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Summary of key payment statistics for Q4 2017

Bacs: 1,627 million Bacs payments were made during the quarter with 66% of these comprised of direct debits. This corresponded with total a total of £1,237 billion Bacs payments made with direct debits accounting for 27% of the value.

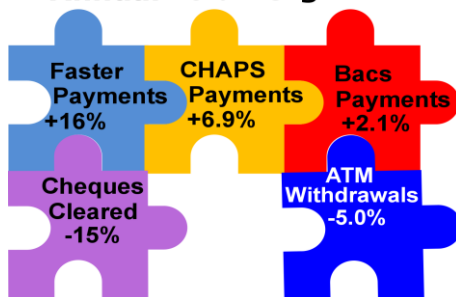
Cleared cheques and paper credits: An average of 1.1 million cheques were cleared per day during Q4 with an average value of £1,182 per cheque.

Faster Payments: There were 455 million Faster Payments processed during the quarter amounting to £378 billion. The average value of a Faster Payment stood at £832, up from £821 a year ago.

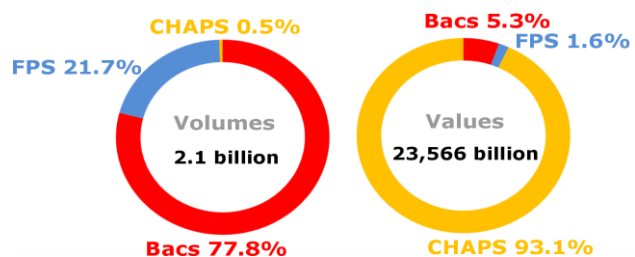
CHAPS: Approximately £22.0 trillion was processed in Q4, an increase of 12% on Q4 2016. Volumes averaged 180,614 payments per day, an increase of 15% on the previous year.

Cash withdrawals: £47.3 billion was withdrawn from cash machines spread over 643 million withdrawals with the average withdrawal reaching a record high of £74. The number of cash machines fell to the lowest level since Q4 2014 - 69,603.

Annual volume growth



Automated payments, volumes and values



Cash and cheque transactions

Number of	Q4 2017	Annual rate of growth ¹	Total value of	Q4 2017	Annual rate of growth ¹
Cash machine withdrawals	643 mn	-5.0%	Cash machine withdrawals	£47 bn	-3.4%
Inter-bank cheques cleared	72 mn	-15.0%	Inter-bank cheques cleared	£85 bn	-10.9%
Number of	Annual Figures (2017)	Annual rate of growth ¹	Total value of	Annual Figures (2017)	Annual rate of growth ¹
* 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 ²	477 mn	-14.5%	* Cheque transactions ²	£551 bn	-11.7%
Inter-bank cheques cleared	293 mn	-15.0%	Inter-bank cheques cleared	£356 bn	-10.9%

Automated payments

Number of	Q4 2017	Annual growth ¹	Total value of	Q4 2017	Annual growth ¹
Bacs payments	1,627 mn	2.1%	Bacs payments	£1,237 bn	3.1%
Faster Payments	455 mn	16.1%	Faster Payments	£378 bn	17.7%
CHAPS payments	11 mn	6.9%	CHAPS payments	£21,951 bn	11.3%
Number of	Annual Figures (2017)	Annual growth ¹	Total value of	Annual Figures (2017)	Annual growth ¹
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%

¹ Per cent growth rates relate to 12 rolling months.

² 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 2017.

A Bacs Direct Credits and Direct Debits



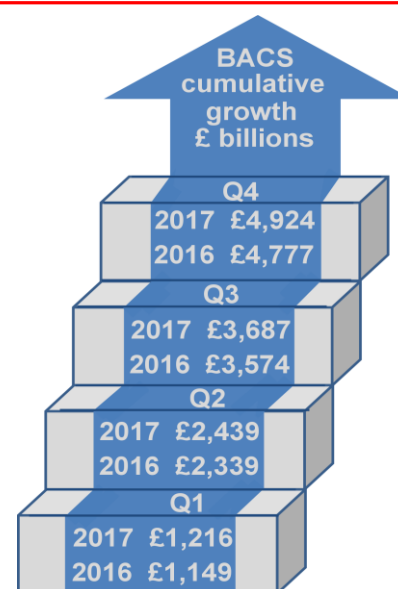
• Following a 2.1% annual increase, bacs volumes stood at 6,347 million in 2017 corresponding with a 3.1% rise in the value to £4,924 billion. The average Bacs transaction rose from £768 in 2016 to £776 in 2017.

• The number of Direct Debit payments grew by 3.8% annually, to reach 4.2 billion payments in 2017 while the value of Direct Debit payments grew at a slightly lower rate of 3.4% to £1,305 billion. There was a marginal decline in the average payment value for Direct Debits over the year which equated to £309 in 2017. Direct Debits made up 67% of total Bacs payments by volume and 26% by value in 2017, similar proportions to 2016.

• The volume of Direct Credits stood at 2,120 million payments in 2017 after declining 1.2% annually. By contrast, values rose by 3.0% annually to £3,619 billion. The average payment value for Direct Credits rose from £1,637 in 2016 to £1,707 in 2017.

• 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. As a result Bacs Direct Credits are the most common method for businesses and organisations to make payments¹.

• Around nine in ten employees are paid by Bacs Direct Credit¹. The Government also uses this service to pay nearly all recipients of state benefits and pensions.



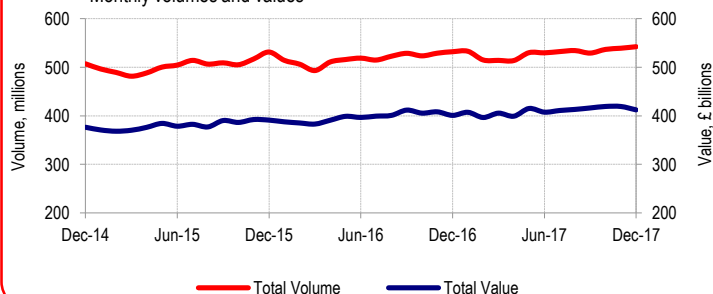
Total

of which

		000s		Value £ mn		Bacs Direct Credits Volume 000s		Bacs Direct Credits Value £ mn		Direct Debits Volume 000s		Direct Debits Value £ mn	
			% growth ²		% growth ²								
2014	Q1	1,392,533	1.7%	1,071,515	4.6%	526,526	796,933	866,007	274,582				
	Q2	1,452,989	2.2%	1,091,258	5.3%	537,178	801,005	915,812	290,252				
	Q3	1,474,181	2.3%	1,128,560	4.9%	539,536	830,486	934,646	298,075				
	Q4	1,521,526	2.6%	1,129,213	4.8%	565,996	824,856	955,530	304,357				
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				
	Oct	501,636	3.0%	388,961	4.5%	170,271	284,184	331,365	104,777				
	Nov	539,197	3.0%	396,345	4.7%	186,974	287,792	352,223	108,553				
	Dec	555,304	2.3%	417,191	4.1%	195,250	306,189	360,054	111,003				
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				
	Oct	533,826	2.5%	408,688	3.4%	172,694	297,189	361,132	111,499				
	Nov	547,720	2.2%	418,592	3.2%	188,558	308,277	359,162	110,314				
	Dec	545,729	2.1%	409,346	3.1%	184,906	299,186	360,823	110,161				

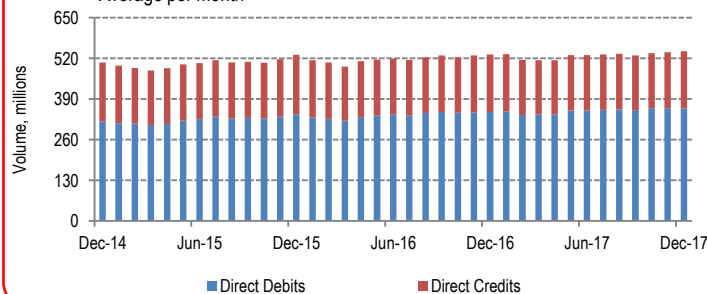
Bacs Direct Credits and Direct Debits

Monthly volumes and values



Bacs payment volumes

Average per month



¹ UK Payment Markets Summary 2017 <https://www.paymentsuk.org.uk/industry-information/annual-statistical-publications>.

² Per cent growth rates relate to rolling 12 months.

B Cleared cheques and paper credits

- The rate of decline of cheque volumes has remained unchanged since Q4 2016, decreasing by 15% annually, to 72 million. This has corresponded with an 11% annual decline in values to £85 billion. This rate of decline has remained relatively unchanged since Q1 2016.

- In 2017, the volume and value of cheque usage stood at 293 million and £356 billion respectively. This compares with 345 million and £400 billion in 2016.

- Despite these declines, cheques still remain valued by those who choose to use them as they provide a convenient and secure method of paying someone when you do not know the recipient's bank account details.

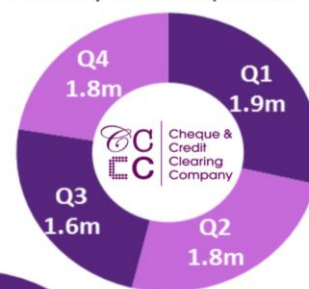
- Recent market research¹ showed 34% of UK account holders make cheque payments, while 38% received a cheque payment. Businesses reported a slightly higher level of cheque usage.

- 3.8 million paper credits were cleared for total of £2.0 billion in Q4 2017 with volumes and values decreasing by 21% and 22% respectively. In 2017, the volume and value of credits stood at 17.3 million and £11.7 billion respectively. This compares with 21.9 million and £15 billion in 2016.

Average Cheque Values 2017



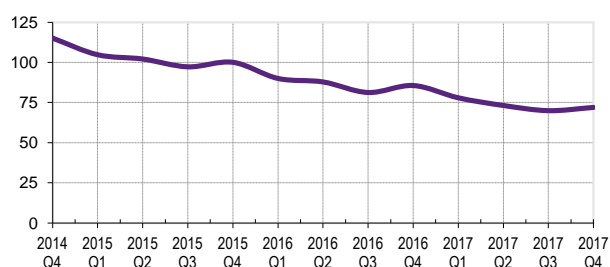
Peak Day 2017 Cheque Cleared



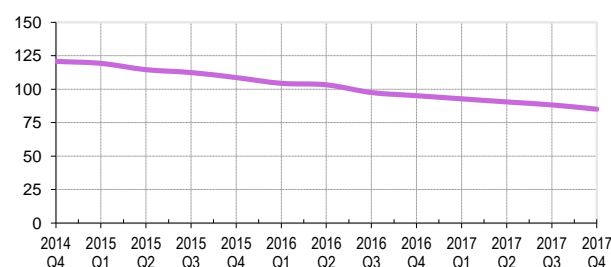
Average Credit values 2017

	Cheques ²					Credits					
	Volume		Value			Volume		Value			
	000s	% growth ³	£ mn	% growth ³		000s	% growth ³	£ mn	% growth ³		
2014	Q1	119,225	-10%	126,056	-8%		9,328	-13%	5,560	-8%	
	Q2	117,818	-11%	124,882	-7%		8,780	-12%	4,477	-7%	
	Q3	112,038	-11%	127,036	-6%		8,670	-13%	4,852	-8%	
	Q4	115,110	-12%	120,755	-7%		8,184	-14%	4,770	-7%	
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%	
2016	Oct	27,962	-14%	31,992	-12%		1,681	-23%	1,107	-14%	
	Nov	29,719	-14%	32,786	-12%		1,751	-22%	1,126	-13%	
	Dec	27,888	-15%	30,326	-12%		1,622	-22%	1,265	-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%	
2017	Oct	25,284	-14%	30,295	-11%		1,376	-20%	0,680	-17%	
	Nov	24,131	-15%	28,670	-11%		1,269	-21%	0,632	-19%	
	Dec	22,532	-15%	26,053	-11%		1,164	-21%	0,704	-22%	

Cheque volumes Millions per quarter



Cheque values £ Billions per quarter



¹ More details available in **Cheques: Market Research 2017** which is available at - <https://www.chequeandcredit.co.uk/information-hub/market-research>.

² Inter-bank payments only.

³ Per cent growth rates relate to 12 rolling months.

C Real-time payments: Faster Payments

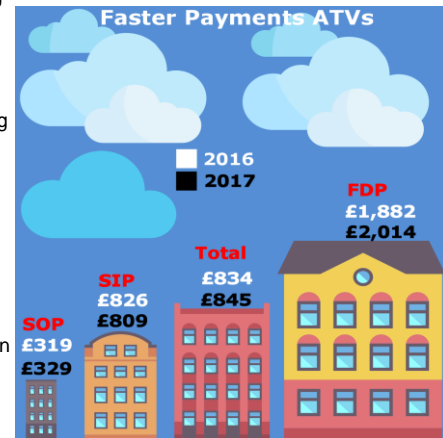


- There were 1.7 billion faster payments processed in 2017 representing annual growth of 16%. This coincided with annual growth of 18% in values. The continued increase in faster payment transactions is driven by the popularity of mobile (via an app on their smartphone or tablet) and online banking (via 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.

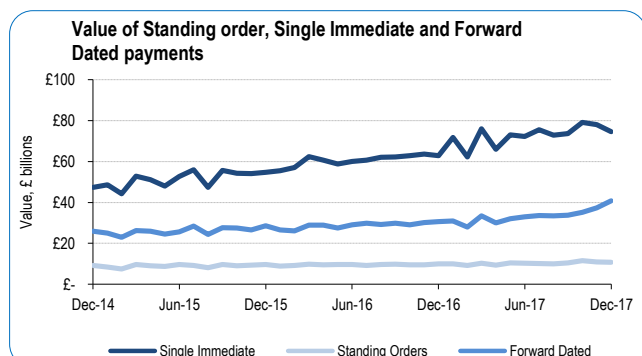
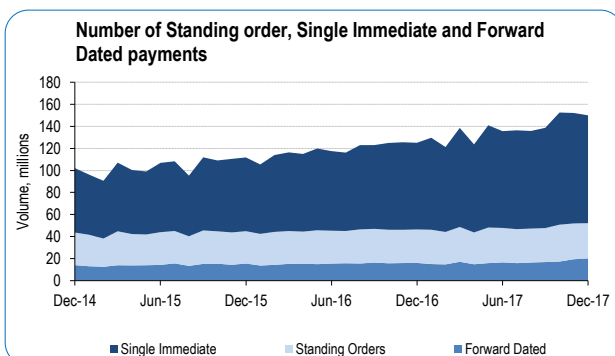
- The vast majority of faster payments are accounted for by Single Immediate Payments (SIPs) which accounted for 65% of volumes and 62% of values in 2017. Following respective annual growth rates of 23% and 20% in 2017 SIP volumes and values reached 1.1 billion and £875 billion respectively. This compares to 0.9 billion and £729 billion in 2016, following annual increases of 21% and 18% 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 2017 there were 0.2 billion FDP transactions with a value of £402 billion following annual increases of 8.5% and 16%. This compares with 2016 figures of 0.18 billion transactions and £346 billion with annual increases of 7.8% and 10%. FDPs accounted for 12% of faster payments by volume and 29% by value in 2017.

- 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 23% of faster payments by volume and 8.8% by value. Following respective annual growth rates of 4.2% and 7.7% in 2017 SOP volumes and values reached 0.38 billion and £124 billion respectively. This compares with respective volumes and values of 0.36 billion and £115 billion in 2016 following annual increases of 4.1% and 14% respectively.



	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		
2014	Q1	260,623	19%	81,407	38,593	140,623	212,067	23%	23,528	68,485	120,054	
	Q2	270,172	16%	82,483	39,563	148,126	220,997	21%	24,374	70,709	125,914	
	Q3	279,592	14%	83,274	40,036	156,282	234,883	19%	24,904	74,278	135,701	
	Q4	290,543	14%	84,734	40,962	164,848	235,848	17%	25,315	74,561	135,972	
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	
	Oct	124,948	15%	30,467	15,661	78,820	101,497	15%	9,586	29,073	62,838	
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	
	Oct	152,602	15%	33,487	17,255	101,860	125,805	16%	11,494	35,207	79,104	
Nov	152,178	15%	32,520	19,342	100,316	126,323	17%	10,906	37,388	78,029		
Dec	150,049	16%	32,069	20,029	97,951	126,136	18%	10,828	40,835	74,473		



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



- Growth of CHAPS transactions continued throughout 2017. CHAPS volumes and values increased by 6.9% and 11% respectively. This growth coincided with record annual number and value of payments processed totalling 41.7 million and £84.1 trillion respectively.

- 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 also expected to be permanent.

- Daily volumes for 2017 averaged 165,285 payments, representing a 7.3% increase on 2016. Meanwhile daily values averaged £334 billion, a rise of 12% over 2016. To put these figures into context, on a quarterly basis, the record daily averages occurred in the fourth quarter with 180,614 for volumes and £348 billion for values. Daily averages have topped £300 billion since Q4 2016, surpassing levels last seen in 2008.

- The average value of CHAPS payments rose for the second consecutive year, by 4.1% to reach 2.0 million. This compares with growth of 6.5% in 2016.

- In June 2016, CHAPS extended operating service hours by 1 hour and 40 minutes, allowing CHAPS to close for customer payments at 17:40 and for settlement at 18:00. Benefits are evidenced by volumes increasing within the extended hours and fewer extensions required to the CHAPS service.

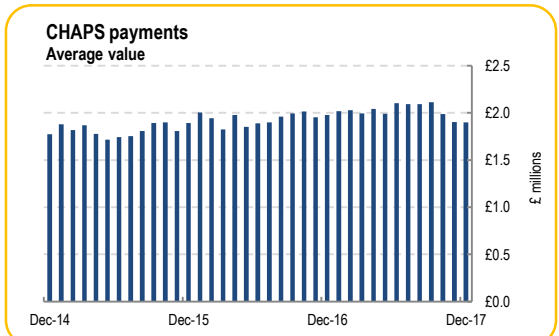
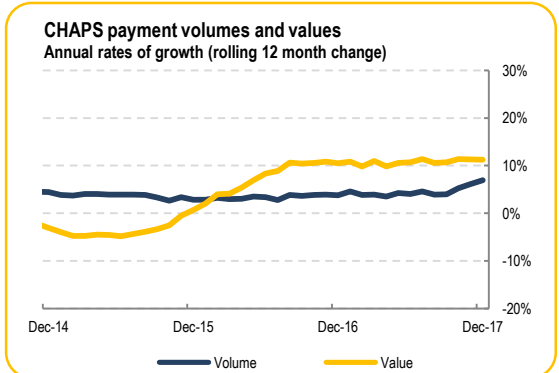
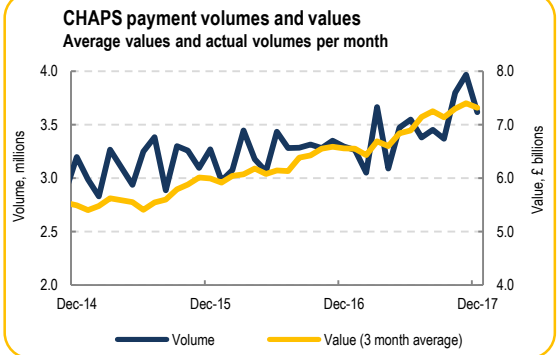


CHAPS record volumes Q4 2017
11.4 million



CHAPS record values Q4 2017
22.0 trillion

		Volumes		Values		Working Days per Period
		000s	% growth ¹	£ mn	% growth ¹	
2014	Q1	8,744	5%	17,811,652	-2%	63
	Q2	9,042	5%	16,764,847	-2%	61
	Q3	9,349	5%	16,920,050	-2%	65
	Q4	9,387	4%	16,462,942	-3%	64
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
	Oct	3,281	4%	6,606,012	11%	21
	Nov	3,349	4%	6,540,150	11%	22
	Dec	3,294	4%	6,516,500	10%	20
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
	Oct	3,797	5%	7,545,627	11%	22
	Nov	3,964	6%	7,539,126	11%	22
	Dec	3,617	7%	6,866,350	11%	19



¹ 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.

- There were 69,603 cash machines in operation at the end of Q4, the lowest total since the end of 2014.

- Despite the decline in the total number of cash machines there was an increase of 246 during Q4 in free-to-use machines, taking their total to a new record high of 55,152. The only other increase was for on-site cash machines; an increase of 135 took their total to 17,499. This was the first quarterly increase since Q1 2016.

- There were record lows for the number of BBS² (28,390) and pay-to-use (14,451) cash machines, following respective declines for the quarter of 170 and 688.

- Around 72% of off-site machines are free-to-use, up from figures of 69% and 66% from one and two years ago respectively.

- There were 2.6 billion withdrawals in 2017 corresponding with £187 billion withdrawn. This compares with 2.7 billion withdrawals and £194 billion in 2016. The average withdrawal increased by £1 over the year to £74.

- Despite accounting for only 41% at year-end, BBS machines still make up the vast majority of withdrawals. In 2017, they made up 66% of withdrawals by volume and 72% by value.

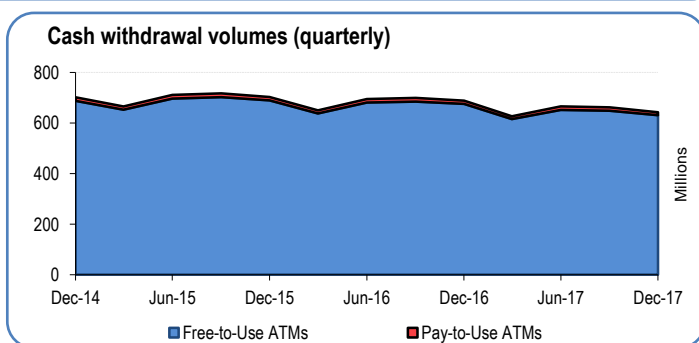
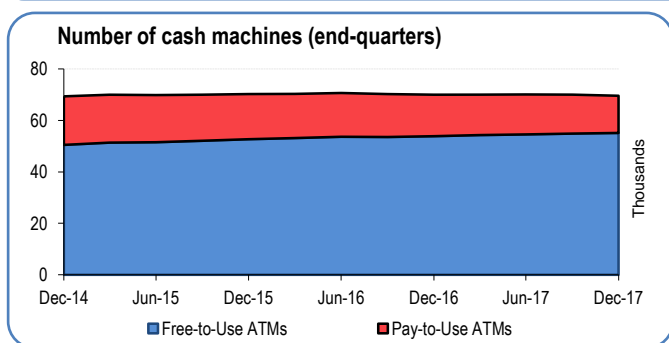
Largest year-end declines in cash machines by sector between 2016 and 2017 (excluding retail)



Largest year-end increases in cash machines by sector between 2016 and 2017 (excluding retail)



		Number of cash machines at period end	Volume (inc 'on-us' transactions)		Cash withdrawals			Number of withdrawals where a fee is charged to the cardholder
			mn	% growth increase ³	Value (inc 'on-us' transactions)		Average value	
					£ mn	% growth increase ³		
2014	Q1	68,135	681	0.9%	43,982	-0.2%	65	2.2%
	Q2	68,819	725	-0.8%	47,729	-0.8%	66	2.0%
	Q3	69,120	723	-1.4%	49,280	-1.4%	68	2.0%
	Q4	69,382	702	-2.4%	48,368	-1.3%	69	2.0%
2015	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%
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%



¹ On-us transactions amounted to some 17% of the total volume and 21% of the total value at the end of Q4 2017.

² BBS - Banks and building societies

³ Per cent growth rates relate to 12 rolling months.