

UK Domestic Cheque Guarantee Card Scheme

Conditions of Use

The Rules of the UK Domestic Cheque Guarantee Card Scheme state that a card issuer guarantees in any single transaction the payment of only one cheque taken from only one of its own cheque books for up to £50, or for up to £100 or £250 if indicated in the hologram, provided the cheque is not drawn on the account of a Limited Company, and

- i) The cheque bears the same customer name and, where printed, bank sort code, as the card.
- ii) The cheque is dated with the actual date of issue.
- iii) It is signed, before the expiry of the card, in the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, Isle of Man, Gibraltar or on the premises of any United Kingdom Customs post located outside these territories in the presence of the payee by the account holder.
- iv) The card number is recorded on the reverse of the cheque by the payee (this requirement can only be varied by specific prior agreement of the Scheme's governing body).
- v) The card has not been altered or defaced.
- vi) Where the guarantee is used to support an encashment service, then the following rules will apply:
 - a) The number of guaranteed cheque encashments, when made with the support of a cheque card, is limited to one cheque per customer per day.
 - b) Special "frequency marking" pages are provided at the back of cheque books, and the appropriate day square is effectively cancelled by cashiers whenever cheque cards are used to support encashments.
 - c) The cheque is delivered to the bank of the encashment service provider for collection no later than 3 days after the date upon which the cheque is received by the encashment service provider (for these purposes weekend days and Bank Holidays shall not be included in the day count, nor the day upon which the cheque is received by the encashment service provider).

These Conditions of Use are not to be printed on the card but are to be readily accessible to any enquirer at the Issuers' branches.

If these conditions are not met the guarantee is void and cheques could be returned.



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Handling the transaction

- Look for the Shakespeare symbol and the guarantee value.
- Ensure the cheque does not carry a warning indicating that it cannot be used with a Cheque Guarantee Card.
- Check the person presenting the card matches the name on the card (e.g. female first name/male presenter) and the title on the card (e.g. Mr. yet presented by a female, or vice versa. Dr. yet presented by a youngster).
- Check the card is in date, i.e. past the 'valid from' date (where shown) and not past the 'expiry date'.
- Ensure the name shown on the card is also shown on the cheque.
- If the words 'code number' are shown on the card, ensure this number matches the 'sort code' shown on the cheque.



Recording the cheque card number

Having made all these checks, it is then essential the cheque card number is recorded on the reverse of the cheque by the payee, **NOT** by the customer. With all the cheque cards issued within the Scheme the number to record is as follows:

a) If the words 'Card Number' appear on the front of the card, that number is the one to record.

b) If the words 'Card Number' are not printed on the front of the card then the entire Primary Account Number (PAN), shown with large embossed characters across the centre of the card, should be recorded.

Business account cheques

Cheque guarantee cards are normally only used to support personal cheques. Do not accept a cheque guarantee card with:

- cheques drawn on private limited companies (LTD will appear on the cheque after the customer's name);
- cheques drawn on public limited companies (PLC will appear on the cheque after the customer's name).

Some business account cheques may be accepted with a cheque guarantee card but these will always be for sole traders, partnerships etc. In these cases, the name on the cheque guarantee card **MUST ALWAYS** appear on the cheque.

Example:

Name on card: Mr A B Smith

Name on cheque: A B Taxis: A B Smith trading as



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