

Robert Peston on banks

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Robert Peston did [a first rate programme for BBC 2 on banks last night](#).

I, like many, find Peston's style a little irritating. But this could be entirely forgotten in this programme which delivered one key and consistent message: that these banks created toxic assets (one commentator called them fraudulent), accounted for them for them incorrectly to artificially inflate profits through the creation of artificial structures, were then systemically bailed out (i.e. all banks failed, and all were saved), and despite this they're carrying on doing exactly the same thing now, and this will, inevitably, result in another failure soon. There's not an if or a but about that, it's just a when?

Despite this politicians have failed to take action.

And bankers still threaten to leave the UK unless we acquiesce to their demands — demand that we let them keep their profit and that we bear their reckless losses.

Peston clearly thinks this is wrong. Good for him. He's right.

And the villain of the piece? Undoubtedly Sir Philip Hampton, the unreformed banker who chairs RBS who had the gall to say the UK had to be made attractive to keep banks here when he chairs an organisation owned by the state he was seeking to demand favours from on behalf of the elite of which he is a member.

I am increasingly aware that people are now asking whether we can do without the investment banks — which are the toxic element of the banking industry. And increasingly I think the answer is an unambiguous yes. The cash they create can be more effectively created with lower risks in other ways. And they don't finance our tax revenues — they leach from them. I admit I haven't formulated the whole logic of the bank free alternative, yet. But it is something we need to do.