



BANK OF ENGLAND

News release

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Bank of England publishes Payment Systems Oversight Report

The Bank of England is today publishing its second Payment Systems Oversight Report (see link to report in Key Resources below). It contains the Bank's latest assessment of UK payment systems against the internationally-recognised Core Principles for Systemically Important Payment Systems. Several systems have implemented significant improvements during the past year which have further reduced settlement and operational risks; and the UK's high-value payment systems come close to observing fully the Core Principles. The Bank has in addition identified areas where the Core Principles, which were first published five years ago, could usefully be updated.

Nigel Jenkinson, the Bank's Executive Director for Financial Stability commented:

"UK payment systems remain in good shape. A number of new risk-reducing measures have been introduced. The Bank particularly welcomes the reduction of settlement risk in BACS, the Cheque and Credit Clearings and LCH.Clearnet Ltd and the participation of additional major settlement banks in CHAPS Sterling. Working with the payment systems covered in this report, the Bank has identified additional measures looking ahead which would further increase the robustness of the UK payments infrastructure."

Notes to Editors

The Bank's first Payment Systems Oversight Report was published at the start of 2005

(<http://webarchive.nationalarchives.gov.uk/20100114080129/http://www.bankofengland.co.uk/publications/psor/psor2004.pdf>).

As an annual publication, the Bank uses the Oversight Report as a means of explaining how it is discharging its non-statutory public policy responsibilities for oversight, as part of its broader mandate for financial stability.

The Core Principles for Systemically Important Payment Systems are a set of ten standards agreed among central bank overseers and published back in 2001

(<http://webarchive.nationalarchives.gov.uk/20100114080129/http://www.bis.org/publ/cpss43.pdf>).

They focus on the controls that payment systems should have in place in order to minimise a variety of risks inherent in payment systems.

Key Resources

Payment Systems Oversight Report 2005 - Issue No.2

<http://webarchive.nationalarchives.gov.uk/20100114080129/http://www.bankofengland.co.uk/publications/psor/psor2005.pdf>