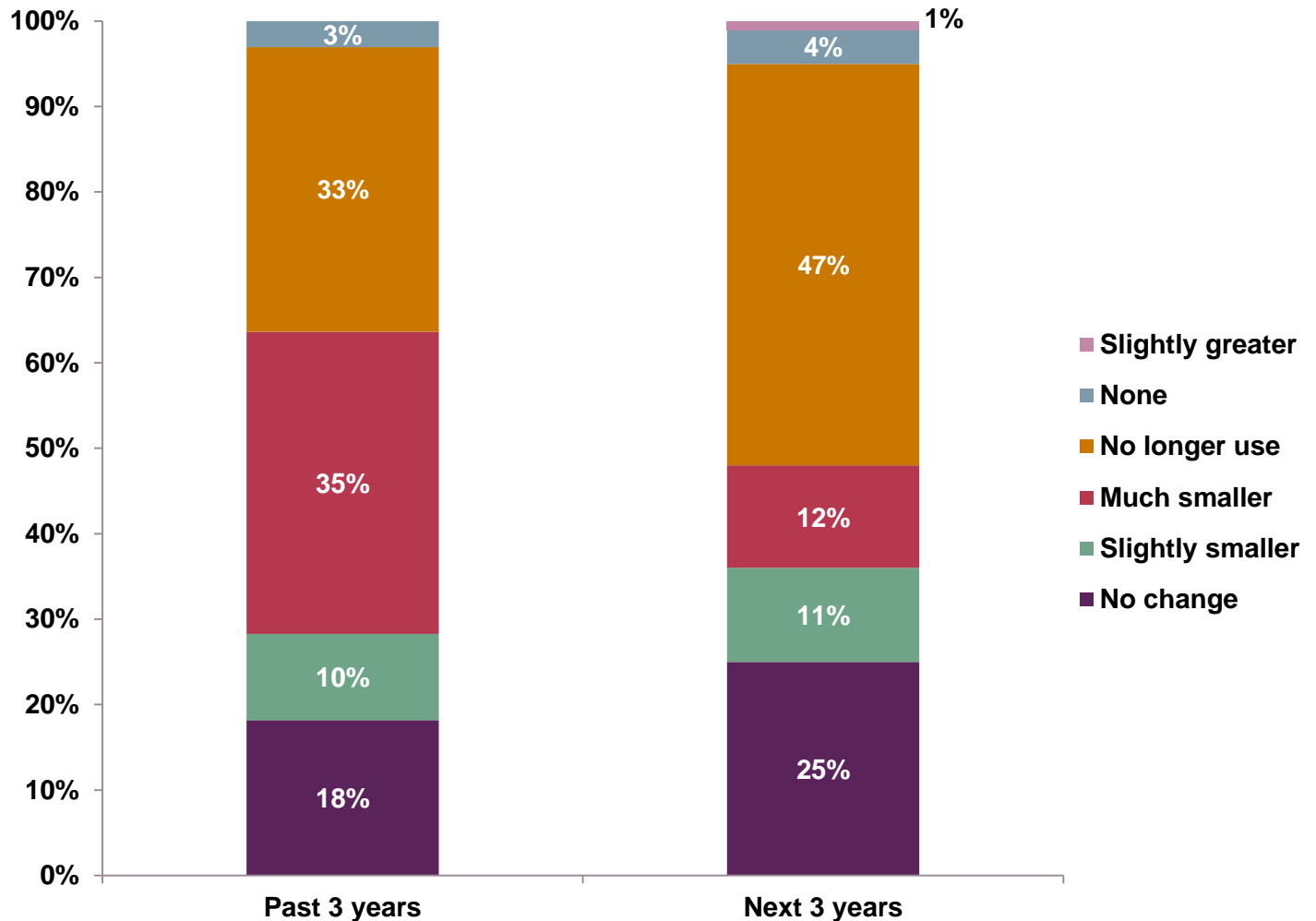
REASSURANCE ON RECIPIENT OF CHEQUE PAYMENTS



Q.5 Which of the following statements is closest to your view of the reasons you use cheques?

Base: All who make payments by cheque at Q.1 (238)

CHANGE IN PROPORTION OF PAYMENTS MADE BY CHEQUES, OVER TIME

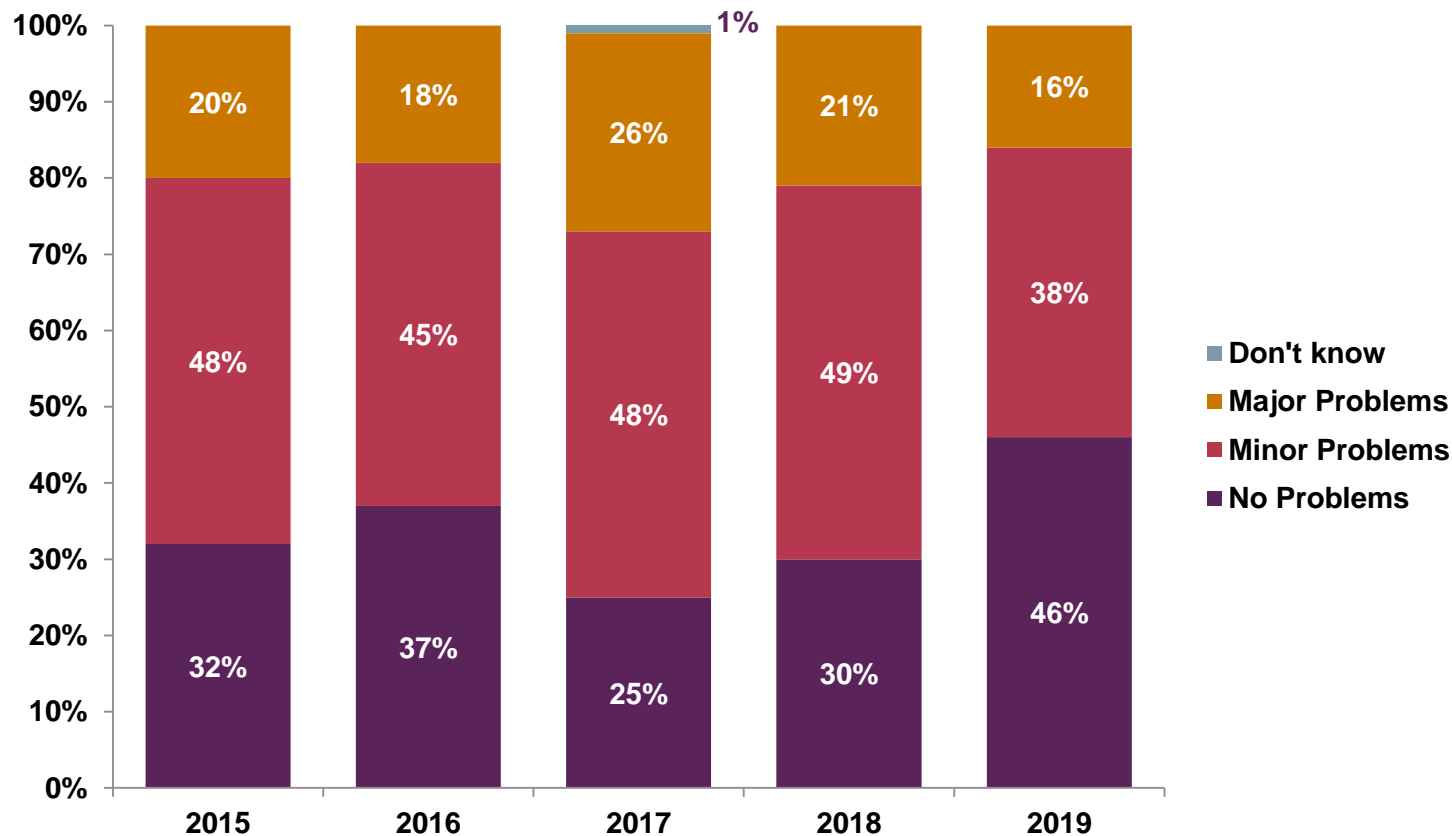


Q.6 Which of the following best describes how your business' use of cheques has changed over the last three years?

Q.6a Which of the following best describes how you expect your business' use of cheques to change over the next three years?

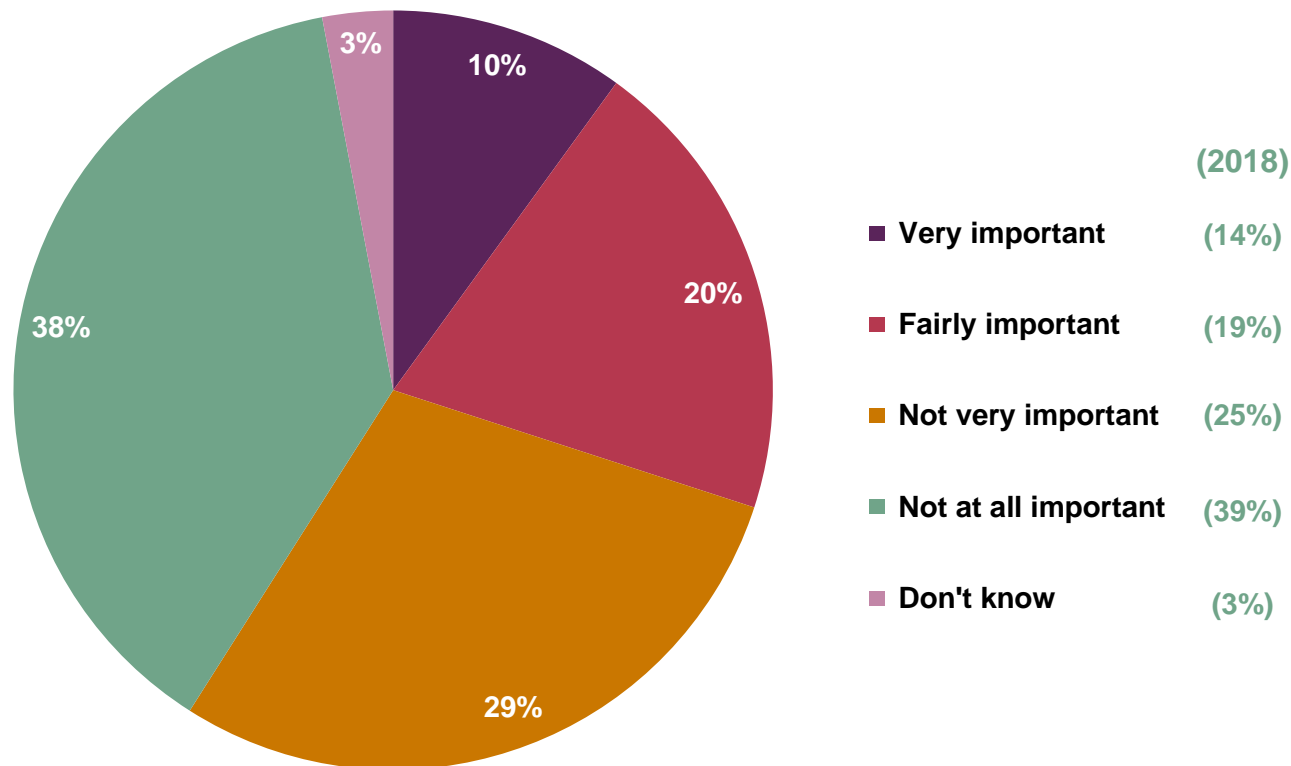
Base: All respondents (500)

PROBLEMS IF UNABLE TO WRITE CHEQUES



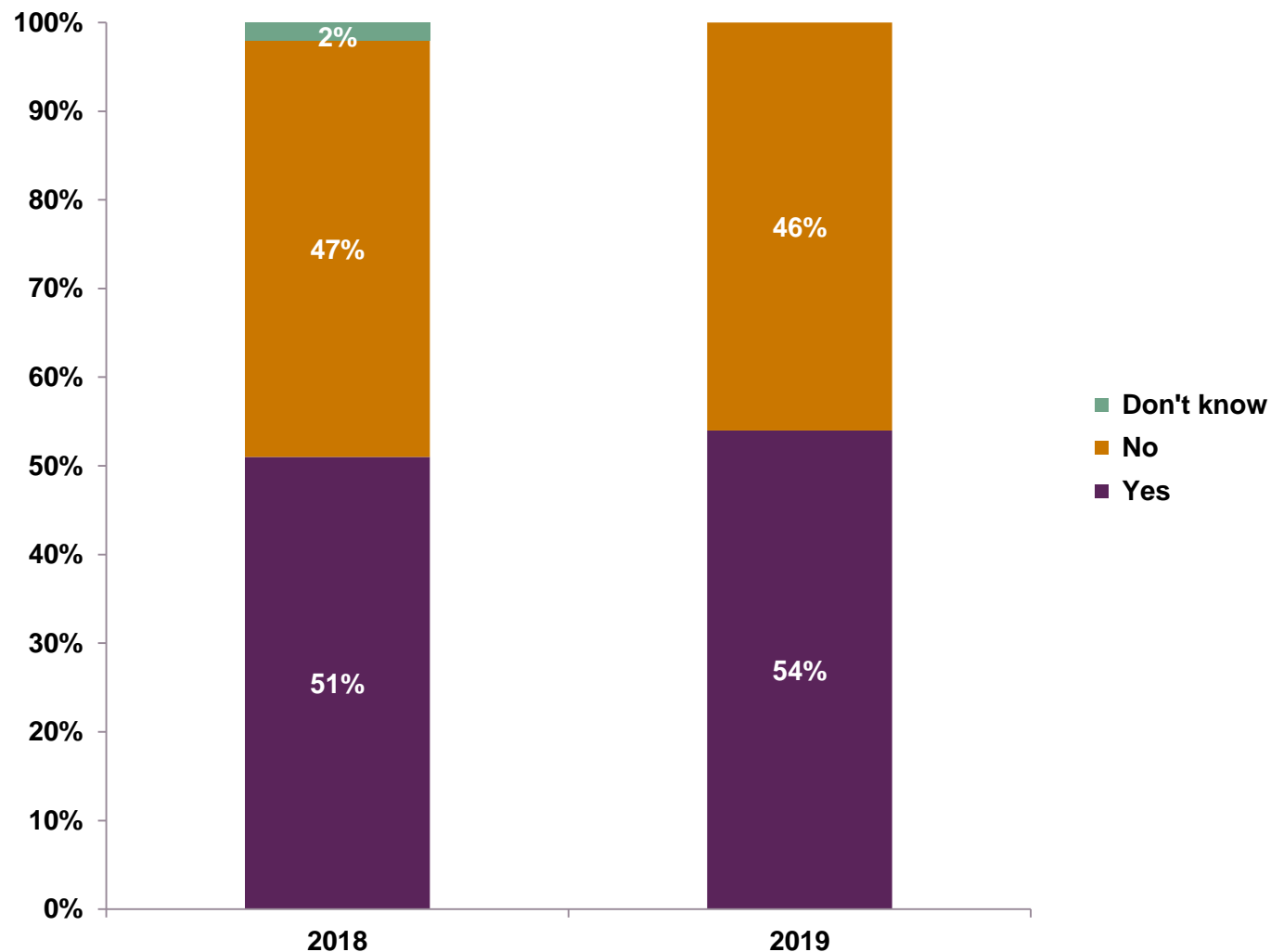
54% of business would have problems if unable to write cheques
(70% in 2018)

CHEQUE BOOK WITH A NEW ACCOUNT



For 1 out of 3 business it is important that their new bank account comes with a cheque book

NUMBER OF BUSINESS ACCEPTING DEBIT/CREDIT CARDS



CHEQUES RECEIVED BY BUSINESSES



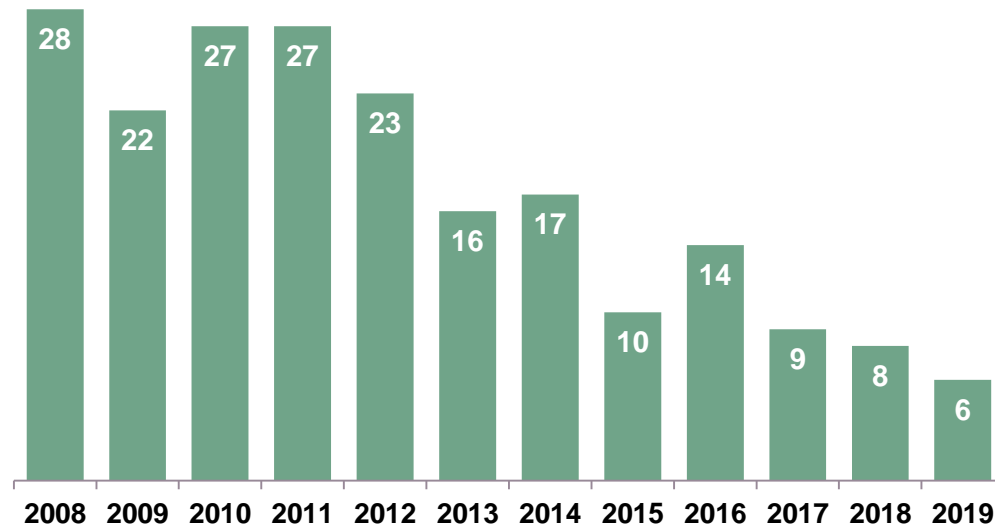
- **54%** of UK businesses said that they had received payments by cheque in the **past month** (69% in 2014, 84% in 2009)



Average number of
cheques received per
month by businesses

6

(16 in 2014, 22 in 2009)

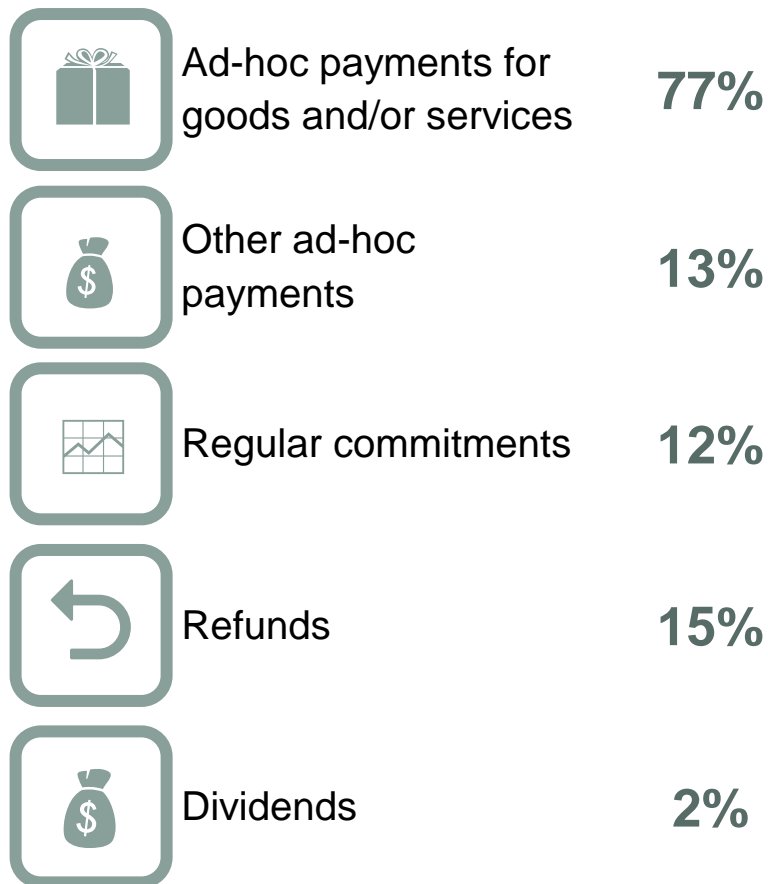


- **64%** of UK businesses said that they had either made or received payments by cheque in the **past month** (83% in 2014, 93% in 2009)

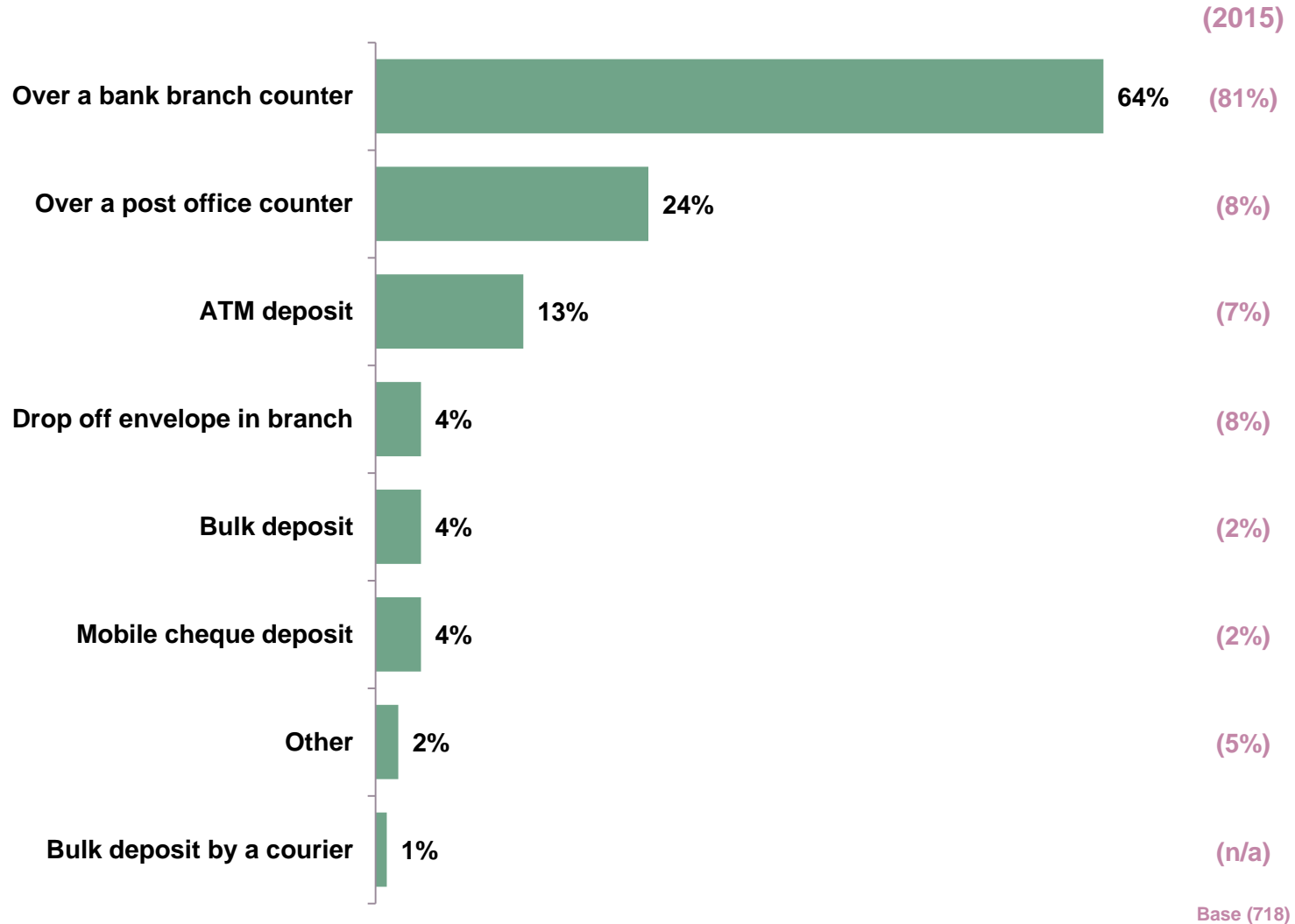


- **82%** of UK businesses said that they had either made or received payments by cheque in the **past year** (86% in 2018)

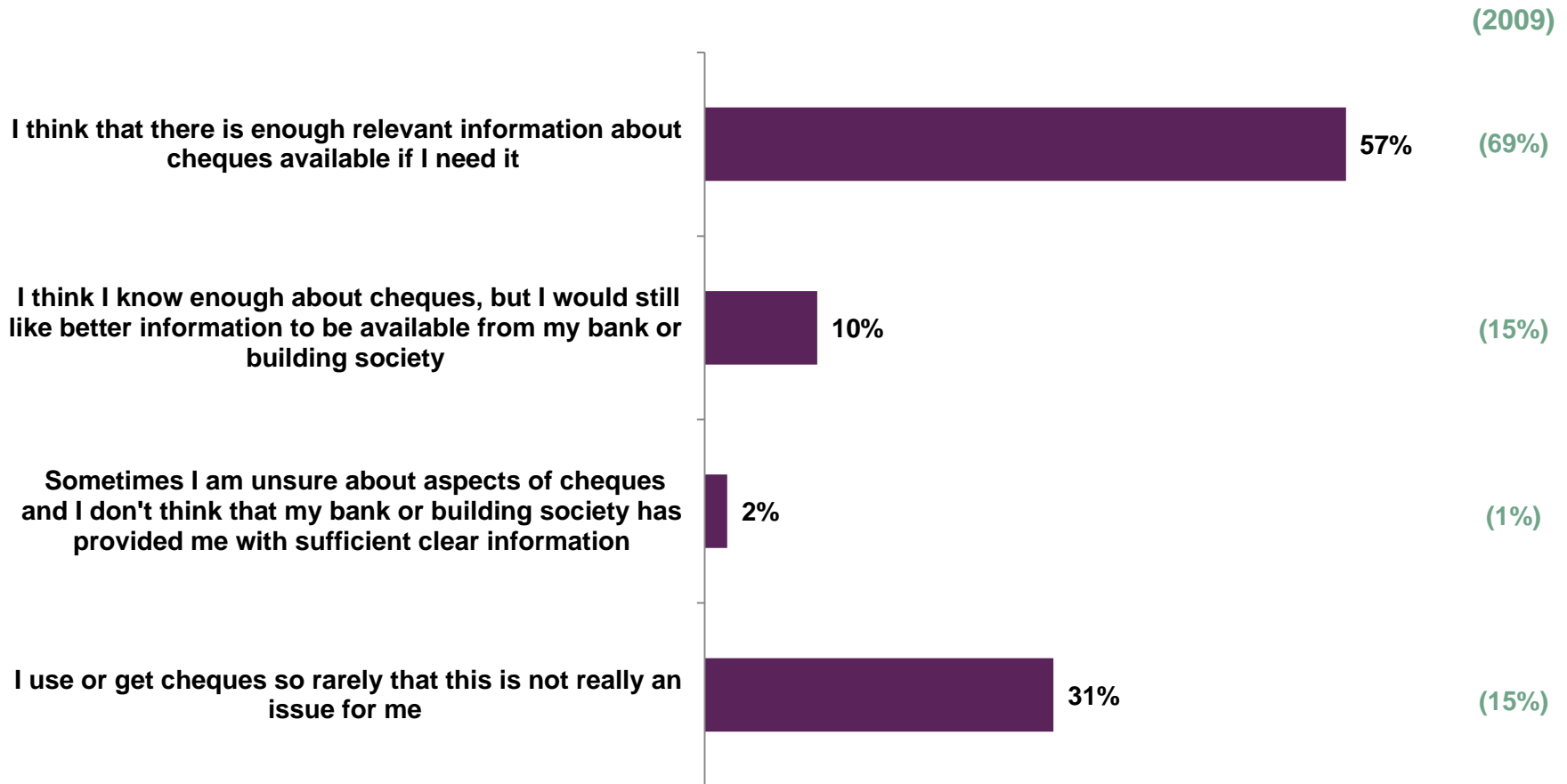
WHAT ARE CHEQUES RECEIVED FOR?



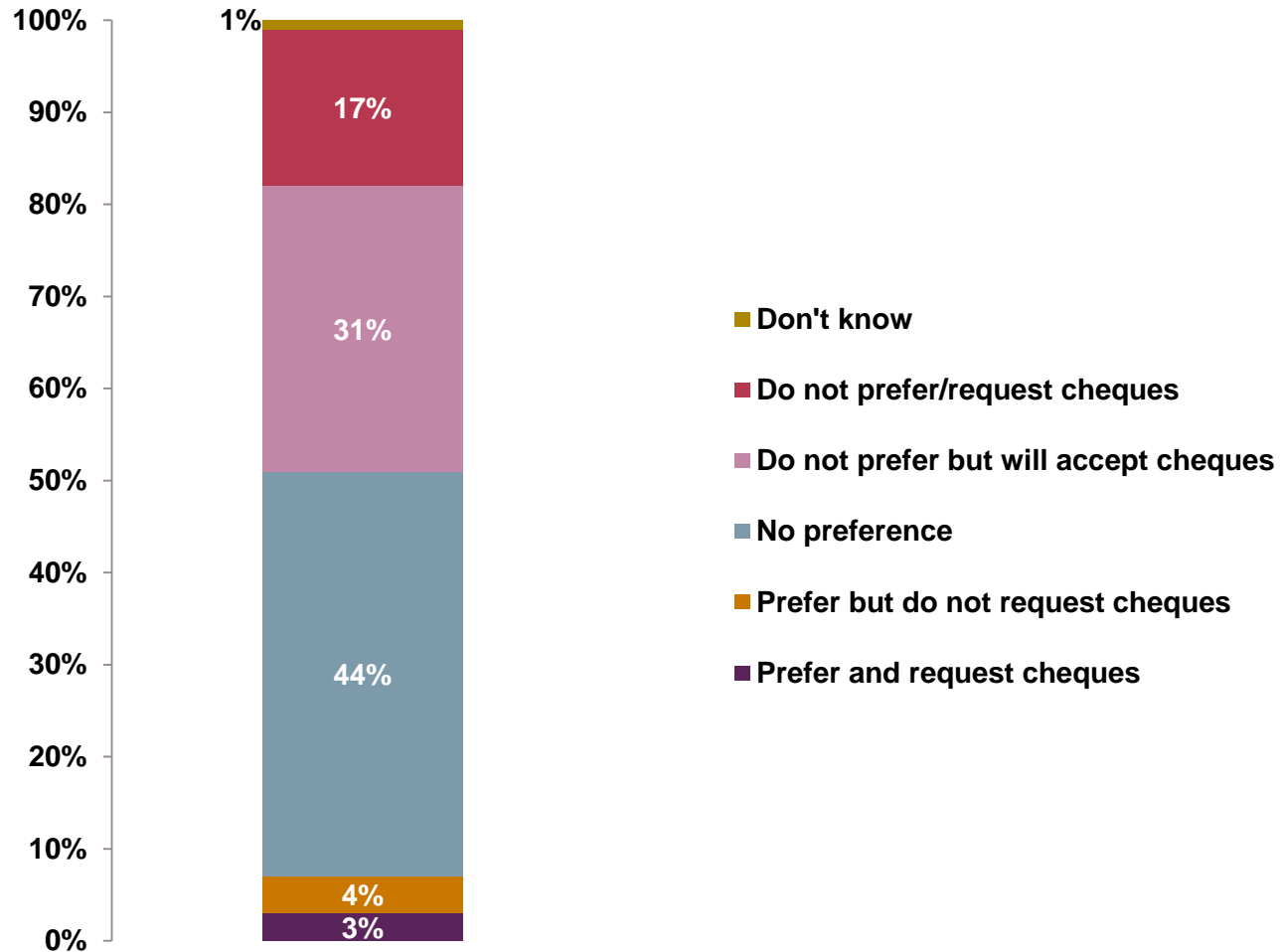
METHODS USED TO PAY IN CHEQUES



INFORMATION ABOUT CHEQUES RECEIVED FROM BANKS OR BUILDING SOCIETIES



ATTITUDES TOWARDS RECEIVING CHEQUES



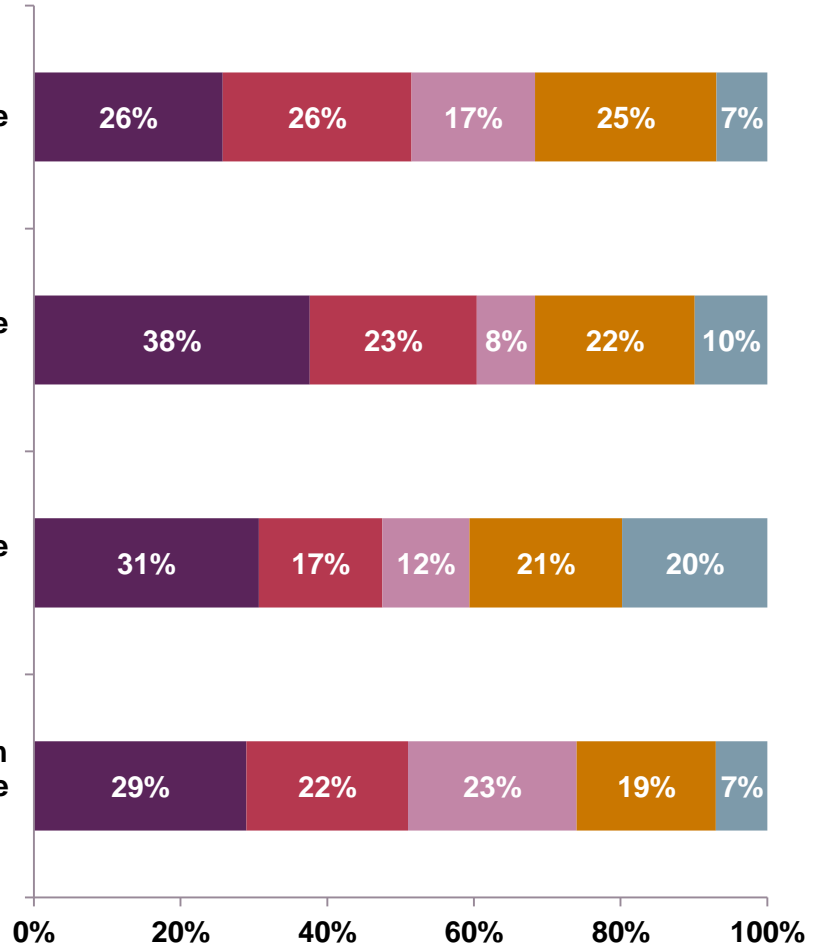
Q.10 Which one of the following statements, if any, best describes your business's attitude to the cheques that it receives?

Base: All who receive payments by cheque at Q.9 (358)

WIDER ATTITUDES TOWARDS CHEQUES



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

Q.15 Please tell me how much you agree or disagree with the following statements

Q.15A My business is wary of accepting cheques from people or organisations we don't know because we can't be sure that they won't bounce [Base: Base: All respondents (500)]

Q.15B As a business, when we receive cheques, it is irritating that we have to take them to the bank to be deposited [Base: All who receive payments by cheque at Q.9 (358)]

Q.15C As a business, when we receive cheques, it is irritating that we have to wait to get the money into the business bank account so that it can be used [Base: All who receive payments by cheque at Q.9 (358)]

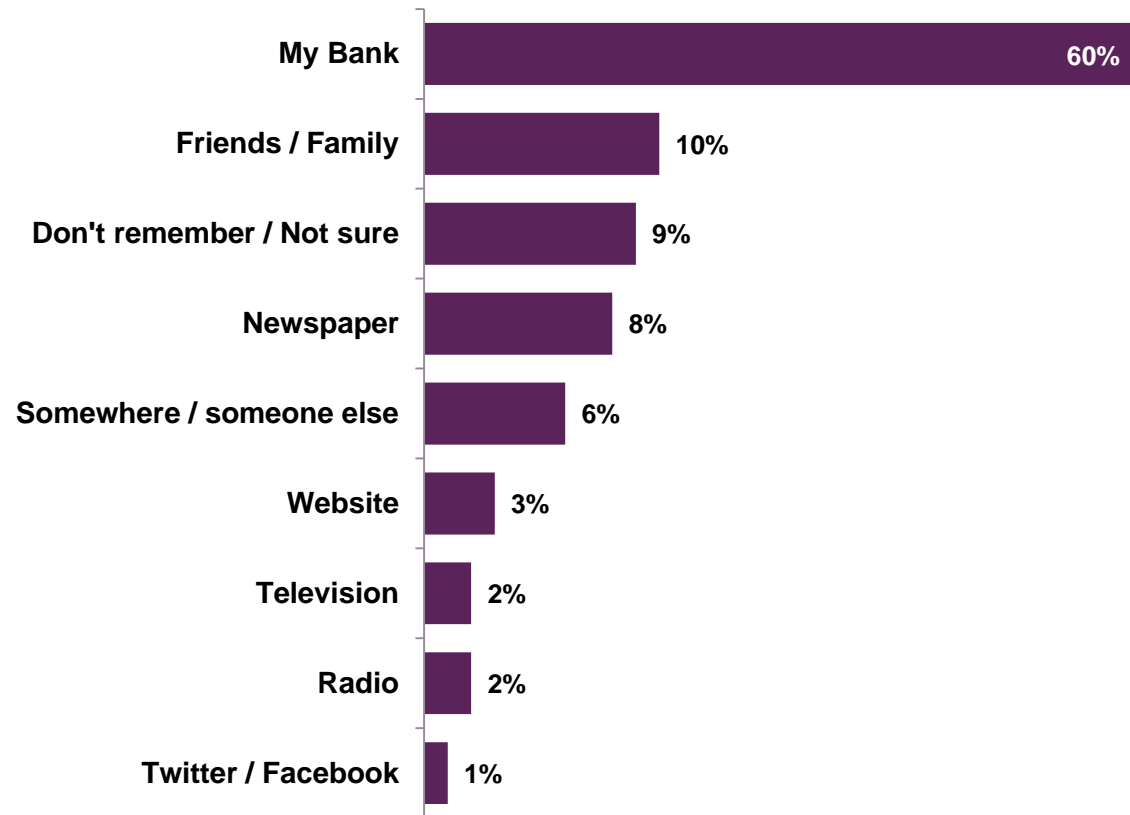
Q.15D As a business, when we write cheques, we feel that the money has left the business bank account as soon as the cheque is written [Base: All who make payments by cheque at Q.1 (238)]

CHEQUE IMAGING



39% of businesses are aware that the banking industry is in the process of introducing cheque imaging, which will make the clearing process faster. *This is an increase of 8% from 2018.*

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

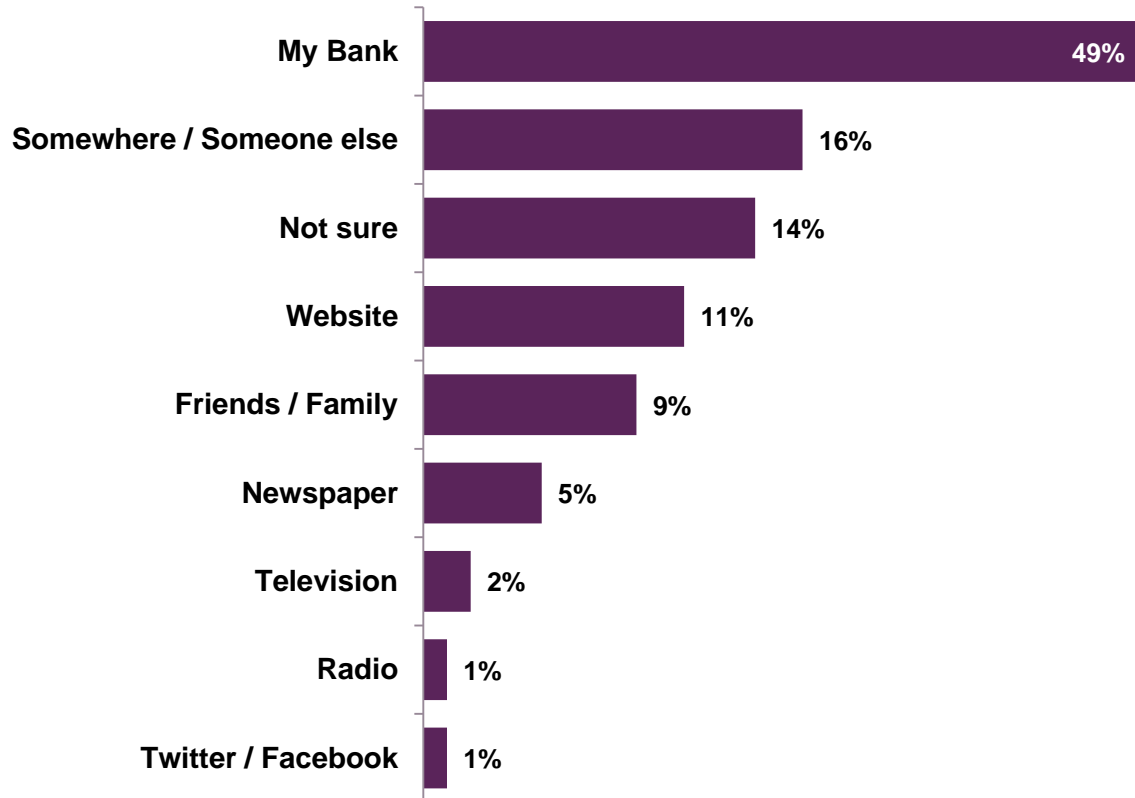


CHEQUE IMAGING – MOBILE



31% of businesses are aware that the banking industry is in the process of introducing cheque imaging, which may allow businesses to deposit cheques via their mobile banking app or using a desktop scanner. *This is an increase of 8% from 2018*

Where did you hear about deposit by cheque imaging?



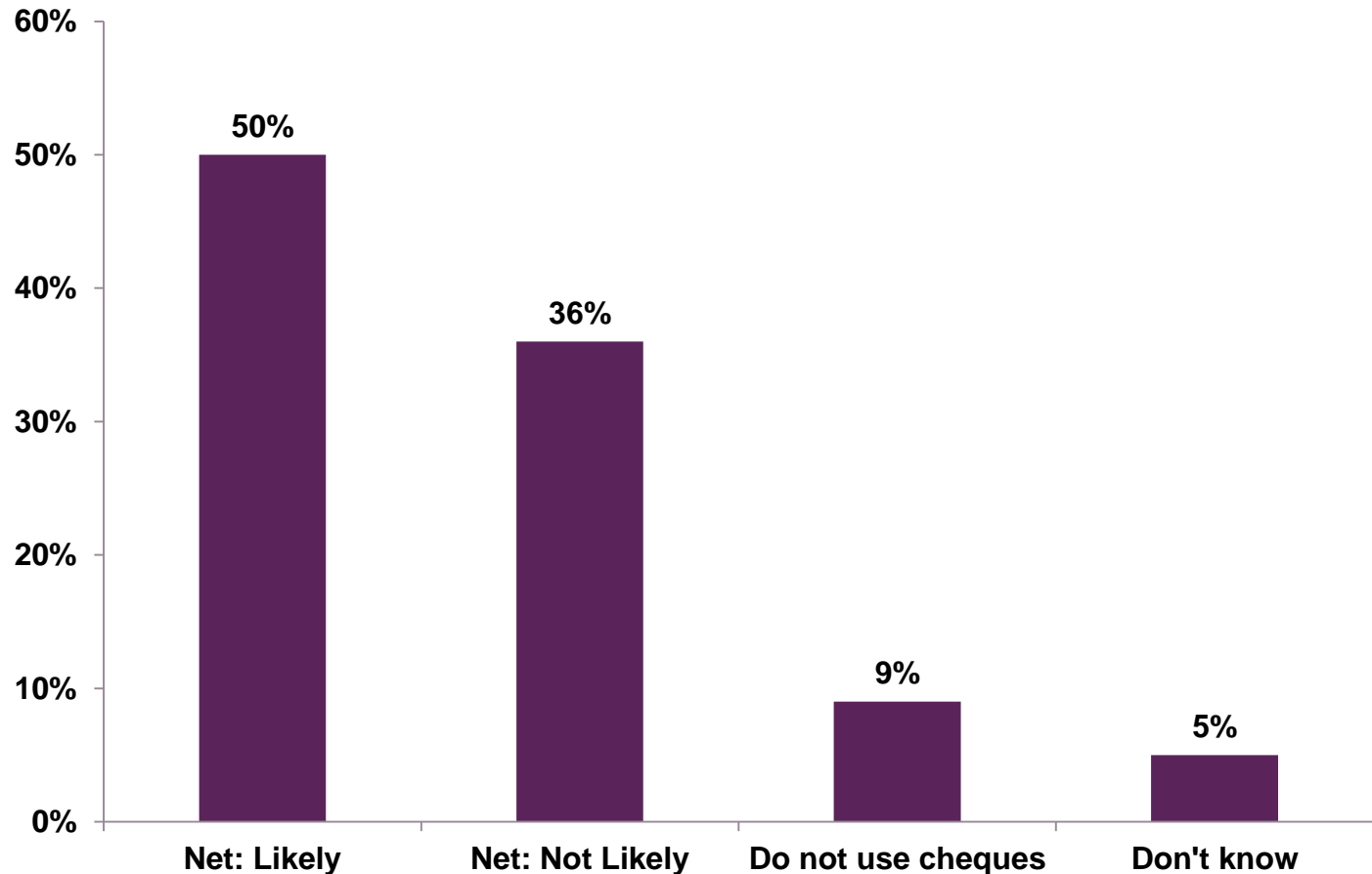
Q.13C Are you aware the Banking industry is in the process of introducing cheque imaging which may allow businesses to deposit cheques by taking images via their mobile banking app or using a desktop scanner linked to an online bank account?
Base: All respondents (500)

Q.13D Where did you see or hear about the introduction of using smartphones or desktop scanner linked to an online bank account to deposit cheques?

Base: All who have heard about cheque imaging using smartphones at Q.13C (155)

LIKELIHOOD OF DEPOSITING CHEQUES WITH AN APP/SCANNER, IF BANKS OFFERED THIS FACILITY

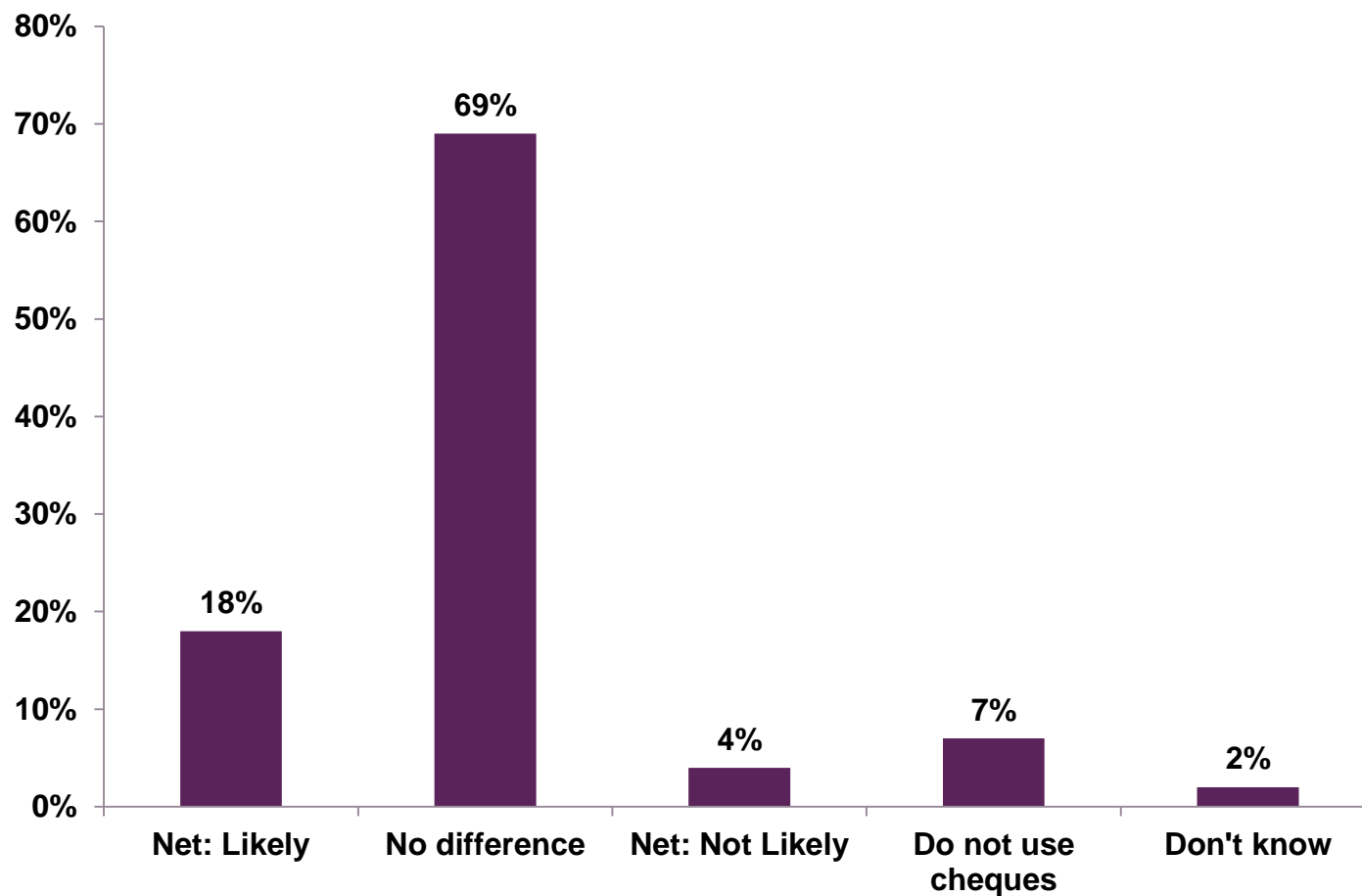
Businesses research conducted by BVA BDRC



Q.16 If your bank were to offer your organisation the ability to deposit cheques through a mobile banking app, or a service to use a desktop scanner linked to online banking, how likely if at all would you be to deposit cheques in this way?

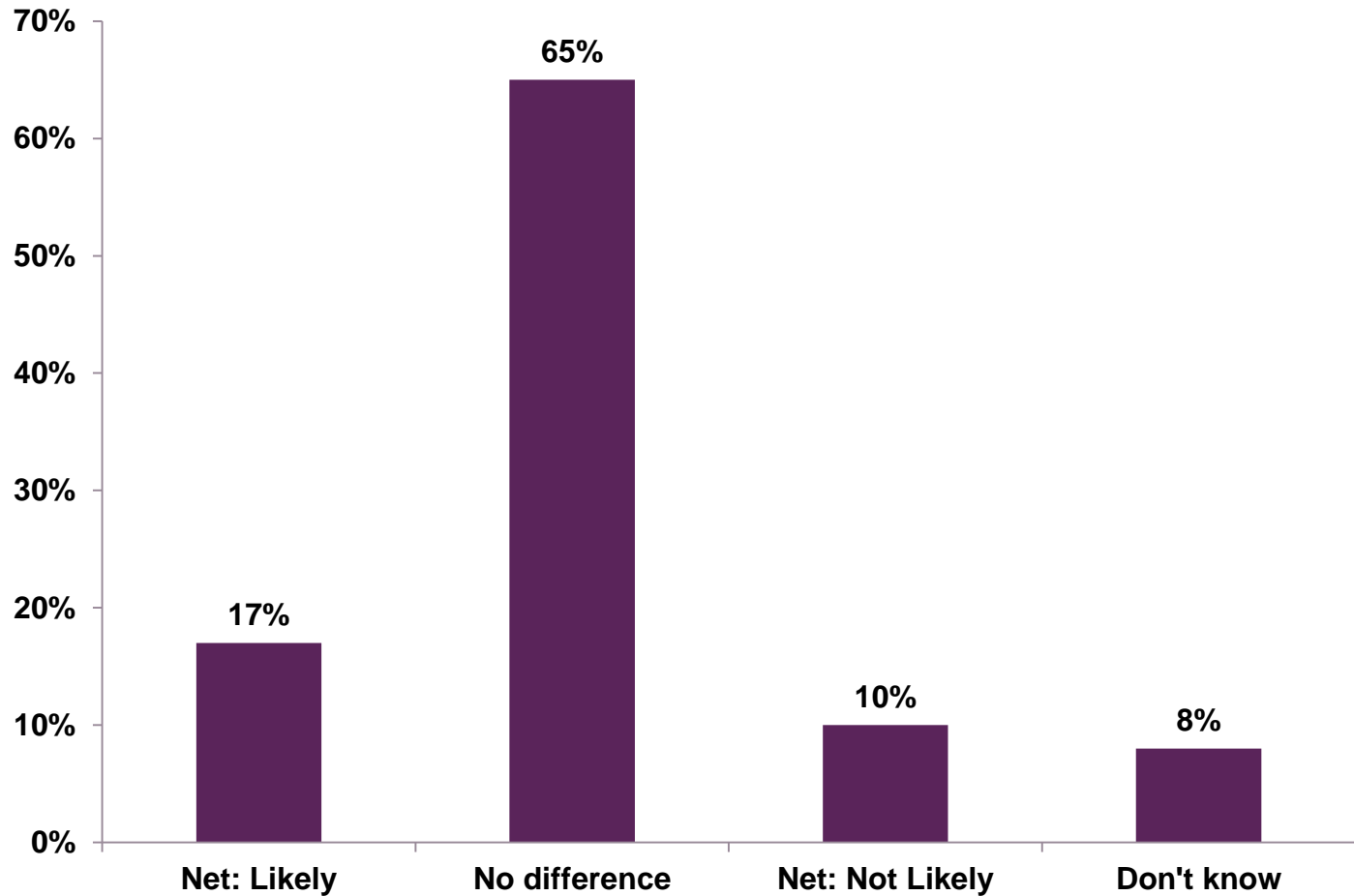
Base: All respondents (500)

LIKELIHOOD OF ACCEPTING MORE CHEQUE PAYMENTS WITH QUICKER CLEARING TIME



Q.17 Under the new cheque imaging system, cheque payments will be cleared on the next week day after they have been deposited, compared to six weekdays under the current system. Once your organisation's account starts using the cheque imaging system, will this make your organisation more or less likely to accept cheques in payment, or would it make no difference? Base: All respondents (500)

LIKELIHOOD THAT CHEQUE IMAGING WILL INCREASE CHEQUE USAGE



Q.18 And more generally, do you think the new cheque imaging system will make people more or less likely to use cheques as a method of payment in their everyday lives, or will it have no impact?

Base: All respondents (500)

UNDERSTANDING THE FUTURE OF CHEQUES



Cheques will continue as a payment method

**27% believe
this is true**

People will be able to use cheques
for as long as they want to

**35% believe
this is true**



CHARITY REPORT – FULL ANALYSIS



USE OF CHEQUES



- **55%** of charities said they had made a payment by cheque in the **past month**



- **78%** of charities said they had received a cheque in the **past month**



- **85%** of charities had either made or received a payment by cheque in the **past month** (*83% in 2016*)



- **71%** of charities said they had made a payment by cheque in the **past year**



- **89%** of charities also said they had received a cheque in the **past year**



- **94%** of charities had either made or received a payment by cheque in the **past year** (*93% in 2017*)
-

SIZE OF CHARITIES (BY INCOME) MAKING CHEQUE PAYMENTS IN THE PAST MONTH










Q.1A How many payments by cheque do you think your organisation has made in the past month? Would you say...

Base: All Respondents (1000)

WHAT ARE CHEQUES WRITTEN FOR?



			(2018)
	Pay a supplier	59%	62%
	Other ad-hoc payments to organisations	46%	58%
	Expenses to non salaried staff and volunteers	33%	37%
	Pay beneficiaries or fund projects	28%	31%
	Regular commitment e.g. rent	26%	28%
	Employee expenses	21%	19%
	Refunds to donors or beneficiaries	21%	17%

ALTERNATIVE TO WRITING CHEQUES



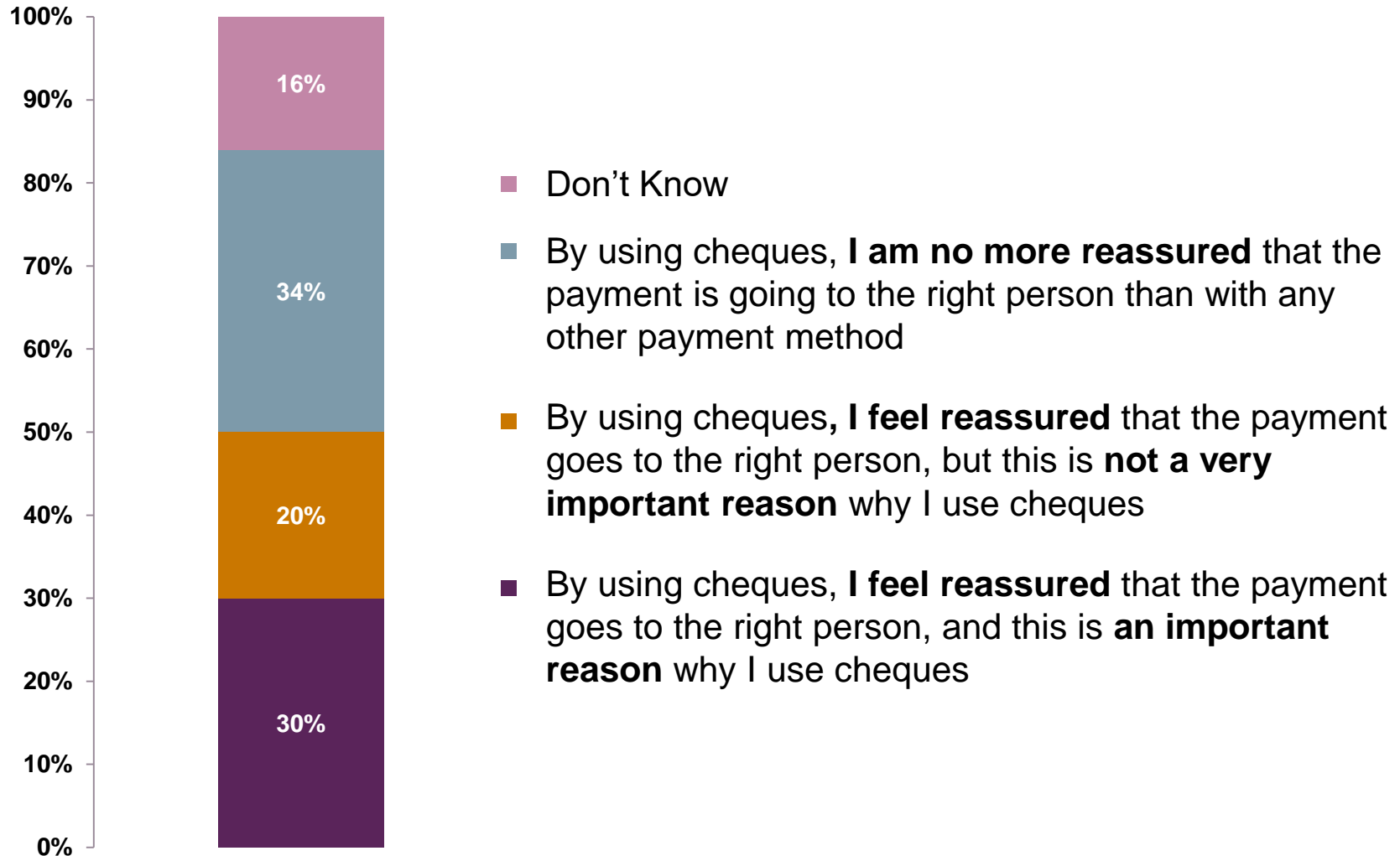
Charities think that there is a convenient alternative for their organisation to paying by cheque when they need to ...



REASONS WHY CHARITIES PAY BY CHEQUE



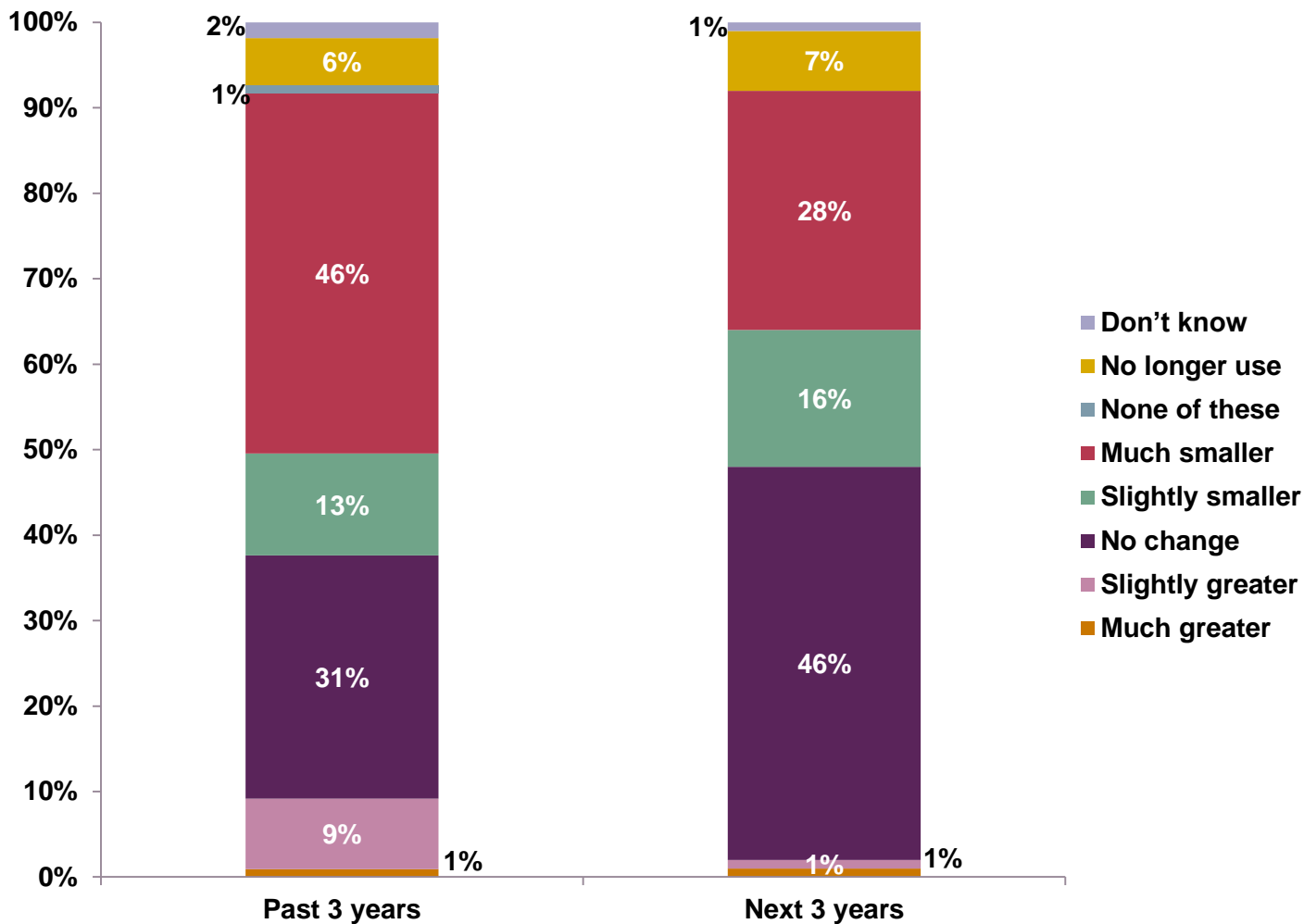
REASSURANCE ON CHEQUE PAYMENTS



Q.5A Which of the following statements is closest to your view of the reasons you use cheques?

Base: All who have made a payment by cheque in the past year (744)

CHANGE IN PROPORTION OF PAYMENTS MADE BY CHEQUES, OVER TIME

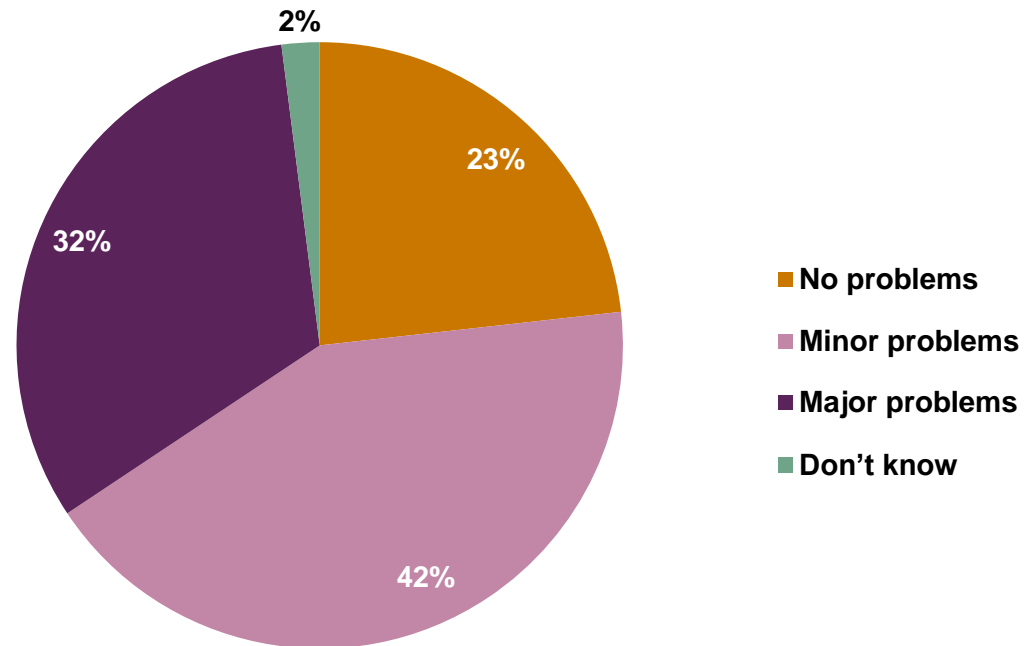


Q.6 Which of the following best describes how your organisation's use of cheques has changed over the last three years?

Q.6a Which of the following best describes how you expect your organisation's use of cheques to change over the next three years?

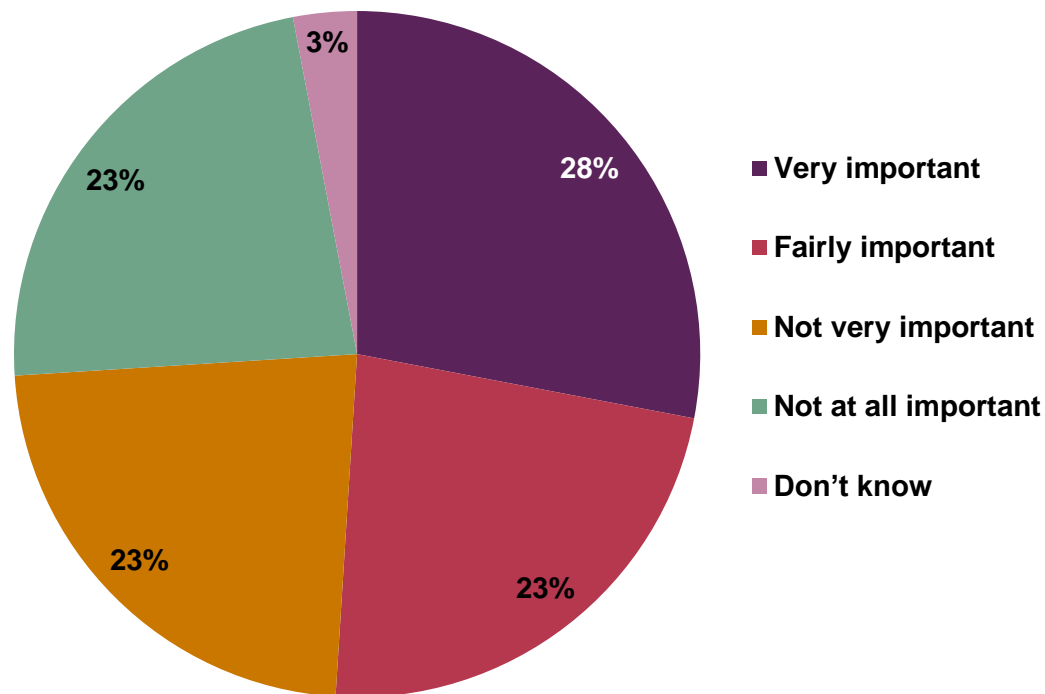
Base: All Respondents (1000)

PROBLEMS IF UNABLE TO WRITE CHEQUES



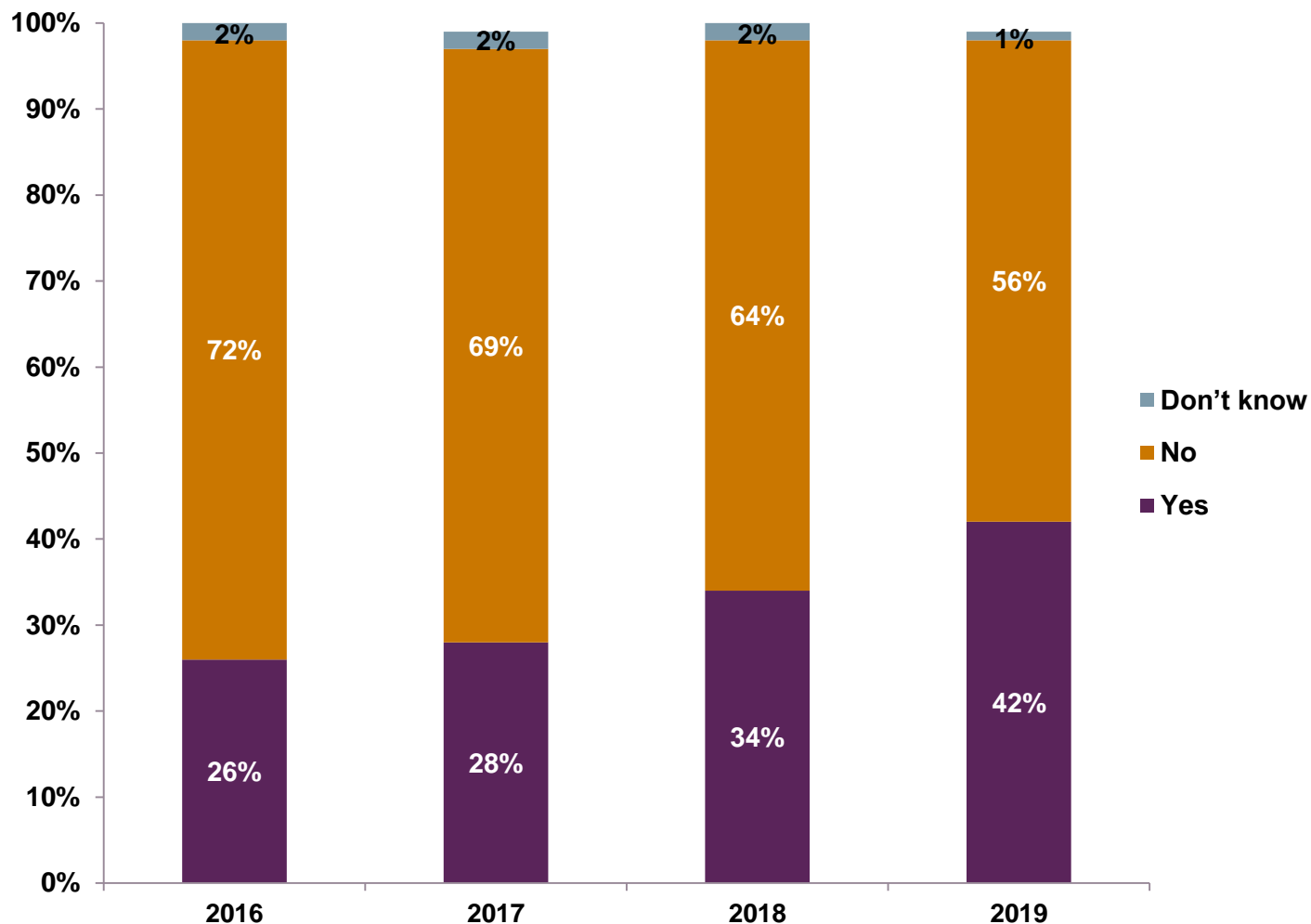
74% of charities would have problems if unable to write cheques (*77% in 2018*)

CHEQUE BOOK WITH A NEW ACCOUNT

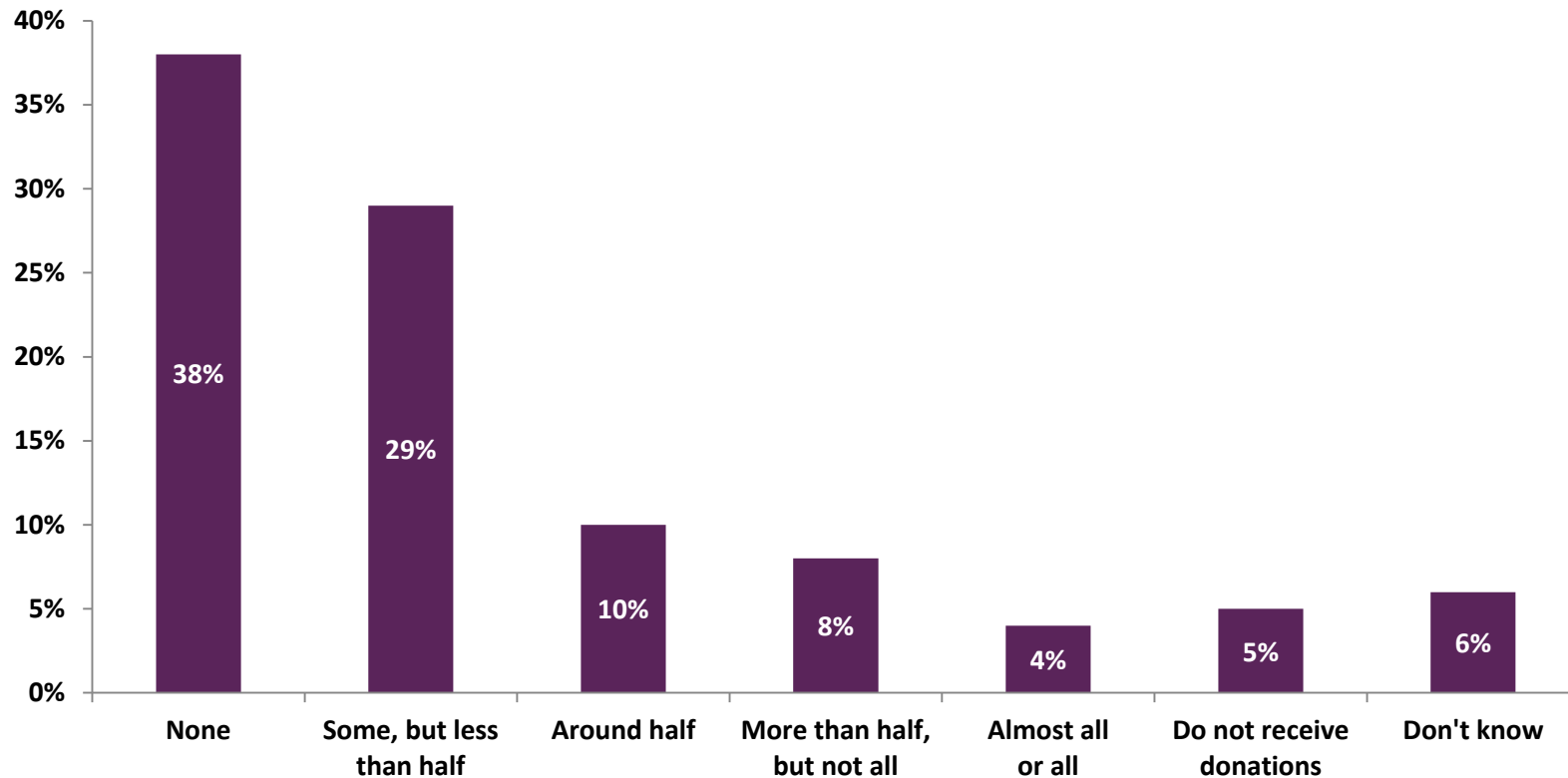


Just over half the charities say it is important that their new bank account comes with a cheque book

NUMBER OF CHARITIES ACCEPTING DEBIT/CREDIT CARDS

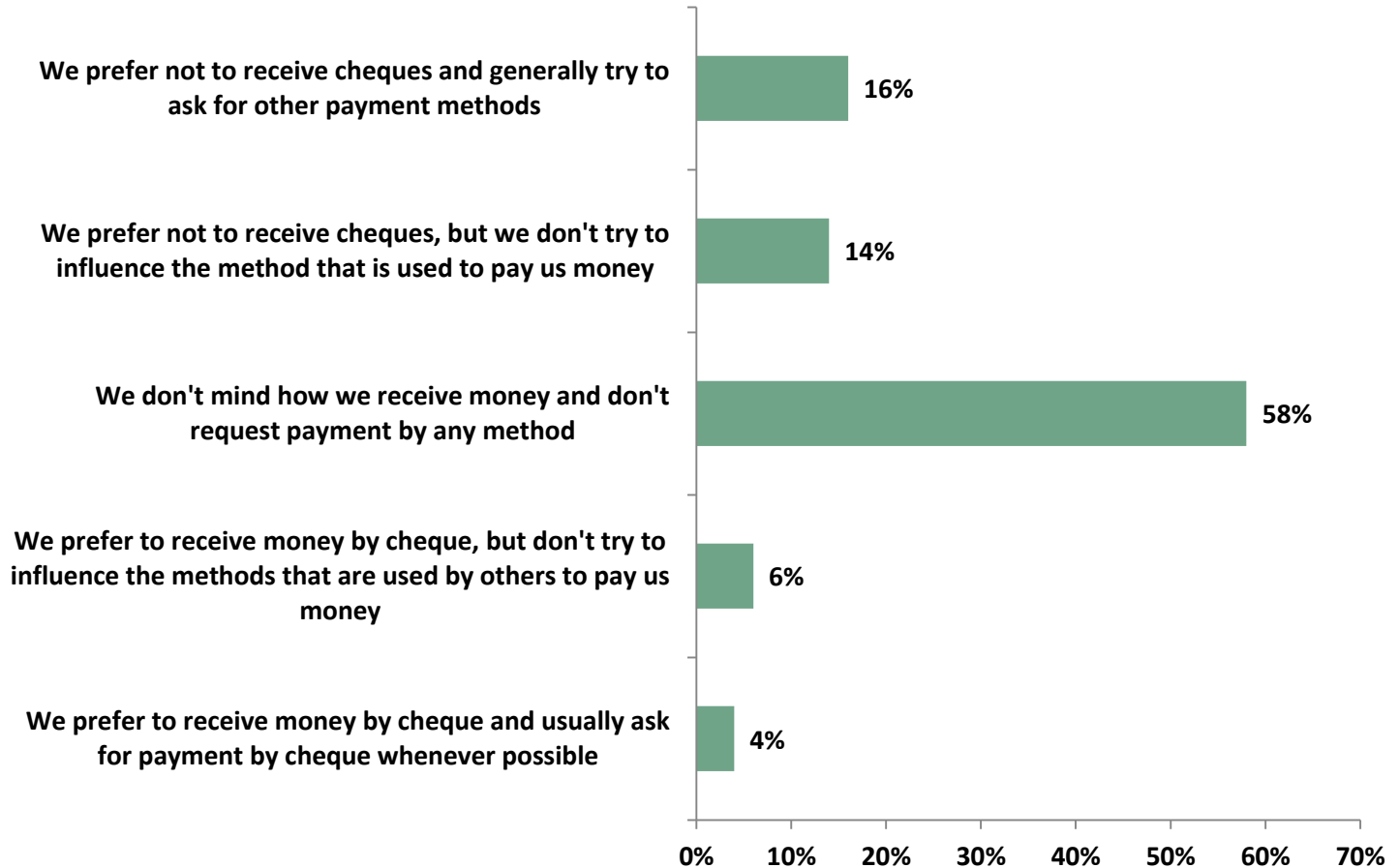


PROPORTION OF ANNUAL DONATIONS RECEIVED BY CHEQUES



22% of charities say they receive half or more of their donation income by cheque (*27% in 2018*)

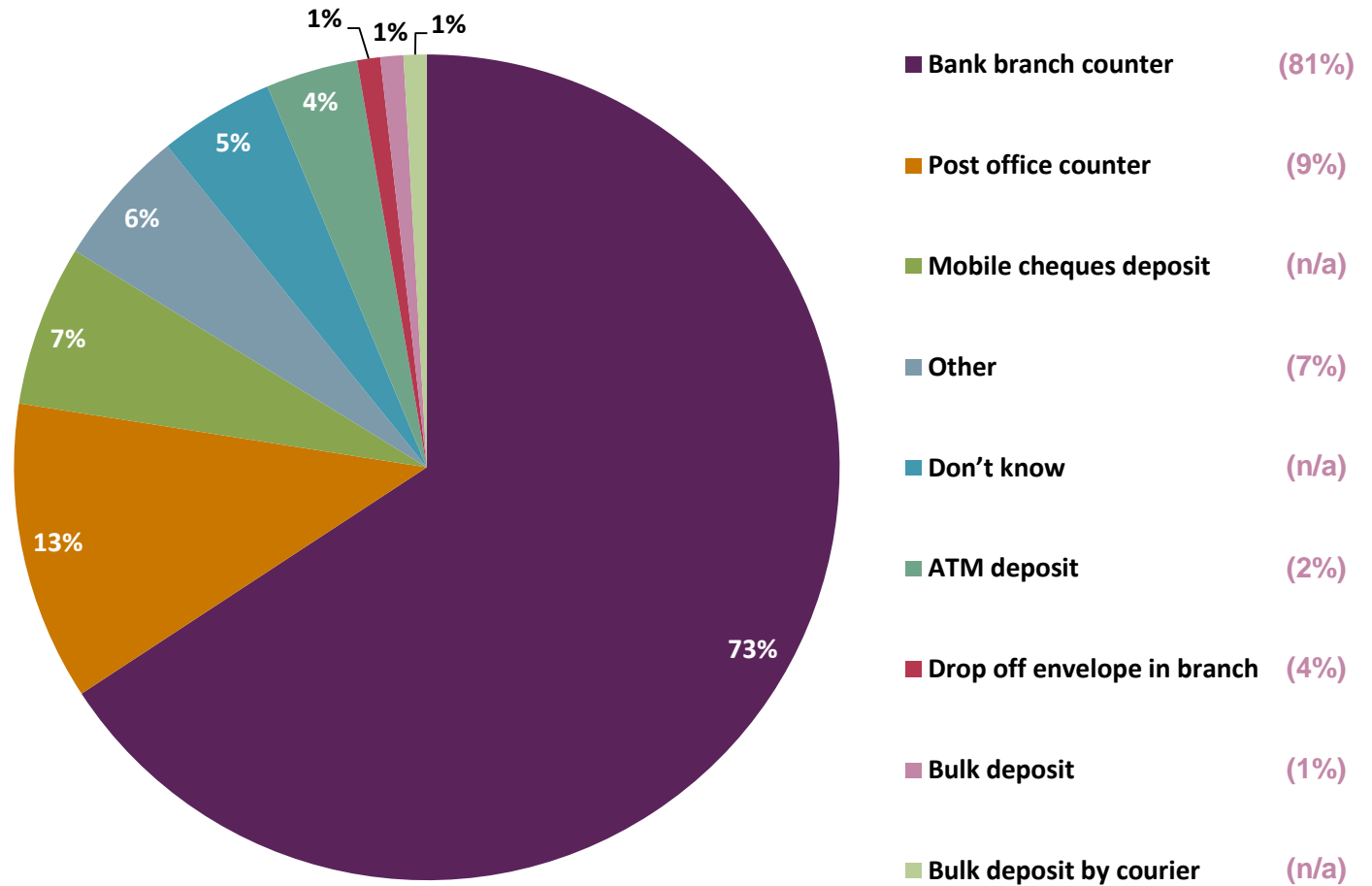
ATTITUDES TOWARDS RECEIVING CHEQUES



Q.10 Which of the following statements, if any, best describes your organisation's attitude to the cheques that it receives?

Base: All who have received a payment by cheque in the past year (927)

METHODS USED TO PAY IN CHEQUES



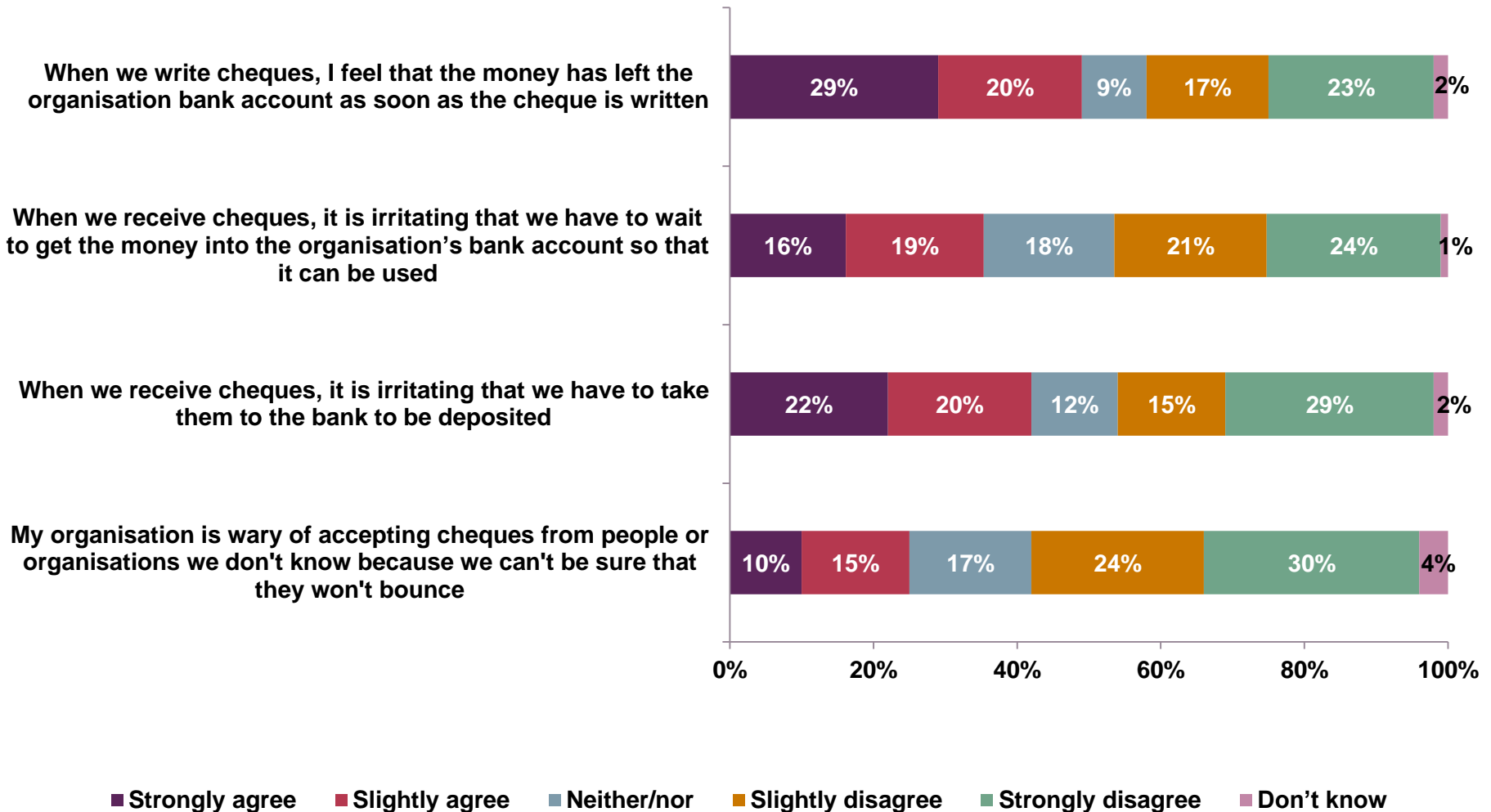
Base (807)

Q.11A And how does your organisation currently pay in cheques?

Base: All who have received a payment by cheque in the past year (927)

*Respondents could select more than one option thus total more than 100%

WIDER ATTITUDES TOWARDS CHEQUES



Q.18 Please tell me how much you agree or disagree with each one

Q.18A Would you say... My organisation is wary of accepting cheques from people or organisations we don't know because we can't be sure that they won't bounce [Base: All Respondents (1000)]

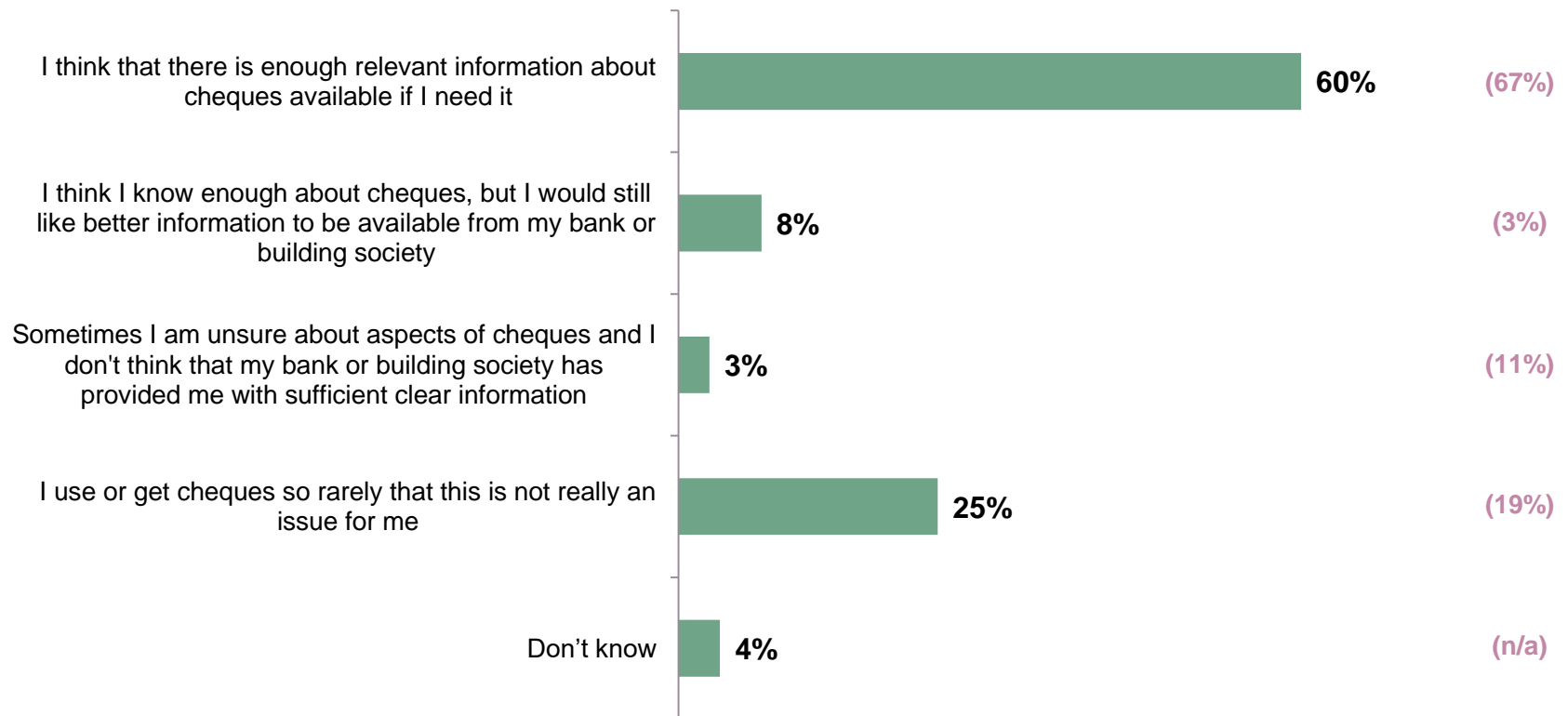
Q.18B Would you say... When we receive cheques, it is irritating that we have to take them to the bank to be deposited [Base: All who have received a payment by cheque in the past year (927)]

Q.18C Would you say... When we receive cheques, it is irritating that we have to wait to get the money into the organisation's bank account so that it can be used [Base: All who have received a payment by cheque in the past year (927)]

Q.18D Would you say... When we write cheques, I feel that the money has left the organisation bank account as soon as the cheque is written [Base: All who have made a payment by cheque in the past year (744)]

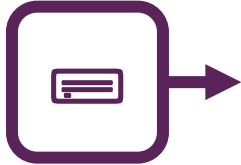
INFORMATION ABOUT CHEQUES RECEIVED FROM BANKS OR BUILDING SOCIETIES

(2016)



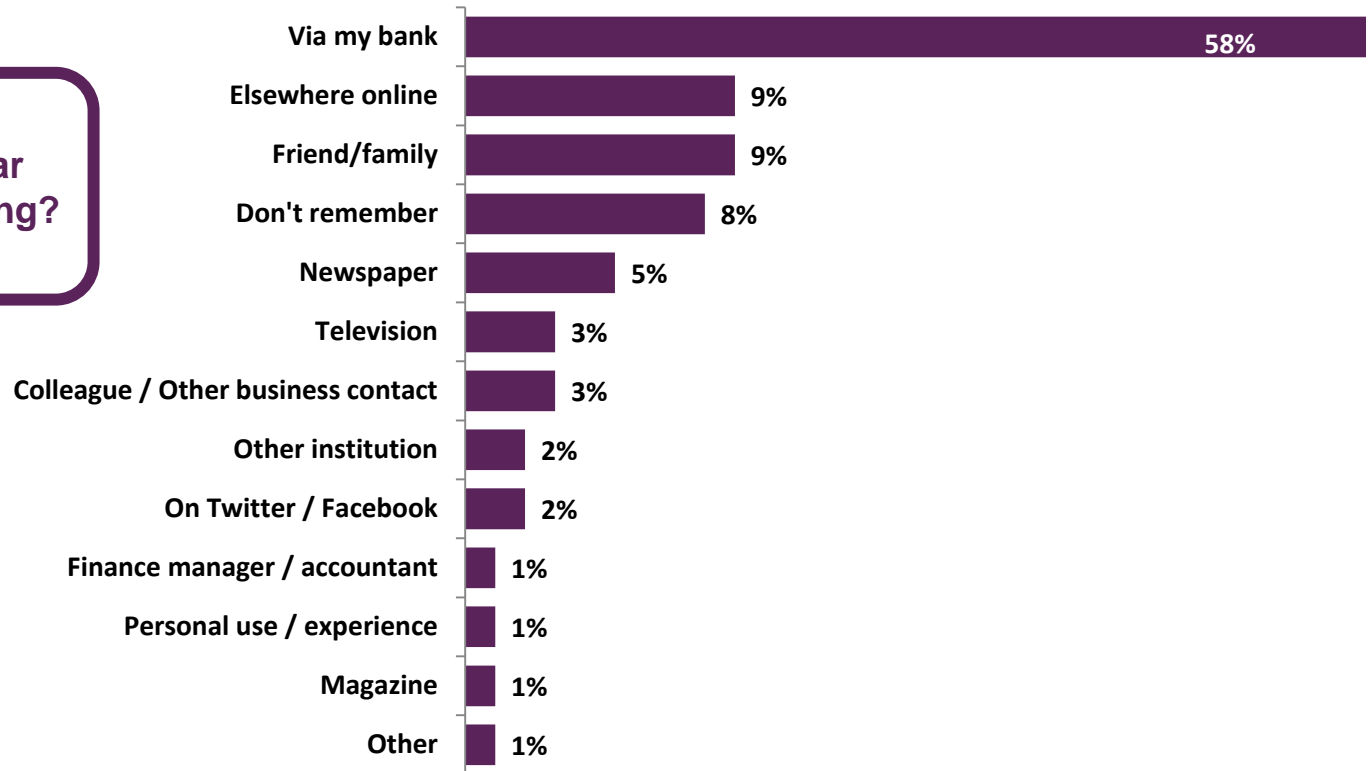
Base (899)

CHEQUE IMAGING

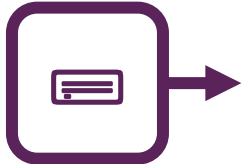


53% of charities are aware that the banking industry is in the process of introducing cheque imaging, which will make the cheque clearing process faster. *This is an increase of 14% from 2018*

Where did you hear about cheque imaging?

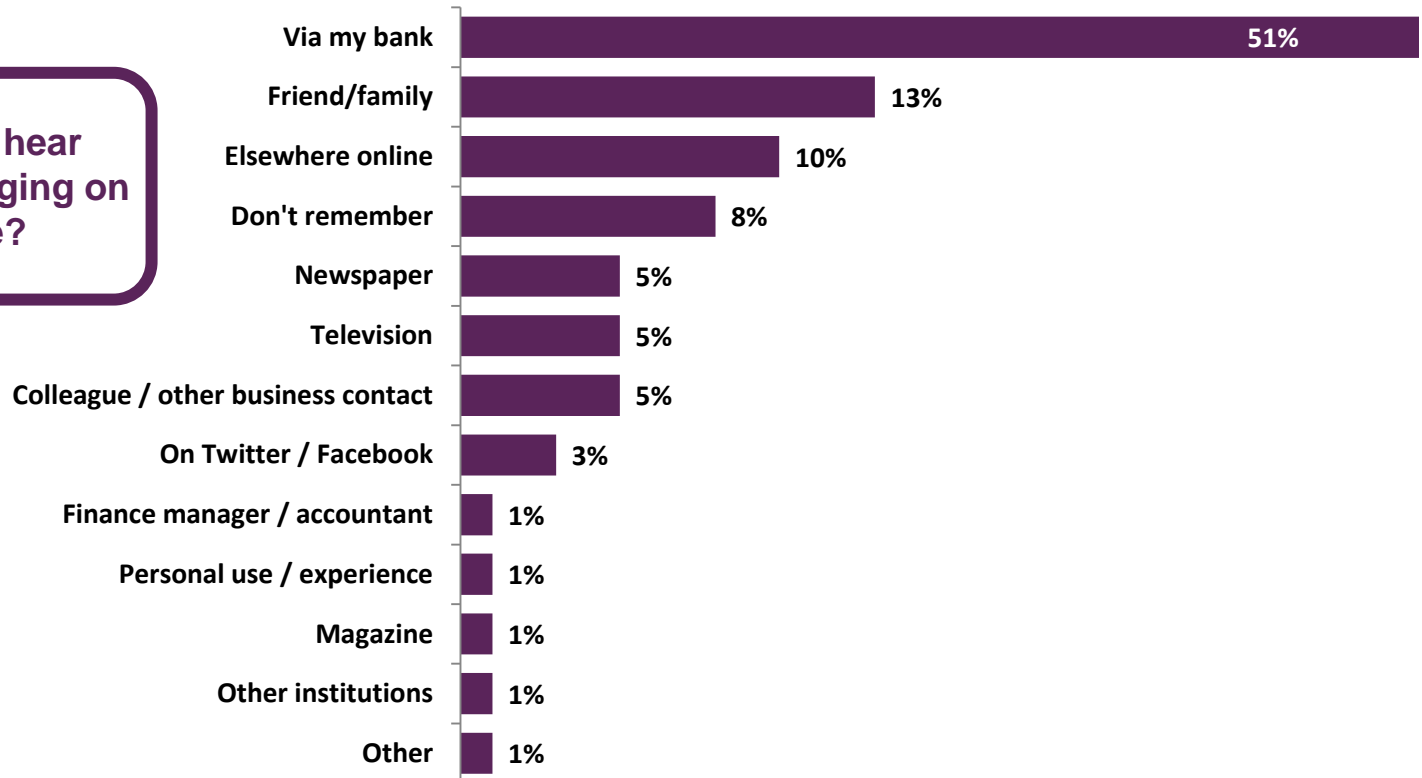


CHEQUE IMAGING – MOBILE

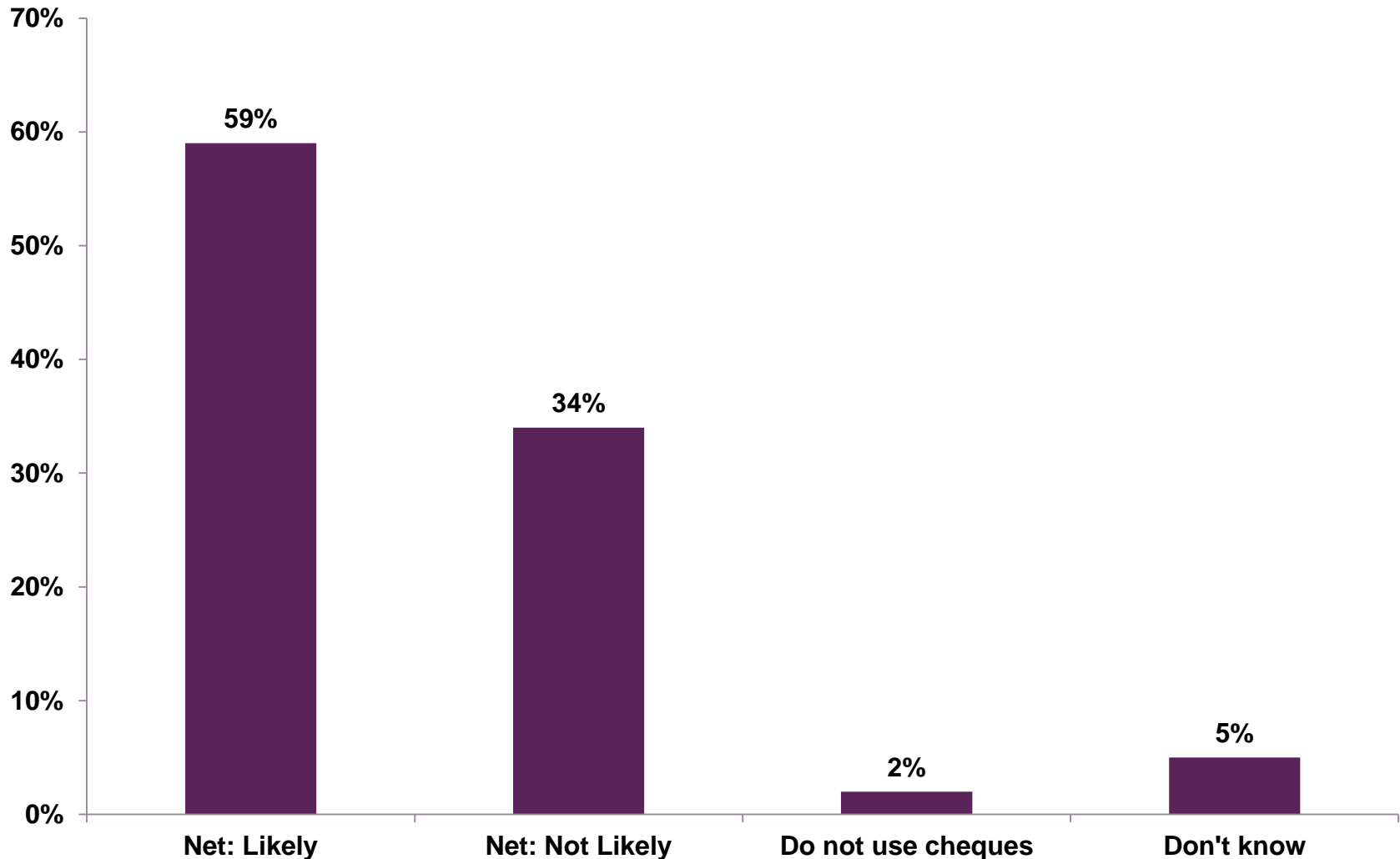


43% of charities are aware that the banking industry is in the process of introducing cheque imaging, which may allow people to pay in cheques via their mobile banking app. *This is an increase of 22% from 2018*

Where did you hear about cheque imaging on your mobile?



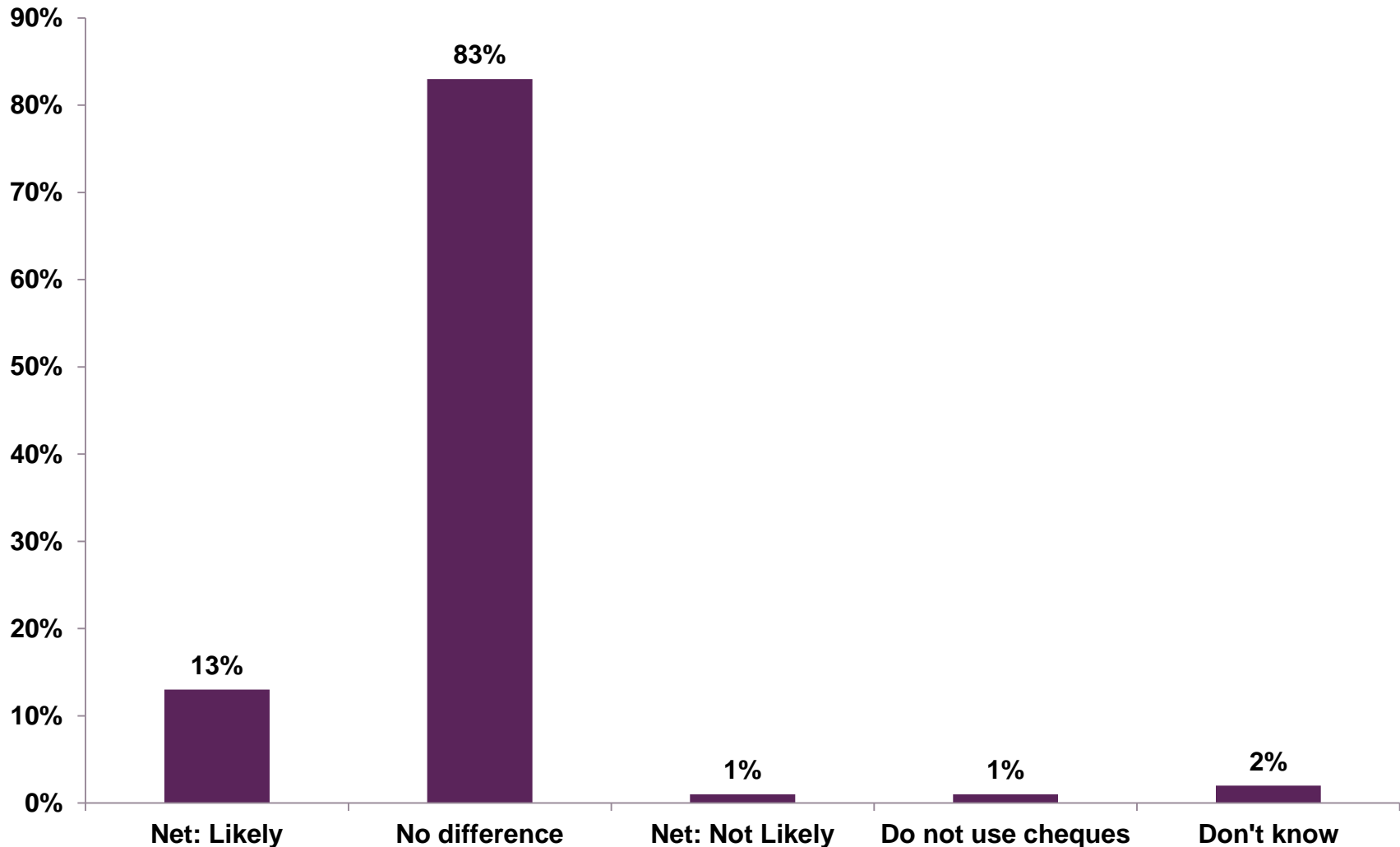
LIKELIHOOD OF DEPOSITING CHEQUES WITH AN APP, IF BANKS OFFERED THIS FACILITY



Q.19 If your bank were to offer your organisation the ability to deposit cheques through a mobile banking app, or a service to use a desktop scanner linked to online banking, how likely if at all would you be to deposit cheques in this way?

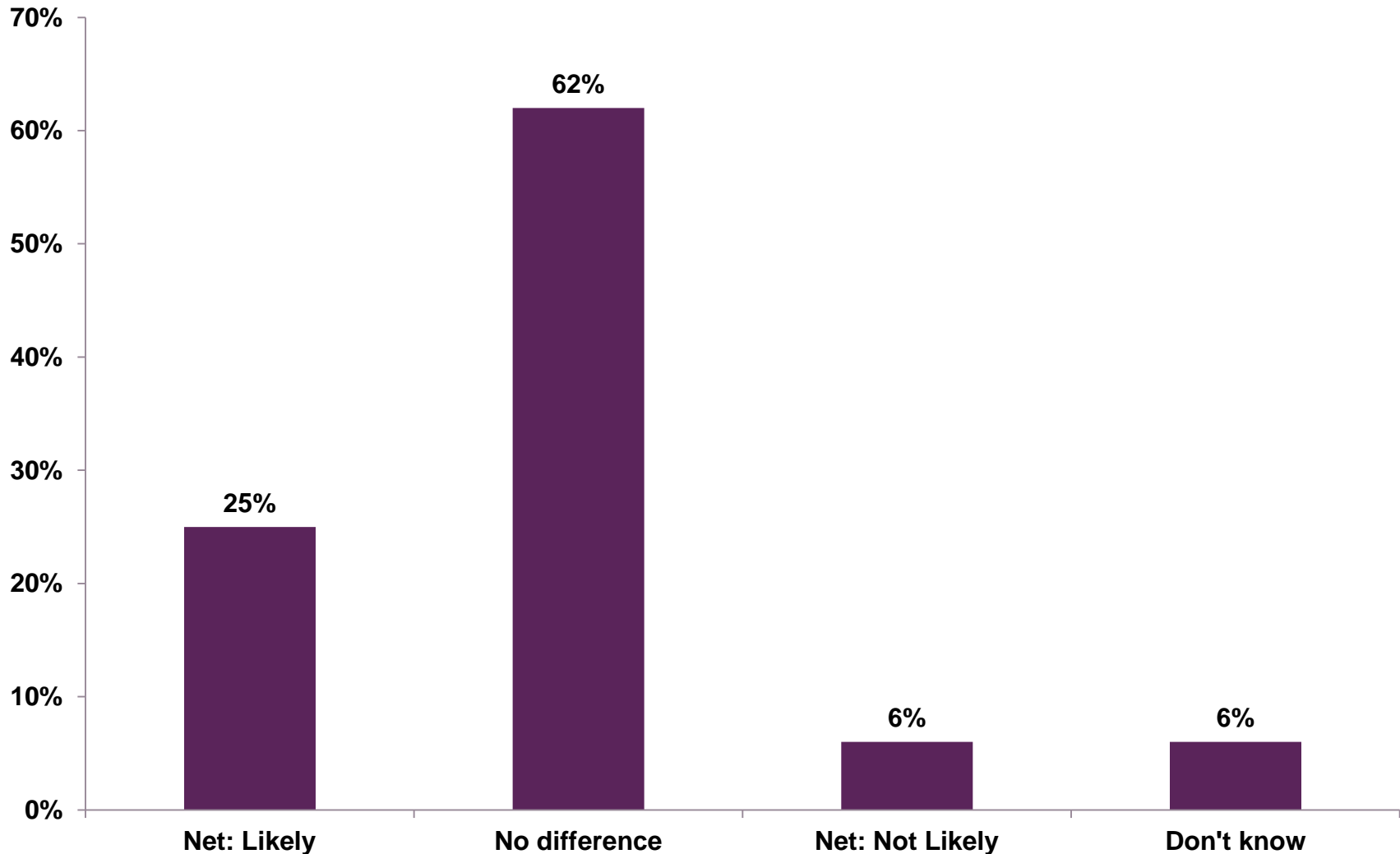
Base: All Respondents (1000)

LIKELIHOOD OF ACCEPTING MORE CHEQUE PAYMENTS WITH QUICKER CLEARING TIME



Q.20A Under the new cheque imaging system, cheque payments will be cleared on the next week day after they have been deposited, compared to six weekdays under the current system. Once your organisation's account starts using the cheque imaging system, will this make your organisation more or less likely to accept cheques in payment, or would it make no difference? Base: All Respondents (1000)

LIKELIHOOD THAT CHEQUE IMAGING WILL INCREASE CHEQUE USAGE



Q.20B And more generally, do you think the new cheque imaging system will make people more or less likely to use cheques as a method of payment in their everyday lives, or will it have no impact?

Base: All Respondents (1000)

UNDERSTANDING THE FUTURE OF CHEQUES



Cheques will continue as a payment method

**56% believe
this is true**

People will be able to use cheques
for as long as they want to

**34% believe
this is true**

RESEARCH CONDUCTED BY



Market research conducted annually - Q3 in 2019



Consumer research

- **Kantar**
- Around 2,150 consumers surveyed face-to-face*



Business research

- **BVA BDRC**
- Around 500 businesses surveyed by telephone*



Charity research

- **Ipsos MORI**
- Around 1,000 charities surveyed by telephone*