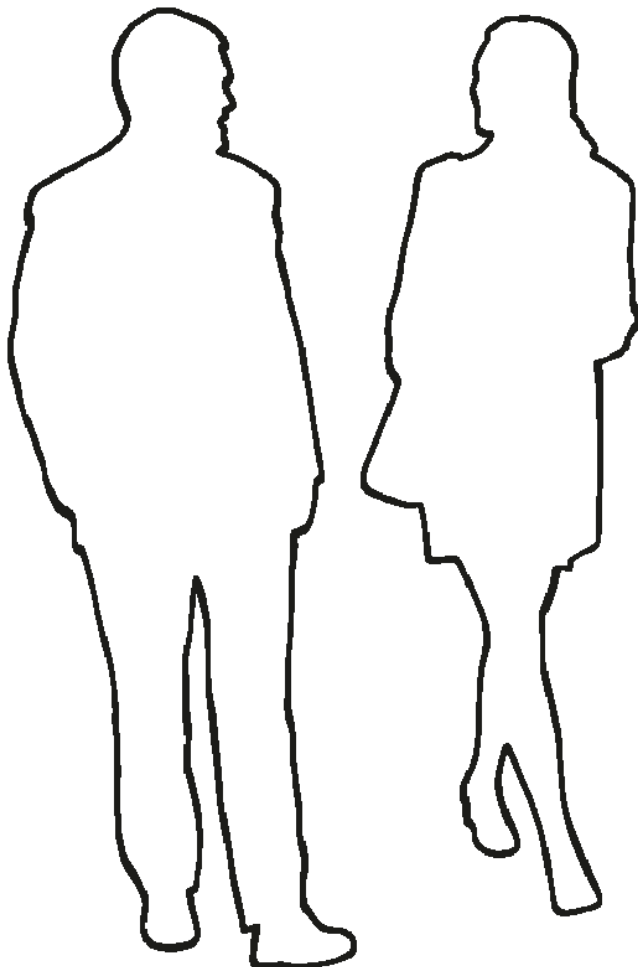


FAQs

Service Integrator Announcement



FAQS

GBS BACKGROUND

Q. What is the Government Banking Service (GBS)?

A. The GBS is a shared banking service for government departments, which includes the Office of HM Paymaster General (OPG) and its customers. The GBS was launched in April 2008. (The OPG was formed in 1835. Since 1997 it has been working through a 'Service Integrator', Xafinity Paymaster.)

Q. What is happening to the Bank of England?

A. The Bank of England (BoE) made a strategic decision to withdraw from the provision of retail banking and clearing services to government (and other corporate) customers by 2009, in order to concentrate on its core responsibilities. It will continue to hold the Government's high level accounts. The retail banking services it provides to the GBS will be provided by RBS and CitiBank.

Q. What will GBS provide by way of support?

A. Support will include:

- A migration helpdesk
- Support and training on any new systems and processes will be provided where needed
- Consultation about the changes and their impact
- Continued existing support facilities

CHANGES

Q. What will be changed?

A. Ledger accounts will be replaced by bank accounts with the commercial banks. Other documentation may change as well. More detail on the changes will be communicated shortly, through targeted communications in November and December. You will be supported by the GBS transition team throughout the process.

Q. How will the transition to the new banking suppliers take place?

A. This is still in planning, and we will contact you once further details are known. We expect to have a detailed timetable by the end of 2008 to span 2009. We will then be able to discuss any priorities or constraints you have over a similar time period, to ensure as little disruption as possible to you. It is important to note that customers will continue to have full access to the services they currently use with XP. We foresee this relationship continuing into 2010.

Q. Does this mean there will be an SI after March 2010 or when customers complete transition?

A. No. It means that GBS customers will have a redesigned service which will give them direct access to the banks. The implications for the work done currently by XP needs to await the outcome of the more detailed work on the new business model.

Q. What will the new business model look like?

A. At present we are working on this and will communicate with you shortly. The GBS project team will be working over the coming weeks on the detail of the new business model.

STAYING IN CONTACT

Q. What info do GBS want from us?

A. It is extremely important that GBS has up-to-date contact information for our customers. If you have not recently advised us of your contacts please do so by emailing the GBS Customer Transition team at dianeheighes@hmrc.gsi.gov.uk.

Q. When will I hear from you next?

A. It is anticipated we will follow-up with you within the next 4- 6 weeks.

Q. Where can I go for more information?

A. You are welcome to contact our transition helpdesk for transition- specific questions about this announcement or the GBS in general. For any other 'business as usual' questions please continue to use your present contacts at Xafinity Paymaster or GBS. The contact details for the transition helpdesk are: 020 7147 3706 or dianeheighes@hmrc.gsi.gov.uk