



BANK OF ENGLAND

News release

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News Release - New Bank of England banknotes to be printed on polymer

The Bank of England is today announcing that the next £5 and £10 banknotes will be printed on polymer, a thin flexible plastic film, rather than on the cotton paper used for notes currently in issue.

The new polymer notes will retain the familiar look of Bank of England banknotes, including the portrait of Her Majesty the Queen and a historical character. The first polymer note will be the £5 note featuring Sir Winston Churchill and will be issued in 2016. It will be followed around a year later by a polymer £10 note featuring Jane Austen.

The decision follows a three-year research programme by the Bank looking at the materials on which banknotes are printed, and which concluded that there were compelling reasons to move to printing on polymer. In particular, the research indicated that:

- Polymer banknotes are resistant to dirt and moisture so stay cleaner for longer than paper banknotes.
- Polymer banknotes are secure. They incorporate advanced security features making them difficult to counterfeit and further enhancing the strong security of Bank of England banknotes.
- Polymer banknotes are more durable. They last at least 2.5 times longer than paper banknotes so will take much longer to become "tatty", improving the quality of banknotes in circulation.

In addition, polymer banknotes are more environmentally friendly and, because they last longer are, over time, cheaper than paper banknotes. Being thin and flexible they fit into wallets and purses as easily as paper banknotes.

Despite these benefits, the Bank announced in September that it would print notes on polymer only if persuaded that the public would continue to have confidence in, and be comfortable with, notes printed on polymer. A programme of public consultation was therefore a vital part of the assessment of the merits of polymer notes.

The response to that consultation was overwhelmingly supportive of polymer notes. Over the course of two months, the Bank hosted events across the United Kingdom to give the public the opportunity to learn more about polymer banknotes, to handle the notes, and to provide feedback. Nearly 13,000 individuals gave feedback during the public consultation programme. 87% of those who responded were in favour of polymer, only 6% were opposed and 7% were neutral.

Support for polymer was broadly consistent across geographic regions, demographics and socio-economic groups. The most notable difference in feedback was that people who had the opportunity to see and handle the notes were 20% more likely to support polymer than those responding on the internet.

Further detail on the public consultation programme can be found on the Bank's website <http://www.bankofengland.co.uk/banknotes/polymer/Pages/pcp.aspx>.

In parallel with the public consultation, the Bank engaged with a wide range of stakeholders in the cash

industry. A new polymer note would require greater change to cash handling practices than a new paper note so the Bank will continue its dialogue with the industry and work collaboratively towards a smooth introduction of the first polymer note. The Bank will host an Industry Forum in February 2014 to initiate this work.

The new polymer notes will be slightly smaller than their existing paper equivalents, but the current practice of note size increasing with note denomination will be maintained. Bank of England notes are currently large compared with their international counterparts, making the largest denomination notes harder to fit into cash handling technology and less convenient for everyday use. Smaller notes will also reduce printing and storage costs.

The contract for printing the Bank of England's notes from April 2015 is currently being tendered. Notes will continue to be printed at the Bank's printing works in Debden, Essex. The Bank expects to enter a contract with Innovia Security to supply the polymer material for the new-style £5 and £10 notes, in which case Innovia would establish a polymer production plant in Wigton, Cumbria, in 2016.

Commenting today, Mark Carney, Governor of the Bank of England, said: "Ensuring trust and confidence in money is at the heart of what central banks do. Polymer notes are the next step in the evolution of banknote design to meet that objective. The quality of polymer notes is higher, they are more secure from counterfeiting, and they can be produced at lower cost to the taxpayer and the environment."

Chris Salmon, Executive Director for Banking Services and Chief Cashier, said: "We are grateful to the thousands of people who came to talk to us about polymer banknotes. We know that the public care greatly about their banknotes and the feedback we received provided an invaluable input into our final decision."

The issue of the new notes will be supported by a comprehensive education programme which will include information about the new security features for authentication of the banknote as well as details of how the current paper £5 and £10 banknotes will be withdrawn from circulation.

Notes to Editors

1. Polymer banknotes are manufactured from a transparent plastic film, specially coated with an ink layer that enables it to carry the printed design features of banknotes. The material allows the inclusion of 'windows' or clear portions in the design, which enhance protection against counterfeits.
2. The planned issuance dates for the Churchill £5 and Austen £10 reflect the need to finalise the design of the new banknotes, to undertake trial print runs to identify if any modifications are necessary for large-scale production, to print the initial launch stocks and to allow the industry to update cash handling machines to accept the new designs.
3. The Bank consulted with the Royal National Institute of Blind People on the proposed size change and they have indicated their support. The polymer £5 note will measure 125mm in length and 65mm in height. Each subsequent denomination will measure 7mm longer and 4mm higher than the previous denomination; therefore the £10 note will measure 132mm x 69mm. These will be a little larger than the equivalent Euro notes.
4. Link to news release announcing the consultation, can be found at <http://www.bankofengland.co.uk/publications/Pages/news/2013/103.aspx>
5. The consultation programme comprised three different types of events run by the Bank: stands in shopping centres, drop in sessions at office premises and universities, as well as presentations and Q&A sessions with a wide range of parties (e.g. chambers of commerce and small business groups). Detailed factual information was provided on our website. We also commissioned from TNS, the independent market research firm, 36 focus groups and an omnibus survey. Each of the Bank and TNS events provided people with an opportunity to handle mock up Bank of England polymer notes, so that they could experience polymer first hand. Comment cards were provided at all of the events, and an on-line comment form was set up on the Bank's website. In addition, there was a display in the Bank's museum accompanied by comment cards.

6. A short video of Victoria Cleland, Head of Notes Division, providing more details about polymer banknotes can be found at <http://www.youtube.com/watch?v=Q97EKImhq3Q>
7. Over 25 countries currently issue polymer banknotes. These include Australia, which introduced them in 1988, New Zealand, Mexico, Singapore, Canada and most recently Fiji, and Mauritius, which both introduced polymer banknotes in 2013.
8. More information on Bank of England banknotes and details about polymer can be found at: <http://www.bankofengland.co.uk/banknotes/Pages/default.aspx>
9. For further enquiries, please contact the Bank's Press Office on 020 7601 4411.