

50 years without gold backed money

Published: January 13, 2026, 11:26 am

Ask most people what gives money its value and they will most likely say that it is gold. There's still a popular belief that if you take a £20 note into the Bank of England that they have to swap it with gold from the vaults, if you ask very nicely.

But that's not true. There's been no link between the pound and gold for 50 years now. All that has given money its value since 1971 is the promise that the government makes that it is literally worth the value that it gives it, which it honours by accepting that money in payment of tax. That's a big thing for most people to get their heads around.

This is the first of a series of four videos that looks at how that works - and why.

<https://youtu.be/KbE38socOyc>