

**WRITTEN QUESTION TO THE MINISTER FOR EXTERNAL RELATIONS  
BY DEPUTY M.R. HIGGINS OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 16th JULY 2019**

**Question**

Will the Minister explain to members –

- (a) what assessment, if any, he has undertaken of the implications for Jersey retail depositors of being left out of the ring-fencing arrangements for retail banks in the U.K. and being included with the wholesale banking sector; and
- (b) what assessment, if any, he has undertaken of what the implications and liabilities to the Island would be if a wholesale bank failed in the Island?

**Answer**

- (a) As Jersey is not a part of the UK, protections such as the UK's Financial Services Compensation Scheme are not available to Jersey retail bank depositors. Jersey has therefore established its own protections including the Bank Depositors Compensation Board, which provides protections for retail bank deposits in Jersey. In this respect, bank ring-fencing has not removed protections for Jersey depositors.

Government is also establishing a bank resolution authority, following the introduction of the Bank Recovery and Resolution (Jersey) Law 2017. This will ensure that Jersey banks have appropriate plans in place should they find themselves in difficulty. Protecting deposits is a core component of such plans.

- (b) Implications and liabilities from bank failure are kept under review by the Government and JFSC. To strengthen the island's approach, the Government is setting up a Financial Stability Board to advise the Chief Minister on potential risks to financial stability in Jersey, including the impact of a bank failure.

The bank resolution authority being established will also ensure that strategies are in place to respond to the risk of failure – which include minimising risk to taxpayers.