

# Bank of England FAQs 🤔

When you phone up the Bank of England, they may throw a few responses your way. This guide helps you through any curveballs they try to throw at you.

***BoE: The Bank of England's priority has been to tackle the Covid-19 outbreak and we have prioritised preserving people's jobs and livelihoods in this emergency. To not get the economy back on its feet would be irresponsible.***

**A:** There isn't a choice to be made between tackling climate change and tackling Covid-19. We have to do both together, and Governor Andrew Bailey knows it. [In a Guardian op-ed in June 2020](#) he wrote:

"This crisis offers us a once-in-a-lifetime opportunity to rebuild our economy in order to withstand the next shock coming our way: climate breakdown."

Andrew Bailey also [told the Treasury Select Committee](#) that he would take forward measures to green the UK's quantitative easing programme as "a priority". That was in March 2020.

The Bank of England's bailout programme gave no-strings attached corporate bailouts. [Corporations such as British Airways](#) took the money, and still cut jobs without any consequences. This looks less like preserving jobs and more like preserving vested interests.

***BoE: We don't have the power to implement any of the changes you are asking. You should be asking The Treasury (i.e., the UK Government) instead.***

**A:** There is a kernel of truth to this argument - [the government should give the Bank of England more powers to help tackle the climate crisis](#). And so we are calling the Treasury about this too.

But that doesn't mean that there isn't a lot that the Bank could already be doing. They could act - they've just decided not to. [Over 65,000 members of the UK public have called on them to do so.](#)

The Bank of England has been giving cheap money to polluting corporations for years and has done nothing to help stem the flow of finance from UK banks to some of the world's most destructive fossil fuel companies and projects.

So whilst we agree that the mandate of the Bank of England's mandate needs an update, that shouldn't be an excuse for inaction now.

And if the Bank does get an updated mandate, giving them even more scope to help tackle the climate crisis – [and we know that this could happen in the next Budget](#) – then they should grab that opportunity with both hands, and show real leadership in this area.

***BoE: The Bank of England has set up the Future of Finance project with a focus on [insert bland, non-committal strategy here]***

**A:** Whilst it is good to have a programme that acknowledges climate, that's the bare minimum we should expect from the Bank of England.

[We have read the plans](#) and do not think they are anywhere near sufficient for dealing with climate breakdown. We do agree with one area you're focusing on: [supporting the transition to a carbon neutral economy](#). But where is the regulation of UK finance? Why are you not cleaning up your own portfolio, ditching bonds from some of the world's worst polluters?

You're not supporting the transition if you're still channelling money to the fossil fuel industry and other high polluting sectors.

***BoE: The market is complicated and the Bank of England has to maintain neutrality. You can't just make up "winners" and "losers".***

**A:** The system already has winners and losers – and we know who they are. The Bank’s asset purchase programmes work much better for multinational corporations than for small businesses, for example.

If you’re pumping that much money into the economy, you always make choices - it’s impossible to be completely ‘neutral’. So it’s a question of what choices the Bank wants to make.

Andrew Bailey said that he wanted to make the Bank of England “climate change neutral”. Well, you can’t do that if you keep putting money into polluting industries, and turning a blind eye to fossil fuel finance flowing from the UK.

[By the Bank of England's own admission](#), their corporate bond programme is aligned with a pathway to 3.5°C of warming by 2100 - way over the 1.5C target agreed by the UK and other governments in the Paris climate agreement. A committee of MPs recently called for “the Bank to show leadership on climate change. It has a moral responsibility to align its corporate bond purchasing programme with the goals of Paris Agreement”.

And UK banks remain some of the biggest funders of fossil fuels globally - [Barclays alone funded](#) \$24.58 billion worth of fossil fuels in the first 9 months of 2020.

The evidence is staring you right in the face. To hide behind “the complexity of the market” is evading responsibility.

***BoE: We are going to begin Climate Stress Tests for the UK’s financial sector this year, and we have been part of setting up the Task Force on Climate Related Financial Disclosure which makes financial institutions measure, model and disclose the climate risks and opportunities they are exposed to today and in different future climate scenarios.***

A: Statistics and data are all well and good and we’re happy to see more data on climate related risks. It’s obviously an essential first step, but it’s not pushing as far as we need to go.

But this is not the same as actual regulation of the financial sector and it is dishonest to claim that this amounts to serious climate action on its own.

We already know that the UK's financial sector is up to its neck in fossil fuel finance - what we need to see now is concrete action to change that.

***BOE: The Bank of England is a world leading central bank when it comes to climate change.***

*A: We don't deny that the Bank's leaders have said some good things about climate action. The problem is that that's all they've done. Until those words translate into real action, the Bank can't claim to be showing any kind of leadership.*

*When both the City of London – which the Bank oversees – and the Bank's own corporate bond portfolio are consistent with at least 3.5°C of warming by 2100 - which equates to total ecological and societal breakdown - then we have serious questions around the Bank's climate leadership.*

