Bank of England

Dame Meg Hillier
Chair, Treasury Committee
House of Commons
London
SW1A 0AA

Sarah Breeden
Deputy Governor, Financial Stability

16 March 2026

Dear Chair,

Artificial intelligence in financial services

We welcome the Committee's inquiry into Artificial Intelligence in financial services and remain grateful that my colleagues Tom Mutton and Jon Hall were invited to provide testimony. It is a very timely report. This is a subject of great importance to the Bank and we are grateful for the additional impetus generated by the Treasury Committee's inquiry.

The Bank continues to conduct significant work on this. As part of that, the Financial Policy Committee (FPC) expects to discuss the potential financial stability risks from AI again as part of its upcoming Q1 policy round. The Committee's discussion and judgements are due to be published on 1 April as part of the Q1 FPC Record. Given the pertinence of the FPC's discussion to your report, as soon as the Q1 FPC Record is published, I will be able to send you, also on 1 April, a full response to your report, detailing how we are taking forward your recommendations.

Yours sincerely,

Sarah Breeden

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Deputy Governor, Financial Stability