

Lloyds asks taxpayers for another Â£5bn

Published: January 13, 2026, 9:06 am

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[Alistair Darling](#) is ready to hand over up to £5bn of taxpayers' money to the part-nationalised [Lloyds Banking Group](#) in order to shore up its finances.

Lloyds, 43% owned by the taxpayer, is seeking £25bn of extra capital so it can escape the multibillion-pound cost of the government's toxic asset insurance scheme. Selling new shares worth up to £5bn to the Treasury is part of the complex plan currently being considered by the regulators.

The move is likely to be seen as another climbdown by the government in its treatment of banks that are preparing to pay their staff millions of pounds in bonuses on the back of booming markets.

This is lunacy: the state is being asked to fund Lloyds' exit from state guarantees so it can pay unfettered bonuses.

There is a one word answer to that: no.

The sum involved is more than all that has been committed to green projects to counter recession. And that is where this money would be much better used.

This is crunch time: convictions take courage.