



cc/c

DEPARTMENT OF TRADE AND INDUSTRY
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PS / Secretary of State for Trade and Industry

CONFIDENTIAL

11 November 1986

Peter Barnes Esq
Private Secretary to the
Economic Secretary to the
Treasury
Treasury Chambers
Parliament Street
London SW1P 3AG

NBM

Dear Peter,

REVIEW OF LAW AFFECTING BANKING SERVICES

Your letter of ^{at 11.00} 16 November 1986 seeks agreement on the proposed review of banking law and comments on the terms of the proposed announcement.

My Secretary of State is content with the terms of the announcement. We note what you say about the proposed amendment to the Consumer Credit Act to facilitate the introduction of the banks' proposed EFT/POS system. In the circumstances it is suggested that it would be helpful to include the following:

"Moreover my Right Honourable Friend the Secretary of State for Trade and Industry is in the course of seeking views from organisations representing the credit industry, consumers and enforcement authorities about possible amendments to the Consumer Credit Act."

It is important that the review should not be seen as an opportunity to re-open matters now reflected in the Financial Services Act or company law and we welcome your expressed intention that it should not conflict with the ongoing monitoring of the Consumer Credit Act and other reviews of commercial law such as that being undertaken by Professor Diamond into security interests in property other than land. We believe it to be important that in publicity about the review and in briefing the review team this intention should be made clear.

JG2AGD

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BOARD OF TRADE
BICENTENARY



We are content with the proposed form of the review and that the chairman should be a lawyer although we consider that, in order to provide a balanced review team, it should be a commercial lawyer rather than a banking specialist. The generalist should be able to represent the point of view of both commercial and personal customers. A number of possible members of the review team have been identified during the discussions at official level. We have no suggestions to offer but we welcome your intention to consult further on this issue.

Your intention to establish a liaison group of officials is welcome and we would wish to be represented on that group.

This letter is copied to the recipients of yours.

Yours sincerely,

Michael Gilbertson

MICHAEL GILBERTSON
Private Secretary

ECON POL: Domestic Monetary Policy PT16

