

• For the year 2018, Bacs processed 6.4 billion transactions which amounted to £5 trillion. This continued more than a decade of growth back to 2006, when the number of transactions touched a milestone of 5 billion - a record that has been broken every year since¹. On 29 November, a record 123 million payments were processed in a single day, beating the previous daily record of 114 million transactions recorded at the end of August.

• The number of transactions can be linked to the economic cycle and consumer confidence, with households taking on more financial commitments settled by Direct Debit. Increasing population and household numbers have been other variables contributing to growth.

• Direct Debits soared to nearly 4.4 billion transactions during 2018 - more than eight Direct Debits for every UK adult. This represented a 3.1% increase compared to 2017. Contributors to this growth include the growth of subscription services for food delivery and media streaming.

• Meanwhile, Bacs Direct Credits saw a record £3.6 trillion transferred in 2018, compared to £3.0 trillion 10 years earlier. Direct Credits are a popular and cost-effective method for businesses and government to make bulk payments, where both the value and timing of the payment are known in advance, such as wages, salaries, pensions and state benefits, as well as supplier payments. The average Direct Credit transaction stood at £1,704 at the end of 2018. This stood at £1,361 a decade earlier.

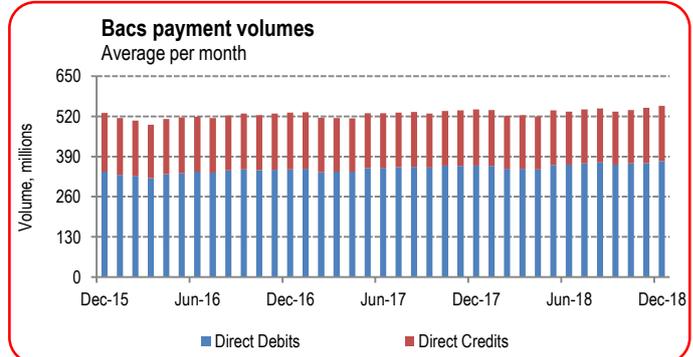
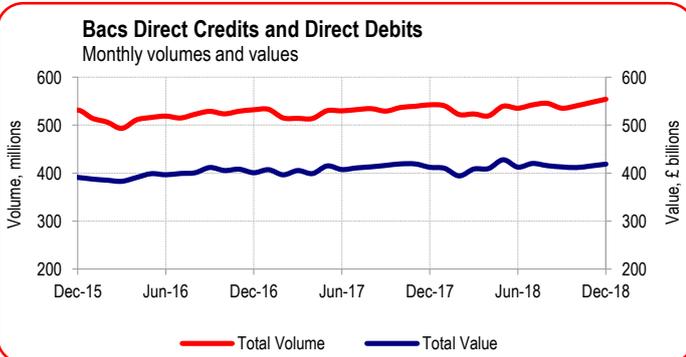
RECORD BACS VOLUMES AND VALUES IN 2018



4.4 billion
Direct Debit transactions - more than eight for every adult



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
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
	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
2018	Q1	1,570,062	1.5%	1,225,723	1.8%	518,199	903,192	1,051,863	322,531
	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
	Oct	551,213	1.2%	424,317	0.9%	172,540	309,030	378,674	115,287
	Nov	584,215	1.7%	422,218	0.5%	199,380	306,443	384,835	115,775
	Dec	526,562	1.5%	409,799	0.7%	166,462	301,762	360,100	108,037



1 bacs: Bacs annual processing statistics 2018

2 Per cent growth rates relate to rolling 12 months.

B Cleared cheques and paper credits

• Despite the decline in usage, 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. Market research¹ conducted in April 2018 showed that over half (52%) of consumers had made or received a cheque in the previous year, whilst 79% of UK businesses and 84% of charities said that they had either made or received payments by cheque in the previous month.

• The research also revealed the largest single reason for cheque payments by businesses (28%) were payee requests, whilst for charities it was because they could control who made the payments in their organisation (53%).

• Approximately 235 million cheques, amounting to £300 billion, were cleared during 2018, through the Paper Clearing System (PCS) which clears cheques in Great Britain. The Image Clearing System (ICS) accounted for an additional 19 million and £27 billion respectively. The majority (around 94%) of ICS traffic was transmitted in Q4.

• Credits transmitted through the PCS continued to decline during 2018. 13 million credits were cleared for a total of £7.5 billion. ICS accounted for an additional 0.3 million items and £1.0 billion respectively.

• 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.

Average Cheque Value

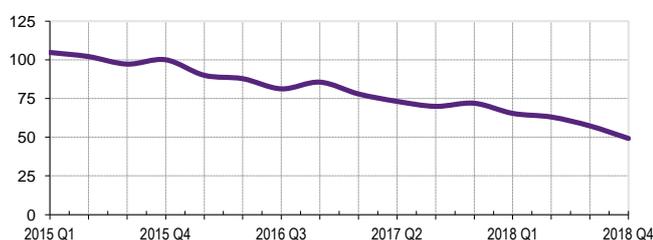


Average Credit Value

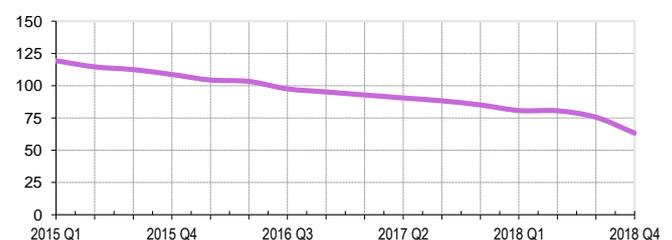


	Cheques ²					Credits ²				
	Volume		Value			Volume		Value		
	000s	% growth ³	£ mn	% growth ³	000s	% growth ³	£ mn	% growth ³		
2015	Q1	104,762	-12%	119,257	-7%	7,734	-15%	4,726	-10%	
	Q2	102,102	-13%	114,547	-7%	7,154	-17%	4,029	-10%	
	Q3	97,227	-13%	112,404	-9%	6,863	-18%	4,462	-9%	
	Q4	100,042	-13%	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%	
	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%	
	Oct	25,284	-14%	30,295	-11%	1,376	-20%	680	-17%	
	Nov	24,131	-15%	28,670	-11%	1,269	-21%	632	-19%	
	Dec	22,532	-15%	26,053	-11%	1,164	-21%	704	-22%	
2018	Q1	65,384	-16%	80,671	-11%	3,703	-23%	2,306	-31%	
	Q2	63,039	-15%	80,461	-11%	3,405	-23%	1,739	-38%	
	Q3	57,307	-16%	75,427	-12%	3,247	-23%	1,880	-40%	
	Q4	49,204	-20%	63,174	-16%	2,920	-23%	1,605	-36%	
	Oct	19,302	-17%	25,112	-13%	1,139	-23%	593	-39%	
	Nov	15,850	-18%	20,540	-15%	936	-23%	488	-37%	
	Dec	14,052	-20%	17,522	-16%	847	-23%	524	-36%	

Cheque volumes⁴ Millions per quarter



Cheque values⁴ £ Billions per quarter



¹ Cheque & Credit Clearing Company: Cheques: Annual Tracking Market Research 2018

² Inter-bank payments only. This does not include Image Clearing Items.

³ Per cent growth rates relate to 12 rolling months.

⁴ Graphs relate only to items going through the Paper Clearing System

C Real-time payments: Faster Payments



• Faster Payments broke the record in 2018 for the number of payments processed in a single year. Just over 2.0 billion payments were processed during the year, up from 1.7 billion in 2017. This continued a sustained pattern of strong growth over the decade to 2018, which was driven by several factors such as technological and regulatory changes, growth in the number of participants, alongside an increase in the digitalisation of the economy. These factors benefited customers significantly, increasing speed, convenience and security. In total, there were 387 million more payments processed than in 2017, an increase of 23%.

• The total amount processed in 2018 rose by £309 billion compared to 2017, an increase of 22%. This equated to £1.7 trillion transferred during 2018. The total value of payments processed during in Q4 alone was £456 billion, an increase of 20% on Q4 2017.

• By the end of 2018 almost seven in ten Faster Payments transactions were Single Immediate Payments (SIPs). SIP volumes grew by 28% during the year to a total of 1.4 billion, amounting to just over £1.0 trillion transferred (+20%). 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. FDPs also grew strongly in 2018, with 261 million payments (+31%) completed, corresponding to £532 billion (+32%) transferred. The average value of a 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 increasing by 5.8% and 6.6% respectively during 2018. SOPs accounted for around one-fifth (19%) of all Faster Payments volumes during the year, and in value terms market share stood at 7.7%.

Christmas Day 2018



1.2 million SIPs were sent with a total value of £355 million

Peak traffic was seen at 11am where 88K SIPs were sent during the hour

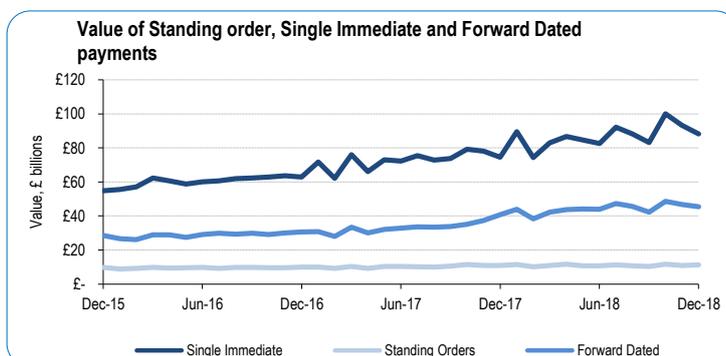
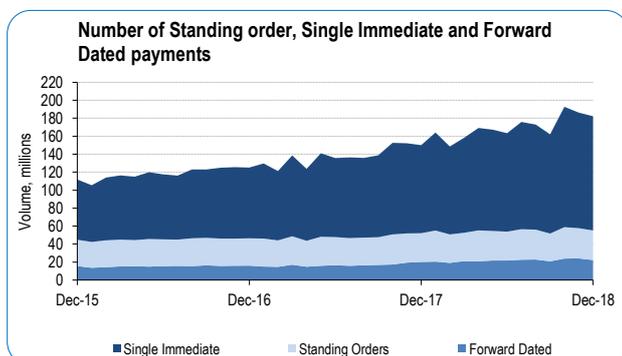
New Years Day 2019



2.7 million SIPs were sent with a total value of £1.1 billion

Peak traffic was seen at 12pm where 189K SIPs were sent during the hour

Payment volumes					Payment values						
		of which					of which				
	Total ¹	%	Standing orders (inc Returns & Scheme Returns)	Forward Dated (inc Corporate Bulk)	Single Immediate	Total ¹	%	Standing orders (inc Returns & Scheme Returns)	Forward Dated (inc Corporate Bulk)	Single Immediate	
	000s	growth ²	000s		000s	£ mn	growth ²	£ 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
	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
2018	Q1	470,954	17%	97,978	60,449	312,527	403,546	19%	32,440	124,375	246,730
	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
	Oct	192,692	23%	35,013	23,841	133,837	160,148	23%	11,581	48,527	100,040
	Nov	186,266	23%	33,646	24,048	128,572	150,703	23%	10,845	46,664	93,195
	Dec	182,222	23%	32,934	22,210	127,078	144,815	22%	11,297	45,339	88,179



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



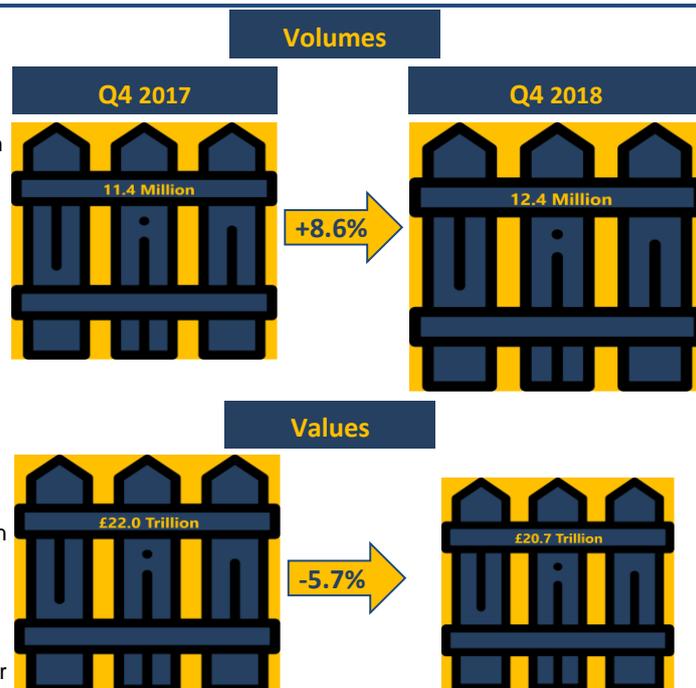
- Structural reform increased traffic significantly during 2018 with volume growth of 16%, up from 6.9% a year earlier. During the quarter CHAPS volumes amounted to 12.4 million, 8.6% higher than for Q4 2017. Structural reform increased volumes from Q4 2017 onward; this increase now provides a higher baseline for year-on-year growth, which explains the slightly lower growth rates in Q4 2018 than for the year as a whole.

- 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. Daily volumes averaged 193,059 payments during the quarter, 6.9% higher than in Q4 2017.

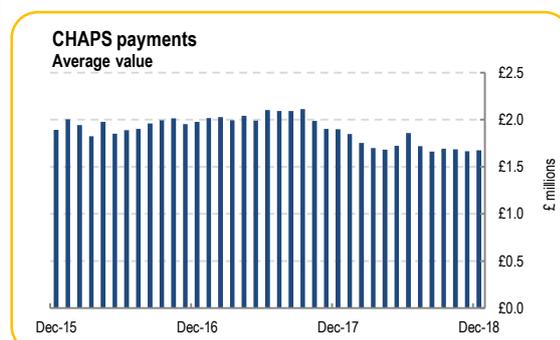
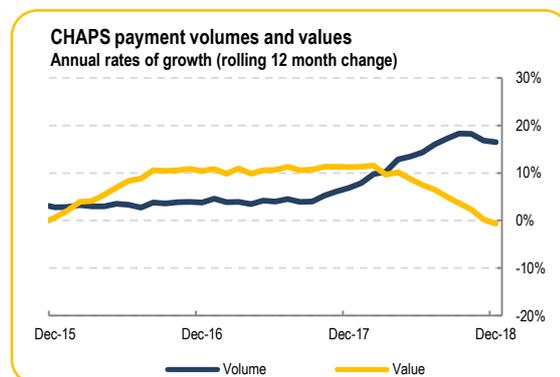
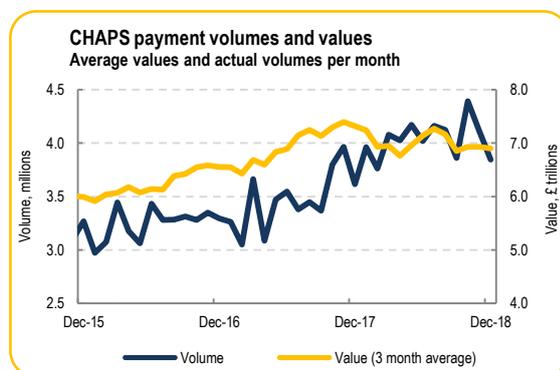
- In contrast to volumes, the annual rate of growth of values declined during 2018, with negative growth (-0.7%) registered for the first time since the 12 months to Q3 2015. CHAPS values stood at £20.7 trillion during the quarter, a decline of 5.7% on Q4 2017.

- Daily values averaged £324 billion during Q4 2018, a decline of 7.2% on Q4 2017. The strongest reduction in value growth has been as a result of a decline in volumes of the highest value transactions, above £1 billion in size.

- Alongside this, most of the new payments settling through CHAPS have been 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 this, these transactions would have been internalised within the same bank rather than transmitted through CHAPS.



		Volumes		Values		Working Days per Period
		000s	% growth ¹	£ mn	% growth ¹	
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
	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
2018	Q1	11,803	10%	20,843,232	10%	63
	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
	Oct	4,393	18%	7,407,570	2%	23
	Nov	4,118	17%	6,851,383	0%	22
	Dec	3,845	16%	6,438,335	-1%	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.

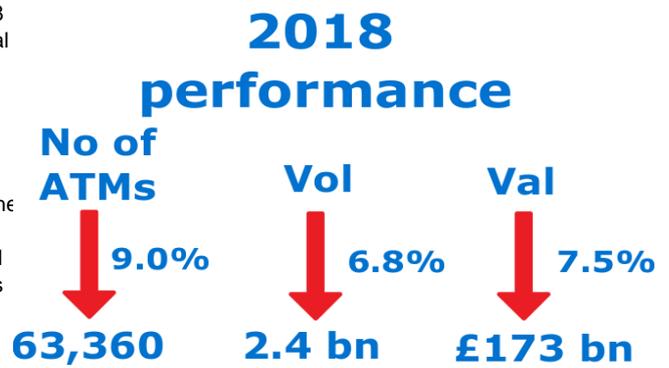
- There were 63,360 cash machines in operation at the end of Q4 2018 after falling by 1.6% for the second consecutive quarter; the lowest total since Q4 2010. The number and value of withdrawals stood at 599 million and £44.1 billion following a respective decline of 2.6% and increase of 0.4% during the quarter.

- The number of BBS machines fell by 0.9% during the quarter to 26,959; their lowest total in this decade so far. Despite this decline in the cash machine estate, BBS machines still make up the vast majority of withdrawals. In 2018, they made up 62% of withdrawals by volume and 68% by value. In the current quarter there were 367 million withdrawals at BBS machines with a corresponding value of £29.9 billion.

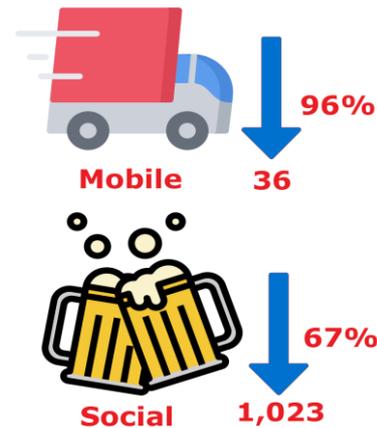
- The number of IAD machines fell for the fifth consecutive quarter, by 1.2% to 36,401. The proportion of free-to-use IAD machines now stands at 70%, up from 65% a year ago. The volume of transactions at IAD cash machines fell by 2.6% to 232 million from its record high quarterly level reached in Q2 and Q3. The value also fell from a record high reached in the previous quarter; by 1.0% to £14.2 billion.

- The number of on-site cash machines declined 1.2% to a new low of 16,370. Meanwhile volume of withdrawals at these machines fell 3.1% to the record low level of 159 million, while the value rose by 2.6% to £13.7 billion. The number of off-site machines fell by 1.7% for the second consecutive quarter to 46,990; 74% of the total cash machine estate is at off-site locations. Transactions at these machines accounted for 73% of the total by volume and 69% by value in 2018.

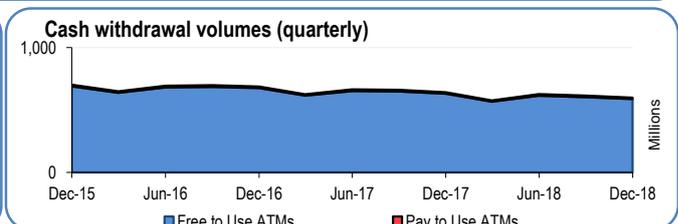
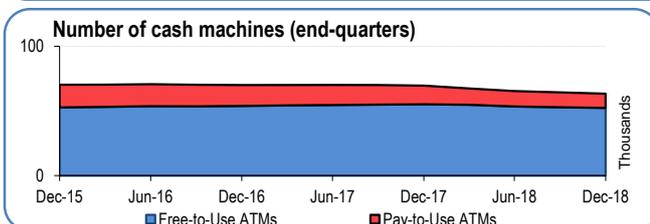
- The number of free-to-use machines fell by 0.9% to 52,358 while a 4.5% decline reduced the number of pay-to-use machines to 11,002. Pay-to-use machines made up 17% of the ATM estate and 23% of off-site machines, down from 21% and 28% respectively a year ago and accounted for 1.9% of transactions by volume and 1.7% by value.



Largest sector decreases outside of retail in 2018



		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 £	
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%
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%



¹ On-us transactions amounted to some 16% of the total volume and 21% of the total value at the end of Q4 2018.

² Per cent growth rates relate to 12 rolling months.