



ACS | the voice of local shops



CrimeStoppers.



BANK OF ENGLAND

Introduction from the Chief Cashier

A key responsibility of the Bank of England is to maintain confidence in the physical currency. The Bank is responsible for providing banknotes that the public can use with the confidence that they are genuine.

We are working hard to make our banknotes more resilient against counterfeiting, for example moving to polymer, and your support is crucial. Retailers and other businesses are the front line of defence against counterfeiting. Counterfeit banknotes are only produced because criminals believe they will find somewhere to spend them and can do so without consequence. We are introducing the Banknote Checking Scheme to make this even more difficult.

We will provide best practice advice on how to check banknotes, to empower your staff to identify genuine notes at point of sale with as little disruption to the customer experience as possible. We would

also like to hear about your experiences and challenges, so that we and law enforcement agencies can learn from these.

The more that cash users and the Bank of England learn from each other, the stronger that front line of defence will be. So I would like to encourage retailers and businesses of all sizes to pledge their support for the Banknote Checking Scheme. By working together we can deter counterfeiters. Don't let counterfeits be a cost to your business, your customers or your reputation.

Victoria Cleland, Chief Cashier and Director of Notes, Bank of England



Supported by the National Crime Agency

The National Crime Agency (NCA) works closely with the Bank of England to assist UK law enforcement in the investigation of the organised crime groups who drive the production and distribution of counterfeit banknotes. Circulating fake money is high risk, so large batches are usually broken down for distribution by street-level criminals. The Banknote Checking Scheme will support businesses and retailers to

become more vigilant to counterfeiting. By working together we can better disrupt counterfeit note distribution, increasing the risk to the criminals involved and therefore reducing the viability of counterfeiting as a profitable criminal enterprise.

Economic Crime Command, NCA



Introducing the Banknote Checking Scheme

The Banknote Checking Scheme promotes banknote checking at point of sale through targeted training, in order to reduce the number of counterfeit notes from being passed. It is a voluntary and free-of-charge initiative for businesses.

Why should you check banknotes?

1 Counterfeit banknotes are a direct cost to your business

Retailers and businesses are on the front line against counterfeiters. Counterfeit banknotes are worthless and so if you do not check banknotes you run the risk of significant financial losses to your business and your customers. There is also a reputational impact from being associated with accepting counterfeit banknotes. The total face value of counterfeit banknotes discovered in 2016 was £7.5mn. This doesn't include the administrative costs and staff time that businesses incur after discovering they have accepted a counterfeit as payment.

2 Counterfeit banknotes fund organised crime

Counterfeiting is not a victimless crime. Counterfeit banknotes are manufactured by organised criminal gangs and the proceeds are used to fund other serious criminal activities.

3 Not checking banknotes can make you a target

People trying to pass counterfeits target businesses and individual staff

members that do not check banknotes.

By having a policy to check banknotes at point of sale you can help to:

- i) Prevent your business from being a target.
- ii) Make it harder for organised criminal gangs to spend their counterfeit banknotes.

How will the scheme help your business?

- Reduce the risk of financial loss and reputational loss from counterfeit banknotes through implementing best practice.
- Recognise the Corporate Social Responsibility (CSR) contribution that your company makes in helping to reduce counterfeit levels and associated proceeds from crime, and by supporting the Bank of England in maintaining confidence in the currency.
- Build and maintain a strategic relationship with the Bank of England to ensure that you have the most up-to-date information to educate and empower your staff through our training, regular e-bulletins and webinars. And help the Bank learn from you, by passing on your experiences and successes.
- It is illegal to knowingly pass on a counterfeit banknote - ensure that your staff are not supporting the criminal activities of others.

Don't let counterfeits be a cost to your business, your customers or your reputation

The six guiding principles of the Scheme

There are six guiding principles of the Scheme. Scheme supporters voluntarily pledge their support for these each year and implement them in a way that suits your business model. In return, the Bank of England will recognise your support by providing enhanced access to counterfeit information and advice on training staff, and giving you the Banknote Checking Scheme Logo for use on your website, training materials or in-store to deter counterfeiters.

Principle 1: Staff check banknotes at point of sale. They are trained how to check banknotes and understand the importance of doing so



Principle 2: Staff know what to do if they receive a counterfeit banknote at point of sale



What does this mean for my business?

You should have a clear company policy to train staff to check banknotes at point of sale, including which banknotes to check and how you train your staff. Staff accepting banknotes should understand the importance of banknote checking to their organisation and to support other local businesses in making areas unattractive to counterfeiters. Our research shows customers react more positively when staff can explain what checks are being undertaken and why. We will support you and your staff by providing best practice advice, a suite of free-to-use educational materials and up-to-date targeted counterfeit information.

What does this mean for my business?

You should have a clear company policy on what staff should do if they receive a counterfeit banknote and communicate this to all staff accepting banknotes. Best practice is to:

- Retain the note and ask for another form of payment. Call the Police and provide the customer with a receipt.
- If staff feel at risk, we advise that they should refuse the note and ask for another form of payment.
- If a counterfeit note is discovered after the customer has left the premises, contact the Police or present it to your bank as a suspect counterfeit banknote.



Principle 3: Your business monitors and shares information on counterfeit banknote volumes and trends with the Bank of England

What does this mean for my business?

The Banknote Checking Scheme relies upon the relationships that the Bank builds with its supporters. We publish counterfeit statistics and undertake surveys to understand how checking is carried out. We will share this information with businesses to help you understand how they compare with wider industry practice. In return, we ask supporters to advise us on their own counterfeit experience, to help the work of both the Bank and law enforcement.

Principle 4: You positively promote the scheme within your business

What does this mean for my business?

You should proactively promote the Scheme to staff on a regular basis, ideally including displaying the Banknote Checking Scheme logo in the store front and/or on the relevant part of your website. This will help to remind staff to check and deter counterfeiters from attempting to pass counterfeit banknotes on your premises.

Principle 5: Your business supports law enforcement activities relating to counterfeit banknotes

What does this mean for my business?



Best practice is to notify the police of instances when counterfeit notes are being passed on. This helps the Police to target criminal

activity since information is collected quicker. You may be able to share important intelligence e.g. CCTV images or regional counterfeit trends which could help to build a stronger case for surveillance, arrest and prosecution.

Principle 6: You build a good working relationship with the Bank via a main point of contact with overall responsibility for the Scheme within your business

What does this mean for my business?



We ask you to nominate a primary contact with responsibility for the Scheme. We do not expect this to be a large commitment in terms of your time and resource but it will allow us to be more proactive and effective in sharing the latest information with you on

counterfeit threats or best practice to be shared throughout your organisation. This is particularly important for organisations with multiple sites and large numbers of employees.

Counterfeit notes can be detected by quick and easy checks

Guiding principles summary

Your staff:

- 1 Are trained and check banknotes at point of sale
- 2 Know what to do with a counterfeit banknote



Your business:

- 3 Shares information with the Bank of England
- 4 Promotes the Scheme
- 5 Supports law enforcement activities
- 6 Appoints a single point of contact responsible for the Scheme



What does supporting the Scheme mean in practice?

Training and advice

We provide a range of free-of-charge education and training materials to suit your business needs, including leaflets, posters, online computer-based training and regular webinars. You will receive regular updates on relevant banknote topics, as well as gaining a point of contact for other questions you might have.

Pledge

We ask retailers and businesses to pledge their support for the Scheme and its six guiding principles via a simple online form, on an annual basis. We will acknowledge your support and provide you with a banknote checking scheme logo to display at points of sale or use on your website.

Survey

We want to understand more about how your business is affected by counterfeit banknotes and what you do to protect your business - a short online survey will let you tell us how counterfeit banknotes impact your business by denomination, volumes and geographical locations.

Customer experience

We recognise the importance of good customer service and have developed advice and guidance to help you make quick and easy banknote checks at point of sale, without adversely affecting the customer experience. Our research shows that when banknote checking is handled and explained well, customers leave with a positive impression of businesses.

What action should you take?

- 1** Register your support for the Scheme at www.bankofengland.co.uk/banknotecheckingscheme
- 2** Email banknotecheckingscheme@bankofengland.co.uk if you have any questions relating to the Scheme

Resources for businesses using machines to check, count, sort and dispense banknotes

There is no requirement under the Scheme to use machines, but we strongly encourage businesses that own or use banknote checking machines to make informed choices about the equipment you use. Please visit the Framework for the Testing of Automatic Banknote Handling Machines section of our website:

www.bankofengland.co.uk/banknotes/Pages/retailers/framework/default.aspx for more information on machines that accept, count or sort banknotes and automatically decide whether a banknote is counterfeit or genuine.

If you locally recycle cash (e.g. fill cash-dispensing machines onsite) we recommend that you visit the Cash Services website at

<http://www.cashservices.org.uk/local-cash-recycling>

to find out more information about the Code of Conduct for the Authentication of Machine-Dispensed Banknotes. The Code requires business owners and operators of customer-operated cash-dispensing machines (e.g. ATMs and self-service checkouts) to fill them with banknotes that have been authenticated using a machine that has been listed as passing the tests under the above Framework.

Please get in touch

Tel: 020 3461 7730

Email: banknotecheckingscheme@bankofengland.co.uk

www.bankofengland.co.uk/banknotecheckingscheme

© The Governor and Company of the Bank of England 2017.

Banknotes can only be reproduced in accordance with the Bank of England's Reproduction Terms and Conditions.

BCS17