

Statistical release - 3 December 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 Q3 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	Q3 2010	Annual rate of growth	Total value of	Q3 2010	Annual rate of growth
Debit card purchases	1.7 bn	9.1%	Debit card purchases	£73.1 bn	10.4%
Credit & charge card purchases	0.5 bn	1.4%	Credit & charge card purchases	£32.3 bn	2.9%
All plastic card purchases	2.2 bn	7.1%	All plastic card purchases	£105.3 bn	7.9%
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	Q3 2010	Annual rate of growth	Total value of	Q3 2010	Annual rate of growth
Cash machine withdrawals	719 mn	0.1%	Cash machine withdrawals	£48.4 bn	-0.5%
Inter-bank cheques cleared	189 mn	-11.5%	Inter-bank cheques cleared	£192 bn	-14.2%
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	-8.7%	¹ Cheque transactions	£1,255 bn	-12.2%
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	Q3 2010	Annual rate of growth	Total value of	Q3 2010	Annual rate of growth
Bacs payments	1.4 bn	0.8%	Bacs payments	£1,018 bn	3.5%
³ Faster Payments	109.6 mn	2.1%	³ Faster Payments	£43.1 bn	2.3%
CHAPS payments	8.3 mn	-0.5%	CHAPS payments	£15,675 bn	-9.6%
Number of	Annual figures (2009)	Annual rate of growth	Total value of	Annual figures (2009)	Annual rate of growth
Bacs payments	5.6 bn	-0.3%	Bacs payments	£3,861 bn	-2.2%
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%

³ The Faster Payments Service was launched on 27 May 2008. The per cent growth for Q3 2010 relates to a three month period.

A Spending in the UK on debit and credit cards

The annual rate of growth in plastic card spending remained strong in 2010 Q3 at just under 8%. Debit card spending growth was over 10% (see Chart A1) whilst spending on credit cards grew at 2.9%, lower than CPI annual inflation. Debit cards were used three times more frequently than credit cards in 2010 Q3, accounting for 77% of all plastic cards payments. The average daily number of plastic card purchases was 23.5 million, with 18 million payments made per day on debit cards.

In spite of CPI inflation growing at 3.1%, the average value of each plastic card transaction fell by more than £1 during 2010 Q3, from £49.73 in 2010 Q2 to £48.72. With total spending on plastic cards growing at 8%, this indicates a continued and increasing preference among shoppers and customers of services to use plastic cards. The reduction in average transaction values also points to a greater use of plastic cards for lower value transactions.

Plastic card purchases accounted for 67.5% of all purchases in the retail sectors during 2010 Q3 compared with 65.3% in 2009 Q3.

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	3,701,868	149,123	40.28	1,988,800	121,165	60.92	5,690,668	270,288	
2005	4,090,535	169,503	41.44	2,002,676	121,632	60.73	6,093,212	291,136	
2006	4,493,660	195,420	43.49	1,947,782	119,946	61.58	6,441,442	315,366	
2007	4,969,380	223,925	45.06	1,958,216	123,793	63.22	6,927,596	347,718	
2008	Q1	1,332,134	59,660	44.79	497,485	31,755	63.83	1,829,619	91,414
	Q2	1,354,244	60,950	45.01	493,292	31,807	64.48	1,847,537	92,757
	Q3	1,388,538	61,707	44.44	493,798	31,793	64.38	1,882,337	93,500
	Q4	1,392,099	62,878	45.17	487,562	30,847	63.27	1,879,660	93,725
2009	Q1	1,435,699	63,597	44.30	491,014	30,902	62.93	1,926,714	94,499
	Q2	1,474,570	64,319	43.62	500,635	31,264	62.45	1,975,205	95,582
	Q3	1,506,315	66,013	43.82	506,036	31,597	62.44	2,012,351	97,609
	Oct	488,324	21,910	44.87	165,205	10,359	62.70	653,528	32,269
	Nov	523,151	24,231	46.32	169,697	10,536	62.09	692,848	34,767
Dec	513,023	23,375	45.56	169,619	10,709	63.13	682,642	34,084	
2010	Jan	491,878	21,133	42.96	160,333	9,942	62.01	652,211	31,075
	Feb	518,335	23,024	44.42	165,114	10,672	64.63	683,449	33,696
	Mar	544,358	24,516	45.04	173,602	11,186	64.43	717,960	35,701
	Apr	531,132	23,783	44.78	167,565	10,776	64.31	698,697	34,559
	May	518,091	23,594	45.54	162,912	10,514	64.54	681,004	34,108
	Jun	552,176	24,854	45.01	173,657	11,194	64.46	725,833	36,048
	Jul	534,160	23,832	44.62	167,371	10,749	64.22	701,530	34,582
	Aug	567,448	24,979	44.02	171,816	10,883	63.34	739,265	35,862
	Sep	555,233	24,244	43.66	166,442	10,656	64.02	721,675	34,900

Chart A1

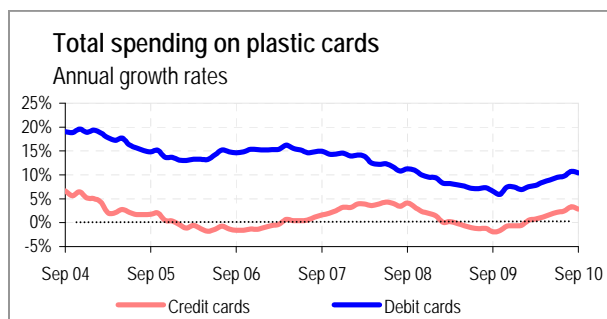


Chart A2

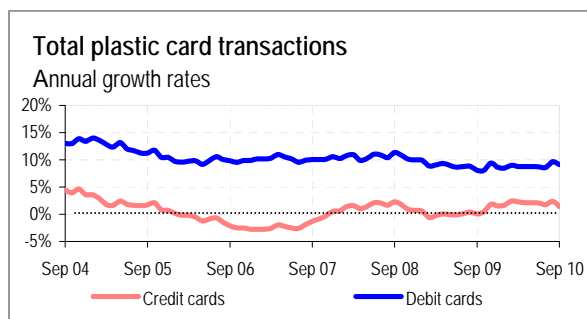
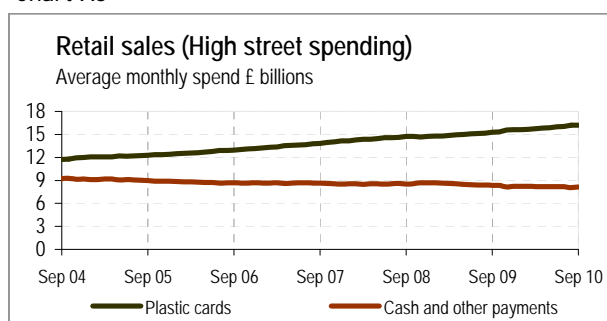


Chart A3



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 £33.0 billion in 2010 Q3. Repayments amounted to £32.4 billion, representing 98.2% of gross lending during the quarter. The annual average ratio of repayments to gross lending (see Chart B1) declined by 10 basis points to 98.4%.

Outstanding balances continued their decline, falling to £58.2 billion. Outstanding credit card lending accounted for 4.0% of total lending to individuals at the end of September 2010.

Seasonally adjusted		Gross lending		Repayments		Outstanding balances	Average credit card APR
		Source Bank of England		Source Bank of England		Source Bank of England	Source Bank of England
		£ mn	£ mn	%	£ mn	%	
2004		132,480	122,594	92.5%	64,822	15.4	
2005		131,429	125,302	95.3%	68,777	16.0	
2006		124,607	121,962	97.9%	67,763	16.3	
2007	Q1	30,681	30,190	98.4%	67,026	15.8	
	Q2	30,822	30,578	99.2%	66,309	15.5	
	Q3	31,021	30,126	97.1%	66,321	15.1	
	Q4	32,635	31,667	97.0%	66,438	15.2	
2008	Q1	33,305	32,166	96.6%	66,532	14.8	
	Q2	33,035	31,858	96.4%	66,769	15.5	
	Q3	32,740	31,294	95.6%	66,040	15.6	
	Q4	31,999	31,527	98.5%	65,866	15.6	
2009	Q1	30,418	29,604	97.3%	65,651	15.8	
	Q2	30,544	29,854	97.7%	65,093	15.8	
	Q3	30,269	29,843	98.6%	63,945	15.9	
	Oct	9,563	9,389	98.2%	63,805	15.9	
	Nov	10,150	9,821	96.8%	63,719	15.9	
	Dec	10,287	10,317	100.3%	63,580	16.3	
2010	Jan	9,628	9,749	101.3%	61,486	16.4	
	Feb	10,626	10,261	96.6%	61,422	16.5	
	Mar	11,258	10,911	96.9%	60,306	16.5	
	Apr	10,783	10,486	97.2%	60,033	16.5	
	May	10,534	10,581	100.4%	58,926	16.5	
	Jun	11,090	10,998	99.2%	58,472	16.7	
	Jul	10,662	10,434	97.9%	58,425	16.7	
	Aug	11,432	11,135	97.4%	58,281	16.7	
	Sep	10,910	10,847	99.4%	58,206	16.7	

Chart B1

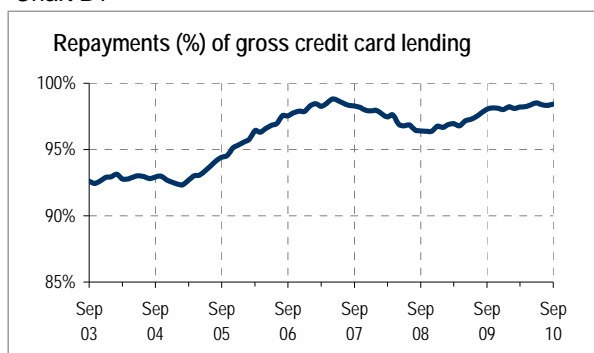


Chart B1 shows the rolling 12-month average of repayments

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



Following the contraction in the number of ATMs in late 2009, numbers have been recovering slowly during 2010, although the total number deployed at end-September 2010 was 106 fewer than 12 months earlier. The steady replacement of pay-to-use ATMs with ones that are free-to-use continued in Q3 2010 with the number of free-to-use ATMs increasing by 590, and 372 pay-to-use ATMs being withdrawn. Two-thirds of all cash machines were free-to-use by the end of September.

Both the volumes and values of withdrawals during Q3 2010 are lower than for the same period in 2009, although the differences are small.

		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	3.0%
	Q2	63,076 [^]	734	0.9%	46,845	-0.3%	64	3.2%
	Q3	63,294	719	0.1%	48,357	-0.5%	67	3.2%

[^] revised figure

Chart C1

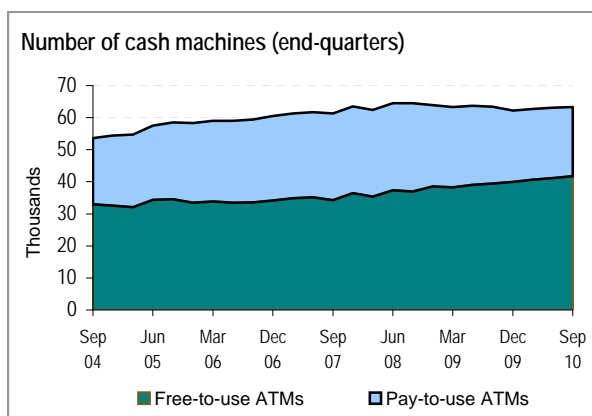
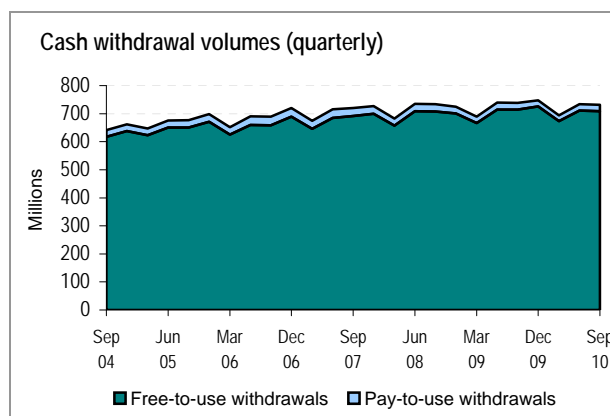


Chart C2



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).

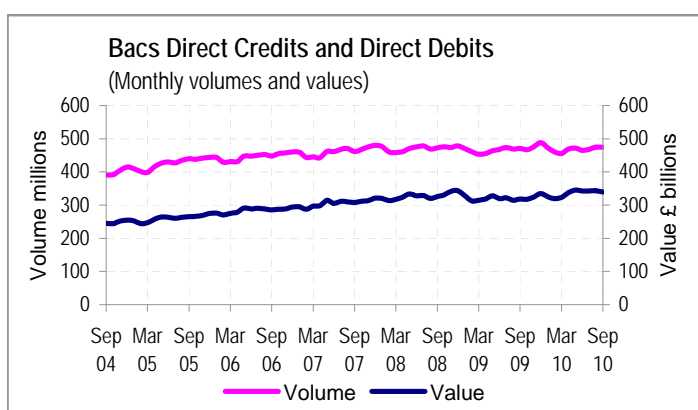
D Bacs Direct Credits and Direct Debits



The volume of Bacs payments in Q3 2010 (1.4 billion) was very slightly higher (by 0.9%) than in Q3 2009. The total value of payments rose by 6.6%, increasing from £955 billion in Q3 2009 to £1,018 billion in Q3 2010. On an annual basis there has been little change in volumes, with a slight increase of 0.8%; over the same period values were growing more strongly, by 3.5%.

The volume of Direct Debits continued to increase with 822 million processed in Q3 2010 compared with 797 million in Q3 2009. Direct Debit values were also higher when comparing the two quarters with the total value for Q3 2010 amounting to £244 billion compared with £226 billion a year earlier. The annual rates of growth in Direct Debits during the third quarter of 2010 were 2.4% by volume and 3.7% in total value.

	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
	Q3	1,412,078	-1%	954,514	0%	566,914	48,358	728,787	796,806	225,727
	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
	Jul	487,338	0%	338,758	2%	196,223	12,624	256,881	278,491	81,877
	Aug	456,300	1%	323,830	3%	180,885	11,826	246,016	263,589	77,813
	Sep	481,374	1%	355,262	3%	189,391	12,338	271,175	279,645	84,087



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.

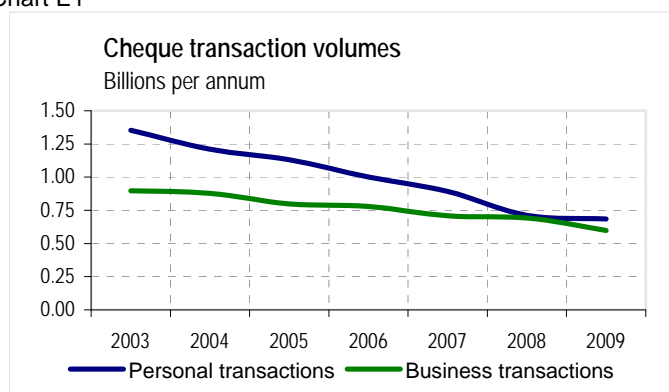
E Cleared cheques and paper credits

189 million cheques were cleared in Q3 2010, 24 million fewer than in the same quarter of 2009 when 213 million were cleared, a fall of 11.3%. Values also fell by a similar percentage, by 11.4%, from £217 billion to £192 billion. The similarity in these rates of reduction indicates that the average value of a cleared cheque has changed very little over the period (It was £1,016) and this in turn indicates that the reduction in cheque usage during the past year has been evenly spread across all cheque values. Also comparing Q3 2010 with Q3 2009, credit clearing volumes and values fell at a rate of 15.8% and 16.6%, to 15.3 million and £8.1 billion respectively.

Over the rolling 12 month period to end-September 2010, cheque volumes fell by 11.5% to 803 million, with a reduction in values of 14.2%, to £795 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
	Q3	231,286	-12%	226,340	-15%	213,128	216,595	18,158	9,745
	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
	Jul	71,206	-12%	70,229	-16%	65,944	67,088	5,261	3,141
	Aug	62,288	-12%	63,102	-15%	57,426	60,658	4,862	2,443
	Sep	70,888	-12%	66,633	-15%	65,718	64,087	5,171	2,546

Chart E1



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

F Same-day payments



There were 8.3 million CHAPS same-day sterling payments made in Q3 2010, the highest number since Q4 2008. The annual rate of decline, which has been observed since Q4 2008 and which accelerated to -9.5% in October 2009, recovered to less than 0.5% in Q3 2010. The total value of these payments amounted to £15,676 billion compared with £15,618 billion during Q3 2009. Total values continue to decline at a faster rate than payment volumes, indicating that average transaction values are falling. The average CHAPS payment during Q3 2010 amounted to £1.9 million compared with £3.0 million in Q3 2007.

Although Faster Payments volumes continued to grow, with 110 million payments during Q3 2010 amounting to £43.1 billion, the pace of growth slackened, falling to 2% for both payment volumes and values. During the third quarter of 2010 Faster Payments handled 52 million standing order payments (59% of the total) and 58 million online and telephone banking payments (81% of the total).

Payment volumes						Payment values									
		CHAPS		Faster Payments		of which				CHAPS		Faster Payments		of which	
		000s	% growth ¹	000s	% growth ¹	Standing orders ²	Online and telephone banking payments			£ mn	% growth ¹	£ mn	% growth ¹	Standing orders ²	Online and telephone banking payments
						000s	000s							£ mn	£ mn
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
	Q3	8,110	-9%	77,111	11%	41,538	35,573			15,618,261	-6%	28,219	12%	7,158	21,060
	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
	Jul	2,846	-2%	35,897	9%	16,865	19,032			5,652,204	-12%	14,147	11%	3,264	10,882
	Aug	2,622	-1%	36,345	2%	17,256	19,089			4,862,411	-10%	14,129	2%	3,349	10,779
	Sep	2,801	0%	37,387	2%	17,826	19,560			5,161,372	-10%	14,794	2%	3,580	11,214

Chart F1

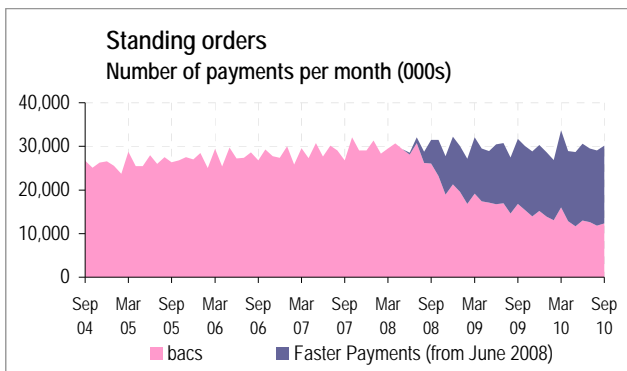
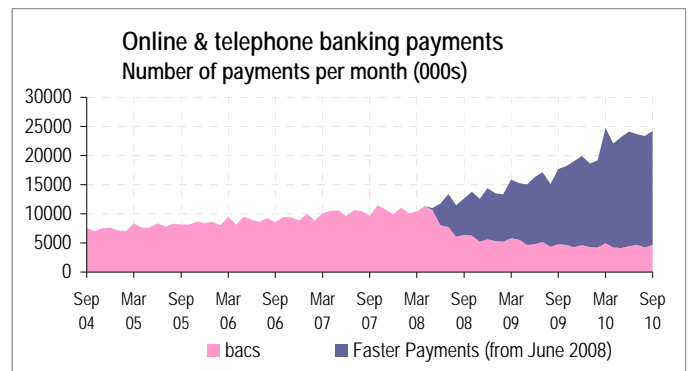


Chart F2



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.