

Statistical release - 9 September 2010

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

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Summary of key payment statistics for Q2 2010

Plastic cards

Number of debit cards in issue (end-2009) **79.3 mn** Number of credit & charge cards in issue (end-2009) **64.4 mn**

Plastic card transactions

Number of	Q2 2010	Annual rate of growth	Total value of	Q2 2010	Annual rate of growth
Debit card purchases	1.6 bn	8.8%	Debit card purchases	£72.2 bn	9.5%
Credit & charge card purchases	0.5 bn	2.1%	Credit & charge card purchases	£32.5 bn	2.2%
All plastic card purchases	2.1 bn	7.1%	All plastic card purchases	£104.8 bn	7.1%
Number of	Annual figures (2009)	Annual rate of growth	Total value of	Annual figures (2009)	Annual rate of growth
Debit card purchases	5.9 bn	8.7%	Debit card purchases	£263.5 bn	7.5%
Credit & charge card purchases	2.0 bn	1.5%	Credit & charge card purchases	£125.4 bn	-0.7%
All plastic card purchases	7.9 bn	6.8%	All plastic card purchases	£388.9 bn	4.7%

Cash and cheque transactions

Number of	Q2 2010	Annual rate of growth	Total value of	Q2 2010	Annual rate of growth
Cash machine withdrawals	734 mn	1.3%	Cash machine withdrawals	£46.8 bn	0.5%
Inter-bank cheques cleared	196 mn	-11.7%	Inter-bank cheques cleared	£198 bn	-9.8%
Number of	Annual figures (2009)	Annual rate of growth	Total value of	Annual figures (2009)	Annual rate of growth
¹ Cash payments	21,392 mn	-5.2%	¹ Cash payments	£266.0 bn	-0.4%
Cash machine withdrawals	2,916 mn	1.4%	Cash machine withdrawals	£192.8 bn	0.3%
¹ Cheque transactions	1,282 mn	n/a	¹ Cheque transactions	£1,255 bn	n/a
² Inter-bank cheques cleared	876 mn	-13.1%	² Inter-bank cheques cleared	£871 bn	-19.1%

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 2010	Annual rate of growth	Total value of	Q2 2010	Annual rate of growth
³ Faster Payments	107.4 mn	12.7%	³ Faster Payments	£42.1 bn	18.1%
CHAPS payments	7.9 mn	-2.6%	CHAPS payments	£15,865 bn	-12.5%
Bacs payments	1.4 bn	-	Bacs payments	£1,026 bn	1.2%
Number of	Annual figures (2009)	Annual rate of growth	Total value of	Annual figures (2009)	Annual rate of growth
³ Faster Payments	294.8 mn	-	³ Faster Payments	£106.2 bn	-
CHAPS payments	31.9 mn	-7.7%	CHAPS payments	£64,617 bn	-12.2%
Bacs payments	5.6 bn	-0.3%	Bacs payments	£3,861 bn	-2.2%

³ The Faster Payments Service was launched on 27 May 2008. The per cent growth for Q2 2010 relates to a three month period.

A Spending in the UK on debit and credit cards

Spending on plastic cards has been growing more strongly in 2010 compared to the previous year. By end-June the annual rate of growth had picked up to 7.1% from an end-2009 figure of 4.7%. Debit card payments accounted for 76.0% of all plastic card payments compared with 74.6% during 2009 Q2.

The average monthly spend on debit cards during 2010 Q2 was £23.5 billion and on credit cards was £10.7 billion.

Plastic card purchases accounted for 67.3% of all purchases in the retail sectors during 2010 Q2 compared with 64.7% in 2009 Q2, reflecting the gradual migration away from using cheques and a greater use of plastic for lower value payments.

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	
2004	3,701,877	149,124	40.28	1,988,647	121,165	60.93	5,690,524	270,289	
2005	4,090,654	169,515	41.44	2,002,578	121,631	60.74	6,093,233	291,145	
2006	4,493,950	195,435	43.49	1,947,953	119,944	61.57	6,441,902	315,379	
2007	4,969,894	223,950	45.06	1,958,500	123,788	63.21	6,928,394	347,738	
2008	Q1	1,330,015	59,613	44.82	497,119	31,728	63.82	1,827,134	91,341
	Q2	1,353,326	60,918	45.01	493,876	31,830	64.45	1,847,202	92,748
	Q3	1,391,935	61,813	44.41	492,939	31,802	64.52	1,884,874	93,615
	Q4	1,391,980	62,882	45.17	488,174	30,833	63.16	1,880,155	93,716
2009	Q1	1,432,958	63,548	44.35	490,355	30,869	62.95	1,923,313	94,417
	Q2	1,473,043	64,296	43.65	501,295	31,293	62.42	1,974,338	95,589
	Jul	492,636	21,510	43.66	168,320	10,500	62.38	660,956	32,009
	Aug	480,354	21,140	44.01	160,393	10,017	62.45	640,747	31,157
	Sep	538,031	23,487	43.65	176,398	11,094	62.89	714,430	34,581
	Oct	488,647	21,907	44.83	165,537	10,361	62.59	654,183	32,268
	Nov	523,477	24,215	46.26	169,980	10,526	61.93	693,457	34,741
	Dec	512,251	23,405	45.69	169,643	10,698	63.06	681,894	34,103
2010	Jan	491,044	21,106	42.98	160,467	9,941	61.95	651,510	31,047
	Feb	517,767	23,004	44.43	165,091	10,659	64.56	682,858	33,663
	Mar	544,122	24,513	45.05	173,470	11,175	64.42	717,592	35,688
	Apr	531,354	23,778	44.75	167,815	10,785	64.27	699,169	34,563
	May	518,356	23,592	45.51	162,906	10,537	64.68	681,262	34,129
	Jun	552,521	24,875	45.02	174,654	11,202	64.14	727,175	36,078

Chart A1

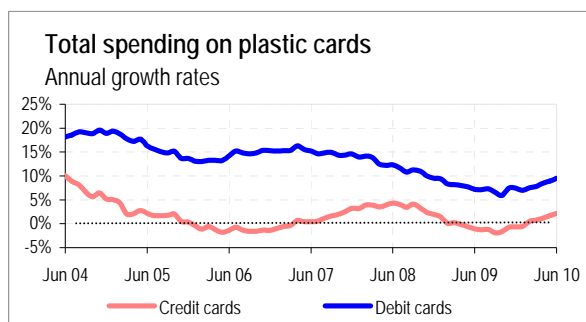


Chart A2

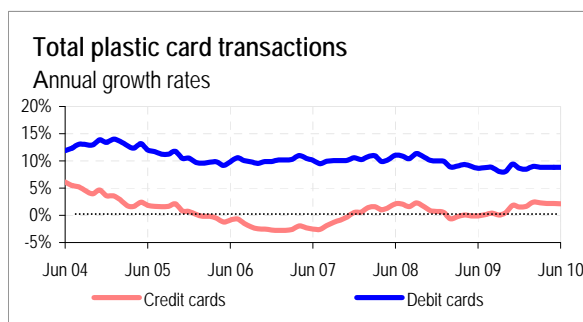
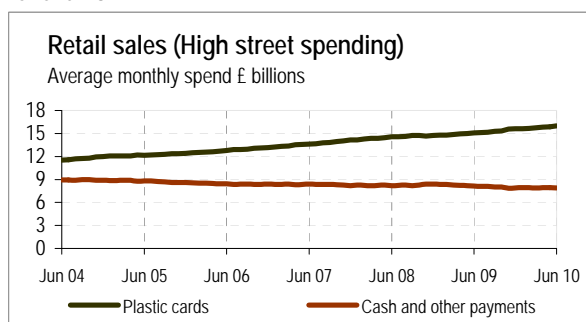


Chart A3



Notes

Section 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 include a small proportion of spending using non-UK-issued cards, e.g. by tourists, but exclude spending abroad on UK-issued cards. 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

Gross lending on credit cards amounted to £32.4 billion in 2010 Q2. Repayments amounted to £32.1 billion, representing 99.0% of gross lending during the quarter. This increases the annual average ratio of repayments to gross lending (see Chart B1) slightly to 98.5%.

Outstanding balances declined to £58.5 billion at the end of June 2010, mostly reflecting write-offs of credit card balances during the period.

Seasonally adjusted		Gross lending	Repayments		Outstanding balances	Average credit card APR
		£ mn	£ mn	%	£ mn	%
					Source Bank of England	Source Bank of England
2004		132,481	122,593	92.5%	64,823	15.4
2005		131,431	125,301	95.3%	68,780	16.0
2006		124,611	121,960	97.9%	67,766	16.3
2007	Q1	30,666	30,191	98.5%	67,026	15.8
	Q2	30,835	30,603	99.2%	66,309	15.5
	Q3	31,015	30,109	97.1%	66,322	15.1
	Q4	32,649	31,658	97.0%	66,440	15.2
2008	Q1	33,276	32,165	96.7%	66,531	14.8
	Q2	33,058	31,900	96.5%	66,766	15.5
	Q3	32,740	31,267	95.5%	66,041	15.6
	Q4	32,014	31,513	98.4%	65,868	15.6
2009	Q1	30,375	29,603	97.5%	65,648	15.8
	Q2	30,578	29,908	96.9%	65,087	15.8
	Jul	10,194	10,179	99.8%	64,237	15.9
	Aug	9,905	9,600	96.9%	64,207	15.9
	Sep	10,176	10,030	98.6%	63,949	15.9
	Oct	9,540	9,380	98.3%	63,810	15.9
	Nov	10,140	9,821	96.9%	63,723	15.9
	Dec	10,331	10,311	99.8%	63,582	16.3
2010	Jan	9,613	9,741	101.3%	61,486	16.4
	Feb	10,669	10,266	96.2%	61,419	16.5
	Mar	11,206	10,913	97.4%	60,302	16.5
	Apr	10,793	10,496	97.2%	60,027	16.5
	May	10,542	10,601	100.6%	58,919	16.5
	Jun	11,105	11,026	99.3%	58,461	16.7

Chart B1

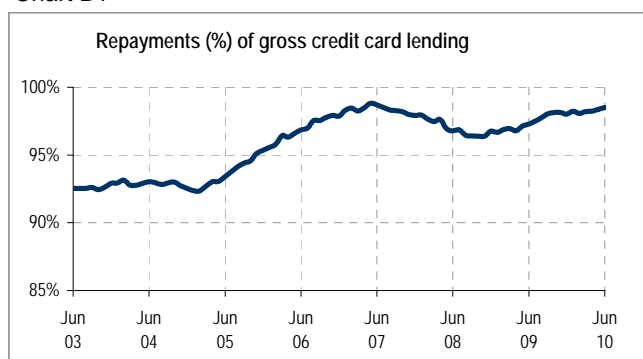


Chart B1 shows the rolling 12-month average of repayments

Section B shows data relating to UK households' credit and charge card use. Gross lending equates to new spending on 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 98.7% of all UK credit card lending over the 12 months to December 2009.

Outstanding balances are reported to the Bank of England by all UK credit card issuers. The figures shown here up to end-2009 include estimated amounts that have been securitised, ie, transferred by UK credit card issuers to non-resident associated companies. These estimates are based on the published footnotes to the Bank of England's data series LPMVZRJ. From January 2010 these securitisations have been included within the data published by the Bank.

The average interest rate (Bank of England data series IUMCCTL) is expressed in terms of Annual Percentage Rate of Charge (APR) and applies to credit card purchases rather than other transaction types. The series is weighted according to each credit card issuer's monthly gross credit card lending.

C Cash machines



The number of ATMs contracted by 440 during Q2 2010, bringing the total number to 62,238. Most of the fall reflected a net reduction at retail outlets (eg, supermarkets and convenience stores) and at social and leisure sites possibly due to closures. Deployers continued to replace pay-to-use ATMs with ones that are free-to-use. During Q2 2010, the number of free-to-use ATMs increased by 375, and these machines accounted for 64% of the total by the end of June.

The volumes and values of withdrawals during Q2 2010 remained close to the recent trend of minimal growth. The rise between Q1 and Q2 2010 reflects a normal seasonal pattern where the first quarter of a year exhibits below average use - a pattern that is apparent in Chart C2.

		Number of cash machines at period end	Cash withdrawals					Number of withdrawals where a fee is charged to the cardholder %
			Volume		Value		Average value	
			mn	Increase	£ mn	Increase		
				%		%		
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	2.6%	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	1.3%	44,648	2.1%	65	3.2%
	Q2	63,678	740	0.8%	48,414	0.9%	65	3.4%
	Q3	63,400	738	0.5%	49,143	-0.3%	67	3.3%
	Q4	62,192	748	1.4%	50,596	0.3%	68	3.0%
2010	Q1	62,678	694	1.3%	44,937	0.5%	65	3.1%
	Q2	62,238	734	0.9%	46,845	-0.3%	64	3.0%

Chart C1

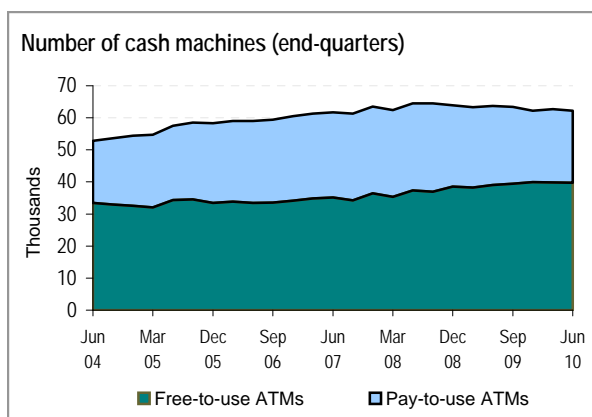
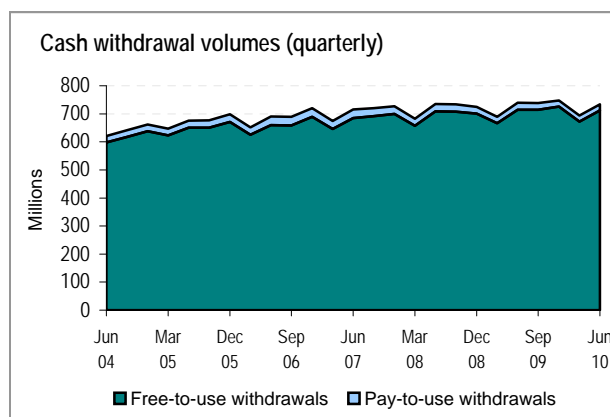


Chart C2



Section C shows key statistics on UK cash machines, indicating the total number of machines installed at the end of each period, the total number and value of withdrawals processed during the period, and shows the average value of a withdrawal (rounded).

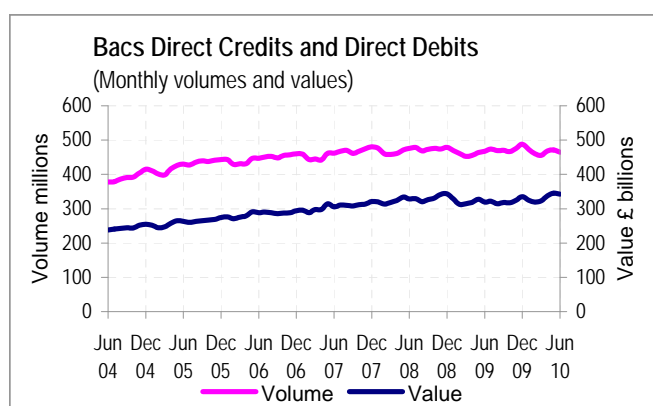
D Bacs Direct Credits and Direct Debits



The volume of Bacs payments in 2010 Q2 (1.4 billion) decreased very slightly (by 0.6%) compared with 2009 Q2. The total value of payments rose by 7.3%, increasing from £957 billion in 2009 Q2 to £1,026 billion in 2010 Q2. On an annual basis however there remains a small downward trend in volumes, declining by 0.4% with values increasing by 1.2%, the first annual increase since September 2009.

The volume of Direct Debits continued to increase with 811 million processed in 2010 Q2 compared with 792 million in 2009 Q2. Direct Debit values are also higher when comparing the two quarters with 2010 Q2 total value amounting to £234 billion compared with £218 billion a year earlier.

	Total				of which			Direct Debits		
	Volume		Value		Bacs Direct Credits	Standing orders	Bacs Direct Credits 2	Volume	Value	
	000s	% growth 1	£ mn	% growth 1	000s	000s	£ mn	000s	£ mn	
2004	4,602,570	13%	2,883,452	12%	1,710,757	301,879	2,133,071	2,589,934	750,381	
2005	5,134,250	12%	3,150,207	9%	2,093,983	318,022	2,353,168	2,722,245	797,039	
2006	5,361,749	4%	3,429,333	9%	2,171,743	332,245	2,584,501	2,857,761	844,832	
2007	5,544,109	3%	3,695,906	8%	2,233,288	347,347	2,812,314	2,963,474	883,592	
2008	Q1	1,375,123	3%	953,473	7%	556,223	89,195	731,743	729,705	221,730
	Q2	1,426,726	3%	985,362	8%	565,610	88,173	749,153	772,944	236,209
	Q3	1,418,502	3%	978,673	7%	552,744	83,066	739,762	782,691	238,911
	Q4	1,435,400	2%	1,028,813	7%	580,473	63,409	790,307	791,518	238,506
2009	Q1	1,358,709	1%	944,601	5%	556,156	55,567	733,096	746,986	211,505
	Q2	1,402,949	0%	956,694	2%	559,714	51,225	738,921	792,010	217,773
	Jul	496,255	-1%	328,129	1%	202,422	16,934	250,063	276,899	78,066
	Aug	439,808	0%	293,371	1%	178,096	14,608	224,225	247,104	69,147
	Sep	476,015	-1%	333,013	0%	186,396	16,816	254,499	272,803	78,514
	Oct	484,748	-1%	325,474	-1%	196,107	15,400	248,041	273,242	77,433
	Nov	467,111	0%	315,133	-2%	197,311	13,981	241,792	255,819	73,341
	Dec	513,323	0%	364,258	-2%	213,804	15,229	284,328	284,290	79,931
2010	Jan	437,762	-1%	296,174	-2%	180,749	13,876	227,522	243,137	68,653
	Feb	430,288	0%	296,812	-2%	176,087	13,050	229,264	241,152	67,549
	Mar	498,244	0%	376,959	-1%	209,685	16,004	295,296	272,555	81,663
	Apr	477,940	0%	339,138	0%	182,102	12,809	257,978	283,029	81,160
	May	438,193	0%	318,735	0%	177,409	11,635	245,877	249,149	72,859
	Jun	478,969	0%	368,606	1%	186,676	13,004	288,838	279,289	79,768



Notes

1 Per cent growth figures relate to 12 month periods.

2 Data are not available for standing order values; these are included within Bacs Direct Credit values.

E Cleared cheques and paper credits

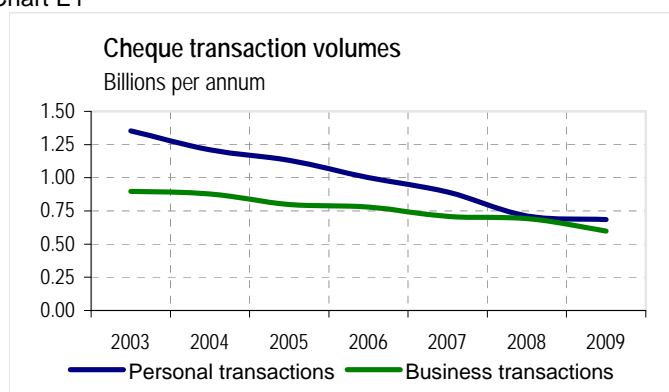


Cheque clearing volumes declined by 11.7% in Q2 2010, from 222 million in Q2 2009 to 196 million in Q2 2010. Corresponding values fell, by 9.8%, from £219 billion to £198 billion. Credit clearing volumes and values fell at a rate of 16.3% and 20.2%, to 15 million and £8 billion respectively.

Over the rolling 12 month period to end June 2010, cheque volumes fell by 11.9% to 827 million, with a reduction in values by 15.9%, to £820 billion.

	Total				of which				
	Volume		Value		Cheques 1		Credits		
	000s	% growth ²	£ mn	% growth ²	Volume 000s	Value £ mn	Volume 000s	Value £ mn	
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%	1,230,371	1%	1,237,401	1,171,062	108,309	59,309	
2007	1,221,160	-9%	1,214,030	-1%	1,124,869	1,156,684	96,290	57,347	
2008	Q1	279,723	-10%	283,471	-3%	257,530	268,830	22,193	14,642
	Q2	279,176	-10%	289,522	-4%	257,415	276,867	21,761	12,655
	Q3	266,085	-11%	277,696	-6%	244,368	265,096	21,717	12,600
	Q4	268,837	-10%	276,645	-7%	248,066	264,901	20,771	11,744
2009	Q1	243,004	-11%	238,706	-9%	223,522	225,630	19,482	13,077
	Q2	240,817	-12%	229,108	-13%	222,363	219,225	18,453	9,883
	Jul	83,871	-12%	82,857	-14%	77,420	79,073	6,451	3,784
	Aug	66,564	-12%	67,482	-14%	61,144	64,704	5,420	2,778
	Sep	80,850	-12%	76,001	-15%	74,564	72,818	6,287	3,183
	Oct	79,195	-13%	75,241	-19%	73,095	72,157	6,100	3,083
	Nov	76,241	-12%	70,707	-18%	70,554	67,928	5,687	2,779
	Dec	78,677	-13%	72,113	-19%	72,871	69,056	5,806	3,057
2010	Jan	68,383	-13%	65,173	-19%	63,006	61,483	5,377	3,689
	Feb	67,871	-12%	63,502	-19%	62,931	60,856	4,940	2,646
	Mar	81,149	-13%	77,087	-19%	75,038	74,073	6,111	3,014
	Apr	69,868	-12%	70,420	-17%	64,774	67,656	5,094	2,765
	May	66,708	-12%	64,068	-17%	61,799	61,637	4,909	2,430
	Jun	75,156	-12%	71,138	-16%	69,708	68,443	5,448	2,695

Chart E1



The data for Chart E1 are available only on an annual basis

1 Excludes euro debits

2 Per cent growth figures relate to 12 month periods.

F Same-day payments



The volume of CHAPS same-day sterling payments was 7.9 million in Q2 2010, slightly higher than during Q2 2009. On an annual basis volumes are declining by 2.6%. The total value of these payments amounted to £15,865 billion compared with £16,039 billion during Q2 2009. Total values are declining at an annual rate of 12%.

Faster Payments volumes continued to grow with 107 million occurring during Q2 2010 amount to £42.1 billion. During the second quarter of 2010 Faster Payments handled 51 million standing order payments (57% of the total) and 57 million online and telephone banking payments (82% of the total).

	Payment volumes				Payment values							
	CHAPS		Faster Payments		CHAPS		Faster Payments					
	000s	% growth ¹	000s	% growth ¹	£ mn	% growth ¹	£ mn	% growth ¹				
				Standing orders ²	Online and telephone banking payments							
				000s	000s							
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	5%				25,728,574	19%					
	Q2 9,158	3% ³	4,498 ⁴	440	4,058	20,170,794	17% ³	2,475 ⁴	11	2,464		
	Q3 8,655	0%	26,585	9,268	17,317	17,844,493	10%	12,261	569	11,692		
	Q4 8,477	-3%	51,705	28,048	23,658	19,273,249	6%	18,135	2,802	15,333		
2009	Q1 7,735	-5%	60,105	16%	33,691	26,413	17,489,516	2%	20,625	14%	4,760	15,865
	Q2 7,878	-8%	69,341	15%	37,681	31,660	16,039,382	-4%	25,188	22%	6,694	18,493
	Jul 2,868	-8%	25,797	16%	13,835	11,962	5,513,757	-5%	9,447	19%	2,345	7,102
	Aug 2,434	-8%	23,593	12%	12,849	10,745	4,670,092	-4%	8,563	12%	2,178	6,385
	Sep 2,809	-9%	27,721	11%	14,854	12,866	5,434,412	-6%	10,208	12%	2,635	7,573
	Oct 2,846	-9%	28,178	8%	14,676	13,502	5,236,282	-10%	10,217	9%	2,468	7,749
	Nov 2,581	-8%	29,614	14%	14,879	14,735	4,854,385	-11%	10,636	14%	2,649	7,987
	Dec 2,776	-8%	30,438	14%	15,073	15,365	5,379,129	-12%	11,339	14%	2,934	8,406
2010	Jan 2,363	-7%	29,082	12%	14,752	14,329	4,796,655	-13%	10,521	12%	2,687	7,834
	Feb 2,370	-6%	28,728	3%	13,801	14,927	4,638,921	-14%	10,659	5%	2,529	8,129
	Mar 2,906	-6%	37,452	8%	17,689	19,762	5,432,640	-15%	14,481	11%	3,546	10,934
	Apr 2,658	-4%	34,009	12%	16,126	17,883	4,899,490	-14%	13,446	19%	3,048	10,399
	May 2,466	-3%	36,108	22%	17,044	19,064	5,054,021	-13%	14,042	29%	3,307	10,734
	Jun 2,812	-3%	37,274	13%	17,585	19,690	5,911,121	-12%	14,629	18%	3,546	11,083

Chart F1

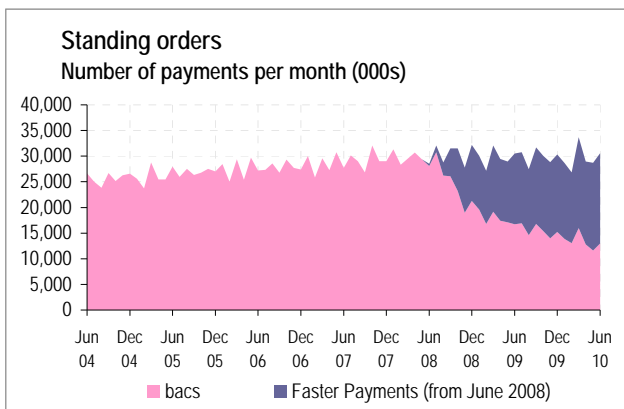
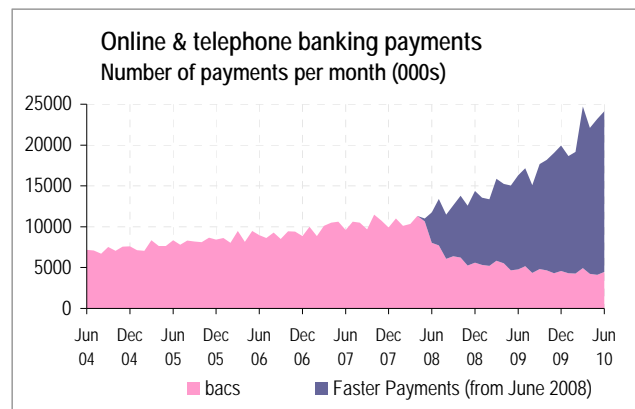


Chart F2



Notes

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

2 Standing orders includes a small volume and value of returned payments.

3 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 (contact press@ukpayments.org.uk). Percentage growth figures from Q1 2008 relate only to CHAPS Sterling.

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