



BANK OF ENGLAND

Mr Barry Koston
Via email to:
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cc6b0508@whatdotheyknow.com

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Please quote ref. CAS-06142-M5Y9M9 on all correspondence

Dear Mr Koston

Thank you for your email of 11 March in which you ask the following under the Freedom of Information Act 2000 ('Fol Act'):

'Q,1. After the link with gold was broken in 1931. What happened to the gold reserves that the public had with the bank of england? After all, the public had their receipts for the gold deposits.

Q,2. After 1931, If the bank didn't return the gold supply to the public, then what did the bank provide (remedy) back to the public, equal or more in value?'

May I first explain that the Fol Act provides a general right of access to recorded information held by a public authority. It does not require a public authority to answer general questions on a subject as is the case in this instance. However, in order to be helpful I have provided the following information which includes information previously provided in answer to a different request which you referenced in your incoming email.

When Britain finally left the gold standard in 1931, the note issue became entirely fiduciary, that is wholly backed by securities instead of gold. Since that time there has been no other asset into which holders have the right to convert Bank of England notes. They can only be exchanged for other Bank of England notes, and our banknotes keep their face value for all time. Nowadays public faith in the pound is maintained in a different way – through the Bank of England's monetary policy, the object of which, by statute, is price stability.

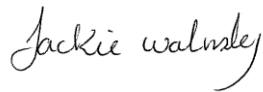
Following the end of the Gold Standard in 1931 the gold and foreign exchange reserves were transferred to HM Treasury, these reserves are still managed by the Bank on behalf of the Government, and are held in an account called the Exchange Equalisation Account ('EEA'). Further information about the reserves can be found on our website at:

<https://www.bankofengland.co.uk/markets/foreign-currency-reserves>

You may also find the following article published in our Quarterly Bulletin in 1968 (pages 377-390) of interest. It explains the origins of the EEA and includes a history of how different events impacted on the country's reserves. You will also see on pages 382/383 of the article that with the outbreak of war, '*All gold and exchange held by residents had to be offered for sale to the Treasury as part of the concentration of the country's external resources...*'. The article can be viewed at:

<https://www.bankofengland.co.uk/-/media/boe/files/quarterly-bulletin/1968/the-exchange-equalisation-account-its-origins-and-development.pdf?la=en&hash=B07547ED8E0BBFE717CFD376DFB214EB4081B64C>

Yours sincerely



Jackie Walmsley
Information Access Team

Your right to complain under the FoI Act

If you are unhappy with the Bank's response, you may ask for that decision to be reviewed internally. Please note that this will be subject to the Bank having received your submission within two months of the date of this response. In order to submit an internal review, please set out the grounds for your appeal and send it to Wendy Galvin, Information Access Team (TS-Mz), Communications Directorate, Bank of England, Threadneedle Street, London, EC2R 8AH or by email to enquiries@bankofengland.co.uk for the attention of Wendy Galvin.

If you are not content with the outcome of the 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.

Privacy notice

When you contact us, the Bank collects information about you. This includes your name, contact details and anything you choose to disclose in your correspondence.

We collect your personal data to assess your request and prepare our response to you. Our basis to process this data is that it is necessary for us to satisfy a legal obligation.

We will keep your personal data for 10 years. You can request that we no longer use your personal data, by contacting us via the website link below.

You have a number of rights under data protection laws, for example you have the right to ask us for a copy of the personal data the Bank holds about you. This is known as a 'Subject Access Request'. You can ask us to change how we process or deal with your personal data, and you may also have the right in some circumstances to have your personal data amended or deleted. To find out more about those rights, to make a complaint, or to contact our Data Protection Officer, please see our website at www.bankofengland.co.uk/privacy