

BUSINESS BANKING

# Cheque clearing times are changing

Business Accounts



**BANK OF  
SCOTLAND**

# Contents

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Changes to cheque clearing	3
How long it takes for cheques to clear	4
Issuing and paying in cheques	6
Depositing Sterling and Travellers cheques	7
When changes will come into effect	8
Other effects of the cheque clearing changes	10
Changes to cheque services	11

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# Changes to cheque clearing

New legislation to improve cheque clearing times will be introduced to the UK banking industry from **30 October 2017**. Currently paper cheques are physically exchanged between banks.

From 30 October 2017, we will gradually begin to capture and exchange digital images of cheques with other banks.

The time it takes to clear a cheque after it has been paid in is known as the cheque clearing cycle. Cheques using the digital capture method will clear quicker – on the next business day instead of taking six business days, so the funds will be in your account sooner. You will still be able to pay in your cheques as you do today.

Over the next year we will introduce quicker and more convenient ways of depositing cheques. By the end of 2018, the current six business day clearing process will be withdrawn altogether and all cheques will be cleared on the next business day.

A quicker clearing time also means money could leave your account earlier if you have written a cheque. **You should always ensure you have sufficient funds in your account prior to issuing a cheque.**

# How long it takes for cheques to clear

This is how the current cheque cycle works for a Sterling cheque paid into a Sterling account on a Tuesday morning

## Day 6

Certainty of cheque known (i.e. funds belong to you) at the end of this Business Day. Until this time the cheque may be returned unpaid and the funds may be debited to your account.

## Day 0

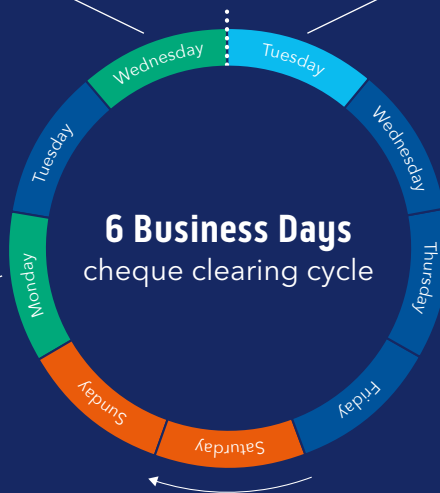
Cheque lodged.

## Day 4

Funds are available for withdrawal from the start of this **Business Day**.

## Day 2

Interest calculated from the end of this **Business Day**.



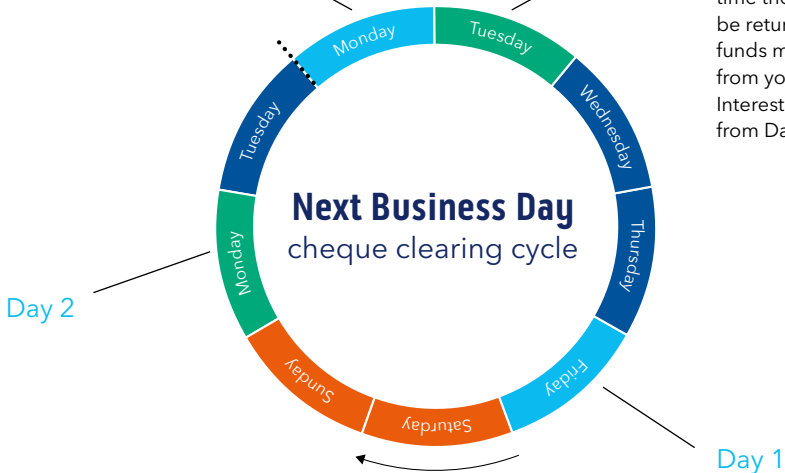
## This is how the new cheque cycle works for a Sterling cheque paid into a Sterling account

### Day 1

Example:  
Cheque lodged  
(Before 22:00).

### Day 2

Example:  
By 23:59 - Funds  
available for  
withdrawal\*. Until this  
time the cheques may  
be returned unpaid and  
funds may be debited  
from your accounts.  
Interest is calculated  
from Day 1.



For a period of time, both clearing cycles will be used, meaning your cheque may be cleared in either six business days or on the next business day. This will be dependent on the bank the cheque is deposited at, and the method of deposit.

\*Subject to post payment fraud measures.

# Issuing and paying in cheques



## Cheques you've issued may clear quicker

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From 30 October 2017, UK banks will begin to introduce the new clearing system. They will run both the existing and new clearing systems until the end of 2018.

This means the speed which a cheque you've issued clears will depend on how it is paid in, and which bank it's paid into. The cheque could clear within the next business day or six business days later.

You can continue to write and issue cheques as you currently do. Always ensure you have the funds in your account before you issue a cheque.



## Alternatives to paying by cheque

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With these changes, paying by cheque may no longer be the best payment method for your business. There are other payment methods that could be more appropriate for your banking needs. If you would like to discuss these options, please speak to your usual business contact.



## New methods for paying in cheques

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You will still be able to deposit cheques with us in exactly the same way as you do today. Next year, we will introduce new methods for paying in cheques which will offer next business day clearing times, including:








Using our business mobile app: Take a photo of a single cheque and upload the digital image using our business mobile phone app. This will be available for clients who use 'Online for Business' or 'Business Internet Banking'.

Using 'Cheque Deposit': You can use your own compatible cheque scanner (subject to technical specification) to deposit multiple cheques, with our new Cheque Deposit product.

We will update you nearer the time when these services will be introduced.

# Depositing Sterling and Travellers cheques

Over the next year, Sterling and Travellers cheques can be deposited using these methods:

Deposit method	Sterling cheques	Sterling Travellers cheques
Our business mobile phone app		
Cheque Deposit		
Bulk Cheque Service		
Immediate Deposit Machine (IDM)		
At a counter in a branch		

For additional information about different types of cheques and the methods of paying them in, visit [bankofscotland.co.uk/chequeimages](https://bankofscotland.co.uk/chequeimages)

# When changes will come into effect

October  
2017

January  
2018

April  
2018



**From  
30 October 2017:**

- New cheque clearing times introduced
- Cheques will clear on the next business day or within six business days



**From  
April 2018:**

- Services will clear cheques by the next business day:
- Our mobile banking app
- Cheque Deposit, using your own compatible scanner
- Bulk Cheque service



June  
2018

December  
2018

January  
2019



### From Summer 2018:

- Our branches and Immediate Deposit Machines (IDMs) will clear cheques on the next business day



### By the end of 2018:

- All cheques will be cleared by the next business day

# Other effects of the cheque clearing changes

These come into effect from 30 October 2017:



## Paper cheque retention

If you pay in a cheque using our enhanced mobile phone app or through Cheque Deposit, you should retain the cheque for 10 days and then dispose of it as confidential waste.



## Transaction descriptions on statements

Some of the transaction descriptions on your statements will change.

If you use an auto-reconciliation tool or would like more information on these changes, visit: [bankofscotland.co.uk/chequeimages](http://bankofscotland.co.uk/chequeimages)



## If you need to stop a cheque

You will still be able to stop a cheque. The new faster cheque clearing times mean you have less time if you want to stop a cheque.

For further information and updates about withdrawn services, visit [bankofscotland.co.uk/chequeimages](http://bankofscotland.co.uk/chequeimages)

# Changes to cheque services

Under the new digital clearing system, we will no longer provide original paper cheques or paper vouchers back to clients with their statements. This includes those clients using Head Office Collection Accounts (HOCA). This is because the cheque or voucher may have been deposited digitally, meaning the paper cheque did not enter the clearing system.

We will continue to return paper cheques we receive, until paper clearing ends. We can provide images of cheques if required on a case by case basis. For details about how to request these images, visit [bankofscotland.co.uk/chequeimages](http://bankofscotland.co.uk/chequeimages). Some clients receive specific notifications when a cheque they've deposited is returned unpaid. The table below shows which un-paid notifications will be withdrawn:

Type	Information
Early advice by fax or phone	Refer to online banking to see when a cheque has been returned un-paid to your account.
Images with fax advices	We'll write to you with an image of the item.
Additional Information notification	We'll contact individual customers about these arrangements over the next few months.

The Cheque and Credit Clearing Company (C&CCC) are an independent company who are leading this change on behalf of HM Treasury. You can visit their website at: [www.chequeandcredit.co.uk](http://www.chequeandcredit.co.uk)

Additionally, C&CCC have uploaded a number of short video tutorials about the improvements to cheque clearing. These can be viewed at: [www.youtube.com/user/chequeandcredit](http://www.youtube.com/user/chequeandcredit)

As well as cheque clearing, there are other changes due within the UK banking industry over the next 18 months. We will let you know about these changes before they happen. You may want to review your banking arrangements as a result of these changes to make sure they are still right for you. If you'd like to do this please contact your Relationship Management team, they will be happy to help.

## Get in touch



Go to  
[bankofscotland.co.uk/  
chequeimages](https://bankofscotland.co.uk/chequeimages)



DigitalChequeImagingCB@  
[bankofscotland.co.uk](mailto:bankofscotland.co.uk)



Contact your Relationship  
Management team in the  
usual way.

### Our service promise

If you experience a problem, we will always try to resolve it as quickly as possible. Please bring it to the attention of any member of staff. Our complaints procedures are published at [bankofscotland.co.uk/business/contactus](https://bankofscotland.co.uk/business/contactus)

Please contact us if you'd like this information in an alternative format such as Braille, large print or audio.

If you have a hearing or speech impairment you can use the Next Generation Text (NGT) Service (previously Text Relay/Typetalk).

Calls may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of service.

### Important information

Bank of Scotland plc Registered Office: The Mound, Edinburgh EH1 1YZ. Registered in Scotland no. SC327000. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under number 169628. Eligible deposits with us are protected by the Financial Services Compensation Scheme (FSCS). We are covered by the Financial Ombudsman Service (FOS). Please note that due to FSCS and FOS eligibility criteria not all business customers will be covered.

Information correct as of August 2017.



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