



Deputy Montfort Tadier
Chair, Economic and International Affairs Scrutiny Panel
Scrutiny Office
States Greffe
Morier House
St Helier
Jersey
JE1 1DD

16 June 2025

Dear Deputy Tadier,

Draft Bank (Recovery and Resolution) (Jersey) Amendment Law 202

Thank you for your letter dated 04th June 2025 requesting comment from the Jersey Bankers Association to the Economic and International Affairs Scrutiny Panel on the above draft law. We also note your particular interest and request for thoughts on the proposed continuation of the compensation limit under the scheme of £50,000.

The Association is grateful to the Government of Jersey for its proactive engagement on this issue with the Association both through our main committee, our Prudential and Banking Reform sub-committee and indeed, bilaterally with our members.

The Association did not provide a response to either of the consultations conducted in 2024 on this matter, deciding instead that member organisations were better placed to provide bilateral responses if deemed appropriate.

We would, however, note the Association's general support for the proposition, specifically:

- (i) The benefits of the planned transfer of the functions of the Jersey Bank Depositors Compensation Board (the DCS Board) to the Jersey Resolution Authority.
- (ii) The desire to better align with international best practice; and
- (iii) The benefits to consumers from improved delivery timescales to make compensation payments and the mechanism of "Straight Through Payout".

We would also note that Government specifically highlighted in both 2024 consultations that it was not consulting on adjustments to the protected deposit value, adjustment to the liability cap, or extension of the eligible depositor definition. Whilst the Association can understand why reviewing the compensation limit may be of interest to the Panel, we feel this would be a

complex process that would need to have regard to many aspects of the scheme and the wider Recovery and Resolution framework to ensure any perceived benefits could be realised and not come with unintended consequences.

It is therefore our view that consumers would benefit from implementing the proposition as proposed without risk of delay by consideration of this added complexity, rather it being subject to subsequent consideration and consultation if deemed appropriate.

Thank you again for the opportunity to provide comment to the Panel.

Yours sincerely,



Charles Molteni
President
Jersey Bankers Association

