

Forced bank break-up makes sense, says Bank of England ..

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[Forced bank break-up makes sense, says financial stability chief | Business | The Guardian](#).

Breaking up the UK's banks into smaller and more resilient units was floated by the [Bank of England](#) today as one of Threadneedle Street's top officials warned that tougher regulation might not be a strong enough response to the crisis of the past three years.

Yes! Yes! Yes! Do it.

For this reason:

Andrew Haldane, the Bank of England's executive director for financial stability said there had been permanent damage to the global economy caused by the banking crisis and that if all of it persisted the loss could be as high as \$200tn , of which Britain's share would be £7.4tn.

"Banks would not have deep enough pockets to foot this bill. Assuming that a crisis occurs every 20 years, the systemic levy needed to recoup these crisis costs would be in excess of \$1.5tn per year. The total market capitalisation of the largest global banks is only around \$1.2tn. Fully internalising the output costs of financial crises would risk putting banks on the same trajectory as the dinosaurs, with the levy playing the role of the meteorite."

Quite.

I've argued for this for a long time.

And if ever evidence was needed of why we need financial transaction taxes to retrain bank trading this is more to add to the existing pile in its favour.