

BANK OF ENGLAND
LONDON EC2R 8AH

11 November 2008

Peter Warren
Whatdotheyknow.com
Via e-mail

Dear Mr Warren

In your e-mail of 21 October you asked for an internal review of our response to your request for

"(1) All email and paper correspondence between the Bank of England and the Chairman, Chief Executive and other Directors of HBOS prior to and up to the date of the public announcement that it was subject to a take over bid by Lloyds TSB.

(2) All email and paper correspondence between the Bank of England and the Chairman, Chief Executive and other Directors of Lloyds TSB prior to and up to the date of the public announcement of its take over bid of HBOS."

I have reviewed your correspondence with the Bank, including Mr Allen's reply, and have noted in particular your concerns about public interest considerations.

Mr Allen said that the Bank was unwilling to confirm or deny whether it held the information and that any such information, if held by the Bank, would be likely to be exempt under S41 (information provided in confidence) and/or S43 (commercial interests) of the Freedom of Information Act 2000 (FoI Act). It seems to me that Mr Allen's view is entirely reasonable. Any such correspondence between the Bank and either of these parties relating to a possible takeover would have been provided to enable or assist the Bank to fulfil its functions and in the firm expectation that any such correspondence would have been confidential. What a company should and should not make public to shareholders and potential shareholders is a matter of law and the companies would both have expected the Bank to be familiar with that law and unlikely to contravene it either deliberately or by accident. Consequently, while there is an obvious public interest in disclosure, the balance lies in my view the other way.

Similarly, companies will provide the Bank with information which is commercially sensitive and which might, if disclosed, be damaging to their commercial interests and to those of others. In some cases, even the fact that a company had provided the Bank with information of a particular kind would or would be likely to be commercially prejudicial. Again, this seems to me to outweigh any public interest in disclosure.

So I fully agree with the response that Mr Allen sent you.

If you are not content with the outcome of this internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF.

Yours sincerely



J R E Footman
Executive Director, Central Services