

New head of nationalised banks was a Liechtenstein insi...

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The [Sunday Times](#) has reported that:

THE financier who has been appointed to protect taxpayers' money in Britain's bailed-out banks is a former trustee of a secretive Liechtenstein bank accused of facilitating massive tax evasion.

Glen Moreno, who chairs the powerful body that oversees the government's £37 billion shareholding in the banks, was paid hundreds of thousands of pounds during a nine-year association with Liechtenstein Global Trust (LGT), a private bank based in the tax haven.

LGT, owned by the Liechtenstein royal family, became the subject of international scandal last year when a former employee blew the whistle on its dubious practices.

Moreno quit as a trustee last April, two months after it was first reported that financial details of thousands of clients had been passed to the German tax authorities by Heinrich Kieber, a bank technician.

It is curious to note that:

The Treasury press release announcing his appointment detailed his past achievements but found no room to mention his post in the tax haven.

The Sunday Times notes:

Moreno, despite working for a bank in a notorious tax haven, insists he had no knowledge of individual LGT clients and their backgrounds. But as a trustee he would have been expected to attend meetings four times a year and play an active role advising on the group's strategy and performance.

That means he's either not telling the truth or he's a fool. These are the only options available

A spokeswoman for the Treasury said: "There is no suggestion that Glen Moreno has done anything wrong and he brings important experience to the board of UKFI."

The evidence is clear. As Nick Cohen in the Observer [says](#) (echoing themes I've used on this blog):

I cannot overestimate the strength of the government's belief that it can restore the status quo ante. Obviously, ministers understand the scale of crisis. At its peak, financiers told Darling that the bank with his current account was 20 minutes away from collapse, news which must have concentrated the mind. Nor have Labour and the Bank of England been frightened of making the vast but necessary interventions to stop a disaster turning into a catastrophe. But they do not think that the crash is like the fall of the Berlin Wall or 9/11, an event from which there is no going back. They still hope that the model of free trade and globalisation can be put together again. Property prices will shoot upwards. The tax receipts from financial services will flow. The City will resume its primacy and all will be right with the world.

In this intellectual climate, reforms that appear obvious to social democrats remain unthinkable to insiders. Closing tax havens, regulating hedge funds and stopping high street banks behaving like investment banks so that never again do we have the obscenity of taxpayers bailing out speculators are items the agenda-setters have no wish to put on the table.

Much to their discomfort, however, our leaders are realising that although the Washington consensus lives on in London, it is dying in Obama's Washington.

I know Nick is right: senior civil servants have told me this is the plan.

They think they can put Anglo Saxon capitalism back on the wall again, just like Humpty Dumpty. And as I've said before: it isn't possible.

But this explains why they point serial abusers like Moreno to appointments of this sort.

As the [Observer editorial](#) says:

There are, broadly speaking, two views of the huge salaries and bonuses that bankers have been paid in recent years and that many expect to be paid again this year.

The first is that those salaries and bonuses were rewards for excellence. They should still be paid so that formerly excellent private bankers can continue to be excellent in the employ of partly state-owned banks.

The second view is that the bonus culture encouraged short-term risk and irresponsible behaviour, leading eventually to the banking sector's near collapse and rescue by the state. With the taxpayer now in charge, the bonuses must stop.

The first view is held by a majority of bankers themselves; the second by pretty much every other rational person in Britain.

What is baffling, then, is why the government has seemed unable to exert any power on this matter despite having majority opinion and moral authority on its side.

And as Polly Toynbee said yesterday:

[S]o where will culture change on remuneration be? New non-exec directors don't include sharp-eyed, lower-paid academics or heads of Oxfam, the research councils or other experienced institutions outside the Square Mile. You get no culture change from people who think earning a couple of million is as normal as tax avoidance.

Sometime soon the public are going to realise it's not just a change in pay we need: it's a complete change in culture we need.

The crisis is simply stated: Brown is not delivering this.

Cameron does not recognise the need for this.

I despair, because I truly believe most people in Britain recognise the need for change.

This is going to get very messy.