

## The case for bank break up remains intact

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The [Vickers report](#) is suggesting bank ring-fencing this morning.

Vickers has got this wrong. Of course the recommendation made is all about political compromise - and compromise with George Osborne, the banker's best friend at that, but the reality is that there was and is only one viable way to reduce risk to the economy and taxpayers from banks, and that is to break them up.

Why? Because if they're separate entities with High Street banks barred from investing in and lending to investment banks then there is real separation - and not the make believe, do it yourself, leave it to the bankers' judgement sort Vickers is recommending.

And if we have real separation then there is no chance of the cost to investment banking of this proposal being recouped from retail customers. That just would not happen. But under the deal proposed it will.

So, we'll have small business, individuals and taxpayers still propping up investment banking and its bonuses.

And that just will not do.

In which case this report gets a 'fail'.