

How to use the Faster Payments Service



Faster Payments is the first new payments service to be introduced in the UK for more than 20 years. For the very first time phone, internet and standing order payments can move within a few hours - almost at the touch of a button.

From the end of May most banks are likely to start offering the new faster payments service for internet and phone payments. Standing orders will start to be processed using the new service in June.

The new service is being introduced gradually by individual banks. Until your bank or building society has introduced the service on your account, your internet and phone payments, and any standing order payments, will continue to be processed via the existing three-day Bacs service.

The service enables banks to process **internet** and **phone** payments 24 hours a day, seven days a week, normally within a couple of hours. In the past, these payments have taken around three days to clear.

Standing orders, which have also taken around three days to clear, can be processed in one day through the faster payments service, although these can only be made on bank working days.

Your bank will have different rules and guidelines for using the service but this guide explains how it works and when to use it.



Key points

Internet and phone payments

The new service is likely to benefit a number of everyday payments you make online or on the phone, and you might choose to use it instead of cash or cheques:

- Moving money between your different banking and savings accounts
- Paying for a service, like a plumber or window cleaner
- Making a one-off payment to an individual
- Paying a bill

The Faster Payments Service enables these payments to reach the recipient within hours, no matter what time of the day or week you need to make them. The limit on these payments is up to £10,000, although some banks may introduce the service using lower limits.

Standing orders

In June, most banks are expected to start using the Faster Payments Service to process standing orders, so that these too are quicker. Typical standing order payments include:

- Regular charity payments or subscriptions
- Regular payments for life assurance or endowment policies
- Regular savings

Instead of taking three days, the Faster Payments Service enables these payments to reach the recipient on the same day, provided it is a bank working day and that the payment is under £100,000.

Using the service

Your bank has confirmed it is offering the new service, and you want to make a Faster Payment using your online or phone banking service. How do you go about it?

Firstly, you need to check that the account you are sending the money to is able to receive a payment made using the service. You can either ask your bank or you can check the sort code at www.canipayfaster.co.uk.

Then you need to check whether your bank has any maximum limit on the value of payments made with the new service, to ensure the value of your payment is within it.

If you are paying a bill you should ensure your bill will be paid on time, just as you do now. Timescales are usually printed on the back of the bill – speak to the billing company if you aren't sure.

Finally, it's vital that you use the correct account number and sort code. Once a payment has been made using the service, it cannot be cancelled.

Remember, if it is not possible to use the new service, you can still make your payment online or over the phone using the existing three-day Bacs service.

Example:

Rosalind meets up with Mark for lunch, and he offers to pay for it all on his card.

Rosalind doesn't have any cash on her so she promises to pay Mark back when she gets home using online banking. Mark gives Rosalind his full sort code and account number.

That evening when Rosalind returns home, she logs on to her online bank account as usual, and double-checks that her payment of £15 is within the value limit set. She then visits www.canipayfaster.co.uk and checks that Mark's sort code is able to receive the payment.

Once all of this is confirmed, she carefully enters Mark's account details and makes the payment through her online bank account. Mark should have the money in his account within a couple of hours.



Top tips when making a Faster Payment

- 1 Make sure your bank or building society has rolled out the new service on your account.
- 2 Ensure the account you are sending money to can receive Faster Payments. You can either ask your bank to check or use www.canipayfaster.co.uk.
- 3 Check the value limit for Faster Payments set by your bank.
- 4 If you want to pay a bill you should check the back of your bill and check the timescales.
- 5 Always double check the account number and sort code, as once you have made a Faster Payment it can't be cancelled.

Remember, if it is not possible to use the new service, you can still make your payment online or over the phone using the existing three-day Bacs service.

For further information

Further information is available from www.apacs.org.uk or from your bank or building society.

The thirteen founding member banks offering the service are: Abbey, Alliance & Leicester, Barclays, Citi, Clydesdale and Yorkshire Banks (National Australia Group), Co-operative Bank, HBOS,

HSBC, Lloyds TSB, Nationwide Building Society, Northern Bank (Danske Bank), Northern Rock, Royal Bank of Scotland Group (including NatWest and Ulster Bank).

Vocalink, a separate service company, is to provide the infrastructure for the Faster Payments Service.