



**BANK OF ENGLAND**

# News release

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## **Bank of England decision on the future composition of polymer banknotes**

The Bank is today, Thursday 10 August, announcing that after careful and serious consideration and extensive public consultation there will be no change to the composition of polymer used for future banknotes. The new polymer £20 note and future print runs of £5 and £10 notes will continue to be made from polymer manufactured using trace amounts of chemicals, typically less than 0.05%, ultimately derived from animal products.

This decision reflects multiple considerations including the concerns raised by the public, the availability of environmentally sustainable alternatives, positions of our Central Bank peers, value for money, as well as the widespread use of animal-derived additives in everyday products, including alternative payment methods. In reaching its decision, the Bank has also taken account of its obligations under the Equality Act 2010.

The only currently viable alternative for polymer banknotes is to use chemicals ultimately derived from palm oil. In order to seek the public's views on both these options, the Bank ran a full public consultation which set out a range of relevant information. The Bank has also conducted outreach meetings with representatives of potentially impacted groups, commissioned technical trials, held commercial discussions and commissioned independent environmental research.

3,554 people responded to our consultation. Of those who expressed a preference, 88% were against the use of animal-derived additives and 48% were against the use of palm oil-derived additives. The Bank has had to balance these responses against its other public duties and priorities as well as the other evidence gathered over the past months. The use of palm oil raises questions about environmental sustainability and the Bank's suppliers have been unable to commit to sourcing the highest level of sustainable palm oil at this time.

Value for money was also a consideration in the Bank's decision. The estimated extra cost of switching has increased since the consultation and is now estimated to be around £16.5 million over the next ten years. The Bank has consulted with HM Treasury, as the ultimate bearer of this additional cost is the taxpayer.

HM Treasury advised the Bank that it does not believe switching to palm oil derivatives would achieve value for money for taxpayers.

The manufacture of Bank of England polymer notes using trace amount of animal-derived additives is in line with other polymer issuers. The Bank of England has conducted in-depth investigations into alternatives and considered these in the context of the manufacture and use of plastics in other everyday household products.

The case for moving to polymer banknotes remains compelling. Polymer banknotes deliver significant benefits over paper, particularly when combined with state of the art security features which make the notes much harder to counterfeit. Polymer is also stronger than cotton-paper and so notes will last longer, remain in better condition and deliver environmental benefits. The Carbon Trust has certified that over their full life cycle, the carbon footprint of polymer £5 and £10 notes is lower than paper notes.

The Bank fully recognises the concerns raised by members of the public, both prior to and during the consultation, and has not taken this decision lightly. The Bank also understands that the decision it has reached may not address the concerns of all parties, but in making this decision, the Bank has considered very carefully the relevant factors and taken into consideration all of its objectives, including its responsibility to maintain confidence in the currency through the issuance of high quality, secure banknotes and achieve value for money for taxpayers.

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## Notes to editors

1. Alongside this news release, the Bank is also publishing a document which summarises the responses to the public consultation, sets out the cost implications, details the Bank's equality duty, its understanding of the equality issues and, discusses the sustainability considerations.
2. The issue of animal-derived additives in Bank of England banknotes first came to light towards the end of last year and the Bank made a [statement](#) on 30 November.
3. In February 2017, the Bank [announced](#) that the current polymer £5 note would remain in circulation and the new £10 note, due to be issued in September, would be printed on the same polymer material.
4. The public consultation ran from 30 March to 12 May. This was accompanied by a [consultation document](#) and [independent report](#) on the environmental impact of a range of additives from a consultancy firm, Efeca.
5. The Bank [announced](#) in March 2014 that it had entered into a contract with Innovia Security to supply the polymer material for the next £5 and £10 banknotes. Innovia Security now operates as CCL Secure.
6. The Bank [announced](#) in October 2014 that it had entered into a 10 year contract with De La Rue to print its banknotes at the Bank's facility in Debden, Essex.
7. The tender for the £20 substrate was put on hold to accommodate this decision on the future composition of the polymer used. The tender process will now continue and the Bank expects to announce an outcome by the autumn.
8. Polymer banknotes are more environmentally friendly than paper due to their durability. The Carbon Trust has certified that over their full life cycle, the carbon footprint of a £5 polymer banknote is 16% lower than the £5 paper banknote, while the carbon footprint of a £10 polymer banknote is 8% lower than the £10 paper banknote. This certification was completed in accordance to the international standard PAS 2050, looking at the full life cycle of greenhouse gas emissions related to the banknotes, including from their production, use in circulation and final disposal.