

# Bank of England

Mr Joe Powell MP  
House of Commons  
London  
SW1A 0AA

**Andrew Bailey**  
Governor

7 July 2026

Dear Mr Powell,

Thank you for your letter on the recent reporting on my engagement with Nigel Farage and our policy making regarding central bank digital currency (CBDC) and stablecoins. I welcome the opportunity to set out the nature of my engagement both with politicians and industry, and to explain how this interacts with our policy-making process.

As a public institution, it is crucial that the Bank operates in an open and transparent way. It is that transparency that ensures we are accountable both to parliament and to the people of the United Kingdom.

This is why we routinely engage at all levels with industry experts and market participants when developing policy. That engagement can take many forms, for example supervisory conversations; gathering market intelligence; or broader conversations to help Bank staff better-understand developments in areas where we are developing policy. Two-way conversations with industry help to ensure that the Bank's policy making is informed and effective.

Through this engagement, we need to balance the need for transparency against being able to have candid conversations where market or commercially sensitive information may be shared in confidence with the Bank. To strike that balance, the Bank uses many channels to set out publicly its thinking on a given topic as it is developing – for example via our regular publications such as the Monetary Policy and Financial Stability Reports, or published speeches.



We also conduct formal engagement on specific topics via discussion and consultation papers before setting out our final policy position. These provide structured questions for anyone to provide their feedback and input into the Bank's policy making process.

To take systemic stablecoins and central bank digital currency as an example, alongside staff analysis in Financial Stability Reports dating back to 2019, and numerous speeches, the Bank has published:

- **2020:** [Discussion Paper on Central Bank Digital Currency \(CBDC\)](#)
- **2021:** [Responses to the March 2020 Discussion paper on CBDC;](#) [Discussion Paper on New Forms of Digital Money](#)
- **2022:** [Summary of responses to 2021 Discussion Paper](#)
- **2023:** [Consultation Paper \(joint with HM Treasury\) on the Digital Pound;](#) [Discussion Paper setting out a proposed regime for regulating systemic payment systems using stablecoins and related service providers](#)
- **2024:** [Response \(joint with HM Treasury\) to Digital Pound Consultation Paper;](#) [Discussion Paper on the Bank's broader approach to innovation in money and payments](#)
- **2025:** [Consultation Paper on the Bank's proposed regulatory regime for sterling-denominated systemic stablecoins](#)

Most recently, on 22 June 2026, following many years of policy development, external engagement, and refinement, we published our [policy statement](#) and a consultation on a draft code of practice for sterling-denominated stablecoin issuers. This publication sets out clearly where our policy position has changed since the 2025 consultation, and the rationale for that change. It also included summaries of the feedback received to our previous consultation, the identify of respondents where they consent to this, and explained how that feedback has helped to shape the Bank's thinking.

But as well as engaging with industry, it is important for our accountability that we engage with Parliament and Parliamentarians. Most of the Bank's engagement with Parliament happens through appearances at Select Committee hearings, both routinely (for example, following the publication of a Monetary Policy or Financial Stability Report) as well as on specific topics (for example, the recent Financial Services Regulation Committee inquiry on stablecoins). Members of Parliament also frequently write to me publicly and privately with particular questions or to raise concerns in relation to the Bank's work. For example, I have responded to queries on the Bank's role in relation to climate change and the Bank's policy of Quantitative Tightening. And, periodically, I meet with the leaders of the main parties represented in the house. These meetings are a valuable chance for me to set out the Bank's priorities across our statutory objectives, explaining our role and decisions to those to whom we are accountable.

It was in that context that I met with Mr Farage and Mr Tice, as has been widely reported and confirmed by the Bank, on 25 September 2025. This meeting was arranged at the request of Mr Tice following an exchange of letters. Following our meeting, Mr. Farage spoke with the press outlining that we had discussed a range of topics, including cryptocurrencies.<sup>1</sup> Mr. Farage has made his views about cryptocurrency regulation in the UK and CBDC very clear.

I can confirm that – as illustrated by the timeline set out above - the Bank’s work on a regulatory regime for systemic stablecoins, as well as our joint work with HM Treasury on the design of a potential retail CBDC, has been progressing over a number of years, regardless of any discussions held with representatives of any political parties. Our policy positions on these and all other topics are developed based on staff analysis grounded in our statutory objectives of maintaining monetary and financial stability. I am happy to confirm that no policy changes have taken place as a result of interventions by Mr Farage. As a general point, I recognise that we are, by the nature of the Bank’s role, regularly subject to lobbying. I can assure you that we are able to spot this and appropriately discount it.

To your final point, the public and transparent processes I have outlined above are an important way to ensure that the Bank hears from a wide range of stakeholders when designing policy and are, therefore, in themselves a safeguard against any individual or group of individuals having undue influence. Beyond that, Bank staff are bound by a code of conduct known as [Our Code](#), which is available on the Bank’s website. This sets out our commitment to public service and earning public trust, including through acting with integrity, demonstrating openness and accountability, and speaking up when necessary.

I agree with you on the importance of transparency for maintaining public confidence in our institutions. I am therefore making this letter publicly available via the Bank of England’s website.

Yours sincerely,



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<sup>1</sup> See for example: [Nigel Farage urges Bank of England boss to stop UK bond sales - BBC News](#)