

Cheques: Smartphone Scans Could Ensure Future

People will be able to use their smartphones to make a payment by cheque under new Government proposals.

There were plans to kill off cheques from 2018, but because of a public outcry the plans were scrapped and the Government now describes cheques as a "crucial" part of the British payments landscape.

However, it believes that by bringing them into the modern age, it could cut the length of time it takes to process a cheque payment from up to six days to two at the most.

Barclays plans to pilot technology early in the new year to allow people to scan cheques using a smartphone or tablet.

The Government wants to introduce legislation to speed up cheque payments and will consider making the process faster by allowing banks to use images rather than paper as they do now. The technology is already widely used in the US.

"Cheque imaging" does not require a hard copy of the cheque to be present at every stage of the paying-in process. That means that time which would have been spent transferring it between different banks and central clearing depots is cut as well as the overall cost.

Under the proposals, people without smartphones would be able to use similar technology at cashpoints or branches or, if they prefer, to continue paying in paper cheques as they do now.

Despite the increasing popularity of new technologies such as online banking and mobile payments, nearly £840bn of cheques were processed last year - accounting for 10% of all payments made by individuals.

The plans were welcomed by consumer campaigners and businesses.

Skynews, Thursday 26 December 2013.