

Offshore banking is unsustainable

Published: January 13, 2026, 12:56 pm

[FT.com / Columnists / Martin Wolf - How the Icelandic saga should end.](#)

Martin Wolf says:

The combination of cross-border banking with generous guarantees to creditors is unsustainable. Taxpayers cannot be expected to write open-ended insurance on the foreign activities of their banks. It is bad enough to have to do so at home.

He's right. He used Iceland to draw the conclusion, and it is a correct one.

And it puts a nail in the coffin of offshore banking.

And rightly so.