



BANK OF ENGLAND

EU referendum: your questions answered

What do any financial market movements after the vote mean?

The economy will need to adjust to whatever new trading relationships are put in place in the future. These decisions will influence the UK's long-term economic prospects. Financial markets can be expected to adjust in anticipation of these changes.

The Bank of England cannot (and should not) stand in the way of these necessary adjustments. But we will work to ensure the financial system can function effectively as they take place, so that any effect on jobs and growth is not magnified.

Can I still convert my pounds to euros?

Yes, nothing has changed in this respect. The pound and the euro are freely convertible currencies and there is no prospect whatsoever of this changing. Banks, building societies and foreign exchange bureaux will continue to offer to exchange your holiday money.

Can I still take money out of cash machines on holiday in Europe?

Yes, nothing has changed in this respect.

Will I be able to open a bank account in a European country?

Nothing has changed in this respect. In general, individual banks decide who can open an account with them, wherever they are located.



Does European legislation still apply to the UK?

Yes. The referendum result does not end the UK's membership of the European Union. The Treaty on European Union sets out the process allowing a member state to voluntarily withdraw from the EU. This is likely to take at least two years. The detailed arrangements that will apply after our departure from the EU will be subject to negotiation between the UK Government and other member states.

Are Britain's banks safe?

Britain's major banks are resilient. As their supervisor, the Bank of England has systematically and consistently strengthened UK banks' balance sheets in the last seven years. As a result, major UK banks have raised over £130bn of capital, and have more than £600bn of cash and liquid assets in reserve. We have tested them against severe stress scenarios that are far more demanding than that which the country currently faces. Banks are able to continue to lend to businesses and households, even in challenging circumstances.

Is my money safe?

The first protection is the strong balance sheets of British banks and building societies. In addition, the [Financial Services Compensation Scheme](#) (FSCS) guarantees that the first £75,000 you have deposited in any UK bank or building society is protected, and this will continue to be the case. You can find more information [here](#).

Is my account in a European bank also safe?

Nothing has changed in this respect. Deposits in branches of European banks located in the UK are still guaranteed by the deposit guarantee scheme in the bank's home country.

Deposits in UK banks that are owned by European (or other country) parent companies continue to be covered by the UK's [Financial Services Compensation Scheme](#).

You can find more information [here](#).

What will happen to the economy now we've voted to leave?

The economy will need to adjust to whatever new trading relationships and regulations are eventually put in place. These decisions will influence the UK's long-term economic prospects. Financial markets will adjust in anticipation of these changes.



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The Bank of England cannot (and should not) stand in the way of these necessary adjustments. But we will work to ensure the financial system can function effectively as they take place, so that their effect on prices, jobs and growth is not magnified.

Our [Financial Policy Committee](#), which is in charge of financial stability, will meet as scheduled on 28 June and will publish its regular [Financial Stability Report](#) on 5 July.

Our [Monetary Policy Committee](#) (MPC), which is responsible for setting interest rates, is scheduled to publish its next decision on 14 July.

As usual, a full set of minutes from the MPC's meetings will be published that day. The MPC's [Inflation Report](#) – which will set out its next set of forecasts for growth and inflation – will be released on 4 August.

What is the Bank of England doing to help stabilise the economy?

We have extensive contingency plans in place. In the run-up to the referendum, we have worked with financial institutions to build their resilience and readiness.

The Bank of England has stress tested banks against scenarios more severe than the country currently faces. As a result of these actions, major UK banks have raised over £130bn of capital, and now have more than £600bn of high quality liquid assets. As a backstop, and to support the functioning of markets, we also stand ready to lend banks more than £250bn of additional funds through its normal facilities.

We are working closely with other authorities, such as the Debt Management Office and the Treasury, to maintain stable and functioning markets if the need arises. We are in close contact with relevant international authorities, including foreign central banks.

We also have a range of powers that can be used to support financial stability. And we control the United Kingdom's monetary policy to meet the inflation target given to us by the UK Parliament and Government.

Is the Bank going to change interest rates?

Our [Monetary Policy Committee](#) (MPC) is responsible for setting interest rates in order to deliver our inflation target of 2%, given to us by the government. The MPC has nine members, who each have an individual vote on policy decisions. The committee members will vote on the appropriate interest rate and publish its next decision on 14 July.



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Will the Bank be involved in negotiations over our exit from the EU?

International negotiations are a matter for the Government. We will provide technical support, when asked, in those areas where we have relevant expertise, and in line with our remit for monetary and financial stability.

For further enquiries, please contact: enquiries@bankofengland.co.uk or +44 (0)20 7601 4878