

# Barclays Response to HM Treasury's Aligning the Ring-Fencing and Resolution Regimes Call for Evidence

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05 May 2023

Barclays is a universal consumer and wholesale bank with global reach, offering products and services across personal, corporate and investment banking, credit cards and wealth management. With over 330 years of history and expertise in banking, Barclays operates in over 40 countries and employs approximately 85,000 people. Barclays moves, lends, invests and protects money for customers and clients worldwide.

We welcome the opportunity to respond to HM Treasury's Aligning the Ring-Fencing and Resolution Regimes Call for Evidence (the Call for Evidence).

## Executive Summary

Barclays considers that Ring-Fencing currently forms a good financial construct for the UK. We note this should incorporate the technical changes suggested by the Skeoch Review, such as updating the definition of Relevant Financial Institution and reporting requirements. These changes should go some way to removing a compliance burden for banks and disruption for clients that is disproportionate to any financial stability benefit. Following the implementation of the forthcoming "near term" measures, we suggest the Government considers keeping the regime under review with a view to further reevaluating the costs and benefits of Ring-Fencing. Such considerations should take into account the need to maintain UK competitiveness and the international landscape relating to resolution planning.

As the Call for Evidence outlines, Ring-Fencing was introduced alongside a suite of other internationally driven enhancements to bank capital, and recovery and resolution planning. We consider these to have been more impactful than Ring-Fencing in delivering financial stability in the UK.

We would note that several of Skeoch's proposed recommendations, along with existing features of the Ring-Fencing regime, could have a significant impact on the UK's financial stability, firms, competition, growth, and competitiveness.

Barclays suggests that:

1. Any changes to the threshold level should be carefully considered and that a more flexible, nuanced, approach might be more appropriate than a simple monetary threshold.
2. We recommend that careful consideration should be given to whether there could be discretion provided to the PRA over application of Ring-Fencing rules to acquisitions in circumstances where resolution actions have been taken by the Bank of England.