

If the UK sues Iceland, who pays?

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The people of Iceland rightly rejected the demand that they should be liable for the debts of their banks at the weekend, meaning that they refused the job of bailing out the creditors of their banks otherwise called banks in other countries who refused to bear the consequence of their own bad decision making.

I think Iceland got this right.

People come first. Banks come second. I'm not wholly convinced the Vickers Commission has delivered that message for the UK this morning but Iceland has now delivered it, twice.

[The UK has now said it will sue.](#)

But who will pay? If Iceland says no again, what can the UK do? Except pass the bill onto our banks.