



# The Gower Initiative for Modern Money Studies

## The Bank of England

### The role of the Bank of England

- It is responsible for operating monetary policy by moving the interest rate (formally known as the Bank Rate) up and down in certain circumstances.
- It carries out quantitative easing.
- It is responsible for designing and printing bank notes and ensuring they are delivered to the places they are needed.
- Only the Bank of England can issue banknotes in England and Wales, but seven commercial banks can issue them in Scotland and Northern Ireland.
- It is responsible for ensuring people have confidence in the currency, for making sure notes and coins are genuine. Notes must include the latest anti-forgery features and the BoE provides training and education resources to help people spot fake notes.
- It is responsible for making sure the financial system is safe and sound, providing critical services to the real economy. The Financial Policy Committee (FPC) identifies and monitors the financial system, offering liquidity support to financial institutions that are struggling to secure access to sufficient cashflow putting them at risk of collapse.
- It acts as a settlement agent for banks and to others who are members of several payment systems. Payments play a key role in the smooth functioning of the economy. The BOE settles around £500 billion worth of payments between banks, almost a third of the UK's annual gross domestic product (GDP). These transactions span, or back almost every payment in the UK economy – from salaries to company invoices, car purchases to coffee sales, from pension and investment flows. The BoE also settles interbank transfers for several retail and card systems, providing safe, risk free way for banks to transfer money to each other, promoting financial stability.
- It regulates and supervises some types of financial firms via the Prudential Regulation Authority (PRA). Its role is to promote the safety and soundness, facilitate effective competition, and secure an appropriate degree of protection for insurance policy holders for around 1,500 banks, building societies, credit unions, insurers and major investment firms.

[gimms.org.uk](http://gimms.org.uk)



@gowerinitiative



The Gower Initiative