

Payment Strategy 2024-2027

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WORKING TOGETHER

Document History

Version

Name	Role	Review Date	Version
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1. Executive Summary

- 1.1 The financial services industry is amid a significant transformation, accelerated by the COVID-19 pandemic. And given the key role digitisation plays in the financial lives of more and more of the world's population, electronic payments are at the epicentre of this transformation.
- 1.2 Payments are becoming increasingly cashless, and the industry's role in fostering inclusion has become a significant priority. Payments also are supporting the development of digital economies and are driving innovation.
- 1.3 In their Joint Digital Strategy, Chorley and South Ribble Councils' have committed to providing accessible digital services that enhance the customer experience through maximising technology. A significant number of contacts to the council are from customers who simply wish to make a payment for a service.
- 1.4 This document defines Chorley and South Ribble Councils' Payment Strategy 2024-2027
- 1.5 This strategy sets the framework and direction for the next 3 years for how customers will transact with the councils. It outlines how the councils' customers and businesses will pay for services and how the councils will respond to advancements in technology. Key principles and targets have been identified and the approach the councils will take to achieve those targets.
- 1.6 The payment strategy is a road map the councils will follow to enhance the customer experience when transacting with the councils.

2. Key Principles

- 2.1 There are three key principles behind this policy:
 - To make transacting with customers simple and more efficient
 - Deploy improved digital payment platforms that are convenient
 - A payment upfront policy with services delivered at the point the payment is received

3. Background

- 3.1 At Chorley and South Ribble Councils there are approximately 1,050,000 individual transactions per year. As the boroughs grow, the number of payment transactions

will also increase. Approximately 900,000 of those payments are made via Direct Debit.

3.2 In 2022-2023, of those payments made outside of Direct Debit approximately 9.4% involved a customer paying for a bill or service via the Councils' contact centres, mainly over the phone with a small amount paying in person and not via a digital or automated channel. However, most people and businesses have a bank account.

3.3 Using the contact centre to make payments is an expensive payment channel in comparison to the cost of payments via digital or automated channels, such as via the website, the councils' automated payments line or direct debit. Also, the council has resources in place to follow and recover payments for services that can be paid up front.

3.4 The councils' customers have embraced digital technologies to varying degrees. Some customers have fully embraced digital channels and would prefer to deal with the council via digital channels at every opportunity preferring not to interact with officers at all.

3.5 In complete contrast, there are customers who are unable to embrace technology or prefer not to and therefore rely on traditional contact channels. The councils will continue to provide these channels.

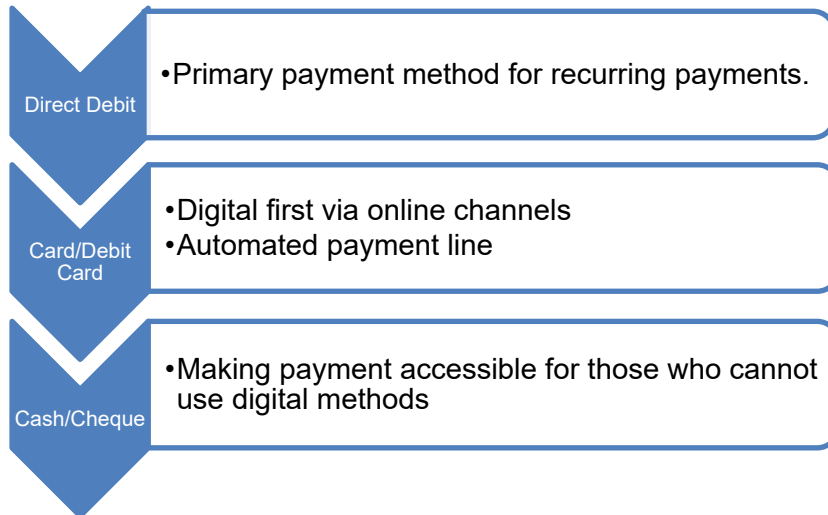
4. Objectives

4.1 The strategy is based upon the following key objectives, where the councils will:

- **encourage customers to pay for service(s) in advance and set up automated payment methods, e.g. direct debits, for recurring bills and services,** and discount this payment method where appropriate
- **substantially reduce the number of outstanding debtors to the councils** to reduce time spent chasing unpaid invoices
- **develop and enhance digital payment methods** to provide accessible on demand services that can be available instantly
- **support the transition for customers and businesses** to move to digital payment channels wherever possible
- **provide guidance and support to customers** wishing to pay via cash and cheque to use payment outlets within the local community
- **provide sufficient choice of payment methods** to ensure collection rates are maximised and any customer groups are not discriminated against
- **ensure Payment Card Industry (PCI) and Data Security Standard (DSS) compliance** and that the councils access, remediate and report on their PCI compliance on an annual basis.
- partner with others to ensure community-based payment provision exists

5. Payments

5.1 The strategy aims to promote channel shift to allow digital first payments, where possible, whilst still providing accessible options for those who are unable or unwilling to pay digitally.



6. Strategy

The strategy is divided into several key elements. For each of these elements, the strategy will set out why the council intends to adopt the approach and what the council will do by 2027 to help understand how the strategy will be delivered.

6.1 Direct Debits

Aim:

Customers will be encouraged to make payments via Direct Debit. This includes shifting existing customers to these payment channels, and ensuring new customers pay by Direct Debit.

Payment by Direct Debit is the most efficient way for customers to make payment to the councils. Recurring payments both reduce customer and council effort to process transactions.

To deliver this we will:

- promote and incentivise payments via Direct Debit.
- identify all recurring payments and produce a plan to transfer these customers to automated payment methods

6.2 Digital Payment Methods

New and emerging technologies will be evaluated and those technologies which will benefit both the council and the customer will be implemented.

Aim

It is estimated that 84% of all adults in the UK have access to the smart phone or tablet and as such the need for 'on demand' services have increased. Customers can use their smart devices to make payment in a variety of ways such as PayPal, Apple Pay, Android Pay and Pingit to make transactions. These payment methods carry a relatively cheap transaction cost to the councils and allow 'on the go' payment methods which match the needs of our service users.

To deliver this we will:

- identify and review emerging technologies with a view to implementing technologies that benefit both the councils and our customers
- engage with Government Digital Service (GDS) to ensure the council tracks the developments of the 'Government as a Platform' concept and the continued development of these services including GOV.UK Pay and GOV.UK Notify
- increase the number of transactions through digital technologies

6.3 Sundry Debtors

Invoices should be minimised and if necessary should only be sent virtually and services delivered at the point the payment is received outside statutory provision.

Aim:

For a number of transactions it is currently possible for customers to receive a service from the council and pay on receipt of the service. This results in outstanding debt to the council which uses considerable amounts of officer time chasing unpaid invoices. Unless there is a statutory requirement, services will be paid for upfront and in full.

To deliver this we will:

- identify all transactions where payment will be required in advance of service
- encourage digital channels for the payment of invoices by delivering invoices digitally with a link to make payment
- review the debtor invoice management software to ensure that we are making full use of digital and automation.

6.4 Cash and Cheque Payments

Cash and cheque payments made via Customer Services may be phased out and customers will be supported and guided to an AllPay outlet.

Aim

Paying for a bill via cash or cheque is an expensive and labour intensive payment channel in comparison with automated or digital channels and requires additional security and insurance measures.

With the shift to digital technologies, the councils have seen a decline in the number of payments being made by cash and cheque which in turn has increased the costs of collection using these methods. The councils recognise that there are customers who are either unable or unwilling to switch to other method and will still choose to pay for their bills and services by cash or cheque.

For these customers, the councils will engage with partners to enable payments for example via the Allpay and Post Office network. There are over 100 sites across Chorley and South Ribble that are one of these outlets. Using an Allpay outlet is more convenient and accessible (i.e. open longer hours than the council reception desk) and will accept payment for council services by cheque, cash and credit/debit cards.

To deliver this we will:

- provide guidance to customers visiting the council offices about payment within the community at AllPay outlets
- review and develop a QR code generator that will allow a QR code to be generated to make payment for ad-hoc services

6.5 Payment Card Industry (PCI) Data Security Standard (DSS) compliance

The adoption of consistent technical and operational data security requirements to ensure PCI DSS compliance and to protect the card holder.

Aim

Should the council suffer a card data breach and is not PCI compliant it would be liable for any fraudulent activity, the costs of reissuing and monitoring affected cards and any investigation costs imposed by our acquiring bank

To deliver this we will:

- ensure PCI DSS compliance of existing payment methods
- ensure the councils assesses, remediates and reports their PCI compliance on an annual basis

6.6 Channel Shift

Support and educate our customers to move to digital payment channels wherever possible, throughout delivery of the strategy, including those payments that are taken by council officers by telephone.

Aim

To promote the roll out of digital technologies and increase uptake in these channels to enhance the customer experience. To reduce the number of payments that require officer intervention.

To deliver this we will:

- encourage customers to use alternative methods that are personalised, flexible, cost-efficient, save customers time and allow the customer to transaction how, when and where they like
- continue to work with our partners to develop and publicise community hubs in libraries and other locations across the boroughs where customers can access the internet and support to self-serve and make payments
- continue to deliver digital inclusion training in the community and maintain its commitment and support to assist customers where appropriate
- deliver a communications programme to promote digital payment methods and their benefits to both the customer and the council