

# 2016 UK Payment Markets

An analysis of recent and emerging developments  
and forecasts for all forms of payment



Leading the way we pay

The following companies contributed to the data within this publication. More details of referenced payment systems are available on the relevant websites:



Bacs has been maintaining the integrity of payment related services since 1968, with responsibility for the schemes behind the clearing and settlement of UK automated payment methods, Direct Debit and Bacs Direct Credit. Almost 116 billion transactions have been debited or credited to British bank accounts via Bacs since its inception; in 2015 6.1 billion UK payments were made this way with a total combined value of just below £4.6 trillion. [www.bacs.co.uk](http://www.bacs.co.uk)



The Belfast Bankers' Clearing Company was formed in May 2007 as a means of formalising existing rules and standards for sterling paper clearings and Euro debit clearing in Northern Ireland. The role of the Company is to maintain the integrity of the clearing arrangements and ensure the system is efficient and effective. [www.bbccl.co.uk](http://www.bbccl.co.uk)



Cash Services acts as a focal point for the provision of strategic direction on co-operative (non-commercial) issues for cash, its overall aim is to ensure that cash can circulate efficiently and effectively, and risks in the cash cycle are managed to this end. [www.cashservices.org.uk](http://www.cashservices.org.uk)



CHAPS is the only UK payment system that guarantees real-time finality of individual payments of unrestricted value, across the Bank of England's Real Time Gross Settlement (RTGS) system. CHAPS is an international scheme focused on systemically important, high value and time-dependent payments. It has the widest Direct Participation base, with domestic and international financial institutions, and serves 24 Direct Participants and over 5,000 Indirect Participants. It is used by banks, building societies and other payment service providers to pay each other, including international sterling flows. Most of CHAPS' daily value transferred derives from these wholesale financial transactions. CHAPS processed £68 trillion in 2015, which equates to £270 billion per day, turning over the UK's annual GDP every six working days. [www.chapsco.co.uk](http://www.chapsco.co.uk)



The Cheque and Credit Clearing Company is responsible for managing the cheque clearing system. As well as clearing cheques, the system processes bankers' drafts, building society cheques, postal orders, warrants, government payable orders and travellers' cheques. The company also manages the systems for the clearing of paper bank giro credits, euro cheques and US dollar cheques (the two clearings for currency cheques drawn on GB banks). In 2015 the sterling clearing systems handled 432 million inter-bank cheque and credit items, valued at a total of £472 billion. [www.chequeandcredit.co.uk](http://www.chequeandcredit.co.uk)



The Faster Payments Service, operated by Faster Payments Scheme Limited, enables internet, mobile, telephone and standing order payments to move from account to account, normally within seconds, and certainly within a few hours, 24 hours a day, 365 days a year. The scheme has been doing this non-stop, since its launch just over seven years ago, and now delivers over 1.2 billion payments a year, worth over £1 trillion. Given its scale and reach, it is still considered one of the most advanced real-time payments services in the world. [www.fasterpayments.org.uk](http://www.fasterpayments.org.uk) Faster Payments' real-time payments capability is now being used to underpin the recently launched Paym mobile payments service. [www.paym.org.uk](http://www.paym.org.uk)



The LINK Scheme is the national cash machine network. Effectively every cash machine in the UK is connected to LINK, and LINK is the only way banks and building societies can offer their customers access to cash across the whole of the UK. LINK's role is to provide UK consumers with universal access to cash in a safe, convenient and rapid manner. LINK is governed by its 37 Members which issue debit and ATM cards and deploy cash machines across the UK. [www.link.co.uk](http://www.link.co.uk) Twitter: @LINK\_ATM\_Scheme



The UK Cards Association is the trade body for the card payments industry in the UK, representing financial institutions which act as card issuers and acquirers. Members of the Association account for the vast majority of debit and credit cards issued in the UK - issuing in excess of 58 million credit cards and 98 million debit cards - and cover the whole of the payment card acquiring market. [www.theukcardsassociation.org.uk](http://www.theukcardsassociation.org.uk)

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Payments UK is the trade association launched in June 2015 to support the rapidly evolving payments industry. Payments UK brings its members and wider stakeholders together to make the UK's payment services better for customers and to ensure UK payment services remain world-class.

*UK Payment Markets 2016* provides detailed commentary on trends in payment markets in 2015 and forecasts their direction to 2025.

It includes statistical tables of historic and forecast data for payments and cash acquisition between 2005 and 2025.

Other publications produced by Payments UK include *UK Cash & Cash Machines*, *UK Payment Statistics*, *UK Cheques*, *UK Consumer Payments* and *UK Automated Payments*.

This report is produced annually to provide an analysis of recent and emerging developments and to forecast volumes and values for all forms of payment.

Colleagues working on behalf of Payments UK will be happy to help if you have any queries regarding this publication.

A booklet listing all of Payments UK's publications is available from the contacts or the website opposite.

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[www.paymentsuk.org.uk](http://www.paymentsuk.org.uk)

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## Glossary

The main payment-related terminology used in this report is as follows:

- automated payments comprise Direct Debits; Bacs Direct Credits; standing orders; single immediate, forward dated and bulk corporate access transactions processed through the Faster Payments Service; and internal transfers within the same bank;
- card payments are all those made using debit, credit and charge cards;
- electronic payments refer to the sum of automated and card payments;
- credit card payments refers to both credit and charge card payments unless clear from the context;
- payments refer to all purchases and transfers but not including those made to acquire cash; and
- transactions include all payments as well as cash acquisition.