



PUBLIC PETITION NO.

PE01527

Name of petitioner

Margaret Mackenzie

Petition title

bank deposit protection

Petition summary

Calling on the Scottish Parliament to urge the Scottish Government to declare unequivocally that in the event of Scottish independence it will act to ensure that bank deposits in Scotland shall be protected to at least the same extent as they are currently protected by the UK government's guarantee while Scotland remains in the UK.

At the moment, bank deposits in all parts of the UK are underwritten by a UK government guarantee which ensures that accountholders will be paid compensation of up to £85000 per account in the event that a bank becomes insolvent. This is called the Financial Services Compensation Scheme.

In these times when nobody can be certain that any major bank will stay solvent, we call on the Scottish Parliament to urge the Scottish Government to declare, no later than 2 months before the independence referendum,

- 1) that the Scottish Government will act to ensure that such protection shall continue, in respect of all bank accounts to which it currently applies, in the event of a 'yes' result in the referendum; and
- 2) that its promise is not conditional on any future position which may be adopted by the government of the rump UK or by any other body or on whether or not Scotland becomes a member state of the EU.

In its 'Scotland's Future' white paper, the Scottish Government does not give such a hard-and-fast promise. Instead, it makes the assumption that an independent Scotland will be a member of the EU, which for reasons which lie outside of its control may turn out not to be the case. The purpose of this petition is to urge the Scottish Government to make an unambiguous statement on this matter, and in particular, to make it absolutely clear that if Scotland becomes independent then the protection of people's bank deposits will not depend on what may or may not be done by either the government of the rump UK or by the EU. In short, we are asking for a clear promise to protect people's bank deposits to the tune of at least the first £85000, as is currently done by the UK government.

Action taken to resolve issues of concern before submitting the petition

A number of people have raised this issue with the Scottish Government, but no Scottish Government declaration has been forthcoming.

Petition background information

At a UK level, the Financial Services Compensation Scheme was established as a statutory body under the Financial Services and Markets Act 2000. It guarantees to compensate bank account holders to the extent of the first £85000 that they hold in any account covered by the scheme, in the event that a bank or building society becomes insolvent, goes bankrupt, or otherwise cannot return deposits. Accounts covered by the scheme include accounts at all major high street banks. The scheme obviously provides people with a limited but welcome amount of assurance in these increasingly unstable times.

An unequivocal declaration by the Scottish Government that it will act to ensure that such protection of bank deposits shall continue in the event that Scotland becomes independent would be welcomed by bank account holders, and it would also prevent the possibility that a significant number will move money out of Scotland, an action that may have a detrimental and turbulent effect on the economy, prior the referendum.

The reason that the Scottish Government declaration needs to make clear that the guarantee is without any dependence on possible future actions by any other party, including by the rump UK government, is that in an independent and sovereign country it is the government of that independent and sovereign country to which the people of that country look for protection. People in Scotland do at the moment benefit from this very specific kind of bank deposit protection from the UK government, and we need to be sure now that we will remain protected in the event of independence. Only the Scottish Government can make that promise, and it is in our interests if we receive its promise prior to the independence referendum.

Unique web address

<http://www.scottish.parliament.uk/GettingInvolved/Petitions/bankaccounts>

Related information for petition

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YES

How many signatures have you collected so far?

0

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