



**BANK OF ENGLAND**

# News release

---

**Press Office**

Threadneedle Street

London EC2R 8AH

T 020 7601 4411

F 020 7601 5460

[press@bankofengland.co.uk](mailto:press@bankofengland.co.uk)

[www.bankofengland.co.uk](http://www.bankofengland.co.uk)

26 July 2004

## **Customer Banking Strategy Review**

Following a review of its customer banking activities, the Bank has concluded that the provision of retail banking activities does not form an integral part of its role as a central bank. It has therefore decided that over the next few years it should withdraw from providing retail banking and clearing services to its commercial customers such as government departments, building societies and other corporate customers.

The Bank believes that it should concentrate its banking operations on supporting its core purposes of maintaining monetary and financial stability.

The main impact of this decision will be on the high volume but low value retail payments that the Bank makes on behalf of its customers through BACS and Cheque and Credit Clearing. We hope to have largely ceased these activities within the next two years, but the exact timing will be dependent on discussions with our customers. We will ensure that there is a managed transition process that will allow our customers to find suitable alternatives. We do not believe this should be problematic as such services are already provided by commercial banks and we are not the exclusive supplier of these services to any particular group of customers. We hope to have discussed exit strategies with all our affected customers by the end of this year.

Our activities as banker to the banking system and to financial markets will be unaffected, as will the provision of our daily cash management service for high-level Government accounts. So, for example, we shall remain a member of CHAPS and CREST/Euroclear. We will also continue to provide risk-reducing and settlement services to financial market infrastructures such as CLS, LCH, BACS, LINK, Cheque and Credit Clearing, LBMA and other similar entities.