



BANK OF ENGLAND

News release

Press Office

Threadneedle Street

London EC2R 8AH

T 020 7601 4411

F 020 7601 5460

press@bankofengland.co.uk

www.bankofengland.co.uk

13 March 2007

New 'Adam Smith' £20 Banknote Out Today

The introduction of the Bank of England's new £20 banknote begins today, with the notes gradually becoming available from cash machines and bank counters around the country.

Andrew Bailey, the Bank's Chief Cashier said, "This is a major exercise for us because with more than a billion £20 banknotes in circulation it is the most common of all the denominations – the £5, £10, £20 and £50. That's a huge number of notes to start replacing."

The new note incorporates several design changes, making it the first in the new series of notes - 'Series F'. However, for ease of recognition, the new note is the same size as the current £20 note (which bears a portrait of Sir Edward Elgar), both notes are purple in colour (although the new note is slightly brighter) and both carry the now familiar portrait of Her Majesty The Queen.

The most obvious difference between the new-style and current £20 banknote is the inclusion of Adam Smith, the 18th century philosopher and economist, on the back of the new note. The back also includes the image of a pin-making factory and a summary of Smith's observations on the benefits of the division of labour, drawn from "*An Inquiry into the Nature and Causes of the Wealth of Nations*", one of his two major works.

Commenting on the choice of Adam Smith, Mr Bailey said: "Through our banknotes we can acknowledge those who have made a major contribution to the development of the United Kingdom. The Bank of England is the central bank for the whole of the United Kingdom and helping to ensure its economic stability, and thus prosperity, is at the heart of our purpose. So it's particularly appropriate that we should honour Adam Smith, one of the fathers of modern economics and moral philosophy. His contribution to the advancement of society continues to this day and his work remains at the heart of economic thought."

The choice of Adam Smith was first announced in a speech on 29 October last year by Mervyn King, the Governor of the Bank of England.

To help enable the public to check that their notes are genuine the new note carries enhanced security features. These include more raised-print areas, a holographic strip, a see-through feature and improvements to the watermark.

Mr Bailey added: "Fortunately, counterfeiting of banknotes is not a widespread problem but when it does happen the victims are often members of the public and businesses which can ill-afford the loss involved. Counterfeiting is a serious crime which, by working with the police, we aim to stamp out. The £20 note, being the most common, is the most frequently targeted and it is time for the current £20 design to be replaced. Our job is to protect the public against counterfeiters and so maintain public trust in our banknotes."

He concluded: "The Elgar £20 will certainly continue to be used alongside the new Smith £20 over the next few years. We will eventually announce the end of the legal tender status of the Elgar £20 but the public will be given good notice. And, of course, they can always exchange any Bank of England banknotes for their face value, at the Bank of England."

Notes to Editors:

1. Images of the new banknote and related images can be downloaded by the news media from the Bank's Media Centre.
2. The images are password-protected and available for downloading by the news media only. To obtain a password please contact the Bank's Press Office on 020 7601 4411.
3. Mr Bailey is available for interviews and photographs/filming at the Bank on Monday 12 March (under embargo) and Tuesday 13 March. Please contact the Bank's Press Office on 020 7601 4411.
4. Footage of Mr Bailey with the new banknotes and including the printing/production of the new notes, is available from the Bank's Press Office.
5. Audio-visual and audio-only clips of the Governor and of the Chief Cashier are also available from the Press Office.
6. The Smith £20 is the first in Series F. The first Series E note was the £5 George Stephenson note in 1990. The Elgar Series E £20 was introduced in 1999. Previous £20 banknotes have depicted William Shakespeare (on £20 notes from 1970-1993) and Michael Faraday (1991-2001).
7. At the end of December 2006, there were some 1.3 billion (1,305,800,000) £20 banknotes in circulation (55% of total notes by volume, 64% by value), over the whole of 2006 year the average figures were 1.2 billion (1,177,100,000) £20 notes (56% of total notes by volume, 63% by value). Counterfeit notes recovered in the calendar year ended December 2006 included 351,000 £20s out of a total of around 370,000 notes recovered. For the previous year figures were 487,000 £20s out of a total of 505,000 recovered. The average life of a £20 note is 5-6 years.