

Carney: No-deal Brexit 'highly undesirable'



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Brexit



The possibility of a no-deal Brexit is "uncomfortably high" and "highly undesirable", Bank of England governor Mark Carney has told the BBC.

Mr Carney said the prospect of the UK leaving the EU without a deal was "a relatively unlikely possibility, but it is a possibility".

He said it was "absolutely in the interest" of the EU and UK to have a transition period.

However, the financial system was robust and could withstand shocks.

"We have made sure that banks have the capital, the liquidity that they need and we have the contingency plans in place, " he said.

Mr Carney said that if a no-deal Brexit were to happen, it would mean a disruption to trade and a disruption to the level of economic activity, as well as higher prices for a period of time.

"Our job in the BoE is to make sure that those things don't happen. It's relatively unlikely but it is a possibility. We don't want to have people worrying that they can't get their money out," he told the Today programme.

"We've put the banks through the ringier to make sure that they have the capital. Whatever the shock could happen from, it could come from a no-deal Brexit, we've gone through all the risks of a no-deal Brexit."

However, he said that even with liquidity and capital, the banks could not solve all Brexit-related financial problems.

"There are a few things the EU government has to solve, " he said.

"The UK has taken all the steps, all the secondary legislation it needs to. The European authorities still have some steps they need to take. We're having conversations and we expect those to be addressed."

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