

There's no hope that the Bank of England can get rid of...

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I referred [this morning to Bank of England chief economist Andy Haldane's idea](#) that the Bank of England abolish cash to enforce negative interest rates in the event of a future economic downturn.

There are some notable problems with doing so, some of which are mentioned [in this infographic issued by the Bank of England this week](#):

Demand for notes and coins has risen in the economy of late. I will discuss the implications of that in another blog. But for now note that in the era of electronic money and swipe card payment the demand for cash is rising.

Some reasons are discussed in this Bank of England video, also out this week:

[embed]<https://www.youtube.com/watch?v=dXBLoAWzulU>[/embed]

The chance that Andy Haldane will persuade anyone to abandon cash is remote in the extreme.

In that case what he is effectively saying is that monetary policy is dead.

And that might leave People's Quantitative Easing as the only game in town.

Fiscal policy is what is needed now.