

We have to stop chaps regulating chaps – or we wi...

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The world of banking has won two more victories over the rest of society.

The challenge to its right to charge excessive fees to people who make the smallest error in running their bank accounts has [been overthrown](#) by the new supreme court. This is regressive tax in all but name: it is now the poorest in our society who will continue to be charged excessive fees to bail out our banks.

And the Walker report on banking reform in the light of the banking crisis has proven to be even weaker than anyone feared. [Julia Finch](#) has put it well in the Guardian:

Nine months' work. One hundred and eighty submissions of information and opinion. A weighty interim report, and 167 pages of final recommendations: so much work for so little. [Sir David Walker](#)'s review of the corporate governance of banks, ordered back in February, is a crashing disappointment — an anti-climax of even greater proportions than the anodyne code of practice he drew up for the private equity business in 2007. Here was a chance to rewrite the rulebook in a bid to ensure that there would be no re-run of last year's crisis when two of Britain's biggest banks, it has now emerged, needed £62bn of secret Bank of England support to keep their doors open. Instead we have some relatively minor tweaking.

Walker says he is "sympathetic with Guardian types ... it is outrageous that we have been left all this debt". But he is an investment banker and an old-school City man. He was never the man for this job.

The question is: why was he ever given it?

Given that for all practical purposes his report changes nothing at all — except disclose the number of employees earning more than £1 million a year — for fear â€śÃ„Ã²talent might go abroad' — this is the only relevant question.

We had the stupidity of the [Foot report](#) on tax havens — written by a tax haven insider with clear intent to excuse them of all wrongs — and now the Walker report on banking — written by a bank insider with clear intent to excuse them of all wrongs.

In the meantime the abuse goes on. The capture of the state by an elite in banking is becoming more and more apparent. And we are all paying for it.

When will politicians stand up and challenge this?

That question is at the core of the future of democracy — because have no doubt about it, these people don't believe in democracy. If they did they would not treat it with such contempt. For them the state is just one thing — a mechanism for diverting resources to them for their use. I give them credit: they're good at doing just that. But the process has to be brought to an end.