



BANK OF ENGLAND

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Bank of England polymer consultation programme – speech by Chris Salmon

In a speech delivered to the Norfolk Chamber of Commerce, Chris Salmon, Executive Director for Banking Services and Chief Cashier, discusses the Bank of England's public consultation programme regarding its recommendation to produce the next £5 and £10 banknotes on polymer.

Chris Salmon begins by reiterating that the Bank's key objective in issuing banknotes is to maintain public confidence in the currency. As such, the Bank needs to ensure that the public are able to access Bank of England notes and be confident in their integrity. He comments: "For the public to be confident in banknotes, we need to make sure that demand for banknotes is met, that notes are in a good condition, and that notes are resilient to the threat of counterfeiting."

Chris Salmon addresses three key questions relating to the consultation programme. First he explores why the Bank is only now proposing a switch to polymer. He explains that, until relatively recently, there had not been sufficient drivers to warrant change. Confidence in the currency remains high and our banknotes are secure. Yet, over the past few years, a number of 'push' and 'pull' factors have prompted the Bank to reconsider whether paper remains the best long-term solution for our banknotes. These factors include the improvement in banknote technology, the enhanced capability of counterfeiting gangs and the desire to improve the quality of notes in circulation. In response to the intensity of these push and pull factors, the Bank launched an in-depth assessment of the merits of banknotes printed on a variety of materials. He states: "Our aim was to provide as comprehensive a picture as possible of the issues associated with any change...Recognising that changes like this are rare events, we have taken our time and have sought to undertake as comprehensive analysis as possible before reaching the point we are at today."

Moving on to discuss the second question of why the Bank is consulting the public, Chris Salmon explains: "Notwithstanding the conclusions of our research, there would be no point in changing if the public-at-large had material misgivings, and a clear wish to retain banknotes printed on paper." In addition to playing a part in the Bank's final decision, the information gathered during the consultation will prove invaluable in planning for a transition should the switch go ahead.

Finally, Chris Salmon considers why all central banks are not proposing to make the switch to polymer. He notes that decisions are dictated by circumstances. These include different levels and types of counterfeiting, varying appetites for change and approaches to banknote quality.

In concluding he notes that: “Ahead of making a final announcement in December, the Bank will consider the feedback received from the public alongside the information gathered from the research programme and industry consultations. We are committed to being transparent about the justification for our final decision.”