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Central bank digital currencies: The digital pound

Summary

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Summary

Central bank digital currencies (CBDCs) are an electronic form of money that consumers and businesses hold with their country's central bank, such as the Bank of England. In March 2023, four CBDCs were operating and 114 other countries were exploring the concept.

The UK Government and the Bank of England have been exploring the idea of introducing a CBDC – a "digital pound". In February 2023 they announced that although they hadn't decided to launch a digital pound, they believed it was "likely" that it would be needed in future. So they are consulting on principles and plans for developing it.

What's different about CBDCs?

Most money is held electronically, but currently only large financial institutions hold deposits with the Bank of England. A CBDC would extend this facility to businesses and consumers.

Deposits held with banks are at some risk because the bank could collapse. Customers are also subject to banks' commercial policies and charges. A CBDC would overcome this risk.

How do CBDCs differ from cryptocurrencies?

A CBDC would be managed by a central bank and have the same security as cash. It would not be a cryptocurrency. Cryptocurrencies are typically not managed by any central authority and their value can fluctuate. One type of cryptocurrency – the stablecoin – often attempts to manage that problem by backing the 'currency' with assets.

What are the benefits and challenges of CBDCs?

In some ways CBDCs respond to the challenges posed by stablecoins. They would aim to promote reliability and stability while allowing more competition and innovation. They could enable allow new entrants to introduce more flexible approaches to payment systems. For instance,

making it easier for readers to pay a few pence to read an article than to take out a subscription.

But implementing CBDCs also poses technical and security challenges. It would rely on giving millions of customers access to a country's central bank. This could create serious risks of, for instance, cyber-attack. The approach also raises concerns about data privacy.

Furthermore, large-scale transfer of deposits from commercial banks to a central bank could threaten the stability of the current banking system. Such deposits are an important part of banks' finances – and indeed their reserves. This could have knock-on effects, such as a reduction in the availability of credit.

What plans are there to introduce a digital pound?

The Bank of England says that it has no plans as yet to introduce a digital pound. But as other forms of payment develop and other countries may introduce CBDCs, it argues that it's essential to have plans in place.

Together with the Treasury, the Bank launched a consultation on its assessment of the potential need for a digital pound and its design ideas in February 2023. It says that there won't be a decision on introducing a digital pound for several years.

1 What are central bank digital currencies?

The Bank of England describes central bank digital currencies (CBDCs) as "an electronic form of central bank money that could be widely used by households and businesses to make payments and store value".[1]

The International Monetary Fund (IMF) describes them as a new form of money with three particular characteristics: [2]

- They are in a **digital/electronic** form.
- They are issued by a country's **central bank** (so by the Bank of England in the UK).
- They are intended to serve as **legal tender.**

The money that consumers and businesses currently use in the UK **does not** meet all three of these conditions.

Banknotes (in England and Wales) are issued by the central bank and are legal tender, but they are clearly not in digital format. The opposite is true of electronic bank deposits: while digital, they are not issued by the central bank and don't technically count as legal tender.[3]

In other words, while banknotes are liabilities of the central bank, bank deposits are liabilities of the commercial bank. As the Bank of England explains, this means that a consumer's deposits at a commercial bank are not without credit risk:

> … A customer needing to make a payment relies on their bank to have sufficient assets to enable a cash withdrawal or enable settlement with another bank. An insolvent bank with insufficient assets will not be able to honour such commitments. In order to minimise these risks, household deposits up to an amount of £85,000 are protected under the Financial Services Compensation Scheme (FSCS). But large deposits in excess of this amount are not insured and subject to credit risk.[4]

1 Bank of England, Central Bank Digital Currency: Opportunities, challenges and design: a discussion paper, 12 March 2020 (accessed 21 February 2023)
2 International Monetary Fund staff, IMF working paper. Legal aspects of Central Bank Digital Currency: Central Bank and Monetary Law Considerations, 2020 (accessed 21 February 2023)
3 Bank of England, What is legal tender? (accessed 21 February 2023)
4 Bank of England, Central Bank Digital Currency: Opportunities, challenges and design: a discussion paper, 12 March 2020 (accessed 27 February 2023), p9-10

So CBDCs might be thought of as a 'digital banknote' – an electronic form of money that is directly backed by the central bank. In the UK, like banknotes, a CBDC would be issued in pounds sterling, so £10 of CBDC would always be equivalent to a £10 banknote.

UK financial institutions already use digital central bank money

Commercial banks and certain other financial institutions can already hold electronic money in the form of 'central bank reserves'. Banks use them to pay each other. They are central bank liabilities and risk-free.[5] A CBDC would make central bank money accessible to consumers and businesses too.

How do CBDCs differ from cryptocurrencies?

See the Library briefing paper Cryptocurrencies for further information.

A cryptocurrency is a digital means of financial exchange that relies on algorithms and cryptographic techniques. It uses distributed ledger technology (DLT, most often in the form of 'blockchain') to verify transactions.[6]

Whereas CBDCs are under the authority of the central bank, almost all cryptocurrencies are 'decentralised'. This means that they are not controlled or managed by any central authority. Cryptocurrencies are generally not backed by real assets so their value can fluctuate dramatically. An exception to this is a group of digital currencies called 'stablecoins', which are often at least partially backed by real assets.[7]

If the UK were to introduce a CBDC, £10 of CBDC would always be equal to £10 of banknotes or bank deposits. Unlike cryptocurrencies, the CBDC would be backed by the Bank of England.

In its early discussion of a digital pound, though, the Bank of England said it might adopt some of the technological innovations used by cryptocurrencies.[8]

International agreement on principles

In October 2020, seven central banks, including the Bank of England,[9] came together with the Bank for International Settlements to publish a report on the "foundational principles" of CBDCs. This outlined three key principles:

5 See, for instance, Tax Research UK, "How are the central bank reserve accounts created?", 17 June 2022 (accessed 21 February 2023).

6 See Commons Library briefing Cryptocurrencies (CBP-8780).

7 As above

8 Bank of England, Central Bank Digital Currency: Opportunities, challenges and design: a discussion paper, 12 March 2020 (accessed 21 February 2023), p6

9 The others were the Bank of Canada, Bank of Japan, European Central Bank, Federal Reserve (US), Sveriges Riksbank (Sweden), and Swiss National Bank.

- CBDC should coexist with cash and other types of money in a flexible and innovative payment system.
- Any introduction should support wider policy objectives and do no harm to monetary and financial stability.
- Features should promote innovation and efficiency.[10]

The box below summarises international progress on developing and indeed launching CBDCs.

1 Where are CBDCs being used?

The Atlantic Council, an American think tank, reports that by March 2023, 114 countries were exploring a CBDC.[11] Four CBDCs had been launched in 11 countries:

- the e-naira in Nigeria[12]
- the sand dollar in the Bahamas[13]
- JAM-DEX in Jamaica[14]
- DCash in member nations of the Eastern Caribbean Central Bank[15]

The Atlantic Council and Boston Consulting Group both maintain dashboards of international progress on CBDCs.

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10 Bank of England, "Central banks and BIS publish first central bank digital currency (CBDC) report laying out key requirements" (press release), 9 October 2020 (accessed 24 February 2023)

11 Atlantic Council, Central Bank Digital Tracker (accessed 1 March 2023)

12 Central Bank of Nigeria, About e-naira (accessed 27 February 2023)

13 Sanddollar.bs, Digital Bahamian Dollar (accessed 27 February 2023)

14 Bank of Jamaica, CBDC FAQs (accessed 27 February 2023)

15 CoinTelegraph.com, "Eastern Caribbean CBDC expands to another two territories", 9 December 2021 (accessed 27 February 2023)

2 What plans are there for a digital pound?

2.1 2023 announcement and consultation

On 7 February 2023, the Bank of England and the Treasury launched a consultation on their joint Taskforce's assessment of the potential need for a digital pound and related technical proposals. The consultation runs until 7 June 2023.[16]

Sir John Cunliffe, Deputy Governor of the Bank, made a speech the same day outlining the Taskforce's reasoning and proposals. He began by emphasising that no decision had been made about whether to implement a digital pound – but "on current trends a digital pound would have benefits and is likely to be needed." It would take several years to plan and develop such an innovation, so it was important to move forward with plans.[17]

He said the planning stage would take "two to three years", after which "a decision would be made" about whether to launch a digital pound. No such launch would take place before the second half of the decade.[18]

Overview of rationale and proposals

He also highlighted the following points from the proposals (some of which are discussed further in section 4.1 of this briefing):

- The use of cash – and so central bank money accounted for only 15 % of transactions in 2021. In addition, Big Tech and non-bank providers had widened approaches and possibilities for digital cash.
- The Government and the Bank are committed to ensuring that cash will remain available to those who wish to use it, as demonstrated through provisions in the Financial Services and Markets Bill.[19]
- But the decline in cash and the dominance of various forms of private money meant that a digital pound could "ensure that all of the types of money used in the UK are denominated in Sterling, remain safe and that

16 Bank of England, The digital pound: A new form of money for households and businesses?, 7 February 2023

17 Bank of England, The digital pound – speech by Jon Cunliffe, 7 February 2023

18 As above

19 See also Commons Library briefing papers Financial Services and Markets Bill 2022-23 (CBP-9594), 30 November 2022, p47-51, and The future of local banking services and access to cash (CBP-9453).

each is interchangeable on demand and to all of the other types of money without loss of value, including publicly issued, Bank of England money."

- It would also offer "an open platform…available to all developers of new digital payment services" and so help to avoid the development of "walled gardens" in which dominant providers could raise barriers to entry to others and undermine convertibility between payment systems.
- Customers would hold accounts in "pass-through wallets" managed by private-sector providers, although funds would sit in the Bank of England. The Government and the Bank would not hold details of individuals. Sir John argued that this would offer the same privacy protections as existing bank accounts.
- Because the potential effects of the availability of the digital pound on the existing banking system are unknown, no interest would be paid on holdings. The approach is meant as a support to payments rather than as a savings product, so the Bank proposes limiting individual holdings to £10,000 or £20,000.
- The project focuses on the retail (or general consumer and business market). The Bank is further developing existing initiatives with the wholesale market.[20]

2.2 Earlier consideration

Section 4 of this briefing paper presents many of the issues raised by the Bank in its discussion paper.

In March 2020, the Bank of England published a discussion paper on the potential opportunities and challenges of CBDC and invited feedback from a wide range of stakeholders.[21] Its further proposals, up to and including the 2023 consultation, have essentially been refinements of issues and positions set out in the original discussion paper.

Discussing feedback to the discussion paper in June 2021, the Bank set out "five core principles" that it said would be "given particular regard" in its future consideration of CBDC. They are:

1. Financial inclusion should be a prominent consideration in the design of any CBDC.
2. A competitive CBDC ecosystem with a diverse set of participants will support innovation and offer the best chance to deliver the benefits of CBDC.

20 Bank of England, The digital pound – speech by Jon Cunliffe, 7 February 2023

21 Bank of England, Central Bank Digital Currency: Opportunities, challenges and design: a discussion paper, 12 March 2020 (accessed 7 April 2022)

3. In assessing the case for CBDC, due recognition should be given to the value of other payments innovations, and their ability to deliver the benefits the Bank of England seeks.

4. CBDC should seek to protect users' privacy.

5. While CBDC should 'do no harm' to the Bank of England's ability to deliver monetary and financial stability, opportunities to better meet our policy objectives should also be considered in CBDC exploration.[22]

In November 2021, the Bank of England and HM Treasury announced that they would continue to explore the possibility of a UK CBDC and present their thinking in a public consultation. They reiterated that there were as yet no plans to introduce a CBDC – let alone to replace cash [23]

It went on to note that introducing a CBDC "would be a major national infrastructure project" and that "the earliest date for launch of a UK CBDC would be in the second half of the decade."[24]

2.3 Working groups

The Bank and HM Treasury established three wider groups to oversee work on potential digital pound. They are:

1. The Central Bank Digital Taskforce, which coordinates and reviews work and monitors international developments.[25]

2. The CBDC Engagement Forum, which "helps us to understand the CBDC."[26]

3. The CBDC Technology Forum, which considers the technical challenges involved.[27]

[22] Bank of England, Responses to the Bank of England's March 2020 Discussion Paper on CBDC, 24 March 2022, Table C (accessed 24 February 2023)

[23] Bank of England, Statement on Central Bank Digital Currency next steps (press release), 9 November 2021

[24] As above

[25] Bank of England, CBDC Taskforce terms of reference,19 August 2021 (accessed 27 February 2023)

[26] Bank of England, CBDC Engagement Forum terms of reference, 19 August 2021 (accessed 27 February 2023)

[27] Bank of England, CBDC Technology Forum terms of reference, 19 August 2021 (accessed 27 February 2023)

3 How would a digital pound work?

3.1 A proposed 'platform' model

The Bank of England's 2020 discussion paper proposed a 'platform' model for how a CBDC might work in practice. The 2023 consultation confirmed that this remained the basis of its proposed approach, although it would continue to test the model.[28]

At the centre of such a system is the central bank's core ledger, which would record all transactions and provide very basic payment functionality. Although their funds would be held by the Bank, consumers would manage their account and make payments through a 'payment interface provider' (PIP). While customer interactions with the PIP would be rather similar to those with banks today, the PIP would simply be a technological interface for the customer to view and manage their money.[29]

Only regulated PIPs would have access to the central ledger (via secure application programming interfaces – or APIs[30]). PIPs would:

- provide user-friendly interfaces for customers
- carry out fraud and money-laundering checks on customers
- set up individual accounts for users in the central register – but in a way that protects the customer's identity
- authenticate transactions to protect users from fraud
- develop further services for customers, such as offering new ways for businesses to receive money or the ability to make 'micropayments' for very small amounts[31]

The Bank of England proposes in the 2023 consultation that a partnership between the public and private sectors would be the most effective approach. The Bank would provide the background infrastructure, with a range of

28 Bank of England, The digital pound: A new form of money for households and businesses?, 7 February 2023, p53-54
29 Bank of England, Central Bank Digital Currency: Opportunities, challenges and design: a discussion paper, 12 March 2020 (accessed 21 February 2023)
30 See Freecodecamp.org, "What is an API? In English, please." for an explanation.
31 Bank of England, Central Bank Digital Currency: Opportunities, challenges and design: a discussion paper, 12 March 2020 (accessed 21 February 2023), p28-29

private sector providers offering services to customers. It hopes that this approach will further innovation and lower barriers for new entrants.[32]

3.2 Would consumers have to switch to the digital pound?

Announcing the 2023 consultation, the Treasury highlighted the Chancellor, Jeremy Hunt, as saying that "cash is here to stay". It explained that any digital pound would complement cash, and referred to current legislation in progress to protect access to cash.[33]

32 Bank of England, The digital pound: A new form of money for households and businesses?, 7 February 2023, p53-59

33 HM Treasury, "HM Treasury and Bank of England consider plans for a digital pound" (news story), 7 February 2023. See also Commons Library briefing paper Financial Services and Markets Bill 2022-23 (CBP-9594), 30 November 2022, p47-51.

4 The benefits and risks of CBDCs

4.1 Potential benefits

Mitigating risks of new types of private money and protecting sterling

The 2023 consultation notes the continuing decline in the use of central bank money (cash) in comparison with forms of "private money". This includes money held by commercial banks and used in all electronic transfers, as well as new forms of money, such as stablecoins. It asserts that central bank money is "bedrock" of "trust in the safety of money". It argues that a digital pound would help maintain access to "financially risk-free, highly trusted, and accessible" central bank money and so faith in the money system. In addition, it would help counter the eventual influence of any non-sterling digital money that might enter UK payment systems.[34]

Early Bank of England consideration of a CBDC had suggested that a digital pound might for instance help changes in the base rate to be passed on to consumers more quickly and more fully.[35] As discussed in section 2.1 of this briefing, though, the Taskforce recommends not paying interest on CBDC holdings because of doubts about effects on the wider financial system.[36]

Supporting innovation in the payment system

In 2020 the Bank set out a range of potential innovations that a digital pound might facilitate by opening up technology:

- 'programmable money' that enables transactions to occur according to certain conditions, rules or events
- automatic payment of taxes at the point of sale
- allowing the Government to make direct transfers to individuals
- automatic payment of dividends directly to shareholders

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34 Bank of England, The digital pound: A new form of money for households and businesses?, 7 February 2023, p25-28

35 Bank of England, Broadening narrow money: monetary policy with a central bank digital currency (Staff Working Paper 724), 2018

36 Bank of England, The digital pound: A new form of money for households and businesses?, 7 February 2023, p42-44

- electricity meters paying suppliers directly based on power usage
- making 'micropayments' at much lower costs, allowing further innovations, such as paying a few pence rather than a subscription to read an online newspaper article[37]

In 2023 the Bank said that a digital pound would help ensure that technological benefits would be less likely to be limited by the creation of "walled gardens" – situations in which Big Tech firms might develop closed systems that reinforced their market dominance, and made it harder both for users to transfer money between systems and for innovators to enter the market.[38]

Promoting a focus on financial inclusion

The Bank of England argues that a well-designed CBDC could help to retain some of the beneficial characteristics of cash that current electronic bank deposits don't.[39] The 2023 consultation refers to the importance of considering the question of financial inclusion – as well as digital inclusion – in the design of the digital pound and emphasises that the role of the Engagement Forum (see section 2.3) in planning.[40] While not explicitly stated, the logic of the Bank's position is that leaving development of new systems to private providers might not offer such guarantees.[41]

Better cross-border payments systems

The 2023 consultation suggests that a digital pound could "in principle" help to overcome "frictions" in cross-border payment systems. It argues that such payments are "typically expensive, slow and opaque." While it notes that improving the situation would be a long and complicated process, It suggests that increased involvement by central banks might offer a "clean slate" for the way such systems operate.[42]

37 Bank of England, Central Bank Digital Currency: Opportunities, challenges and design: a discussion paper, 12 March 2020 (accessed 7 April 2022), p17-18

38 Bank of England, The digital pound: A new form of money for households and businesses?, 7 February 2023, p27-33

39 Bank of England, Central Bank Digital Currency: Opportunities, challenges and design: a discussion paper, 12 March 2020 (accessed 7 April 2022)

40 Bank of England, The digital pound: A new form of money for households and businesses?, 7 February 2023, p85-88

41 See, for instance, comments by Baroness Kramer in section 5.2.

42 Bank of England, The digital pound: A new form of money for households and businesses?, 7 February 2023, p36

4.2 Possible challenges

Disintermediation – reducing the banking sector's balance sheet

When someone converts bank deposits to CBDC, they reduce the size of the commercial bank's overall holdings. This process of 'disintermediation' is an inevitable consequence of introducing a CBDC. If banks' balance sheets were to reduce too much and too quickly, they might need to seek funding from elsewhere. This could push up the cost of their lending to businesses and consumers.[43] The Bank for International Settlements (BIS, an international agency that promotes "monetary and financial stability through international cooperation") argues that this risk means that any CBDC would need to be carefully designed. It notes though that there are uncertainties about how readily a retail CBDC would be taken up, and that in any event the banking system had coped with other innovations and challenges.[44]

Offline use

Electronic payment systems depend on internet connectivity. Concerns about unreliable connectivity have been an important issue in the evolution of existing banking services and access to cash.[45] While it might still be possible to initiate a payment without a connection, the recipient would have to trust the sender to have sufficient funds. There is also a risk of someone attempting to spend the same money twice.

The International Monetary Fund has highlighted potential ways of overcoming this problem, which is particularly pronounced in low-income countries. They refer to trials of stored-value cards (in which balances are 'loaded' onto cards), although even then transactions need to be carried out through an "intermediary device", which incurs a further cost for traders.[46]

Cyber-attack

The Bank for International Settlements (BIS) warns that a successful attack on a CBDC system could quickly threaten many users, as well as their faith in the system. This is because there would be so many 'endpoints' in a linked,

43 Bank of England, Central Bank Digital Currency: Opportunities, challenges and design: a discussion paper, 12 March 2020 (accessed 24 February 2023), p34-38

44 Bank for International Settlements, Central bank digital currencies: financial stability implications, September 2021, p1-2 (accessed 24 February 2023)

45 See, for instance, Commons Library briefing The future of local banking services and access to cash (CBP-9453), 8 August 2022, p10-11; Scottish Affairs Committee, Access to cash in Scotland, 29 August 2019, HC 294, para 38-39.

46 International Monetary Fund, Taking digital currencies offline, September 2022 (accessed 24 February 2023)

centralised system.[47] This would make a CBDC system a critical piece of national infrastructure.

Data privacy

Electronic payment systems are also by their nature less anonymous than cash, so questions about data privacy inevitably arise. BIS suggests that “a key national policy question will be deciding who can access which parts of [this data] and under what circumstances”.[48]

As discussed in section 5 of this briefing, this has been a concern in UK parliamentary consideration of the idea of a digital pound.[49] Respondents to the Bank’s 2020 discussion paper emphasised that “there should be little or no room for compromise” on the question.[50]

The 2023 consultation acknowledges the issue. It notes however that non-cash financial transactions already generate data, but this is governed by existing data protection laws. It says that the proposed design would mean that the Bank would not have access to personal data (which would be held by the Payment Interface Providers), except “for law enforcement agencies under limited circumstances, prescribed in law, and on the same basis as currently with other digital payments.” The Bank accepts that it would not therefore be totally anonymous, but that all financial services in any event need to comply with anti money laundering requirements.[51]

47 Bank for International Settlements, Central bank digital currencies: foundational principles and core features, 2020, p5, Cyber risk in central banking, 14 September 2022 (accessed 24 February 2023)

48 As above, p6

49 Economic Affairs Committee, Central bank digital currencies: a solution in search of a problem?, 13 January 2022, HL Paper 131, p2-3

50 Bank of England, Responses to the Bank of England’s March 2020 Discussion Paper on CBDC, 24 March 2022 (accessed 24 February 2023)

51 Bank of England, The digital pound: A new form of money for households and businesses?, 7 February 2023, p67-74

5 Parliamentary consideration

Many of the parliamentary references to CBDCs to date have consisted of general updates on progress or concerns about data privacy.[52]

5.1 Lords Economic Affairs Committee report

The Economic Affairs Committee of the House of Lords published a report on CBDCs in January 2022. Entitled Central bank digital currencies: a solution in search of a problem?, the report is cautious about the idea.[53] It noted:

> [T]he introduction of a UK CBDC would have far-reaching consequences for households, businesses, and the monetary system for decades to come and may pose significant risks depending on how it is designed. These risks include state surveillance of people's spending choices, financial instability as people convert bank deposits to CBDC during periods of economic stress, an increase in central bank power without sufficient scrutiny, and the creation of a centralised point of failure that would be a target for hostile nation state or criminal actors.[54]

It concluded that while there might be some benefits, the Committee was "yet to hear a convincing case for why the UK needs a retail CBDC." It emphasised the importance of parliamentary scrutiny of any decision and associated arrangements arising from the Taskforce's future work.[55]

5.2 Further consideration in the Lords

The Lords considered the report and further developments on 2 February 2023.[56] Introducing the debate, Lord Bridges of Headley (Conservative) argued that it was still not clear that there was a convincing case for a digital pound, noting that even the Governor of the Bank of England had told the

52 For the latter, see for instance UIN 73820, 12 November 2021, and HL Deb, 13 April 2021, c1157

53 Economic Affairs Committee, Central bank digital currencies: a solution in search of a problem?, 13 January 2022, HL Paper 131

54 As above, p2

55 As above, p2-3

56 HL Deb [Central Bank Digital Currencies (Economic Affairs Committee Report)], 2 February 2023, c811-825

Committee that it was a “disproportionate response” to any of the problems identified.[57]

Amid wider scepticism in the debate, Baroness Kramer (Lib Dem) highlighted some of the reasons why the Bank of England and the Treasury thought it important to proceed with its approach. She noted that China was already using a digital yuan in various cities, and that the expansion of such a digital currency as the basis of international payment systems could have serious consequences. She highlighted the involvement of civil society groups in plans for a digital pound, thereby allowing more attention to questions of financial inclusion than might otherwise be the case. Turning to the challenges of digital innovation and cryptocurrencies, she wondered whether more direct involvement in developing a digital currency might not help to improve regulatory understanding.[58]

Responding on behalf of the Government, Baroness Penn again set out some of the issues and principles that the consultation intended to take forward. She noted that some of the doubts raised were precisely the types of questions that the process intended to investigate, and that she expected Parliament to be “fully engaged” in any future decision to launch a digital pound.[59]

5.3 Consideration in the Commons

The Economic Secretary, Andrew Griffith, made a statement about the Bank and Treasury’s plans to the Commons on 7 February 2023, the day of the consultation’s launch.[60]

Members referred to and reiterated many of the issues raised in the House of Lords.

In addition, Anna Firth (Conservative) asked whether it was reasonable that retail customers would receive no interest on holdings, while banks received interest at the base rate. The Minister replied that the situation was “complex”.[61]

Jamie Stone (Lib Dem) reminded the Minister of the continuing importance of access to cash, particularly in rural constituencies such as his. Andrew Griffith reminded the House of the provisions to ensure continued access to cash in

57 HL Deb [Central Bank Digital Currencies (Economic Affairs Committee Report)], 2 February 2023, c812-814
58 As above, c817-819
59 As above, c820-823
60 HC Deb [Digital Pound], 7 February 2023, c784-794
61 As above, c790-791

the Financial Service and Markets Bill[62] and highlighted the focus on financial inclusion in plans for the digital pound.[63]

5.4 Treasury Committee Inquiry, 2022-23

As part of its second Inquiry into the Crypto-Assets Industry, the Treasury Committee is considering plans for a digital pound.[64] It held an oral evidence session with officials from the Bank of England on 28 February 2023. Most of the discussion related to the approach of and proposals in the joint Bank/Treasury consultation.[65]

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62 See also Commons Library briefing papers Financial Services and Markets Bill 2022-23 (CBP-9594), 30 November 2022, p47-51, and The future of local banking services and access to cash (CBP-9453).

63 HC Deb [Digital Pound], 7 February 2023, c791

64 UK Parliament, Call for evidence: The crypto-asset industry

65 Treasury Committee, Oral evidence: Crypto-asset industry - HC 615, 28 February 2023

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