



Consumers Want the Right to Write Checks



› About the Survey

In June 2010, Ipsos, a leading global survey-based market research company, conducted a survey of 1,005 randomly selected adults aged 18 and over residing in the U.S. They were asked a series of questions regarding their thoughts on the use of personal checks today and whether or not they, as consumers, are losing their freedom to pay by check and being “forced” to pay by cash or credit card at retailers and restaurants. Here’s what they had to say ...

“I’d like the freedom to pay for purchases with whatever payment method I choose.”

According to the survey, three quarters of the people interviewed believe they should have the freedom to pay for purchases with check, credit card, debit card or cash. Two thirds would prefer shopping at a store that accepts credit cards, debit cards and checks, while 60% would prefer dining at a restaurant that accepts all three

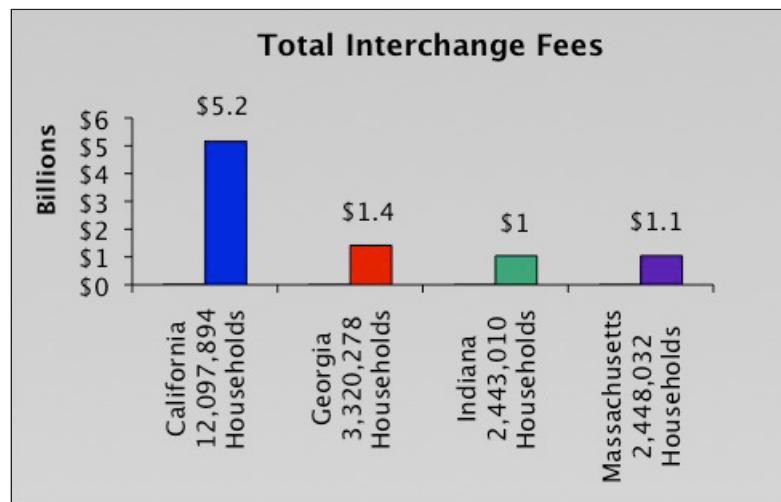
forms of payment. What does this say about consumers today? Plain and simple: they want options.

Unfortunately, this may not be enough to make retailers and restaurants change their current policies. However, if they knew that 47% of these respondents said they would actually react negatively if their personal check was refused due to “company policy,” they might change their tune.

Furthermore, more than one in five respondents feel that a refusal to accept checks suggests poor customer service, as does posting a sign that says “Sorry, We Do Not Accept Checks.”

› “I’d rather pay by check to boost the local economy than line the pockets of out-of-state credit card companies.”

According to the National Retail Federation, interchange fees (fees paid to out-of-state credit card companies) cost every American household an average of \$427/year. The chart on page three shows what this means for four states over the course of a year. If you look at the entire country, close to 50 billion dollars goes toward these fees.



National Retail Federation

When the people surveyed were made aware of the fact that writing a check would keep the money local, 61% said they would be more likely to pay with a personal check than with a credit or debit card. Women especially said they would be more likely to pay with a check if it were to keep more money in their local economy (64% vs. 57%). Imagine what this money would do for the economy of thousands of struggling towns.

“Banks should automatically offer checks with their checking accounts.”

When a consumer walks into a bank to open a checking account, many assume they will leave with some starter checks and the knowledge that a supply of checks will be delivered to their home within a matter of days. Yet, in today’s world, consumers often don’t receive checks with their checking account, and that doesn’t sit well with them.

According to the Ipsos survey, nine out of ten people surveyed said that remembering to ask if they’d like a checkbook when opening a checking account would demonstrate great customer service by the bank and failing to offer one would have a negative impact. And, nearly half of those people went as far as to say they would “feel irritated” if they opened a checking account and the bank employee neglected to offer them a checkbook. An additional 16% said that they would feel cheated.

Clearly, the majority of those surveyed think offering checks with a checking account would demonstrate excellent customer service and should be common practice. If that's not convincing enough, maybe these facts will help:

- In general, checks are a strong source of income for the bank
- Checks are still the most frequently used non-cash payment in the U.S.*
- Frequent check writers have higher incomes and balances**
- Consumers write an average of six checks a month; small businesses write 14**

* Federal Reserve, 2009.

** Synergistics, 2009.

► Summary

Looking at this compelling evidence, it's clear that consumers want the right to choose what form of payment they use and are not ready to say goodbye to checks. And, if you look at it from the perspective of bankers, retailers, and restaurant owners, it makes good business sense. Consumers will become more loyal, banks will gain income from selling the checks, restaurant owners and retailers won't have to pay the fees credit card companies charge each time someone makes a credit card purchase, and local economies will begin to thrive.

Bottom line: Consumers want the right to write checks. It makes sense for banks and businesses to protect this right.