Bank of England

Bank of England Survey on Systemic Risk – 2024 H1

The Bank of England conducts the Systemic Risk Survey on a biannual basis to track market views of risks which, if they materialised, could cause significant loss of confidence in the UK financial system. Aggregate results from the survey are published and used to inform the Bank's risk assessment. Your answers are confidential and individual responses will not be shared outside the Bank of England. In line with the Bank's Statistical Code of Practice, individual respondents will not be identifiable within the published statistics. This survey consists of 10 questions organised in two short blocks; it should take no more than 10 minutes to complete. Please be open in your replies; provide additional thoughts or areas of economic concern, that are not covered within your answers, by using the comments box provided.

1: Key sources of risk to the UK financial system

The Bank of England aims to identify market perceptions of sources of risk (emanating either from within the United Kingdom or externally) which, if they materialised in the period ahead, would cause significant loss of confidence in UK financial markets and institutions and/or disruption to the financial system. See overleaf for some examples of risk categories which could be used to answer the question below. The list is not intended to be exhaustive, but rather as a guide to the type of answers that can be provided.

1.1: Looking ahead, which risks do you believe would have the greatest impact on the UK financial system if they were to materialise? Please list those in order of potential impact (ie greatest impact first)	**1.2: Which of the risks above would you find most challenging to manage as a firm? (Rank 1–5)**	**1.3: Which of the risks above do you think are most probable? (Rank 1–5)**
1 ____	☐	☐
2 ____	☐	☐
3 ____	☐	☐
4 ____	☐	☐
5 ____	☐	☐

1.4: Using your answers from 1.1 please provide further explanations for your choices

2: Aggregate risks to the UK financial system

2.1: In your view, what is the probability of a high-impact event in the UK financial system in the period ahead?

	Very high	High	Medium	Low	Very low
In the short term (0–12 months)?	☐	☐	☐	☐	☐
In the medium term (1–3 years)?	☐	☐	☐	☐	☐

2.2: How has this probability changed over the past six months?

	Increased	Unchanged	Decreased
In the short term (0–12 months)?	☐	☐	☐
In the medium term (1–3 years)?	☐	☐	☐

2.3: How much confidence do you have in the stability of the UK financial system as a whole over the next three years?

Complete confidence	Very confident	Fairly confident	Not very confident	No confidence
☐	☐	☐	☐	☐

2.4: How has your confidence changed over the past six months?

Increased	Unchanged	Decreased
☐	☐	☐

2.5: Do you believe that the risks set out by the FPC in the latest FSR accurately reflect the current environment?

Yes	No	Not sure
☐	☐	☐

Further comments:

Please provide your role title, and indicate which of the following you consider to be your firm's primary business type (please tick only one).

Role title:

Firm's primary business type:

UK bank	☐	Building society	☐	Pension fund	☐
Non-UK bank	☐	Insurer/reinsurer	☐	Central counterparty	☐
Asset manager	☐	Private equity firm	☐		
Large non-financial company	☐	Hedge fund	☐		

That is the end of the survey. But we would appreciate any further comments on:

(i) the rationale behind your responses; and/or

(ii) anything else to do with the content of the survey.

Examples of risks

Below are some examples of risk categories that could be used to answer **question 1.1**.

The list is not intended to be exhaustive, but rather as a guide to the type of answers that can be provided.

Banks' IT infrastructure disruption
Climate risk
Concerns over sovereign default
Crystallisation of operational risk (eg terrorism, fraud, natural disaster and climate change)
Cyber attack
Deterioration in the global economic outlook
Deterioration in the UK economic outlook
Dislocation in securities markets
Falls in residential/commercial property prices
Funding difficulties at banks
Geopolitical risk
Lack of confidence in disclosure
Lack of confidence in prices
Loss of confidence in derivatives markets
Loss of confidence in regulation
Market infrastructure disruption
Pandemic risk
Reduction in market liquidity
Restriction in the supply of credit
Risks associated with cryptocurrencies
Risks surrounding artificial intelligence
Risks surrounding the low interest rate environment
Rising defaults in the household/corporate sector