

## Briefing for the Public Petitions Committee

**Petition Number:** [PE1527](#)

**Main Petitioner:** Margaret Mackenzie

**Subject:** Bank Deposit Protection

Calls on the 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.

## Background

The Scottish Government's White Paper on independence, [Scotland's Future](#) (2013) stated:

*"We will also continue to have compensation schemes in place, providing protection equivalent to that which is available in the UK, and in line with European harmonised levels of consumer protection. This includes bank deposits, which under EU harmonised rules, are protected at the equivalent of €100,000 (£85,000). Consumers in both Scotland and the rest of the UK will remain protected on a consistent basis. Compensation schemes will be funded by a proportionate industry levy, as is currently the case. As part of the framework for financial stability proposed above, the Scottish Government sees merit in a jointly-operated or co-ordinated scheme across the Sterling Area for key aspects of compensation."*

However, Members may wish to decide whether or not the matter of bank deposit protection in the event of Scottish independence still needs to be considered given the result of the referendum on 18<sup>th</sup> September 2014.

**Scherie Nicol**  
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22 October 2014

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