

PM and Chancellor to meet BoE chief over Silicon Valley Bank UK collapse

Prime Minister [Rishi Sunak](#) and Chancellor [Jeremy Hunt](#) are due to hold talks with the Governor of the Bank of England in response to the collapse of Silicon Valley Bank UK.

In a statement issued on Sunday morning, the [Treasury](#) said it is treating the issue “as a high priority”.

“The [Government](#) is working at pace on a solution to avoid or minimise damage to some of our most promising companies in the UK and we will bring forward immediate plans to ensure the short-term operational and cashflow needs of Silicon Valley Bank UK customers are able to be met,” the statement said.

“The Government and the Bank understand the level of concern that this raises for customers of Silicon Valley Bank UK, and especially how it may impact on cashflow positions in the short term.”

It added that the Government recognises that the Silicon Valley Bank UK’s (SVBUK) failure “could have a significant impact on the liquidity of the tech ecosystem”.

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The Bank of England announced on Friday that Silicon Valley Bank UK is set to enter insolvency, following action taken by its parent company in the United States.

While Silicon Valley Bank (SVB) has a limited presence in the UK and does not perform functions critical to the financial system, the Coalition for a Digital Economy (Coadec) warned that its collapse could have a significant impact on tech start-ups.

Coadec's executive director, Dom Hallas, said in a statement on Saturday: "It is clear this could have a significant impact on the UK's tech start-up ecosystem.

"In light of the concern and panic, I wanted to share an update on what we know and where we are.

"We know that there are a large number of start-ups and investors in the ecosystem who have significant exposure to SVBUK and will be very concerned.

"We have been engaging with the [UK Government](#), including Treasury and No 10, about the potential impact and I know that work has been going on overnight on policy options."

Economic Secretary to the Treasury Andrew Griffith is due to hold a roundtable with representatives from affected firms to discuss their concerns.

SVBUK said it will be put into insolvency from Sunday evening. It is a subsidiary of Silicon Valley Bank (SVB) and was the first location it opened outside the US.

The insolvency announcement came after SVB was put under US

government control on Friday afternoon in the biggest failure of a US bank since the 2008 financial crisis.

The Bank of England said the company will stop making payments and accepting deposits.

The move will allow depositors to be paid up to £85,000 from the deposit insurance scheme.

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A statement on the SVB website said: "We are announcing that, following conversations with the Prudential Regulatory Authority, there is an intention, barring any intervening event, to put Silicon Valley Bank UK Limited into insolvency from Sunday evening.

"We are determined to work on the behalf of our clients and are proud of our employees in their engagement with you.

"If clients have any questions please get in touch with us and we will try our best to answer any and all of your queries."