

Currencies

2 minute read · February 7, 2023 1:20 PM EST · Last Updated 10 days ago

Britons face 20,000 digital pound cap under Bank of England plan

By Huw Jones



[1/2] Pound banknotes are seen in this illustration taken March 1, 2022. REUTERS/Dado Ruvic/Illustration

[<](#)
[1](#)
[2](#)
[>](#)

LONDON, Feb 7 (Reuters) - Britons would be limited to 20,000 digital pounds (\$24,000) each if the country goes ahead with a digital currency, Bank of England Deputy Governor Jon Cunliffe said on Tuesday.

Britain's government said on Monday that it and the BoE were pressing on with work on a **possible digital pound** that was likely to enter circulation in the second half of this decade and be held in a "wallet" provided by banks, although no final decision has been made.

"We propose a limit of between 10,000 pounds and 20,000 pounds per individual as the appropriate balance between managing risks and supporting wide usability of the digital pound," Cunliffe said in a speech.



**Register for free to Reuters
and know the full story**

[Register now](#)

A limit of 10,000 pounds would mean that three quarters of people could receive their pay in digital pounds as well as holding pre-existing balances in the same account, while a 20,000 pound limit would allow almost everyone to use digital pounds for day-to-day transactions, Cunliffe said.

Latest Updates

- [Binance's U.S. partner confirms firm run by CEO Zhao operated on exchange](#)
- [Bulgaria scraps January 2024 target for adopting euro](#)
- [Investors pull cash from classic risk plays as Fed rate picture shifts](#)
- [Sterling slides to six-week low as dollar rallies](#)
- [Morning Bld: Elusive peaks](#)

Money above the cap would be "swept" into a customer's commercial bank account given that a digital pound would not be a means for storing wealth, he told members of UK Finance, a banking industry body.

"At the other end, you could say I need a little wallet full of internet cash to buy things on Amazon," Cunliffe added.


Central banks across the world are studying digital currencies, with the European Union due to publish a draft law in May setting out a legal framework for a potential digital euro.

The law would need to be approved by EU states and the European Parliament, although it will be the [European Central Bank](#) that decides this autumn on whether to proceed with a digital euro.

Burkhard Balz, executive board member of Germany's Bundesbank, told a conference on Tuesday that a key aspect to be decided is whether a digital euro would have legal tender status, meaning it could be used to settle a debt in court.

Cunliffe said a digital pound would have the same legal status as cash.

(\$1 = 0.8332 pounds)



Register for free to Reuters
and know the full story

[Register now](#)

Reporting by Huw Jones; Editing by David Milliken and Alexander Smith

Our Standards: [The Thomson Reuters Trust Principles.](#)

Read Next



Currencies
[Bulgaria gives up on January 2024 target date for euro adoption](#)



Currencies
[Binance's U.S. partner confirms firm run by CEO Zhao operated on exchange](#)



Currencies
[Dollar hits six-week high as traders ramp up Fed bets](#)



Currencies
[Russian rouble from near 10-r dollar](#)



REFINITIV
WORKSPACE

An LSEG Business

The next-generation
human interface for
financial professionals.



Newsletter | Every weekday.

Global Investor

Make sense of the market with highlights of the latest news and trends in global financial markets.

[Sign up](#)

More from Reuters

Currencies



Binance's U.S. partner confirms firm run by CEO Zhao operated on exchange

Future of Money - February 17, 2023 - 9:58 AM EST - 25 min ago

The U.S. partner of global cryptocurrency exchange Binance has confirmed that a trading firm managed by Binance CEO Changpeng Zhao operated as a market maker on its platform.



Currencies

Bulgaria scraps January 2024 target for adopting euro

10:18 AM EST · Updated 4 min ago



Rates & Bonds

Investors pull cash from classic risk plays as Fed rate picture shifts

8:30 AM EST



Currencies

Sterling slides to six-week low as dollar rallies

7:19 AM EST



U.S. Markets

Morning Bid: Elusive peaks

6:03 AM EST

Latest

Home

Browse

World

Business

Legal

Markets

Breakingviews

Technology

Investigations

Lifestyle

Media

Videos

Pictures

Graphics

About Reuters

About Reuters

Careers

Reuters News Agency

Brand Attribution Guidelines

Reuters Leadership

Reuters Fact Check

Reuters Diversity Report

Stay Informed

Download the App

Newsletters

Information you can trust

Reuters, the news and media division of Thomson Reuters, is the world's largest multimedia news provider, reaching billions of people worldwide every day. Reuters provides business, financial, national and international news to professionals via desktop terminals, the world's media organizations, industry events and directly to consumers.

Follow Us



Thomson Reuters Products

Westlaw

Build the strongest argument relying on authoritative content, attorney-editor expertise, and industry defining technology.

Onesource

The most comprehensive solution to manage all your complex and ever-expanding tax and compliance needs.

Checkpoint

The industry leader for online information for tax, accounting and finance professionals.

Refinitiv Products

Refinitiv Workspace

Access unmatched financial data, news and content in a highly-customised workflow experience on desktop, web and mobile.

Refinitiv Data Catalogue

Browse an unrivalled portfolio of real-time and historical market data and insights from worldwide sources and experts.

Refinitiv World-Check

Screen for heightened risk individual and entities globally to help uncover hidden risks in business relationships and human networks.

