

rachel und beate

**LIVING STONES**

**1468-260418**

**CUR INTER VIVOS QUAERITIS MORTUOS? \***

## **PART 3 - THE CONTRACT - AUTHORITY AND ASSUMPTION**

Where does authority terminate?

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### MONEYWEASEL

MAR 03, 2026

If commercial banks create money at the point of lending, as the Bank of England itself has explained, then the next question is not ideological but legal: what precisely governs that creation?

In public discussion, the existence of a contract is usually taken for granted. A borrower applies, terms are agreed, a document is signed, and obligations follow. That is the theory. It is also the foundation upon which interest is charged, variations are made, and enforcement is pursued.

But modern consumer credit operates within a far more complex institutional environment than most people realise.

Over the past two decades, retail lending books have been securitised, assigned, migrated across internal systems, and in some cases transferred between newly constituted legal entities. After the financial crisis, banks were recapitalised and, in the United Kingdom, structurally reorganised under ring-fencing legislation. Retail divisions were separated from investment arms and placed into distinct entities, often with new balance sheets and new governance structures. The economic relationship may have appeared continuous to the customer, but legally and operationally significant changes occurred behind the scenes.



Against that backdrop, the contract remains the anchor. It is the instrument that authorises the creation of the liability, the charging of interest, and any subsequent variation of terms.

Under the Consumer Credit Act 1974, a borrower has the right to request a copy of the executed agreement. This is not framed as a hostile act. It is a statutory entitlement designed to ensure transparency in regulated lending. Upon request, a creditor must provide a “true copy” of the agreement and certain prescribed information. The law recognises that documents may be stored electronically or reproduced from records, but the obligation to evidence the agreement remains.

In most cases, lenders comply routinely. The system depends on that compliance. However, the scale and industrialisation of modern banking mean that documentation is frequently abstracted into data environments. Original agreements may have been scanned, reformatted, or reconstructed from archived templates. Portfolio transfers can add additional layers of complexity, particularly where legal title and beneficial interest have diverged through securitisation structures.

None of this implies wrongdoing. It reflects the architecture of contemporary finance. Yet it introduces an important distinction between operational continuity and demonstrable authority.

Interest accrues automatically. Rates may be varied under contractual clauses. Accounts may be reported, restricted, or ultimately enforced. All of these actions depend upon the existence of a valid and enforceable agreement. The system assumes that foundation exists. It relies on presumption of regularity – the idea that proper procedures were followed at inception and that subsequent transfers were legally effective.

Presumption, however, is not the same as proof.

When a borrower exercises a statutory right to request the agreement, the issue is not evasion of responsibility. It is symmetry. If an institution can alter pricing on



the basis of contractual discretion, then the individual is entitled to see the contractual instrument that grants that discretion. Transparency is not antagonism; it is the mechanism through which regulated markets maintain legitimacy.

The deeper point is structural rather than personal. If money is created by ledger entry, and if interest is levied by contractual authority, then the enforceability of that authority becomes central. The modern credit system functions efficiently because most participants never interrogate the underlying documentation. That efficiency depends on confidence, and confidence depends, ultimately, on verifiable foundations.

In a system built on digital records, internal models, and large-scale portfolio management, the contract is both more abstract and more important than it once was. It is the bridge between the accounting entry and the legal obligation.

Without that bridge, there is only assumption.

And assumption, however widely accepted, is not itself authority.

Stay tuned for Part 4 next week...

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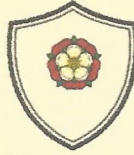
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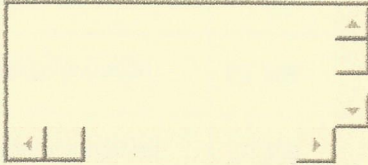
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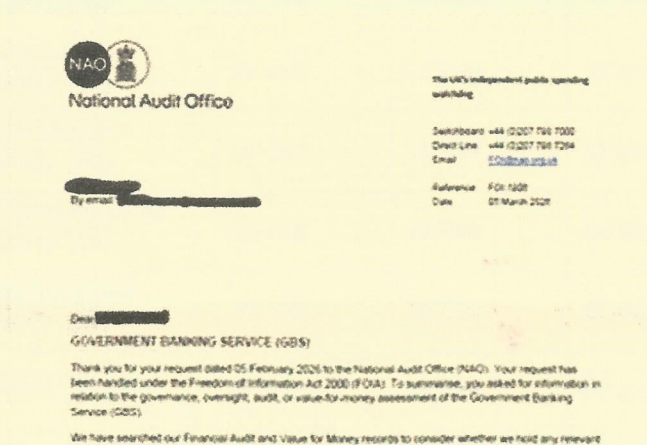
### Part 4: Held Somewhere, Disclosable Nowhere

The latest FOIA replies do not show that government records do not exist. They show something more revealing: how records are fragmented, withheld...

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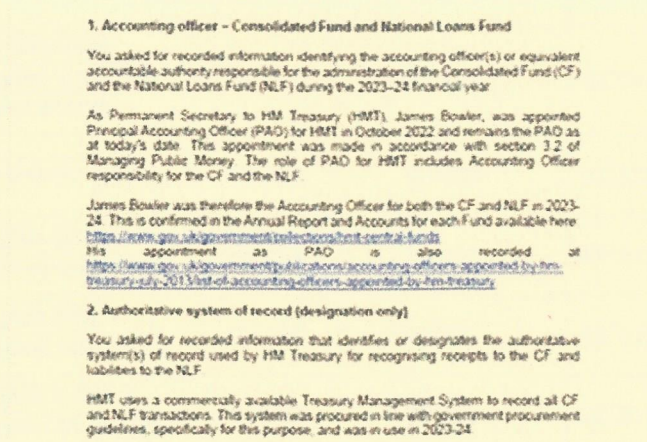
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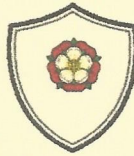
### Part 5: The Treasury Plumbing They Never Explain

The simplest story states tell about money is usually the least accurate.

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### Part 6: Held Somewhere, Routed Elsewhere



## Where does authority terminate?

APR 13 • **MONEYWEASEL**

While HM Treasury ordinarily only seeks to aggregate requests seeking similar information for processing under Section 12(4) of the FOI Act, in this particular instance, we consider the significant overall burden imposed by the quantity of your requests to engage Section 14 of the Act.

In relation to breadth, we note that all three of your requests are significantly broad in nature, seeking many categories of information including, but not limited to, policy documents, guidance, internal memoranda, analytical materials, high-level assessments, policy briefings and general requests for recorded information that contain broad themes that are particularly difficult to search for. As such, we also consider the burden imposed by conducting such arduous and lengthy searches to engage Section 14 of the Act.

For example, in relation to only FOI002502305, an initial search of only one of the terms contained in your request has identified over 1,200 potentially relevant items to examine. In order to comply with your request, we would need to review each document separately to determine whether any information is exempt from disclosure, for example, due to sensitivities or personal data, and to then redact any exempt material. As part of this, in assessing the sensitivity of the information we would need to seek views from third parties on any likely prejudice to any interests before we could disclose. We consider that conducting only this part of your requests already imposes a significant and disproportionate burden on HM Treasury's staff.

Furthermore, we note that while you claim that two of the requests you have submitted are narrowed in comparison to their originals, we do not consider their scope to have been sufficiently narrowed to allow for timely compliance, nor do we

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- With apologies to Doctor Luke - 24.5 - why seek ye the DEAD among the living?!