



BANK OF ENGLAND

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**Please quote ref. V 81602 on all
correspondence**

Dear Mr Tapi

Thank you for your further email of 18 December in reply to our response of 18 December to your Freedom of Information request of 20 November.

As explained previously, when a banknote is exchanged at the Bank of England you do not receive gold (or indeed securities) but banknotes of equal value and integrity. This is not the same as a currency swap i.e. exchanging one currency for a different one.

Parties to transactions need to have faith in the value of a banknote and what it represents. Public trust and confidence in the currency is essential to the functioning of the economy, and maintaining the integrity of the currency is, as you are aware, a key role of the Bank of England. Therefore, the key point here is that when you receive banknotes in exchange you can be certain of their value and what they represent. The 'promise to pay the bearer...' also means that you can exchange a Bank of England banknote, for all time, even if it is no longer in general circulation.

I hope this has now satisfactorily answered your questions on this matter.

Yours sincerely

Sandra Collins
Public Information and Enquiries Group