

# MEDIA RELEASE

13 July 2011



## APCA's approach on cheques not like the UK's

The Australian Payments Clearing Association (APCA) today noted the decision by the UK Payments Council to cancel the proposed closure of UK cheque clearing in 2018 in response to community and political concerns.

APCA's approach on cheques is very different from what happened in the UK. Last month, APCA launched a public consultation process to ensure that as cheques become scarcer and inevitably more difficult to use, community payment needs continue to be met.

In Australia, as in the UK and other countries, cheques have been in decline for more than a decade and according to the Reserve Bank of Australia have declined by more than 35% in the last four years.

Where the UK proposed a date to abolish cheque clearing, APCA is drawing attention to the emerging problem for Australian cheque users – that others won't want to write or accept cheques - and undertaking extensive community and stakeholder consultation to understand why cheques remain important for certain members of the community. The goal is to understand how the payments system can better serve these people as cheque usage disappears over time.

Chris Hamilton, CEO of APCA said "APCA's consultation is about pointing out and managing a social problem before it becomes serious. No one is talking about closing anything, but if we discuss the problem now, we can make sure it is dealt with in a sensible, practical and convenient way."

The consultation process will help identify why certain consumers and businesses are still using cheques when other safe, efficient and cost effective payment options are available. In some cases consumers may not be aware of the alternatives, or cheques may be the only payment method accepted by some businesses.

"I have been very happy with the public response so far," said Mr Hamilton. "While there are many people who still love their cheques, most people recognise what is happening and understand the need to explore the issue. The better we understand why people use cheques the better we can help as cheque use declines."

"We need to ensure that as the payment system continues to evolve, Australians continue to have choice and are well-informed of the payments options available to them," said Mr Hamilton.

As part of the consultation process, APCA is talking to consumers, users and acceptors of cheques across Australia and those who represent their interests. Apart from the public consultation, a series of roundtables will take place in the next few months.

APCA welcomes all submissions. Information about the consultation including the Consultation Paper is available at [www.apca.com.au/consultation](http://www.apca.com.au/consultation). Submissions are due by 29 July 2011.

**Ends**

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## **About the Australian Payments Clearing Association (APCA)**

APCA is Australia's payments industry association. As part of this role, APCA sets, manages and develops regulations and standards governing payments clearing and settlement within Australia. Its five clearing systems cover: cheques and other paper based payment instruments; direct entry (credit and debit payments); EFTPOS and ATM transactions; trading and distribution of bulk notes and coin between banks; and settlement of high value, real-time payments. APCA also manages the COIN Infrastructure System. Currently, APCA has around 80 members including banks, building societies, credit unions, the Reserve Bank and other participants across the five clearing systems.