

10th April 2008

Dear Sir or Madam,

As an individual I am responding to the "Banking Reform Financial Stability and Depositor Protection" paper of January 08.

Because of the deepening financial crisis, I have left my reply to the last few weeks by which time people may respond. Having kept a close watch on events unfolding since September of last year, I feel that the government, treasury, and the financial services authority could have done far better than what has been achieved. Confidence in the banking sector is at an all time low, the lowest I have encountered in my sixty six years. Banks build their reputations on trust and confidence and this, clearly, has been severely dented. The first mistake occurred when Lloyds T.S.B. was effectively prevented from rescuing Northern Rock for a sum of £30 billion by the misinformed or misguided authorities who now have paid £100 billion (approx) of tax-payers money, hardly a "prudent" move. The Federal Reserve allowed J.P. Morgan Chase to rescue Bear Stearns. This, I feel, is how it should have been handled here.

To deal with the main point of the paper and to restore confidence in the system, I suggest that not only 96% of savers are fully covered by the Depositor Protection Scheme

but a full 100%. The £35,000 limit has to be
dramatically increased. If this gives rise to the need for
some form of co-insurance, then so be it, a greater
protection is clearly needed.

Yours Faithfully.