



BANK OF ENGLAND

News release

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Payment Systems Oversight Report

The Bank of England is today publishing its first annual Payment Systems Oversight Report.

The Report sets out the Bank's role and objectives in relation to oversight of UK payment systems. It also provides an assessment of UK payment systems against the internationally-adopted Core Principles for Systemically Important Payment Systems.

The Bank's main payment systems oversight objective is to seek to ensure that risks to the wider economy are appropriately mitigated. Overall, UK payment systems exhibit a high degree of robustness.

The Report provides an account of the Bank's work over the past year to assess and seek reduction of risks to UK payment systems. It also outlines some forward-looking priorities for the further reduction of systemic risks in UK payment systems, as the increasing complexity, consolidation and integration of the financial infrastructure changes the scale and nature of payment system risks.

Commenting on the Report, Deputy Governor for Financial Stability Sir Andrew Large said:

"Payment Systems, such as CHAPS and BACS, have a vital role in the financial infrastructure, and the Bank has responsibility for their oversight. We think people should be able to see how the Bank seeks to fulfil this responsibility. We also think people should have access to our assessment of the robustness of the systems.

The Report sets out both. It describes the high standards that the UK's systems achieve, as well as pointing to areas where we would like to see further improvement. We intend to update the analysis on a regular basis in the future."

Notes to Editors

1. The Bank of England is charged with oversight of payment systems under the 1997 Memorandum of Understanding between the Bank, FSA and HMT. The Bank's payment system oversight forms part of its wider work on developing and improving the financial infrastructure, and on financial stability.

2. The Core Principles for Systemically Important Payment Systems were published by the Committee on Payment and Settlement Systems (CPSS) in 2000, following consultation with central banks throughout the world, and with the private sector. Major central banks, including the central banks of the European System of Central Banks and also the US Federal Reserve System, have adopted the Core Principles as a benchmark standard for systemically important payment systems.
3. The CPSS brings together central banks and monetary authorities of the G10 countries, Hong Kong and Singapore, to analyse developments in payment, settlement and clearing systems, and to contribute to standard-setting for these key parts of the financial infrastructure.