Subject: Bank Depositors Compensation Review

Hello,

I am in favour of extending the bank depositors' compensation limit from £50,000 to a limit comparable with the UK, which I understand to be around £85,000. This will enable Jersey banks to better compete with the UK.

The banks will presumably be in favour of this as it will encourage more deposits. However, in return I think the Government should require banks to offer better mortgage rates to customers in Jersey. It is well known that mortgage rates available in Jersey are typically 150 basis points higher than in the UK, even from the same bank. Were the Government to effectively insure more of the deposits used by banks to fund their mortgages, they should only do so in return for better mortgage rates that will improve affordability for tax payers and therefore help Government finances.