

Cheque Clearing Process-Important communication

The introduction of a faster, industry-wide, image-based cheque clearing system

The Cheque and Credit Clearing Company (C&CCC) - the organisation that manages the cheque clearing system - has announced early this year details of the launch of an industry-wide image-based cheque clearing system that will speed up cheque processing significantly for customers across the UK. Currently it takes six weekdays before you can be absolutely certain that your cheque won't bounce (bank holidays excluded).

The new system will go live with some banks and building societies from **30 October 2017**. Then, at some stage in the second half of 2018, all of the UK's banks and building societies will clear all cheques via the image-based system to the faster timescale. *The precise date as to when this will happen will be announced by the industry in due course. **In the interim, existing processes for clearing cheques will also be used.***

For customers, the new system will mean that if they pay in a cheque on a weekday they will be able to withdraw the funds by 23.59 on the next weekday (excluding bank holidays) at the latest. Introduction of the new process will also mean that when a cheque is paid in, not only will the recipient receive the money in their account more quickly; the money will leave the account of the person or business that wrote the cheque to the faster timescale too. Customers will still write cheques as they do today, and give or post them to recipients in exactly the same way as they always have. Cheque recipients will still be able to pay in cheques in the normal variety of ways, such as at a bank or building society, by post etc.

We'll be bringing in the changes in two stages:

Stage 1

- ❖ From 30 October 2017, we'll accept images of cheques sent to us by other banks. Cheques you write, which are paid into a bank or building society using cheque imaging, will be taken from your account by 23:59 on the next working day (if deposited between Monday and Friday). As this is much faster than the current timescale, you must make sure you do not write cheques unless you have sufficient balance in your account.

Between 30 October and spring 2018, you might find some cheques clear faster using the new clearing process. We expect the majority of cheques will continue to clear using the existing paper-based process until at least spring 2018.

Stage 2

- ❖ From second half of 2018 (might be earlier as well, exact date will be communicated to you before implementation), we'll start putting cheque imaging scanner in our branch to create digital images of any cheques you pay into your account. You'll be able to withdraw money from those cheques by 23:59 on the next working day (if the cheque is deposited between Monday and Friday).

We'll send updates over the coming months. You can find out more at www.chequeandcredit.co.uk or by contacting us on info@unionbankofindiauk.co.uk.