



the essentials

The Faster Payments Service (FPS) at a glance

What is the Faster Payments Service?

- ▶ Faster Payments is a new clearing infrastructure in the UK payment arena developed by HSBC Bank plc and 12 other member banks, along with VocaLink and the Bank of England.
- ▶ Consumer internet, telephone and self-service payments have begun migrating to FPS.
- ▶ The service went live on the 27th May 2008.
- ▶ Faster Payments operates 24 hours a day, 7 days a week and the majority of payments will be made in less than 2 hours.

Why are Faster Payments required?

- ▶ The Office of Fair Trading authorised the Banking Industry to create a same day payment service, the outcome of which is Faster Payments.
- ▶ With the system, customers can make one off payments over the telephone or via the internet between member banks in near real time.
- ▶ The service meets the growth in the consumer internet, telephone and self-service banking sector.
- ▶ It will ensure that the UK payment systems remain competitive in the European banking market after the introduction of SEPA.

Since implementation, what has the Faster Payments Service delivered?

- ▶ Sterling only payments.
- ▶ Single Immediate Payments up to an initial maximum of £10,000.
- ▶ Forward Dated Payments up to an initial maximum of £10,000.
- ▶ Standing Orders up to an initial maximum of £100,000 (on all business working days, excluding weekends and public holidays).

Which banks are FPS members?

- ▶ HSBC Bank plc
- ▶ Alliance and Leicester plc
- ▶ Barclays Bank plc
- ▶ Citibank plc
- ▶ Co-operative Bank plc
- ▶ Danske Bank plc (Northern Bank)
- ▶ Lloyds TSB Bank plc
- ▶ National Australia Bank (Clydesdale Bank and Yorkshire Bank)
- ▶ Nationwide Building Society
- ▶ Northern Rock plc
- ▶ HBOS
- ▶ The Royal Bank of Scotland Group
- ▶ Abbey National plc will be joining the service later in 2008.

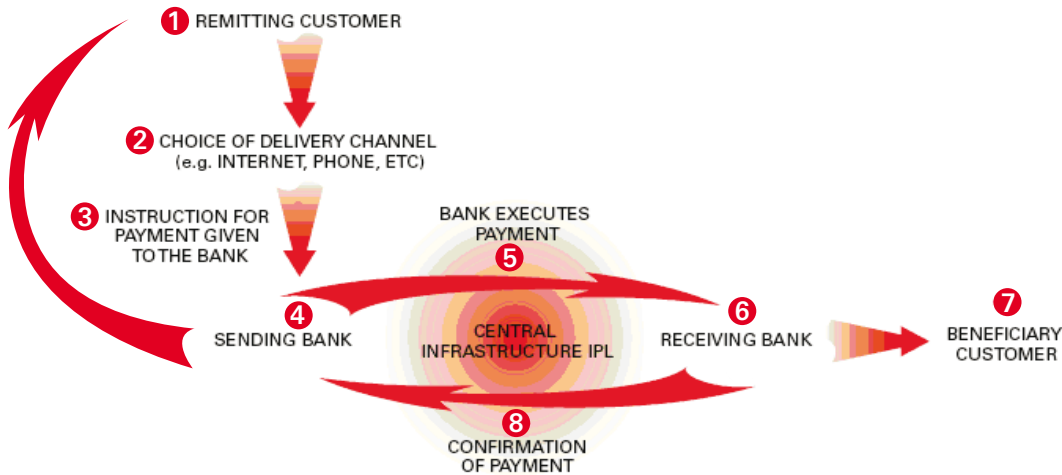
Security

- ▶ While there's been speculation that the introduction of the new service could put consumers at greater risk of fraudulent activity on their accounts (due to a perception that banks will have less time to detect suspicious transactions), our experience has shown that Faster payments is as secure as any other payment service.
- ▶ However, customers should always monitor their accounts closely, and alert their bank immediately of any unauthorised transactions.



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How does it work?



- ▶ The customer wishing to make the payment instructs their bank via internet, telephone etc.
- ▶ The sending bank sends the funds to the receiving bank.
- ▶ The receiving bank credits the beneficiary, and sends confirmation of the payment to the sending bank.
- ▶ The sending bank informs the remitting customer that payment has been made.

Next Steps

If you have any questions relating to Faster Payments or would like any further information

- ▶ Speak to your HSBC Relationship Manager
- ▶ Speak to your HSBC Payment Solutions Manager

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