

Rt Hon Alistair Darling MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
LONDON
SW1A 2HQ

9th October 2008

Social Charter for Bank Bail-out

Your announcement of decisive intervention to support the banks is welcome. As the conditions attached to public support are finalised, can you confirm that participating banks will be asked to respond to the high levels of public anxiety regarding:

- existing arrears on home loans
- the repossessions policy of banks in a falling housing market
- the scarcity of even small amounts of mainstream credit for households on low incomes

A formal commitment from the banks could include:

- clarity on arrears policy, including all options for avoiding repossessions
- the availability of credit on an agreed basis to low income households which avoids heavy charges for non-arrangement
- actively engaging in directing consumers to take advice in their dealings with the bank and in resolving their financial difficulties

The country's infrastructure for providing advice needs urgent support to meet the temporary surge in demand caused by the crisis. In the context of the substantive public support extended to the banks, a sum as small as £50m should be committed by the banks between advice points such as Citizens Advice Bureaux, National Debtline and the Financial Services Authority helpline.

The next 12 months will be challenging for all, but the economic crisis is hitting households on low incomes the hardest. Banks play a pivotal role and I respectfully suggest that a social charter be attached to your offer of public support.

Yours sincerely,

Clive Cowdery
Chairman