

22 December 2011

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Mr Tony Baldry MP
House of Commons
London
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Dear Mr Baldry

I was very interested to read of your question to the Chancellor of the Exchequer this week in the debate on the Government's response to the Independent Commission on Banking.

You asked whether the new account switching service, which will improve competition among current account providers, could be implemented sooner than September 2013. The Payments Council is leading the banking industry on this project, and has agreed with the Government a timetable for bringing the new service into effect, based on the ICB's recommendations.

We believe that September 2013 represents an extremely tight timetable for introducing such an unprecedented service to all customers across the industry. The Payments Council is working with a very large number of partners in developing and implementing the new account switching service. In addition to our own members, which include the providers of most current accounts in the UK, organisations including The UK Cards Association, the British Bankers' Association and the Building Societies Association are also actively involved in the account switching programme.

We are also engaging with the Association of Foreign Banks, the networks of businesses who use payment schemes to collect payments, the regulators, and consumer, business and charity representative bodies. The payment schemes themselves are also an integral part of delivering the new switching service; they will be making significant changes to their infrastructure, whilst continuing to ensure payments are processed with their usual level of integrity and efficiency.

Ultimately, the industry's primary concern is that the new account switching system works well, so that it can provide the intended benefits for all current account holders, including



individuals, businesses and charities. The system will, for the first time, provide a guarantee that a customer's account will be switched in exactly seven working days, and that the customer will be protected from any financial loss as a result of errors both during and after this transition period. This is a hugely significant change, and it will require serious infrastructural changes for a whole range of organisations to implement.

If you would like to discuss this work in more detail, or have any other questions about the Payments Council's work, our new chief executive Adrian Kamellard would be happy to meet with you. Please contact me if this would be of interest to you.

I hope that the information in this letter is helpful, and many thanks for your interest in the work that we do.

*Yours faithfully
Sandra Quinn*

Sandra Quinn
Director, Corporate Communications