



Information Rights Unit
HM Treasury
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Mr Blaise Tchoula

(Via email: request-416094-
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www.gov.uk/hm-treasury

3 October 2017

Ref: FOI2017/14922

Dear Mr Tchoula,

Freedom of Information Act 2000: National Debt

Thank you for your Freedom of Information enquiry of 5 September 2017.

You asked for the following information:

"1) Would you kindly provide the public with information regarding how much debt in pounds does uk have till date? (if possible provide a table reflecting the pass 6 years)?

2) Who did Britain borrow this money from? The persons, the people the money came from? Example when i want to borrow money i go to my friend or the Bank and they will give me £ notes or make it available to me.

2)(a) That process allow them to only provide me with what they got and i assume that the money is there energy, and they have obtain it in a transparent way and not through some accounting tricks or any other illegal or/and unlawful act that they are hiding from me. example making money out of thin air and without telling that. Please take that into account when responding to my question.

3) Could you please provide information as to what constitute a Bank.? May i ask you to revisit the question and taking into account the fact that a Bank is defined in the Bill of Exchange Act 1882, is that the correct definition that must be employed by court?

4) What constitute a Banknote ?

4)(a) All Bank of England Banknote clearly states and in capital letters "I PROMISE TO PAY THE BEARER ON DEMAND THE SUM OF POUNDS" does that mean that this is simply a promissory note with no real or intrinsic value?

5) Would you please also provide information about what a promissory note is?

- 6) Would you please provide information about the Treasury and any other representative of the Crown obligation to accept promissory notes?
- 6)(a) Where there is any fundamental difference in promissory notes please provide information and information as to why this are not accepted by the Tresuary and any other Crown representatives.?"

I can confirm that HM Treasury does hold information within the scope of your request.

Information relevant to your request has already been published. This information therefore engages the exemption at section 21 of the Freedom of Information Act 2000, which states that public authorities are not obliged to re-issue information that is reasonably accessible. However, to be helpful, the information you have requested and links to the source of this information is available as set out below:

- 1) Information on the debt stock to date is shown in the table below. This information is published quarterly by the Debt Management Office (DMO), who issues debt on behalf of the UK Government. You can also access this data online at:
http://www.dmo.gov.uk/index.aspx?page=publications/Quarterly_Reviews

Date	UK Debt Stock (nominal uplifted value, excluding official holdings)
December 2016	£1,604.8 billion
December 2015	£1,570.1 billion
December 2014	£1,482.4 billion
December 2013	£1,386.3 billion
December 2012	£1,294.6 billion
December 2011	£1,195.2 billion

- 2) The UK Government borrows money by issuing financial instruments known as bonds, which allow the issuer to raise money at a fixed interest rate for a fixed period of time. These bonds, which are known as gilts, are first sold by the Debt Management Office to a group of approved investment banks known as the Gilt-Edged Market Makers (GEMMs). The GEMMs then sell gilts on to end-investors. The Government therefore borrows directly from the GEMMs in the first instance but ultimately owes this debt to other end-investors. A precise breakdown of the end-investors is not available, but information on gilt holdings by type of investor is published by the Office for National statistics (ONS) four times per year. The table below shows the most recent breakdown of gilt holdings by sector as at 31 March 2017. This information can also be found online at:

<https://www.ons.gov.uk/file?uri=/economy/grossdomesticproductgdp/datasets/unitedkingdomeconomicaccounts/current/unitedkingdomeconomicaccounts2017q1.pdf>

Gilt holdings by sector (£ billion)	31 March 2017
Insurance Companies and Pension Funds	544.7
Overseas Investors	520.6
Bank of England (Asset Purchase Facility)	481.1
Banks and Building Societies	159.2
Other Financial Institutions	134.5
Households	84.9
Other	2.6

- 2) (a) When the Government borrows by issuing government bonds, it receives cash from the GEMMs in the first instance. The Government is not able to create money to finance itself.
- 3) The Prudential Regulation Authority's Rulebook defines a bank as:
 - (1) a firm with a Part 4A Permission to carry on the regulated activity of accepting deposits and is a credit institution, but is not a credit union, friendly society or a building society; or
 - (2) an EEA bank.

This information is also available online at:

<http://www.prarulebook.co.uk/rulebook/Glossary/FullDefinition/52212/20-09-2017>

If you have questions about the legal use of certain words, you may wish to seek independent legal advice.

- 4) (a) The words "I promise to pay the bearer on demand the sum of five pounds" date from when banknotes represented deposits of gold. At that time, a member of the public could exchange one of the Bank of England's banknotes for gold to the same value. For example, a £5 note could be exchanged for five gold coins, called sovereigns. But the value of the pound has not been linked to gold for many years, so the meaning of the promise to pay has changed. Exchange into gold is no longer possible and Bank of England notes can only be exchanged for other Bank of England notes of the same face value. Public trust in the pound is now maintained by the operation of monetary policy, the objective of which is price stability.

Further information on the Promise to Pay can be found online at:

<http://www.bankofengland.co.uk/banknotes/Pages/about/faqs.aspx>

In question 4 you ask about the definition of a banknote. As discussed in our response to your previous Freedom of Information request of 25 July 2017 (Our Reference: FOI2017/11645), a banknote is a type of promissory note. With respect to questions 5 and 6, more information about banknotes and promissory notes can be found in the Bills of Exchange Act 1882 and the Stamp Act 1891. These are available online at the following links:

<http://www.legislation.gov.uk/ukpga/Vict/45-46/61?view=plain>

<http://www.legislation.gov.uk/ukpga/Vict/54-55/39>

We hold no further information in scope of your request.

If you have any queries about this letter, please contact us. Please quote the reference number above in any future communications.

Yours sincerely,

Information Rights Unit

Your right to complain under the Freedom of Information Act 2000

If you are not happy with this reply, you may request a review by writing to HM Treasury, Information Rights Unit, 3/Red, 1 Horse Guards Road, London SW1A 2HQ or by emailing us at the address below. Any review request must be made within 2 months of the date of this letter.

Email: foirequests@hmtreasury.gsi.gov.uk

It would assist our review if you set out which aspects of the reply concern you and why you are dissatisfied.

If you are not content with the outcome of the review, you may apply directly to the Information Commissioner for a decision. Generally, the Commissioner will not make a decision unless you have exhausted the complaints procedure provided by HM Treasury.

The Information Commissioner can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF.