

UK is 'likely' to need digital currency, says BoE and Treasury: Report

The digital pound roadmap is reportedly set to be introduced next week, along with a joint public consultation.

The Bank of England (BoE) and His Majesty's Treasury believe the United Kingdom is likely to need to create a central bank digital currency (CBDC) by 2030, according to a Daily Telegraph report on Feb. 4.

The "digital pound" roadmap is set to be introduced next week, a government source told the newspaper. Deputy Governor Jon Cunliffe is scheduled to give an update on the BoE's work on the CBDC on Feb. 7

"On the basis of our work to date, the Bank of England and HM Treasury judge that it is likely a digital pound will be needed in the future," BoE Governor Andrew Bailey and Chancellor of the Exchequer Jeremy Hunt told the Telegraph.

The BoE declined to comment on the article but announced that a joint consultation on the digital pound would be released soon.

The U.K. reportedly experienced a 35% drop in cash and coin payments in 2020. Cash accounts for approximately one in six payments; debit and credit cards account for the other five. A central bank digital currency is a digital version of government-issued currency tied to fiat reserves at a 1:1 ratio.

The news comes just a few days after HM Treasury posted an open position on LinkedIn for a head of central bank digital currency. The job description presented the role as "important, complex, and cross-cutting", requiring an "extensive engagement across and beyond the HM Treasury."

The digital pound is one of many CBDCs expected to be introduced across the world in the years ahead. The European Central Bank has been discussing the future of a digital euro, with several countries, including Sweden and Denmark, also exploring the concept of digital currencies.

Last year, China's digital yuan was launched in beta for iOS and Android local app stores. Recent developments include upgrades to smart contract functionality alongside a series of use cases, Cointelegraph reported.