



BANK OF ENGLAND

Mr Tapi
Via e-mail to:
request-185788-
23f514a2@whatdotheyknow.com

Public Information and Enquiries Group
Public and Internal Communications Division
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18 December 2013

Please quote ref. V 79248 on all correspondence

Dear Mr Tapi

Thank you for your email of 20 November in which you ask the following questions under the Freedom of Information Act 2000 ('Fol Act'):

'1) Can BoE provide a record of the number of individuals who have returned bank notes (or demanded) for payment on their 'promissory bank notes' with tangible assets attached to the nominal values of £5, £10, £20 or £50 and what procedure is followed to demand given sums for the nominal value on bank notes.

2) What denominations of tangible assets of value allocated to the aforementioned BoE Promissory Bank Notes are paid to the bearer on demand by the Bank of England or HM Treasury?

3) HM Treasury backs these bank notes with Securities (BoE ref. V 76202). Please provide information BoE has on classification of Securities such as Gilts as 'tangible' assets of value? and what denominations of securities backing each note are paid 'on demand' to the bearer of a bank note.

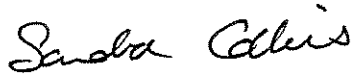
4) Finally, pursuant to the BoE Act 1882 s.3(1)(2)(3)(4) a promissory note is legally compliant when "signed by the maker, engaging to pay, on demand or at a fixed or determinable future time, a sum certain in money" therefore please state what is paid by the Bank of England on demand by the bearer as per request no. 1 above. Where money appears to be the promissory note itself strictly speaking.'

We are unclear as to what you mean when you refer to 'tangible assets' in the context of 'promissory bank notes'. If however, you believe that Bank of England banknotes can be exchanged for gold or securities, that is no longer the case. You may therefore find the following background information helpful.

The words 'I promise to pay the bearer on demand the sum of ...' which appear on our banknotes date from the days when our banknotes were backed by gold, and meant that the Bank of England undertook to exchange any banknotes paid in by the public with gold to the same value. As already explained, this is no longer the case. However, these days under section 1(4) of the Currency and Bank Notes Act 1954 (<http://www.legislation.gov.uk/1954?title=currency%20and%20bank%20notes%20>) the holder of a Bank of England banknote is in summary entitled on demand on presentation of his / her banknote at the Bank of England to receive in exchange legal tender banknotes of a lower denomination, as he / she may specify, of an equivalent value.

Should you be interested, there is more about our banknotes on our website at: <http://www.bankofengland.co.uk/banknotes/Pages/default.aspx>. You may also be interested in the Issue Department accounts of the Bank of England: <http://www.bankofengland.co.uk/publications/Documents/annualreport/2013/2013report.pdf> (see numbered pages 99 – 101).

Yours sincerely

A handwritten signature in black ink that reads "Sandra Collins". The script is cursive and fluid.

Sandra Collins
Public Information and Enquiries Group

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. In order to do so, please set out the grounds for your appeal and send it to Wendy Galvin, PIEG (HO-M), Public and Internal Communications Division, 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.