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News release

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Bank of England response to "Fixing LIBOR", a report by the Treasury Select Committee

The Bank welcomes the Treasury Select Committee's conclusion that the Bank of England did not have any regulatory responsibilities for LIBOR during the relevant period.

Under the Financial Services Bill currently before Parliament the Bank of England will take over responsibility for prudential supervision of financial firms next year. The report calls for a much stronger governance framework for the Bank of England. Such a framework is enshrined in the Financial Services Bill. Regulatory decisions, including on the suitability of senior banking executives, will ultimately lie with the board of the Prudential Regulation Authority, which will include both Executive and non-executive Directors, and not solely with the Governor of the Bank of England.

As the Report notes, "…judgement-led regulation will require the regulator to be resolutely clear about its concerns to senior figures in systemically important firms". That was the purpose of the Governor's meeting with the Chairman and Senior Independent Director of Barclays on 2 July, and in the circumstances was fully justified.

The Treasury Select Committee recommends that the Bank undertake a review of its note keeping systems. The Bank already has procedures for recording conversations between senior officials and others outside the Bank. But an internal audit review into the way in which all notes are kept and stored has already been commissioned by the Governor and Court of the Bank.