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

29th August 2025

Dear Deputy Tadier,

<u>Bank Depositors Compensation Review – Letter to the Jersey Bankers Association (the Association)</u>

Thank you for your letter of the 29th July and firstly may I apologise for the Association's late response. Unfortunately, it arrived just as I was departing on leave and I totally missed the email with your letter attached.

However, given the referral of the Draft Bank (Recovery and Resolution) (Jersey) Amendment Law to Scrutiny at the States Assembly on the 9th July Association, members had further discussed the draft law.

The Association re-iterates our comments made in our letter to you of the 16th June in support of the proposed changes brought through the Amendment Law. We specifically support changes that would improve consumer protection generally including a review of the Compensation limit. In our letter we mentioned the complexity of making an amendment to the current £50,000 compensation limit and your request for feedback does touch on some of the areas where the impact of an increase needs to be understood.

Our view remains that to enable informed deliberation and discussion, clarity regarding all implications of any change, including considered analysis of current and relevant bank deposit data, is required. The data will need to be re-viewed with all aspects of the scheme in mind including impact on funding caps, government funding, the protection of non-resident depositors as well as resident and the other areas you have highlighted. This would allow Government a properly informed view of the benefits, or otherwise of increasing the limit.

Whilst this would take some time to conclude, we would re-emphasize the benefits of implementing the draft law, as it stands, both to Government and consumers. These include the greater efficiency and reduced costs in the transfer of the Jersey Bank Depositors Compensation Board to the Jersey Resolution Authority and the improved process and time scales for depositors' payments in the event of a bank failure.

The Association and its members, I know, would welcome such a review and wish to participate in assisting Government and the JRA in reaching well researched and appropriate conclusions. I will ensure your letter to us is provided to all our member banks so they can respond directly to you should they wish.

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

Yours sincerely,

Charles Molteno (Aug 29, 2025 16:31:52 GMT+1)

Charles Molteno
President
Jersey Bankers Assocition