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Summary of key payment statistics for Q1 2019

Bacs: 1,569 million Bacs payments were made during the quarter, up 1.1% annually. This corresponded with a total of £1,245 billion Bacs payments (+0.9%). Direct Debits accounted for 68% of all bacs payments by volume and 26% by value.

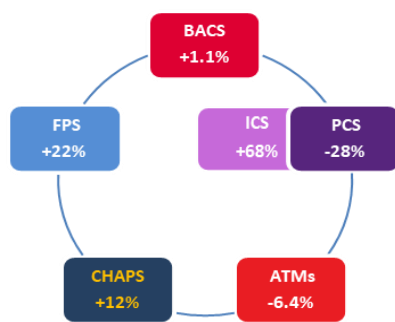
Cleared cheques and paper credits: There were 32.6 million inter-bank cheques cleared through the paper clearing system (PCS) in Q1, with a value of £44.9 Billion (an average of £1,377 per cheque). In the Image Clearing System (ICS), 29.8 million cheques were processed with a value of £49.7 Billion (an average of £1,668 per cheque).

Faster Payments: 553 million payments processed, an 17% increase on Q1 2018. This corresponded to £458 billion transmitted, an increase of 14% on Q1 2018. Single Immediate Payments accounted for 70% of all Faster Payments by volume and 63% by value.

CHAPS: £20.8 trillion was processed in Q1, broadly unchanged (-0.2%) compared to Q1 2018. Volumes averaged 187,128 payments per day, also broadly unchanged compared to Q1 2018.

Cash withdrawals: £38.2 billion was withdrawn from cash machines in Q1, spread over 542 million withdrawals. The average withdrawal value decreased by £4 to £70, during the quarter. The number of cash machines fell by 7.2% compared to Q1 2018, driven by a 7.9% decline in the number of IAD machines to a total of 36,108 at the end of Q1.

Annual volume growth¹



Automated payments, market share



Cash and cheque transactions

Number of	Q1 2019		Annual rate of growth ¹	Total value of	Q1 2019		Annual rate of growth ¹
	Number	Annual rate of growth ¹			Total value of	Annual rate of growth ¹	
Cash machine withdrawals	542 mn	-6.4%		Cash machine withdrawals	£38 bn	-7.4%	
Inter-bank cheques cleared ²	33 mn	-27.9%		Inter-bank cheques cleared ²	£45 bn	-23.3%	
Number of	Annual Figures (2018)		Annual rate of growth	Total value of	Annual Figures (2018)		Annual rate of growth
	Number	Annual rate of growth			Total value of	Annual rate of growth	
Cash payments ³	13,102 mn	-14.7%		Cash payments ³	£174 bn	-27.6%	
Cash machine withdrawals	2,420 mn	-6.8%		Cash machine withdrawals	£173 bn	-7.5%	
Cheque transactions ⁴	346 mn	-14.5%		Cheque transactions ⁴	£442 bn	-10.2%	
Inter-bank cheques cleared ²	235 mn	-19.8%		Inter-bank cheques cleared ²	£300 bn	-15.9%	

Automated payments

Number of	Q1 2019		Annual rate of growth ¹	Total value of	Q1 2019		Annual rate of growth ¹
	Number	Annual rate of growth ¹			Total value of	Annual rate of growth ¹	
Bacs payments	1,569 mn	1.1%		Bacs payments	£1,245 bn	0.9%	
Faster Payments	553 mn	22.3%		Faster Payments	£458 bn	19.8%	
CHAPS payments	12 mn	11.6%		CHAPS payments	£20,803 bn	-1.6%	
Number of	Annual Figures (2018)		Annual rate of growth	Total value of	Annual Figures (2018)		Annual rate of growth
	Number	Annual rate of growth			Total value of	Annual rate of growth	
Bacs payments	6,444 mn	1.5%		Bacs payments	£4,959 bn	0.7%	
Faster Payments	2,043 mn	23.4%		Faster Payments	£1,709 bn	22.1%	
CHAPS payments	49 mn	16.5%		CHAPS payments	£83,514 bn	-0.7%	

¹ Per cent growth rates relate to 12 rolling months.

² These statistics do not include items being processed through the Image Clearing System (ICS).

³ For the year 2017. Data for 2018 pending from UK Finance.

⁴ Cheque transactions for payments and cash acquisition comprise inter-bank, inter-branch and in-house items processed through the PCS in Great Britain, cheques processed in Northern Ireland and cheques processed through the UK-wide Image Clearing System.

A Bacs Direct Credits and Direct Debits

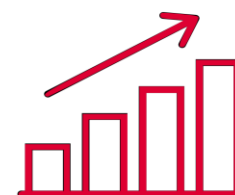
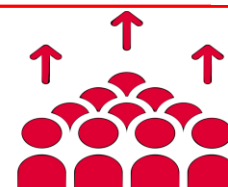
• Following on from a record high in 2018¹ growth in total bacs traffic continued in Q1. However a higher baseline in 2018 contributed to the slight deceleration in annual growth. This slowdown was mainly confined to **Direct Credits**, in contrast to **Direct Debits** which continued on a strong growth path.

• Total volumes grew annually by 1.1%, slightly below the level of growth registered in Q1 2018 (+1.5%). Values grew by 0.9%, with £1,245 million transferred during the quarter. This compares to £1,226 million in Q1 2018.

• **Increasing population and household numbers** have been key contributors to growth. Other contributors have been the **economic cycle** and **consumer confidence**, with households taking on more financial commitments settled by Direct Debit.

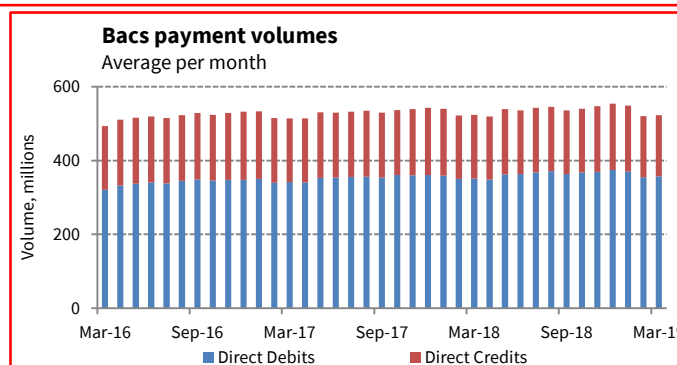
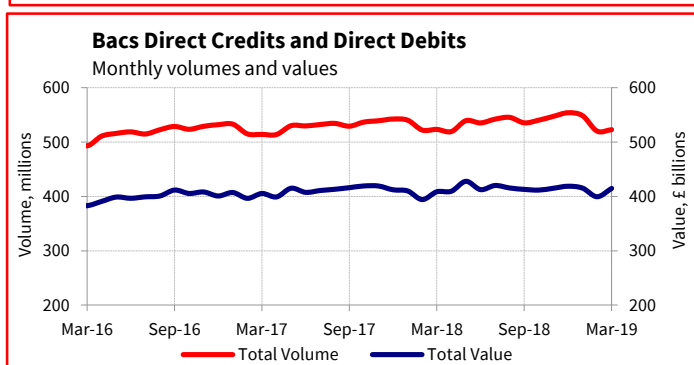
• During 2018, payments related to **financial services** (including insurance services) accounted for approximately 40% of all Direct Debit volumes, while household and utility bills accounted for 38% of the total. Direct Debit volumes grew by 2.8% annually, with corresponding values increasing by 1.4%.

• **State benefits** accounted for almost half (48%) of Direct Credits in 2018, while employment related payments such as payroll and pension payments accounted for 21% of the total. Direct Credit volumes decreased (-2.4%) annually, in contrast to values which grew by 0.7%. Declining Direct Credit volumes stem from fewer state benefit payments driven a **strong labour market** along with on-going structural reforms (**Universal Credit**).



Rising household numbers, consumer confidence and the economic cycle have been driving strong growth in Direct Debit volumes (+2.8% annual growth in Q1)

		Total				of which			
		Volume		Value		Bacs Direct Credits	Bacs Direct Credits	Direct Debits	
		000s	% growth ²	£ mn	% growth ²	Volume	Value	Volume	Value
						000s	£ mn	000s	£ mn
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
	Q2	1,589,367	2.5%	1,222,543	4.1%	528,945	898,127	1,060,421	324,416
	Q3	1,587,889	1.6%	1,248,525	3.0%	526,151	919,311	1,061,738	329,214
	Q4	1,627,276	2.1%	1,236,626	3.1%	546,158	904,652	1,081,117	331,973
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
2019	Q2	1,605,809	1.2%	1,237,748	1.5%	516,120	905,098	1,089,689	332,650
	Q3	1,606,167	1.5%	1,238,863	1.0%	515,488	905,874	1,090,679	332,989
	Q4	1,661,990	1.5%	1,256,333	0.7%	538,382	917,234	1,123,608	339,099
	Q1	1,568,619	1.1%	1,244,539	0.9%	498,488	922,750	1,070,132	321,789
2019	Jan	535,151	1.3%	414,078	1.1%	170,535	305,753	364,617	108,325
	Feb	498,970	1.2%	374,555	1.0%	159,410	273,570	339,560	100,985
	Mar	534,498	1.1%	455,907	0.9%	168,543	343,427	365,955	112,479



¹ Bacs: Bacs annual processing statistics 2018.

² Per cent growth rates relate to rolling 12 months.



Paper Clearing



Image Clearing



• The **Paper Clearing System (PCS)**, which clears cheques in Great Britain, cleared approximately **33 million** inter-bank cheques during Q1. This amounted to **£45 billion**. A further 6.9 million cheques were cleared between the banks themselves.

• Just over **2 million** inter-bank credits (mainly for bill payments) were cleared through PCS for a total of **£1.4 billion**.

• As more participants complete the full migration from paper clearing, the number of cheques being processed through ICS is increasing. By volume, ICS accounted for **43%** of all cheques cleared during the quarter. This equated to just under half (**46%**) of the total value cleared via ICS during the quarter.

• The **Image Clearing System (ICS)** processed **30 million** cheques in Q1, with a total value of **£50 billion**.

• ICS cleared **1.0 billion** credits (mainly for bill payments) with a total value of **£2.6 billion**.

• The ICS enables digital images of cheques and credits to be exchanged between participant banks and building societies across the whole of the UK for clearing and settlement. It is gradually replacing the PCS.

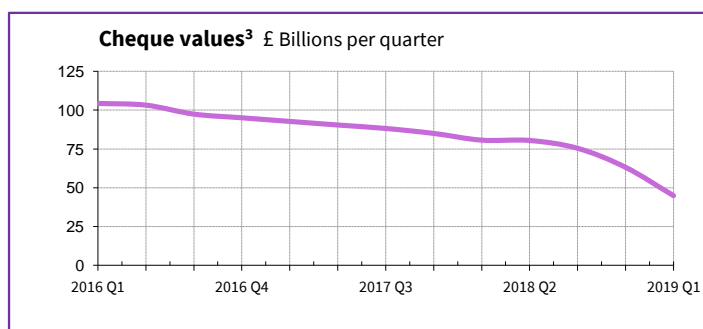
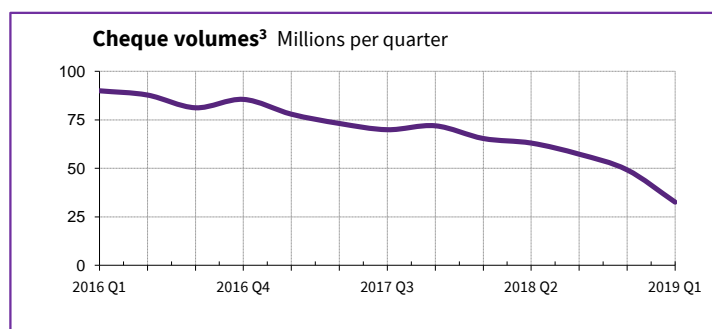
• The main benefit of an image-based system is a **faster clearing** process. Imaging can also provide more choice, for example banks may offer customers additional channel options to pay-in cheques using



Average Value of a PCS Cheque



	Cheques ¹					Credits ¹				
	Volume		Value			Volume		Value		
	000s	% growth ²	£ mn	% growth ²	000s	% growth ²	£ mn	% growth ²		
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%	
	Q2	73,152	-15%	90,444	-12%	4,385	-20%	3,036	-13%	
	Q3	69,923	-15%	88,216	-11%	4,183	-20%	2,796	-15%	
	Q4	71,947	-15%	85,018	-11%	3,809	-21%	2,015	-22%	
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%	
2019	Q1	63,039	-15%	80,461	-11%	3,405	-23%	1,739	-38%	
	Q2	57,307	-16%	75,427	-12%	3,247	-23%	1,880	-40%	
	Q3	49,204	-20%	63,174	-16%	2,921	-23%	1,605	-36%	
	Q4	32,588	-28%	44,887	-23%	2,203	-27%	1,415	-35%	
Jan	14,459	-23%	19,877	-18%	0,969	-24%	775	-36%		
Feb	10,108	-25%	14,085	-21%	0,635	-25%	353	-35%		
Mar	8,021	-28%	10,925	-23%	0,598	-27%	287	-35%		



¹ Inter-bank payments through the PCS only. Data in the table does not include Image Clearing items.

² Per cent growth rates relate to 12 rolling months.

³ Graphs relate only to items going through the PCS.

C Real-time payments: Faster Payments

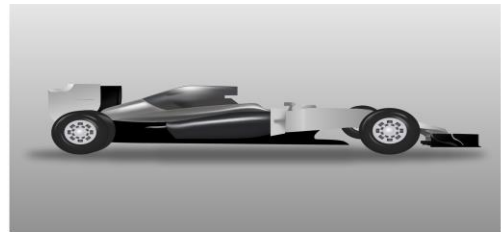
• 553 million payments were processed by Faster Payments in Q1 2019, an increase of 17% on Q1 2018. The total value of payments processed amounted to £458 billion, which is a 14% increase on Q1 2018. This followed on from a record year in 2018, which saw Faster Payments break the record for the highest amount of payments processed in a single year (£1.7 trillion).

• Some of the factors driving this growth include **technological** and **regulatory changes**, along with growing **digitalisation in the economy**. An **increase in the number of Scheme participants** has been another key contributor to growth. This increase stems from the on-going development of a **new access model**, which now includes assisting non-bank payment providers to join the Scheme.

• **Single Immediate Payments (SIPs)** volumes grew by 23% compared to Q1 2018, amounting to just over £288 billion transferred (+17%). SIP volumes have been increasing market share as a proportion of all Faster Payments transactions - a likely reflection of the growing digitalisation of payments used by consumers and businesses.

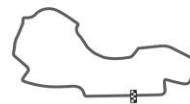
• **Forward-dated payments (FDPs)** are one-off payments sent and received on a pre-arranged date, and are typically used to pay regular household bills. There were 69 million FDPs in Q1, an increase of 14% on the same quarter in 2018, corresponding to an 11% increase in the total value transferred (£137 billion). The average value of a single FDP remained broadly unchanged at just over £2,000.

• **Standing orders (SOPs)** are regular payments that pay a fixed amount to the same recipient on regular dates, for example making regular transfer payments from current accounts to savings accounts. SOPs have grown at a slower rate compared to SIPs and FDPs, with volumes and values respectively increasing by 0.4% and 0.3% compared to Q1 2018.

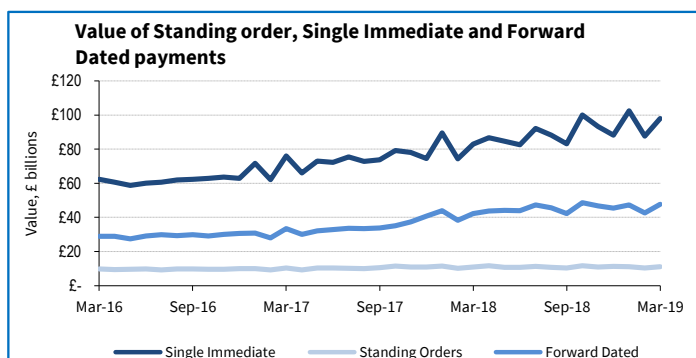
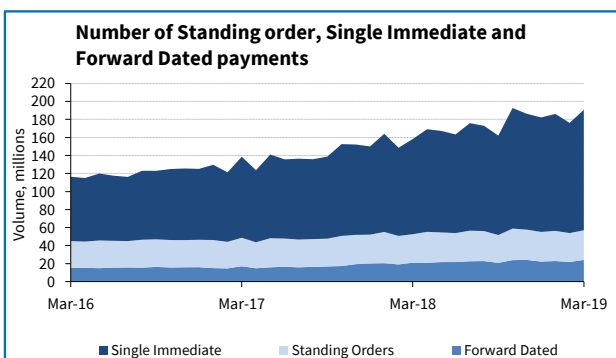


Lewis Hamilton completed a record lap time of 1 minute, 20.486 seconds on 16th March 2019 in Australia.

During this lap, back in the UK 3,267 SIPs were processed with a value of £1,309,042



	Payment volumes						Payment values					
			of which					of which				
	Total ¹ 000s	% growth ²	Standing orders (inc Returns & Scheme Returns) 000s	Forward Dated (inc Corporate Bulk)	Single Immediate 000s	Total ¹ £ mn	% growth ²	Standing orders (inc Returns & Scheme Returns) £ mn	Forward Dated (inc Corporate Bulk)	Single Immediate		
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	
	Q2	400,386	14%	92,497	47,083	260,806	336,264	14%	30,053	94,985	211,226	
	Q3	410,989	14%	92,540	48,967	269,482	353,552	15%	30,732	100,845	221,975	
	Q4	454,829	16%	98,076	56,626	300,127	378,264	18%	33,228	113,429	231,606	
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	
	Q2	499,770	20%	99,380	64,270	336,120	418,814	22%	33,086	131,652	254,076	
	Q3	510,897	23%	98,157	66,164	346,576	431,051	23%	32,407	135,157	263,487	
	Q4	561,179	23%	101,593	70,099	389,487	455,666	22%	33,723	140,530	281,414	
	2019	Q1	553,011	22%	98,401	68,685	385,926	458,050	20%	32,552	137,479	288,019
		Jan	186,128	22%	33,491	22,827	129,811	160,825	20%	11,128	47,294	102,402
		Feb	176,183	22%	32,060	21,808	122,315	140,467	20%	10,357	42,536	87,574
		Mar	190,700	22%	32,849	24,050	133,800	156,758	20%	11,066	47,649	98,043



¹ Scheme limit increased from £100,000 to £250,000 in November 2015.

² Per cent growth rates relate to 12 rolling months.

D Same-day payments: CHAPS



• During the 12 months to the end of Q1 2019, **CHAPS volumes** amounted to 48.5 million, representing 12% annual growth. **Structural reform**¹ was a driver of volume growth between Q4 2017 and the end of 2018. From Q4 2018 onward, these increased volumes (Q4 2017 to early 2018) provided a higher baseline for year-on-year growth. This explains the recent deceleration in annual growth.

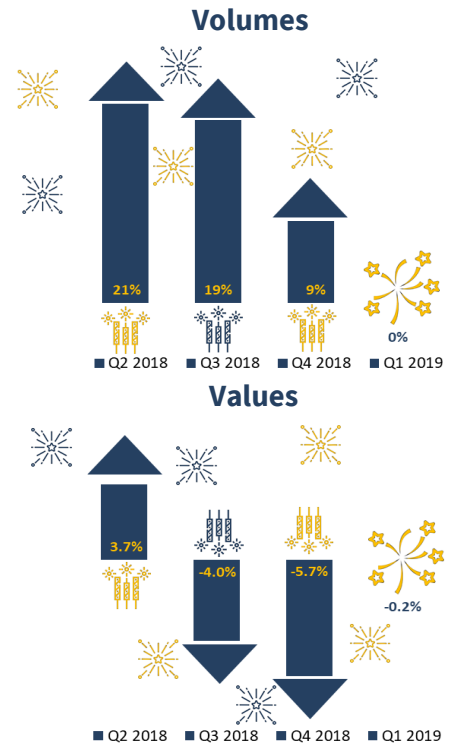
• The increase in volumes were primarily CHAPS payments that were previously transfers between **corporate customers internalised within the same bank**, rather than transmitted through CHAPS. Some of these new payments were **temporary adjustments**, which have been removed progressively since Q1 2018. This decline has therefore depressed CHAPS growth when comparing Q1 2019 with Q1 2018. Total volumes were stable at 11.8 million in Q1 2019, averaging 187,128 payments daily.

• In contrast, the annual rate of growth for **CHAPS values** in the previous 12 months declined (-1.6%) for the second consecutive quarter. However, the total value transferred in Q1 itself (£20.8 billion) was broadly unchanged (-0.2%) compared to Q1 2018 - with around £330 billion transferred per day in both quarters.

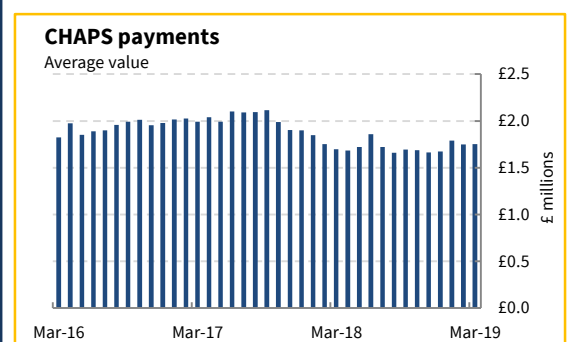
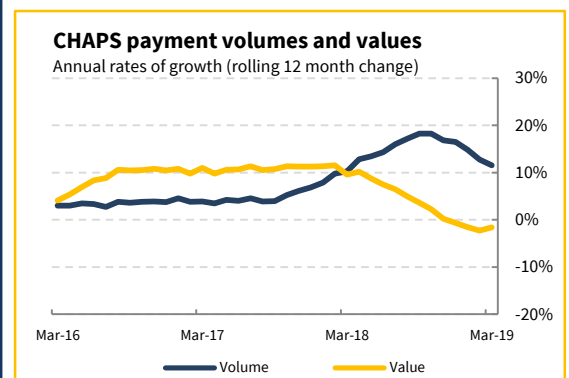
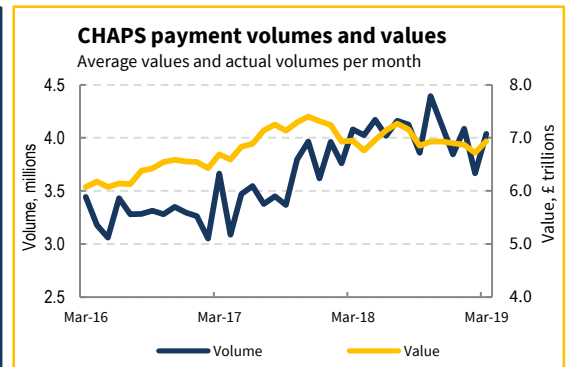
• Negative growth in values over the last 12 months has mainly been confined to a decline in the number of the **highest value transactions** - above £1 billion.

• **Short-term lending (money markets)** payments in CHAPS have also been in decline during Q1. This correlates with a 14% year-on-year decline in the Q1 2019 value of **short-term unsecured loans** reported to the Bank of England. **Secured lending** is less frequently seen in CHAPS compared to **unsecured**, and secured lending (using gilt repos) increased by 24% over the same period.

Growth compared to same quarter a year earlier



		Volumes		Values		Working Days per Period
		000s	% growth ²	£ mn	% growth ²	
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
	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
2018	Q1	11,803	10%	20,843,232	10%	63
	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
	Q2	12,217	14%	21,423,574	7%	62
	Q3	12,147	18%	20,549,847	4%	64
	Q4	12,356	16%	20,697,289	-1%	64
	Q1	11,789	12%	20,803,043	-2%	63
2019	Jan	4,085	15%	7,314,330	-2%	22
	Feb	3,666	13%	6,410,123	-2%	20
	Mar	4,038	12%	7,078,590	-2%	21



¹ Structural reform 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.

² Growth rates are based on 12 rolling months.

E Cash machines withdrawals ¹

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.

- Following a 1.2% fall during the quarter, the number of cash machines was reduced to 62,581, the lowest total since the second quarter of 2007. Cash machine numbers have now fallen continuously since Q3 2017. The number and value of withdrawals stood at 542 million and £38.2 billion following respective declines of 10% and 13% during the quarter.

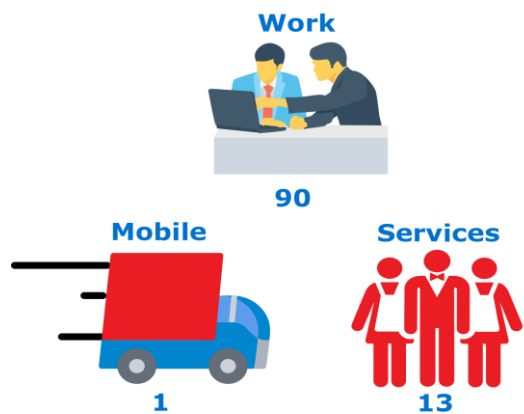
- The number of **BBS machines** fell by 1.8% during the quarter to 26,473; their lowest total in this decade so far. Despite this decline, BBS machines still make up the vast majority of withdrawals. In the year to Q1 2019, they made up 61% of withdrawals by volume and 67% by value. In the current quarter there were 329 million withdrawals at BBS machines with a corresponding value of £25.5 billion.

- The number of **IAD machines** fell for the sixth consecutive quarter, by 0.8% to 36,108. The proportion of free-to-use IAD machines now stands at 65%, down from 68% a year ago. The volume and value of transactions at IAD cash machines fell at respective rates of 8.1% to 213 million and 11% to £12.7 billion.

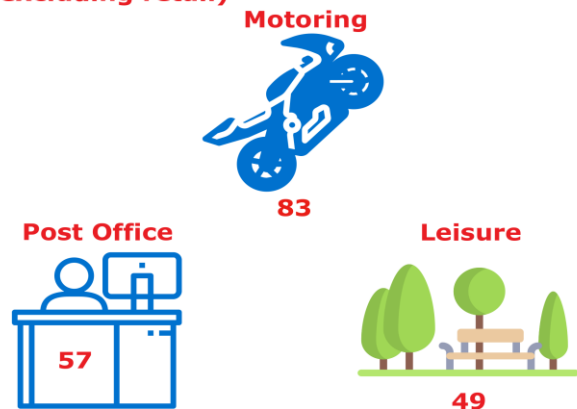
- The number of **on-site cash machines** declined 3.0% to a new low of 15,873. Meanwhile volume of withdrawals at these machines fell 12% to a record low level of 140 million, corresponding to a 17% decline in value to £11.4 billion. The number of off-site machines fell for the seventh consecutive quarter, by 0.6% to 46,708; 75% of the total cash machine estate is at off-site locations. Transactions at these machines accounted for 74% of the total by volume and 70% by value during the quarter.

- The number of **free-to-use machines** fell by 4.7% to 49,916. However the number of pay-to-use machines rose for the first time since a marginal increase in Q2 2014, by 15% to 12,665. **Pay-to-use machines** made up 20% of the ATM estate and 27% of off-site machines, up on 17% and 23% in the previous quarter but broadly unchanged on a year ago. This increased the share of pay-to-use withdrawals to 2.2% by volume and 1.8% by value, up from 1.9% and 1.7% in the previous quarter.

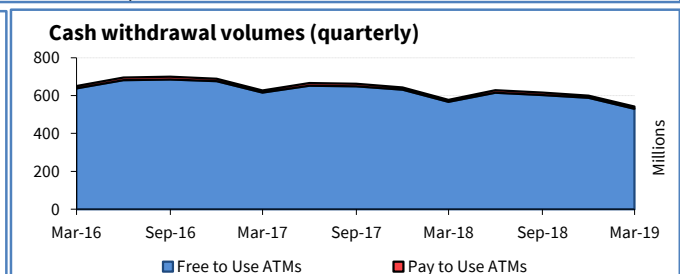
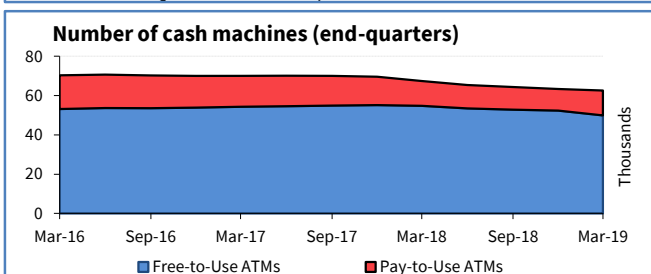
Increases in cash machines by sector (excluding retail)



Largest declines in cash machines by sector (excluding retail)



		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 ²	£ mn	% growth increase ²	Average value £	
2016	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%
2017	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%
2018	Q1	67,419	577	-6.0%	41,080	-4.8%	71	1.8%
	Q2	65,379	628	-6.4%	44,240	-5.9%	70	2.1%
	Q3	64,362	616	-6.8%	43,966	-7.2%	71	2.1%
	Q4	63,360	599	-6.8%	44,137	-7.5%	74	1.9%
2019	Q1	62,581	542	-6.4%	38,206	-7.4%	70	2.2%



¹ On-us transactions amounted to some 16% of the total volume and 21% of the total value at the end of Q1 2019.

² Per cent growth rates relate to 12 rolling months.