



BANK OF ENGLAND

Mr Majestic
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Please quote ref. CAS-05906-Y7F1F0 and CAS-05907-V5J6Y7 on all correspondence

Dear Mr Majestic

Thank you for your emails of 27 February to the Bank of England (the 'Bank') which includes the Prudential Regulation Authority, in which you ask the following under the Freedom of Information Act 2000 ('Fol Act'):

'the link between gold and banknotes being broken in the 1931 gold standard act.

1. *What did the receipt ant (public) get for this remedy?*
2. *Where and what happened to the gold that the receipt ant (public) had in the banks?'*

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, you may find the following of interest.

Since its foundation in 1694 the Bank has issued banknotes promising to pay the bearer a sum of money. For much of its history the promise could be made good by the Bank paying out gold in exchange for its notes. The link with gold helped to maintain the value of the notes, although the link was sometimes suspended, for example in wartime. As you know, the link with gold was finally broken in 1931 and 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. Nowadays public faith in the pound is maintained in a different way - through the Bank of England's operation of monetary policy, the object of which, by statute, is price stability.

You can read about the framework for the operation of monetary policy and the remit for price stability on our website at:

www.bankofengland.co.uk/monetary-policy

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. Further information about the reserves can be found on our website at:

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

Yours sincerely

Sandra Collins
Information Access Team

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