

## Discontinuation of Cheques by Banks in South Africa

The Payments Association of South Africa (PASA) is aware of the recent announcements issued by PASA's member banks to stop offering cheques as a payment method to consumers by the 31<sup>st</sup> of December 2020. We anticipate that even more banks will be issuing similar public announcements.

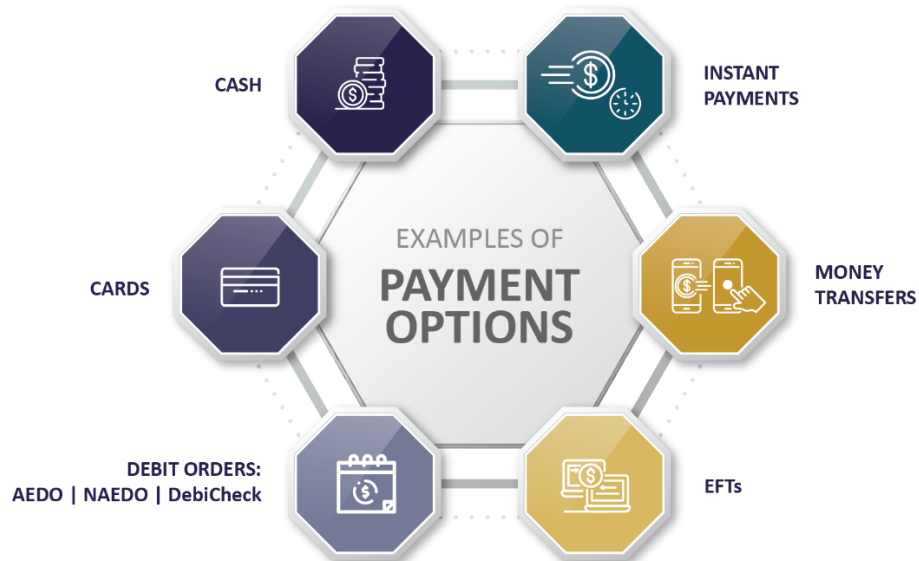
### Decline of cheque usage

The usage of cheques has rapidly declined over the last decade, with very few consumers, public and business entities presently making use of this payment method. This payment method is also significantly less effective than any of the digital payment methods (including electronic and card payments) available today. As technology evolves, consumers are migrating towards digital payments due to them being safer, more convenient, and more efficient than cheques. Following the Covid-19 pandemic, the physical contact required to issue, collect, and process cheques, makes it a less desirable method of payment for consumers and businesses alike. Since the start of the pandemic in South Africa, there has been a massive decline in cheque usage.

### Current impact

PASA will work with its member banks who have decided to stop offering cheques as a payment method, to exit this payment system in a safe manner so as to minimise the impact on all stakeholders in the cheque value chain. Member banks who have indicated their intent to stop offering cheques as a payment method have made provision for timeous and appropriate communication to reach their customers and all have plans in place to provide more information about the alternative payment options available to them.

The following are examples of payment options available to consumers today:



### The way forward

Consumers are encouraged to liaise with their banks regarding the impact of the discontinuation of cheques, and PASA will continue to monitor the process.

### Ends

Please direct all media queries to [media@pasa.org.za](mailto:media@pasa.org.za)

### About PASA

PASA is the payment system management body recognised by the South African Reserve Bank (SARB), in terms of the National Payment System Act of 1998, to organise, manage and regulate the participation of its members in the payment system. For more information, please visit [www.pasa.org.za](http://www.pasa.org.za)