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Deputy Kirsten Morel
Chair, Economic and International Affairs Scrutiny Panel
By email

2nd January 2020

Dear Kirsten,

**Draft Banking Business (Depositors Compensation) (Amendment No.2)
(Jersey) Regulations**

Thank you for your letter of 24th December 2019 concerning the proposals to grant the Bank Depositor Compensation Scheme Board (“the Board”) information gathering powers, and to introduce offences under the scheme’s empowering regulations.

I share your concern for the importance of data protection, particularly given the personal nature of the data being discussed. The safeguards of the Data Protection (Jersey) Law 2018 are a vital protection which apply irrespective of any new powers regarding bank depositor compensation. Being regulated by the Office of the Information Commissioner, as you note, the Board has agreed to liaise with the Commissioner ahead of receiving any personal bank deposit data in advance of a bank failure, should they be given the powers to receive such information.

Due to the Christmas holidays I have not had opportunity to receive feedback on your proposed amendments from all stakeholders, including from legal advisors. Nonetheless I fully support the principles underlying the amendments, which I hope to support. I agree that it is not appropriate for Ministers to receive information comprising personally identifiable bank deposits from the Board, and note that your amendment offers an additional layer of assurance in this respect. Similarly, I agree that information security is paramount, and requiring encryption is an additional safeguard. It is envisaged that data would be encrypted in-flight, and would only be decrypted where it is necessary to allow the data to be used for its purpose in accordance with the Board’s functions under law.

Thank you again for your constructive engagement on this matter, and I look forward to our continued close working during 2020.

Yours sincerely



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