End of cheques a giant leap into digital payments future, says FNB CEO

A historic moment for banks and customers

Monday, 28 December 2020: By 1 January 2021, individual consumers and businesses will no longer be able to cash cheques in South Africa. This follows a joint announcement by the SARB, FSCA, PASA and BASA which confirmed that the issuing and acceptance or collection of cheques will cease from 31 December 2020.

The use of cheques has been declining 30% annually and during level 5 lockdown, volumes decreased by 80% as customers adapted to digital platforms. Overall, cheques payments in South Africa contribute less than 0.1% of the total ecosystem in South Africa.

Reflecting on the legacy of cheques ahead of the 31st December deadline, FNB Chief Executive Jacques Celliers says the end of cheques is a historic moment for South Africa. “Cheques have been one of the most treasured payment methods by some customers and symbolised a different era of innovation. As a result, their necessary discontinuation is a nostalgic moment for us and our customers, however, we believe the future of payments is even more exciting for all of us,” he says.

“We issued our last cheque book in September this year but the journey to migrate our customers to safer and efficient digital payments methods has been running for years. As a platform bank, we’re availing a significant amount of resources and support to ensure that customers have a range of efficient payment alternatives, including: Electronic Funds Transfer (EFT), mobile payments, online banking and card payments. These payment methods are far more advanced, safer and cost-effective for both businesses and individual customers,” adds Celliers.

The decision to discontinue cheques considered several factors. These include: a lengthy processing period; fraud perpetrated through the issuing of cheques; cheques as an expensive payment instrument; the restricted acceptance of cheques; declining usage; limited education and protection for the consumer; and ageing interbank cheque processing infrastructure.
“It is very important to acknowledge and appreciate the role of cheques in formalising the payments system. We are honoured to have helped customers who chose this important instrument as their preferred payment method, and we remain as committed to helping all customers acclimatise to modern payment methods,” concludes Celliers.

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