

Dear Sirs,

I am responding to Financial stability and depositor protection: strengthening the framework, Cm 7308. I am not responding on behalf of an organisation.

Question 4.20

Retail depositor preference in full should be considered with some urgency. The proposals in the document appear only to cover insolvencies involving relatively minor losses. If two or three large banks become concurrently insolvent taxpayers funds may well not support even the FSCS limit. In such circumstances culpability could be assumed to lie throughout the financial services industry and wholesale creditors should have low priority.

Question 5.4

This would be covered by depositor preference. Alternatively all retail deposit products could be required to be offered with a collateralised option.

Question 5.28

I agree that all four items in para 5.68 are required and should be imposed soon.

Yours Sincerely