



**BANK OF ENGLAND**

# News release

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**Press Office**

Threadneedle Street

London EC2R 8AH

T 020 7601 4411

F 020 7601 5460

press@bankofengland.co.uk

www.bankofengland.co.uk

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## **Fivers - back on track**

Following a successful pilot exercise undertaken by HSBC last year, major financial institutions and ATM operators are increasing the number of ATMs that dispense £5 notes. The move follows some years of encouragement by the Bank of England in its ongoing effort to increase the public availability and quality of £5 banknotes.

Speaking at a business meeting in Birmingham during the Monetary Policy Committee's visit to the West Midlands last week, Bank of England Governor, Mervyn King said: "By Easter next year, the number of £5 notes dispensed from ATMs should have increased five-fold. In addition, some other large retailers are also working to increase the number of £5s they give out as change, building on the findings of a pilot by Sainsbury's." Together, these initiatives should increase greatly the availability of £5 notes so that by 2012, an extra 400 million £5 notes will be entering circulation each year. The notes should also be sorted more often, so the average quality will improve too. The Governor said: "The fiver should start looking as smart as the three other denominations."

The Bank of England's key role has always been to ensure that the economy is supplied with the right quantity of money and to the general public that is perhaps most evident through the banknotes the Bank of England produces. Despite advances in other payments technology the demand for banknotes continues to grow. People still value the convenience of paper money, and the Bank of England's role is to meet that demand. Opinion surveys show there is a particular demand for more £5 notes.

The Governor added that the problem was not any lack of new notes as the Bank of England has some 300 million £5 notes ready to enter circulation. Rather, over 70 per cent of notes initially reach the public via ATMs but most ATMs do not dispense £5 notes (they constitute less than 0.2 per cent of all notes from ATMs).

With too few £5 notes reaching the public, and those that do often of poor quality, retailers generally use whatever £5 notes they have as change, rather than banking them, meaning few opportunities for the poor-quality notes to be withdrawn from circulation. The support from HSBC and Sainsbury's has been crucial in enabling the Bank of England to start turning this situation around.

Given that he was speaking in the Black Country, the Governor concluded: “Our banknote designs continue to be heavily influenced by Black Country man, Harry Eccleston, the Bank of England’s first full-time note designer. Sadly, Mr Eccleston died earlier this year, but his work continues to be widely recognised and appreciated. His crowning achievement was the Bank of England’s first series of fully pictorial notes which featured Newton, Nightingale, Shakespeare, Wren and, of course, the Duke of Wellington on the £5 note.”

#### **Note for Editors**

Please call the Bank of England’s Press Office on 020 7601 4411 if you would like to interview the Bank of England’s Head of Notes Division, Victoria Cleland, on this subject.