

Statistical release - 15 September 2009

This statistical release is published by the UK payments industry. It comprises the authoritative facts and figures for the latest quarter.

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Key payment statistics for Q2 2009

Plastic card transactions

Number of	Q2 2009	Annual rate of growth	Total value of	Q2 2009	Annual rate of growth
Debit card purchases	1.5 bn	8.7%	Debit card purchases	£64.3 bn	7.2%
Credit & charge card purchases	0.5 bn	-0.1%	Credit & charge card purchases	£31.2 bn	-1.0%
All plastic card purchases	2.0 bn	6.3%	All plastic card purchases	£95.5 bn	4.4%
Number of	Annual figures (2008)	Annual rate of growth	Total value of	Annual figures (2008)	Annual rate of growth
Debit card purchases	5.5 bn	10.0%	Debit card purchases	£245.4 bn	9.5%
Credit & charge card purchases	2.0 bn	0.7%	Credit & charge card purchases	£126.3 bn	2.0%
All plastic card purchases	7.4 bn	7.4%	All plastic card purchases	£371.6 bn	6.8%

Cash and cheque transactions

Number of	Q2 2009	Annual rate of growth	Total value of	Q2 2009	Annual rate of growth
Cash machine withdrawals	740 mn	0.8%	Cash machine withdrawals	£48.4 bn	0.9%
Inter-bank cheques cleared	222 mn	-11.5%	Inter-bank cheques cleared	£219 bn	-13.2%
Number of	Annual figures (2008)	Annual rate of growth	Total value of	Annual figures (2008)	Annual rate of growth
¹ Cash payments	22,569 mn	0.7%	¹ Cash payments	£267.1 bn	0.9%
Cash machine withdrawals	2,876 mn	1.4%	Cash machine withdrawals	£192.2 bn	3.1%
¹ Cheque transactions	1,403 mn	-12.3%	¹ Cheque transactions	£1,429 bn	-9.0%
² Inter-bank cheques cleared	1,007 mn	-10.4%	² Inter-bank cheques cleared	£1,076 bn	-7.0%

¹ Quarterly data for cash and cheque transactions are not available.

² This figure does not include inter-branch items.

Automated payments

Number of	Q2 2009	Annual rate of growth	Total value of	Q2 2009	Annual rate of growth
³ Faster Payments	69.3 mn	10.3%	³ Faster Payments	£25.1 bn	22.1%
CHAPS payments	7.9 mn	-8.1%	CHAPS payments	£16,039 bn	-3.7%
Bacs payments	1.4 bn	-0.2%	Bacs payments	£957 bn	2.1%
Number of	Annual figures (2008)	Annual rate of growth	Total value of	Annual figures (2008)	Annual rate of growth
³ Faster Payments	82.8 mn	-	³ Faster Payments	£32.9 bn	-
CHAPS payments	35.8 mn	-2.8%	CHAPS payments	£83,017 bn	6.2%
Bacs payments	5.7 bn	2.0%	Bacs payments	£3,946 bn	6.8%

³ The Faster Payments Service was launched on 27 May 2008. The per cent growth for Q2 2009 relates to a three month period.

A - Spending in the UK on debit and credit cards

In the second quarter of 2009 there were 1.97 billion plastic card purchases made in the UK totalling £95.5 billion compared to 1.84 billion purchases totalling £92.7 billion in the second quarter of 2008. The number of purchases was 6.9% higher than in 2008 Q2, and spending was 3.0% higher. Debit cards accounted for 74.7% of all plastic card purchases in Q2 2009 compared with 73.3% in Q2 2008. The annual growth rates for both the number and value of purchases on plastic cards continued to decline in Q2 2009, as can be seen in Charts A1 and A2. Negative growth rates are apparent for both the number of credit card purchases (-0.1%) and total expenditure (-1.0%).

Plastic card spending in the high street (retail sales) amounted to £46.5 billion in the second quarter of 2009, representing 64.9% of total retail sales, increasing from 62.5% in Q2 2008. The average monthly plastic card spend on the high street was £15.5 billion, which is reflected in Chart A3.

Seasonally adjusted		Debit cards			Credit cards			All plastic cards	
		Number of purchases 000	Value £ mn	Average purchase value £	Number of purchases 000	Value £ mn	Average purchase value £	Number of purchases 000	Value £ mn
2003		3,264,580	125,408	38.41	1,919,653	115,179	60.00	5,184,233	240,588
2004		3,702,076	149,137	40.28	1,988,997	121,170	60.92	5,691,073	270,307
2005		4,091,126	169,530	41.44	2,002,997	121,641	60.73	6,094,124	291,170
2006		4,495,272	195,474	43.48	1,948,371	119,966	61.57	6,443,643	315,441
2007	Q1	1,191,229	53,244	44.70	484,628	30,480	62.89	1,675,857	83,725
	Q2	1,223,168	55,634	45.48	486,366	30,645	63.01	1,709,535	86,278
	Q3	1,253,483	56,295	44.91	486,098	30,925	63.62	1,739,581	87,220
	Q4	1,303,878	58,845	45.13	501,800	31,766	63.30	1,805,678	90,611
2008	Q1	1,328,364	59,541	44.82	495,551	31,690	63.95	1,823,915	91,231
	Q2	1,350,080	60,910	45.12	491,260	31,739	64.61	1,841,339	92,649
	Jul	451,713	20,317	44.98	163,676	10,570	64.58	615,389	30,887
	Aug	442,212	19,406	43.88	157,754	10,048	63.69	599,966	29,454
	Sep	501,365	21,987	43.85	173,286	11,238	64.85	674,651	33,225
	Oct	458,268	21,553	47.03	163,359	10,380	63.54	621,627	31,933
	Nov	441,890	20,158	45.62	155,848	9,974	64.00	597,739	30,132
	Dec	496,724	21,491	43.27	171,930	10,608	61.70	668,654	32,099
2009	Jan	460,149	20,573	44.71	159,516	10,074	63.16	619,665	30,647
	Feb	469,892	20,964	44.61	160,240	10,133	63.24	630,132	31,097
	Mar	499,892	21,917	43.84	168,702	10,606	62.87	668,594	32,522
	Apr	486,346	21,308	43.81	166,609	10,470	62.84	652,955	31,778
	May	474,390	20,840	43.93	160,568	10,054	62.61	634,958	30,893
	Jun	508,997	22,132	43.48	170,944	10,667	62.40	679,941	32,799

Chart A1

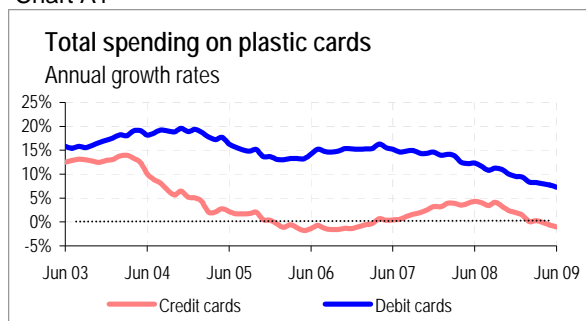


Chart A2

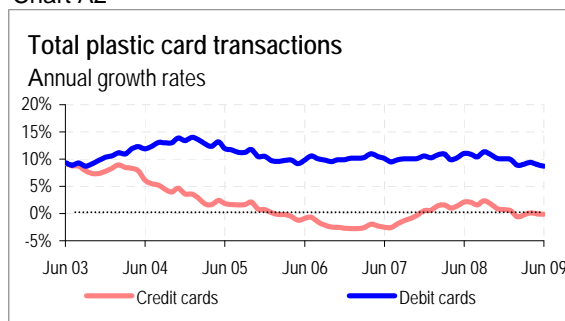
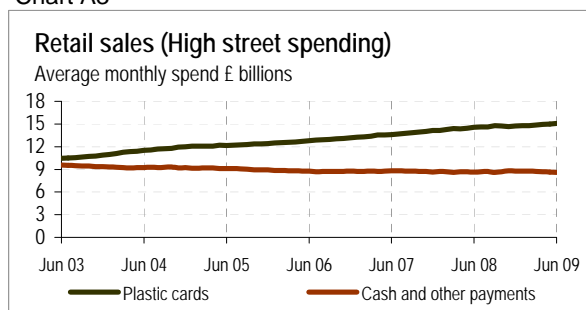


Chart A3



Notes

A shows spending in the UK on plastic cards as reported to The UK Cards Association by the banks that process card purchases on behalf of UK merchants, retailers and other service providers. The data includes a small proportion of spending using non-UK-issued cards, eg, by tourists; spending outside the UK by holders of UK-issued cards is excluded. Cash withdrawals from ATMs are not included.

Seasonal adjustment is the process of estimating and removing seasonal effects from a time series in order to more accurately compare consecutive months.

B - Credit card lending and repayments

Seasonally adjusted		Gross lending		Repayments		Outstanding balances	Average credit card APR
		£ mn	£ mn	%	Source Bank of England £ mn	Source Bank of England %	
2003		121,675	112,695	92.6%	55,460	15.2	
2004		132,501	122,839	92.7%	65,171	15.4	
2005		132,017	125,524	95.1%	69,206	16.0	
2006		124,979	122,315	97.9%	68,290	16.3	
2007	Q1	30,569	30,139	98.6%	67,628	15.8	
	Q2	30,982	30,790	99.4%	66,938	15.5	
	Q3	31,170	30,383	97.5%	66,921	15.1	
	Q4	31,748	30,578	96.3%	67,059	15.2	
2008	Q1	33,415	32,566	97.5%	67,256	14.8	
	Q2	32,759	31,591	96.4%	67,516	15.5	
	Jul	10,903	10,515	96.4%	66,244	15.7	
	Aug	11,017	10,876	98.7%	66,708	15.6	
	Sep	10,411	9,530	91.5%	66,701	15.6	
	Oct	11,651	11,083	95.1%	66,793	15.6	
	Nov	10,596	10,365	97.8%	66,971	15.6	
	Dec	9,958	9,461	95.0%	66,593	15.6	
	2009	Jan	11,204	11,445	102.2%	66,623	16.1
		Feb	9,769	9,585	98.1%	66,577	15.7
		Mar	10,004	9,822	98.2%	66,510	15.7
		Apr	10,640	10,304	96.8%	66,503	15.7
May		10,340	10,027	97.0%	66,245	15.9	
Jun		9,712	9,631	99.2%	65,955	15.9	

Gross credit card lending to individuals during the second quarter of 2009 amounted to £30.7 billion and repayments were £30.0 billion. Gross lending was 6.3% lower and repayments were 5.2% lower than during the second quarter of 2008 when the figures were £32.8 billion and £31.6 billion respectively.

Repayments amounted to 97.6% of gross credit card advances in the second quarter of 2009, a higher percentage than in the corresponding period of 2008 when it was 96.4%. Over the past 12 months, repayments have averaged 97.2% compared with 97.5% over the 12 month period to March 2008 - see Chart B1.

Credit card interest rates trended gradually lower from 1998, when they were just over 22%, largely in response to competitive pressures, to touching a low point in Q1 1998. Since then, although there has been some upward pressure, credit card rates have stabilised at or just below 16%.

Chart B1

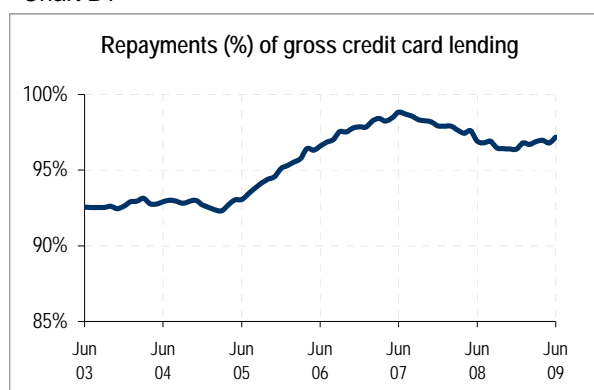


Chart B1 shows the rolling 12-month average

B shows data relating to UK households' credit and charge card use. Gross lending equates to what households have put on their credit and charge cards, including interest and other charges, whilst outstanding balances is the total amount still owed at the end of the period. These data are provided by members of The UK Cards Association which accounted for 99.7% of all UK credit card lending over the 12 months to December 2008.

Outstanding balances are reported to the Bank of England by all UK credit card issuers. The figures shown here include estimated amounts that have been securitised, ie, transferred by the UK credit card issuer to a non-resident associated company. These estimates are based on the published footnotes to the Bank of England's data series LPMVZRJ.

The **average interest rate** (Bank of England data series IUMCCTL) is expressed in terms of APR and applies to standard credit card purchases. The series is weighted according to each credit card issuer's monthly gross credit card advances.

C - Cash machine numbers and withdrawals



	Number of cash machines at period end	Cash withdrawals						Number of withdrawals where the cash machine charges a fee %
		Volume		Value				
		mn	Increase	£ mn	Increase	Average value		
			%		%		£	
2003	46,461	2,373	4.6%	144,123	5.7%	60	2.9%	
2004	54,412	2,528	6.5%	161,269	11.9%	64	4.5%	
2005	58,286	2,699	6.8%	172,023	6.7%	64	4.5%	
2006	60,468	2,752	2.0%	179,808	4.5%	65	4.3%	
2007	Q1	61,301	674	2.6%	42,698	5.2%	63	4.1%
	Q2	61,749	715	2.9%	46,364	4.9%	65	4.2%
	Q3	61,350	720	3.6%	47,528	4.7%	66	4.0%
	Q4	63,476	727	3.1%	49,783	3.7%	68	3.7%
2008	Q1	62,416	682	2.5%	44,631	3.9%	65	3.6%
	Q2	64,459	735	2.4%	48,489	4.2%	66	3.6%
	Q3	64,547	734	1.7%	49,503	4.1%	67	3.6%
	Q4	63,916	725	1.4%	49,564	3.1%	68	3.4%
2009	Q1	63,293	689 ^	1.4%	44,648 ^	2.1%	65	3.2%
	Q2	63,678	740	0.8%	48,414	0.9%	65	3.4%

^ revised figure

There were 63,678 cash machines in the UK at the end of June 2009, 781 fewer than in June 2008, resulting from reductions in the number of pay-to-use machines. Of this total, 24,359 were pay-to-use machines representing 38% of the total. The number of withdrawals at pay-to-use machines during the second quarter of 2009, however, was only 3.4% of the total. The average value of a cash withdrawal in Q2 2009 was £65.

Chart C1

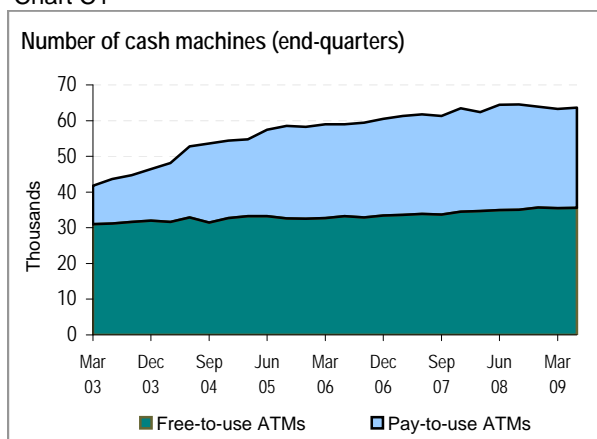
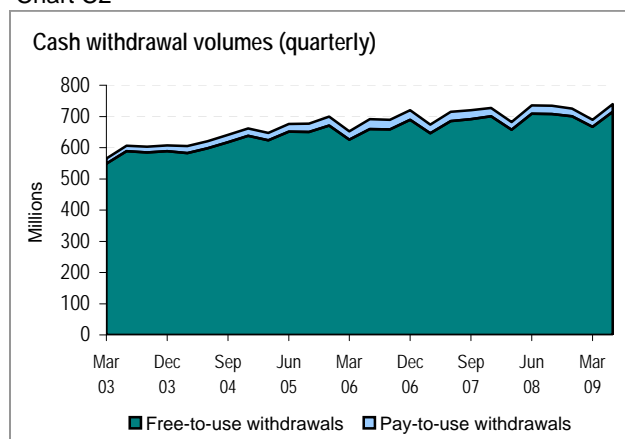


Chart C2



C shows key statistics on UK cash machines. Data are available only at end-quarter months. Per cent growth figures relate to 12 month periods. Data on the number of cash machines, the volumes and values of withdrawals are reported to The UK Cards Association by its members and by some other institutions. Data from other cash machine deployers are provided by LINK.

D Bacs Direct Credits and Direct Debits



	Total				of which			Direct Debits		
	Volume		Value		Bacs Direct Credits		Standing orders	Direct Debits		
	000s	% growth	£ mn	% growth	Volume 000s	Value £ mn	Volume 000s	Volume 000s	Value £ mn	
2003	4,060,357	9%	2,574,367	8%	1,341,998	1,912,175	288,443	2,429,915	662,192	
2004	4,602,570	13%	2,883,452	12%	1,710,757	2,133,071	301,879	2,589,934	750,381	
2005	5,134,250	12%	3,150,207	9%	2,093,983	2,353,168	318,022	2,722,245	797,039	
2006	5,361,749	4%	3,429,333	9%	2,171,742	2,584,501	332,245	2,857,762	844,832	
2007	Q1	1,335,652	3%	891,995	8%	541,611	683,484	85,470	708,571	208,511
	Q2	1,384,527	3%	915,635	7%	553,287	695,623	85,730	745,510	220,012
	Q3	1,382,958	3%	923,979	7%	551,442	700,294	86,003	745,513	223,685
	Q4	1,440,972	3%	964,297	8%	586,948	732,914	90,144	763,880	231,383
2008	Q1	1,375,123	3%	953,474	7%	556,224	731,743	89,195	729,704	221,730
	Q2	1,426,726	3%	985,362	8%	565,624	749,153	88,158	772,944	236,209
	Jul	487,701	3%	338,710	8%	191,508	256,162	30,618	265,576	82,548
	Aug	459,837	2%	300,924	7%	180,375	225,588	24,916	254,546	75,336
	Sep	470,963	3%	339,039	7%	184,086	258,012	24,308	262,568	81,026
	Oct	496,558	3%	352,529	7%	197,310	258,012	21,414	277,833	84,978
	Nov	454,821	1%	332,282	7%	194,051	257,531	17,357	243,413	74,752
	Dec	484,020	2%	344,002	7%	194,620	265,225	19,129	270,271	78,777
2009	Jan	470,258	2%	308,573	6%	195,329	237,065	17,645	257,284	71,508
	Feb	429,427	-	286,244	4%	178,549	220,200	14,960	235,918	66,044
	Mar	459,025	1%	349,784	5%	188,333	275,831	16,908	253,785	73,953
	Apr	477,321	0%	319,500	3%	197,311	245,965	15,399	264,612	73,535
	May	454,326	-1%	314,375	2%	178,157	242,437	15,112	261,057	71,937
	Jun	471,292	0%	322,819	2%	190,390	250,519	14,561	266,341	72,300

Bacs volumes and values were lower by 1.7% and 2.9% respectively during the second quarter of 2009 than in the second quarter of 2008; the 12 month growth rate for volumes declined to -0.2% whilst values showed an increase of 2.1%. This slight decline reflects the recent increasing use of Faster Payments, notably for standing orders.

In the second quarter of 2009 more than half of all standing orders - 55% - were processed through Bacs rather than Faster Payments.

In spite of a small percentage of automated payments shifting from Bacs to Faster Payments, payments via Bacs continue to grow. The 12 month growth in the volume of Direct Debits was 3.36%. The underlying growth will become more obvious as the skewing effect of the launch of Faster Payments starts to fall outside of the 12 month growth calculations.

Notes

- 1 Per cent growth figures relate to 12 month periods.
- 2 Total credit volumes excludes Standing Orders, which are shown separately.
- 3 Data are not available for Standing Order values.

E Cleared cheques and paper credits

	Total				of which				
	Volume		Value		Cheques ¹		Credits		
	000s	% growth	£ mn	% growth	000s	£ mn	000s	£ mn	
2003	1,659,908	-6%	1,315,051	-3%	1,519,117	1,240,685	140,792	74,366	
2004	1,556,641	-6%	1,278,318	-3%	1,423,742	1,210,057	132,899	68,261	
2005	1,449,042	-7%	1,214,100	-5%	1,325,762	1,152,256	123,280	61,844	
2006	1,345,711	-7%	1,230,803	-1%	1,237,401	1,171,062	108,309	59,741	
2007	Q1	317,779	-8%	303,313	..	292,621	287,230	25,159	16,083
	Q2	310,279	-8%	305,574	..	286,359	291,768	23,920	13,806
	Q3	293,859	-8%	308,694	..	270,199	294,193	23,660	14,501
	Q4	299,237	-9%	296,801	-1%	275,686	283,494	23,551	13,308
2008	Q1	279,723	-10%	283,529	-2%	257,530	268,830	22,193	14,699
	Q2	279,176	-10%	289,609	-5%	257,415	276,867	21,761	12,742
	Jul	97,738	-11%	102,334	-5%	89,884	97,146	7,854	5,188
	Aug	77,237	-11%	81,308	-6%	70,724	77,718	6,512	3,590
	Sep	91,110	-11%	94,112	-6%	83,760	90,232	7,351	3,880
	Oct	94,800	-10%	110,037	-6%	87,447	105,858	7,353	4,179
	Nov	82,338	-11%	81,906	-7%	75,981	78,348	6,357	3,558
	Dec	91,699	-10%	84,747	-7%	84,638	80,695	7,061	4,052
2009	Jan	81,759	-11%	83,571	-8%	74,970	77,903	6,789	5,668
	Feb	73,603	-12%	72,762	-10%	67,885	69,012	5,718	3,750
	Mar	87,642	-11%	82,496	-9%	80,667	78,715	6,975	3,781
	Apr	79,245	-12%	77,126	-12%	73,061	73,579	6,184	3,547
	May	76,475	-12%	72,659	-13%	70,518	69,597	5,956	3,062
	Jun	85,097	-12%	79,323	-13%	78,784	76,049	6,313	3,274

¹ Excludes euro debits

Cheque and credit clearing volumes were 13.7% lower and values a staggering 20.9% lower in the second quarter of 2009 compared with the corresponding period in 2008.

Cheques accounted for only 7.8% of all non-cash payment volumes in Q2 2009, declining from 19.7% in Q2 2003 (illustrated in Chart E1). The chart compares cheque and credit volumes with the number of payments made using plastic cards or Bacs automated payments. Over the period from Q2 2003 to Q2 2009 the total number of non-cash payments has increased from 2,184 billion to 3,309 billion per quarter.

The decline in the use of personal cheques has accelerated over the past five years; for example, the number of cheques supported by a cheque guarantee card is down by 70% as retailers increasingly have stopped accepting cheque payments.

Chart E2 reflects the decline since 2003 in the numbers of personal and business cheques. These data are available only annually and include cheque payments and cash acquisition.

Chart E1

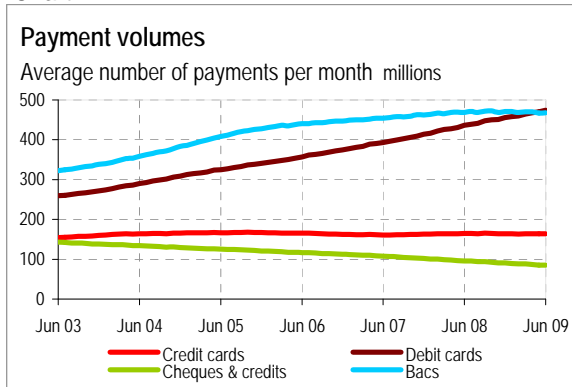


Chart E2

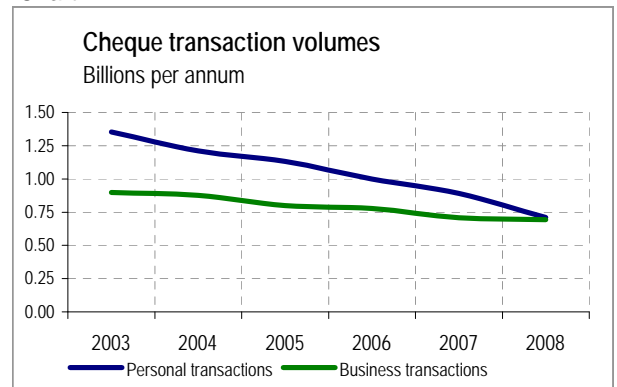


Table F Same-day payments



Payment volumes					Payment values								
	CHAPS		Faster Payments		of which			CHAPS		Faster Payments		of which	
	000s	% growth	000s	% growth	Standing orders	Online and telephone banking payments		£ mn	% growth	£ mn	% growth	Standing orders	Online and telephone banking payments
2003	33,202	8%					88,576,506	8%					
2004	34,862	5%					91,334,788	3%					
2005	36,756	5%					97,100,206	6%					
2006	40,686	11%					109,637,149	13%					
2007	Q1	10,594	10%				29,499,274	11%					
	Q2	10,918	9%				31,576,018	12%					
	Q3	11,151	9%				34,044,873	16%					
	Q4	10,872	7%				31,549,684	16%					
2008	Q1	9,507	7%				25,728,574	17%					
	Q2	9,158	3%	4,499		436	4,172	20,170,794	17%	2,475		8	2,467
	Jul	3,049	2%	6,984	-	1,316	5,669	6,116,799	15%	3,621	-	17	3,605
	Aug	2,681	0%	7,945	-	2,511	5,434	5,294,219	11%	3,787	-	97	3,690
	Sep	2,925	0%	11,656	-	5,377	6,279	6,433,475	10%	4,853	-	442	4,411
	Oct	3,184	-1%	15,824	-	8,250	7,574	7,249,134	9%	6,162	-	781	5,380
	Nov	2,560	-3%	16,144	-	8,769	7,375	5,779,681	7%	5,459	-	846	4,613
	Dec	2,734	-3%	19,737	-	10,915	8,822	6,244,433	6%	6,514	-	1,150	5,364
2009	Jan	2,575	-4%	18,679	54%	10,406	8,272	5,879,948	4%	6,208	23%	1,169	5,038
	Feb	2,412	-6%	18,476	14%	10,298	8,178	5,482,453	2%	6,234	15%	1,344	4,889
	Mar	2,749	-5%	22,950	16%	12,862	10,088	6,127,115	2%	8,183	14%	2,222	5,961
	Apr	2,648	-7%	21,802	17%	12,040	9,762	5,384,007	-2%	8,007	23%	2,107	5,900
	May	2,493	-8%	22,223	20%	11,780	10,443	4,953,684	-3%	8,033	28%	2,062	5,971
	Jun	2,736	-8%	25,316	10%	13,727	11,589	5,701,692	-4%	9,147	22%	2,496	6,652

By the end of Q2 2009 almost half of all standing orders (see Chart F1) and 70% of telephone and online banking payments (see Chart F2) were made using the Faster Payments Service.

After a number of years of growing steadily, from 27 million payments per year in 2003 to a peak of 36 million at the beginning of 2008, CHAPS Sterling volumes have been in decline. Volumes in Q2 2009 were 7.7% lower than in the corresponding quarter of 2008. This decline reflects the general economic downturn, notably the contraction in housing market activity. In value terms, with over £70,000 billion per year cleared through CHAPS Sterling since the beginning of 2008, the contraction has not been so marked; values in Q2 2009 were 2.9% down on those in Q2 2008.

Chart F1

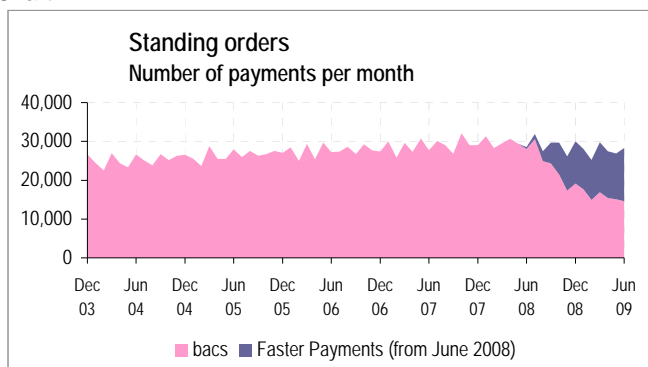
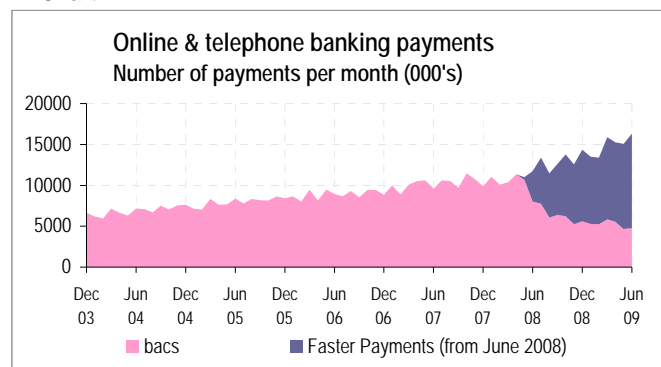


Chart F2



Notes

1 Prior to June 2008 data for CHAPS volumes and values included CHAPS Euro, which ceased operations on 16 May 2008. Details of the amounts of CHAPS Euro volumes and values may be found in earlier Statistical Releases. Percentage growth figures from Q1 2008 relate only to CHAPS Sterling.

2 Faster Payments began operations on 27 May 2008; the CHAPS Clearing Company has responsibility for the management of the service.

3 Per cent growth figures for CHAPS payments relate to 12 month periods. For Faster Payments, per cent growth is based on 3 month periods.