



BANK OF ENGLAND

News release

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Bank of England Credit Conditions Survey: Responses to Consultation

The Bank of England confirmed today that it plans to launch a quarterly Survey of Credit Conditions to support its analysis of monetary conditions and financial stability. This follows a consultation exercise undertaken over the past few months.

The Survey will be broadly similar to those carried out by the Federal Reserve Board, the ECB and the Bank of Japan. It will cover mortgage lending, unsecured lending to households, and corporate lending. Bank and non-bank lenders will be invited to participate, being asked qualitative questions about lending conditions in these three markets. For example, lenders would be asked whether terms had eased or tightened. The Bank will publish aggregated results.

The Bank currently envisages launching the full survey in 2007 Q2, with the first results being published in 2007 Q3. In the meantime, it will conduct a pilot survey to help it refine the questionnaires.

Notes to Editors

1. The Bank of England published a consultation paper on a proposed quarterly Survey of Credit Conditions on 31 August 2006. The consultation document is available on the Bank's website.

2. Credit conditions are relevant to both monetary policy and to the Bank's financial stability mission. For example, changes in lending terms influence borrowing by households and firms and aggregate demand in the economy as a whole. Up to now the Bank has relied on twice-yearly bilateral discussions with a handful of the largest lenders. The proposed new approach will increase the scope, frequency, and transparency of one of the inputs to monetary policy.

3. On current data, between 10 and 20 lenders would be invited to participate in each of the three questionnaires, with around 30 lenders involved overall.