

February 26, 2008

Dear Sir/Madam,

Financial stability and depositor protection: strengthening the framework: consultation:

I write as a private depositor, and also Attorney with registered power of attorney for an elderly relative.

The present £35,000 depositor protection limit means that some people with power of attorney such as myself need to keep deposits below this figure for safety. I suggest there may be a cluster of accounts of or just below £35,000 for such reasons, please look at more detailed data on that point. I had to take out several c.£35,000 accounts for the EPA donor with quite modest funds needed to pay for care. Although the Public Guardianship Office and the BBA in their leaflets both say that the registered EPA is acceptable for ID of the donor, in practice individual banks and building societies will not accept it as such. With modern money laundering regulations, it has become increasingly difficult to open accounts under EPA.

I understand from the press that BBA have suggested £50,000 would cover most depositors. That may be so, but BBA do not know of clients' accounts with other banks or building societies.

Raising the limit to £100,000 looks from your data (fig. 5.3) as if it would protect 75% of balances. That is what I request.

It is unfair that Northern Rock depositors have much higher protection for much longer.

Please see my letter to the BBA on 22 Feb 2008 and my relative's

Yours faithfully,