



Treasury Committee

House of Commons, Committee Office, 14 Tothill Street, London SW1H 9NB
Tel 020 7219 5769 Fax 020 7219 2069 Email treascom@parliament.uk Website
www.parliament.uk/treascom

Andrew Bailey Esq
Deputy Governor for Prudential Regulation
Bank of England
Threadneedle Street
London EC2R 8AH

28 September 2015

Thank you for your letter of 10 July about the IT systems failure at RBS.

Your letter describes a joint review, conducted by the PRA and FCA, evaluating the critical infrastructure and technology resilience of major UK retail deposit-taking institutions, which I understand concluded this summer. In respect of this review, I would be grateful if you could tell me:

- What were its terms of reference?
- Which banks were included, and on what criteria?
- Without identifying any particular bank or vulnerability, can you provide a sense of the nature of the weaknesses identified? In particular, did the review cause the PRA to revise its assessment of the risks of IT failure causing systemic disruption to critical economic functions, including payments systems?
- How many actions did the PRA require as a result of the review?
- Is the PRA satisfied that the individuals responsible for the integrity and resilience of IT systems in each major bank are clearly identifiable under the Senior Managers Regime?

Finally, you acknowledge in your letter that "there is still much to do" to minimise the risk of IT failures at major banks. Could you outline the main priorities for the PRA in this area and the timescale by which you expect them to be addressed?

I will be placing this letter, and in due course your response, in the public domain.

RT HON ANDREW TYRIE MP
CHAIRMAN OF THE TREASURY COMMITTEE