

The Association of Corporate Treasurers

Comments in response to

Financial stability and depositor protection

Consultation by Bank of England, HM Treasury, FSA
January 2008

February 2008

The Association of Corporate Treasurers (ACT)

The ACT is a professional body for those working in corporate treasury, risk and corporate finance.

We have canvassed the opinion of our members through our Policy and Technical Committee and Payments Working Group.

Response

In our response to the discussion paper on this topic issued in October 2007, The ACT agreed that the Government's overall objectives for the financial system should be stability, competitiveness and consumer confidence. Our key focus remains on business and corporate customers who need continued access to banking services - especially payment services - in the event of bank financial distress. We did not address the issue of retail deposit protection.

In this consultation you have made some outline proposals on a new oversight regime for payments which you suggest would be 'clear and robust..[and]..sufficiently flexible' to 'take on [the] oversight responsibilities'. It is difficult for us to comment given the lack of precision and we welcome the intention to enable a full discussion of the detailed proposals in a subsequent consultation

Our members interact with a wide variety of financial and payment service providers and will be keenly interested in the development of the Government's thinking. The ACT would be pleased to engage in discussions with whichever agency is considered most appropriate as the oversight body on these matters.