ARE YOU READY FOR THE **CHEQUE IMAGE CLEARING SYSTEM?**

≳≳SOLCHAR
IMAGING SOLUTIONS FOR EVERYONE

CHEQUE CLEARING HAS CHANGED

On the 30th of October 2017 banks began the move to image-based cheque processing, this means much faster clearing and next-day payment of funds. In readiness for this change **Solchar** bring **Transaction Journal** to market, a cheque scanning and processing system to help you manage cheques more efficiently.

Introduction to the new Cheque Image Clearing System (ICS)

Amidst a plan to kill the cheque, the UK government's Treasury Select Committee intervened in 2011 to ensure that cheques remain a key part of the payments industry landscape whilst ever customers want them. Ever since this landmark decision the banking industry has sought to deploy technology to speed up and simplify the UK's cheque clearing system.

The result of this work saw the launch of the Image Clearing System (ICS) on 30th October 2017. In this new system customers can write cheques and deposit them in the usual manner if they wish but the ICS enables a more rapid payment of funds and alternative ways of paying in a cheque. The old six working day payment cycle will move to the next working day payment meaning users can access their funds far more quickly.

The ICS allows a scanned image of the cheque to act as in place of the cheque and using the new technology the image will be sent either directly or via your bank to a new central switch facility and onto the paying bank.

The necessary security and financial governance processes will be applied within the clearing cycle enabling a pay or no pay decision the day immediately after the cheque's submission.

The Case for the ICS and Transaction Journal

Image clearing systems are rolling out around the world and it's our turn here in the UK now. The key benefit of introducing cheque imaging is faster cheque clearing cycle that brings cheque clearing times into line with other payment types. In some instances cheque payments will be faster than BACS and card schemes. For end users, cheque imaging provides added consumer convenience and alternative ways to pay in to banks.

Financial institutions also benefit from the technological changes as time-consuming and costly manual transportation, which is part of the current clearing process, will be avoided. The long-term future of the cheque is secured for all by making it a cost-effective, sustainable payment option that financial institutions can afford to provide.

The ICS has a more widespread benefit, the move to image capture technology acts as a catalyst to spark organisational improvement throughout the cheque end-to-end process. The cost effective way to manage cheques is to automate it by converting cheques to digital images immediately after receipt. The workflow is then managed via Solchar Transaction Journal right through to the banking stage by means of a digital image instead of a physical document.

Solchar Transaction Journal includes a module that allows scanned images and data to be sent in the highly regulated quality standard to your bank electronically. This reduces staff time, streamlines manual effort and reduces costs whilst enabling the next day transfer of funds into your account.

Solchar systems are widely used for the intelligent imaging of a wide range of transactional documents; cheques, credits, payment vouchers, ID verification archiving, cash payments and a wide range of personalised document capture and distribution tasks.

Image clearing systems are rolling out across the world and cheque users are maximising the advantages by using Solchar software to:

- Reduce workload by 50%
- Speed up and simplify the process of cheque banking
- Save time and costs by automating processes
- Rapidly access funds, improve cash flow and reduce financial risk
- Improve process control and eliminate manual keying errors
- Search digital archives of cheque images and data
- Access a real-time query resolution tool

Security and Fraud

Cheque imaging provides new opportunities to address security and fraud risks that currently affect cheque users. The rapid payment helps eliminate certain types of cheque fraud that take advantage of the time lag between a cheque being written and money transferring between accounts. Banks will be able to target data and monitor aggregation as a means to identify fraud patterns and alert customers to suspicious account activity rapidly.
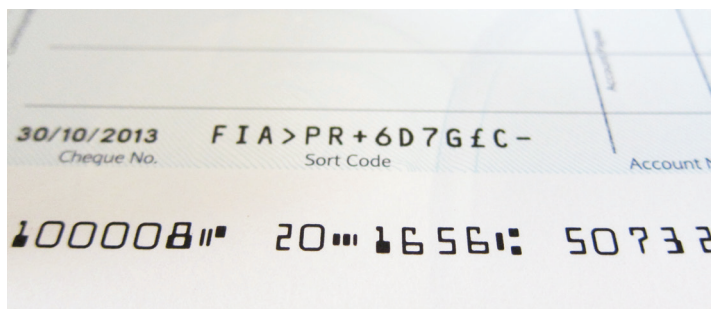
The industry has agreed on robust image quality standards and will be making use of sophisticated software to mitigate the risk of poor quality or tampered-with images passing through the system. Fraud detection is already conducted on the basis of a digital image captured within the clearing process and this looks set to increase further.

Solchar Transaction Journal plays an important role in identifying fraudulent cheques, specialist scanners read and check for MICR in the codeline and they identify invisible UV security images on cheques. Systems are highly configurable to be able to intelligently read anti-fraud devices on cheques such as the Unique Coded Number (UCN) as featured on some cheques.

REDUCE COSTS, SAVE TIME AND IMPROVE CASHFLOW
WITH SOLCHAR TRANSACTION JOURNAL

" **The Solchar Transaction Journal system helps us achieve a greater level of accuracy. It also ensures we meet best practice and comply with our internal audit process.** "

Peter Love, Data Services Manager, Royal British Legion