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## Faster Payments Bulletin no. 5 – May 2008

The UK Banking industry is very close to the launch of Faster Payments - the revised cutover month is finally here. Indeed some banks have already started using their newly developed FP technologies/processes for internal payments (e.g. standing orders between accounts within the bank) which has caused some significant excitement among their corporate customers.

### May Day, May Day..

In line with the revised FP deadline target, APACS have announced that the banking industry is now on target for the May 27<sup>th</sup> delivery date. Co-ordinating communications in a programme with over ten major stakeholders – the scheme banks – is not easy. For example, until recently the exact scheme start date was not sanctioned for release but leaked out. However, more details on the scope of delivery are becoming clearer. For example, APACs are expecting 50% of the peak daily volume to be processed through FP channels 'by the end of the summer'. At face value this will mean that of the 450m transactions each month currently handled by BACS, some 225m should be handled by Faster Payments come September. With these targets, Paul Smee, the CEO of APACS, was keen to see a phased roll out, as opposed to a "big bang" switchover.

This phased rollout may happen naturally, given the low level of end client awareness of Faster Payments. Recently, ACI published a study of some 3000 members of the public, the main result of which was that some 70% of the general public have not heard of Faster Payments. However, given the large costs of introducing Faster Payments (it is estimated to have cost some £300m in IT costs alone) some banks are taking a more proactive approach to communications to make current and prospective customers aware of the benefits of FP in the coming months.

With communications obviously such a key feature of the closing stages of this industry project our team at Fastpayments.co.uk is working to keep abreast of what banks are saying about their newly formed services. To date most banks are continuing to keep quiet in terms of pricing and specific proposition plans but others are making feature comparisons to CHAPS etc in their early documentation. In terms of who is being targeted by communications in the final stage of project delivery [we have seen](#) a lot of literature coming to light targeting corporates and this is a trend that is set to continue. If APACS forecasts are to be fulfilled on the uptake of FP- it will be corporate payrolls and similar uses that will drive that significant proportion of FP transaction volume.

Unsurprisingly, where banks have published customer material, they are seeing FP as an opportunity to augment their product line offering and deliver a higher quality of customer service (to individuals and corporate clients) rather than show a distinct or unique addition to their spectrum of products. That makes sense given all their competitors are also moving, in a less well publicised way, into the space at the same time. We will have to see what level of end user propositioning (and therefore pricing) is rolled out over the coming weeks.

### So does my sort code get the green light?

Finally, if you want to know whether your account is expected to be able to receive Faster Payments at the end of May, type your account's sort code into this link to get a forecast from APACS- you can find the link for that on [our site](#).

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