



HM Treasury

Report under section 231 of the Banking Act 2009:

**1 October 2023 to 31 March
2024**

March 2025



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Presented to the House of Commons pursuant to
section 231 of the Banking Act 2009

March 2025



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Chapter 1

Introduction

- 1.1 [Section 231 of the Banking Act 2009](#) (“the Act”) requires the Treasury to prepare reports about arrangements entered which involve or may require reliance on [section 228\(1\)](#) of the act. Section 228(1) allows the Treasury to make payments from money provided by Parliament or, pursuant to section 228(5), from the Consolidated Fund:
1. for any purpose in connection with Parts 1 to 3 of the Act
 2. in respect of, or in connection with, giving financial assistance to or in respect of a bank or other financial institution (the Secretary of State is also permitted to make such payments with the permission of the Treasury)
 3. in respect of financial assistance¹ to the Bank of England
- 1.2 This document covers the period beginning 1 October 2024 and ending 31 March 2024 and fulfils the requirement under section 231(2)(b) of the Act to report on successive six-month periods. In accordance with section 231(4) of the Act, the report does not specify individual arrangements, or identify, or enable the identification of individual beneficiaries.
- 1.3 This document does not cover expenditure incurred in relation to action taken under the Banking (Special Provisions) Act 2008.
- 1.4 Details of the support provided to financial institutions and the economy is set out in several places:
- HM Treasury’s Annual Report and Accounts 2023-24 (HC 48)² and its Main Supply Estimates (HC 139) for 2024-25³
 - previous reports published in connection with the requirements of the Banking Act 2009⁴
 - UK Government Investments’ website⁵ contains details of how it manages the government’s shareholdings in various banks
- 1.5 Links to further information on government financial assistance schemes are provided in Annex A.

¹ Financial assistance as per <https://www.legislation.gov.uk/ukpga/2009/1/section/257>

² <https://www.gov.uk/government/publications/hm-treasury-annual-report-and-accounts-2023-to-2024>

³ <https://www.gov.uk/government/publications/main-supply-estimates-2024-to-2025>

⁴ www.gov.uk/government/collections/banking-act-reports

⁵ www.ukgi.org.uk

Chapter 2

Report covering 1 October 2024 to 31 March 2024

2.1 This chapter constitutes the report required to be prepared under section 231 of the Act and provides information about arrangements entered in the period beginning 1 October 2024 and ending 31 March 2024, which involve or may require reliance on section 228(1) of the Act. It excludes any income from financial sector interventions.

Table 2.A Period from 1 October 2024 to 31 March 2024

Department	Scheme/ Other commitments	New commitments £m	Utilisation or issuance £m	Cash expenditure £m
HM Treasury	Asset Purchase Facility	-	-	20,449.0
	Help to Buy: ISA	-	-	53.7
	Mortgage Guarantee Scheme	-	14.0	-
	No-Interest Loans Scheme	-	3.5	0.47
Department for Business & Trade	Enable Funding Scheme	46.3	-	9.5
	Enable Guarantee Scheme	300.0	-	-

2.2 The above table discloses new arrangements and expenditure by scheme where applicable and by type of commitment for other arrangements. 'New commitments' represent the maximum amount that the government has committed under a scheme or arrangement and do not represent the size of any expected future losses or cash payments. Provisions for expected losses, if any, are included in departmental annual reports and accounts and parliamentary Estimates. 'Utilisation or issuance' represents the net amount of a total facility which was used or the net increase in the amount of guarantees that were issued during the reporting period. This includes reinvestment where that reinvestment utilises the Banking Act. 'Cash expenditure' represents cash amounts paid out in respect of schemes or other commitments.

1. **Asset Purchase Facility (APF):** At 31 March 2024, the authorised limit of the APF was £750.9 billion⁶, a decrease of £70.4 billion from the limit at 30 September 2023 (£821.3 billion). The £750.9 billion limit includes up to £6.0 billion of investment grade corporate bonds, with the remainder made up of gilt holdings for monetary policy purposes. During the period 1 October 2023 to 31 March 2024, net gilt purchases undertaken for monetary policy purposes were negative with nominal proceeds from redemptions of £2,897 million, sales proceeds of £16,189 million and no new purchases or reinvestments. Net investment grade corporate bond purchases were also negative with no new purchases, reinvestments or sales. There were £474 million of nominal proceeds from redemptions of investment grade corporate bond holdings.
2. **Help to Buy: ISA scheme:** The Help to Buy: ISA scheme was launched on 1 December 2015 with accounts available through banks, building societies and credit unions. The scheme enables those saving for a first home to receive a 25% savings boost up to a maximum of £3,000 on the purchase of a property up to £250,000 (with a higher price limit of £450,000 in London). Between 1 October 2024 and 31 March 2024, the maximum potential liability increased by £133 million bringing the total maximum potential liability as at 31 March 2024 to £460.0 million. Between 1 October 2024 and 31 March 2024, £53.7 million funding was drawn.
3. **Mortgage Guarantee Scheme:** Between 1 October 2024 and 31 March 2024 the maximum potential liability increased by £14 million to £949 million as at the 31 March 2024 as a result of new commitments. No claims were paid out during the period.
4. **No-Interest Loan Scheme (NILS):** NILS aims to help vulnerable consumers who need affordable short-term credit to cover unexpected costs, providing an alternative to high-cost credit options. Between 1 October 2023 – 31 March 2024, £4.4 million worth of loans were issued under NILS. £0.47 million in delivery funding was provided to Fair4All Finance⁷, which included £5,363 for guarantee claims.
5. **Enable Funding scheme:** The Enable Funding scheme aims to improve the provision of asset and lease finance to smaller UK businesses. Between 1 October 2024 and 31 March 2024, £9.5m was drawn down, £Nil was paid out in claims. Total lifetime commitments as at 31 March 2024 were £1,082.0m.
6. **Enable Guarantee Scheme:** The Enable Guarantee Scheme aims to address capital constraints associated with small and medium-sized enterprise (SME) lending. It enables participating bank providers to share apportion of the credit risk of a newly originated small business lending portfolio with HM Government in return for a fee. Between 1 October 2023 and 31 March 2024, £Nil of the facility was drawn, £Nil was paid out in guarantees. Total lifetime guarantees as at 30 September 2024 were £3,696.0m.

⁶ <https://www.gov.uk/government/publications/asset-purchase-facility-apf-ceiling-november-2023>

⁷ <https://fair4allfinance.org.uk/our-strategy/no-interest-loan-scheme/>

2.3 Additional information on all of the above schemes is in Annex A and in the published information referred to therein.

Annex A

Government financial assistance schemes

HM Treasury

Asset Purchase Facility

- A.1 In January 2009, the Chancellor of the Exchequer (“the Chancellor”) authorised the Bank of England (“the Bank”) to set up the Asset Purchase Facility (APF) to buy high-quality assets financed by the issue of Treasury bills. The aim of the facility was to improve liquidity in credit markets. The Chancellor also announced that the APF would operate as an additional tool for the Monetary Policy Committee (“the MPC”) to use for monetary policy purposes. When the APF is used for monetary policy or financial stability purposes, purchases of assets are financed by the creation of central bank reserves.
- A.2 Based on the decisions of the independent MPC, the Bank purchased assets for the APF for monetary policy purposes from March 2009 to December 2021. In November 2020, the maximum authorised limit on purchases for monetary policy purposes into the APF peaked at £895 billion and the assets held in the facility consisted of UK government bonds, known as gilts, and investment grade corporate bonds.
- A.3 In February 2022, the MPC voted to begin reducing the APF’s stock of purchased assets by ceasing to reinvest the proceeds from redemptions. It was agreed between the Chancellor and the Governor of the Bank of England that the authorised maximum size of the APF would be reduced every 6 months in line with the reduction of assets.
- A.4 In September 2022, the maximum authorised size of the APF was increased in order for the Bank to carry out temporary and targeted purchases of long-dated gilts for financial stability purposes, which also included index-linked gilts from 11 October. These purchases took place between 28 September and 14 October and were subsequently unwound by January 2023. The authorised size of the APF was reduced accordingly through an exchange of letters between the Chancellor and Governor of the Bank of England on 16 January 2023⁸.
- A.5 Between November 2022 and September 2023, the stock of assets held in the APF was reduced by £100 billion, comprising a reduction of £80 billion gilts and £20 billion investment grade corporate bonds, in line with the MPC’s decision at its September 2022 meeting. In September 2023, the MPC voted again to reduce the size of the APF by £100 billion by September 2024.
- A.6 On 3 November 2023, the Chancellor and the Governor of the Bank of England agreed to reduce the authorised maximum size of the APF from £821.3 billion to

⁸<https://www.gov.uk/government/collections/asset-purchase-facility>

£750.9 billion⁸, of which up to £0.6 billion can be investment grade corporate bonds.

A.7 HM Treasury has indemnified the Bank of England Asset Purchase Facility Fund (BEAPFF) from any losses arising out of, or in connection with, the facility. Further information on the APF can be found at:

<https://www.bankofengland.co.uk/markets/bank-of-england-market-operations-guide/our-tools#APF>

Help to Buy: Mortgage Guarantee Scheme

A.8 The Help to Buy: Mortgage Guarantee Scheme opened on 8 October 2013 with the aim of increasing the availability of high loan-to-value mortgages for creditworthy borrowers. The guarantees formally came into effect on 2 January 2014. Under the scheme the government offered lenders the option to purchase a guarantee on mortgage loans for borrowers with a deposit of between 5% and 20%. The guarantee compensated mortgage lenders for a portion of net losses suffered in the event of repossession. Lenders were charged a commercial fee for participation in the scheme, which covered the scheme's expected losses, the cost of capital and the administration costs. Over the life of the scheme the government made available up to £12 billion of guarantees, which was sufficient to support up to £130 billion of high loan-to-value mortgages. The Help to Buy: Mortgage Guarantee Scheme closed to new loans on the 31 December 2016 as planned. Participating mortgage lenders were allowed to complete loans into the scheme until 30 June 2017, where they had an application date on or before 31 December 2016. The scheme closed completely to claim applications on 31 December 2023.

Help to Buy: ISA

A.9 The Help to Buy: ISA scheme was launched on 1 December 2015 with accounts available through banks, building societies and credit unions. The scheme enables those saving for a first home to receive a 25% savings boost from the government on the purchase of a property of £250,000 or less (with a higher price limit of £450,000 in London). This means that for every £200 saved, first-time buyers can receive a government bonus of £50. The maximum government bonus is £3,000. The scheme closed to new accounts on 30 November 2019, however, Help to Buy: ISA account holders can continue saving until 30 November 2029 when accounts will close to additional contributions. The Help to Buy: ISA government bonus must be claimed by 1 December 2030. Further information can be found at:

<https://www.gov.uk/affordable-home-ownership-schemes>

Mortgage Guarantee Scheme

A.10 The Mortgage Guarantee Scheme was launched on 19 October 2021 to help increase the supply of 95% Loan To Value (LTV) mortgage products for credit-worthy households due to reduced availability of these products in part, because of the indirect effects of the COVID-19. In exchange for a commercial fee, lenders are supported to offer these products through a government backed guarantee. The scheme follows a successful 2013 Help to Buy: Mortgage Guarantee Scheme, which helped to restore the high LTV market after the financial crisis, giving those who could afford mortgage repayments but not the larger deposits the chance to buy a new home. This scheme will close to new accounts on 30 June 2025 with

participating lenders being allowed to complete loans into the new scheme until 31 December 2025, where they had an application date on or before 30 June 2025 as similar to the previous scheme. Further information can be found at: <https://www.gov.uk/affordable-home-ownership-schemes>.

No-Interest Loans Scheme (NILS)

- A.11 At Budget 2021, HM Treasury announced £3.8 million in funding to pilot a No-Interest Loan Scheme (NILS). NILS is designed to help vulnerable consumers across the UK by providing them with affordable credit to cover unexpected costs, offering an alternative to high-cost credit. Fair4All Finance, an organisation established to support the financial wellbeing of vulnerable people, is running the pilot. They have contracted lenders to provide the loans and offer these lenders a partial guarantee against default losses. Lending for the pilot ended on 31 August 2024; over 14,000 loans were issued by this date, amounting to a total of almost £11 million. PwC has been appointed to conduct a comprehensive evaluation of the pilot by 2026 to determine whether NILS is a viable and sustainable product that should be made permanently available.
- A.12 As part of the pilot, HM Treasury will reimburse Fair4All Finance for up to 80% of eligible default losses incurred under guarantees initiated after 22 September 2021. This reimbursement will continue until 31 March 2026. The maximum amount payable under this contingent liability is £1.8 million. The remaining £2 million of the funding will cover administrative costs.

Department for Business and Trade (DBT)

Enable Guarantee Scheme

- A.13 The Enable Guarantee Scheme aims to address capital constraints associated with SME lending by enabling participating bank originators to share a portion of the credit risk of a newly originated small business lending portfolio with the government in return for a fee. This will lead to a reduction in capital requirements connected to the guaranteed lending, thus making SME lending more commercially attractive for the bank originator.

Enable Funding Scheme

- A.14 The Enable Funding scheme aims to improve the provision of asset and lease finance to smaller UK businesses. Asset finance is an important source of finance for smaller businesses, but providers of such finance often lack the scale to access capital markets – a key source of funding for lending institutions – in a cost-efficient manner. Enable Funding will warehouse newly-originated asset finance receivables from different originators – bringing them together into a new structure. Once the structure has sufficient scale, it will refinance a portion of its funding on the capital markets, helping small finance providers to tap institutional investors' funds.

HM Treasury contacts

This document can be downloaded from www.gov.uk

If you require this information in an alternative format or have general enquiries about HM Treasury and its work, contact:

Correspondence Team
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Tel: 020 7270 5000

Email: public.enquiries@hmtreasury.gov.uk

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