



# FASTER PAYMENTS SURVEY

Carried out by

**fastpayments.co.uk**



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## APPROACH

Over recent months [www.fastpayments.co.uk](http://www.fastpayments.co.uk) sent out a survey questionnaire to over 90 banks and building societies in the UK, all of whom should be affected by the UK Faster Payments (UKFP) scheme. Responses were received from a wide variety of organisations including.

- Large high street clearing banks
- Small building societies
- UK subsidiaries of overseas banks.

Where more than one response was received from a single organisation, these were combined into a single summary response.

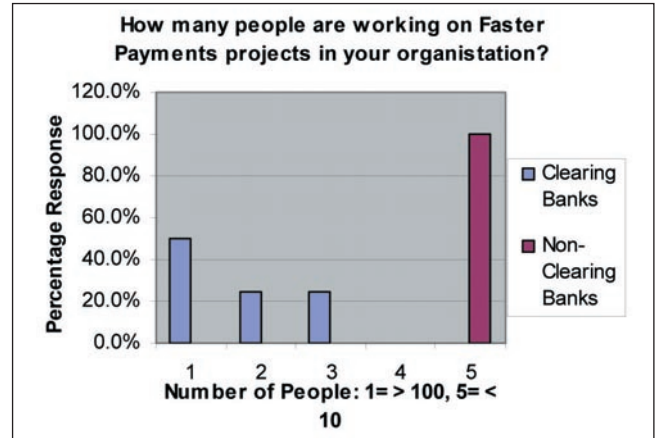
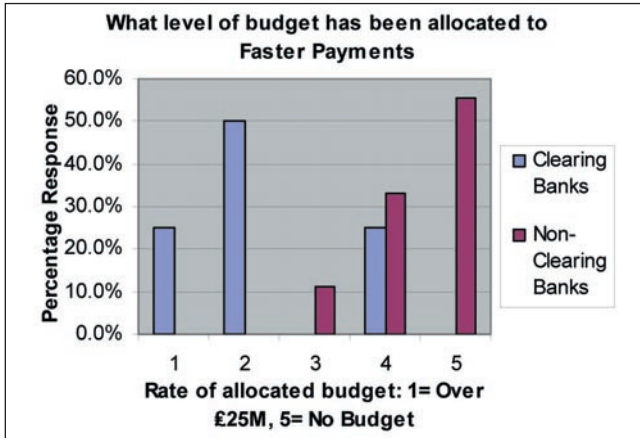
The questionnaire was broken down into seven sections.

Overview	overall view of the state of the UKFP project
Concerns	questions about the risks associated with the project
Impact	what were likely to be the ones most impacted by UKFP in the organisation?
Development	what parts of the UKFP project in the organisations were most well developed?
Detail	some control questions to calibrate the previous responses
Assistance	what types of assistance might the banks want from consultancy firms or software companies with their UKFP project?

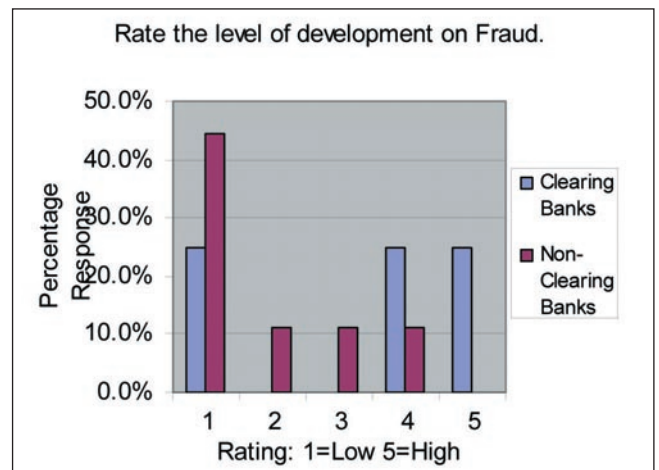
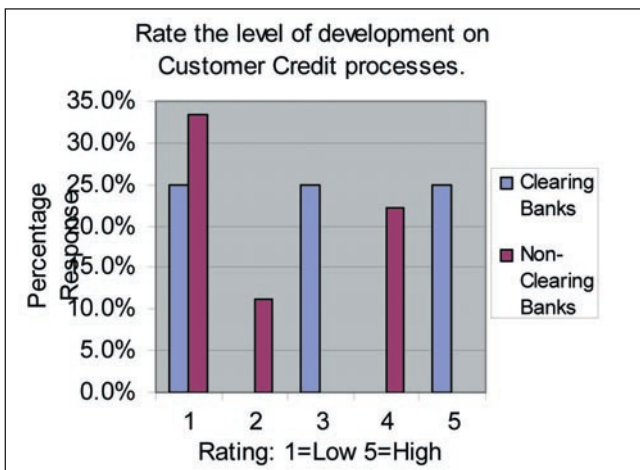
This yielded a variety of views and concerns which we have been able to distil down into a number of distinct trends.

## FINDINGS

The starkest contrast in the findings was the clear distinction between the "members" of the scheme, essentially clearing banks, and the rest. This is clearly shown in the graphs below, and reinforced in practically every question of the survey.



The non-member banks report that they have insufficient information to enable them to plan. These banks typically rely on payment services from the clearing banks and are expecting information from them on options and planning. Within the clearing banks there were some interesting results. Their biggest concern appeared to be about being ready on time with 100% of respondents having a high level of concern about this. Conversely their area of least concern was that UKFP would be a competitive threat to their business. Again within the clearing banks, the levels of development within them across the different areas impacted by UKFP varied widely as the following graphs illustrate.



The only area where the clearing banks were unanimous was that they were all slow in developing their customer proposition and pricing. This is probably the key reason why little information has been passed to the smaller banks. Until the clearing banks decide the commercial and technical propositions that they will offer to the non-clearing banks they will not have any meaningful conversation with these other banks. However, as noted earlier, this is causing significant concern to the non-clearing banks.

When it came to assistance that the consultancy/software worlds could offer, the main area that was picked out by the clearing banks was testing; they felt they could handle the other areas without additional external assistance. Unsurprisingly, given the previous findings, the non-clearing banks want basic information but also expressed a strong need for template UKFP project plans and testing plans and methodologies.

## CONCLUSION

The fact that the results show a high level of concern about timescales for UKFP implementation is not particularly surprising, and indeed is not at all unique across major change programmes in financial services. What is more surprising is the apparent lack of agreement across the respondents as to which functional areas require attention – this may indicate that institutions are not looking in sufficient detail at the wider business impacts of this change in areas outside pure payments processing, such as fraud, credit and AML processes. Clearing banks also are clear that they need to accelerate efforts to define their customer proposition and pricing.

Finally, the survey shows a distinct differentiation between the level of knowledge and preparation of the clearing and non-clearing banks. This reinforces the need for clearing banks to share information on UKFP with their agency networks – however this is difficult at a time when they are hard pressed implementing the scheme within their own banks. Hence the increased need for industry wide sources of information such as [www.fastpayments.co.uk](http://www.fastpayments.co.uk), not only to provide information about the business aspects of the scheme, but also on the project process aspects such as project structure, roles and testing.

**For further information please contact;**

## MPI Europe

Working with you to deliver business benefit

John Cant, Managing Director, MPI Europe Limited,  
Citypoint, 1 Ropemaker Street, London, EC2Y 9HT  
Phone: +44 (0)20 71531052 email: [john.cant@mpi-europe.com](mailto:john.cant@mpi-europe.com)  
web: [www.mpi-europe.com](http://www.mpi-europe.com)

What is UK Faster Payments? In December 2005 the Office of Fair Trading (OFT) and the UK banking industry through APACS agreed to create a new payments capability for the UK by the end of 2007. For internet banking transfers and telephone transfers between banks the movement will be near real time, with standing orders being processed on a same day basis. Currently, it takes 3 working days from the initiation of the payment to the recipient getting the funds for these interbank transfers.

[www.fastpayments.co.uk](http://www.fastpayments.co.uk) is a free web-based industry information source, conceived and run by three financial sector management consultancy companies, MPI Europe, RT IT Consulting and Real Consulting Services. The information provided on the site is generated from either specific UKFP or other "hands on" financial sector implementation experience for the benefit of the banking industry. For more information on the survey results or analysis, more detailed business or process aspects or on Faster Payments in general, please contact us through the website.