

What chance another banking crisis?

Published: January 14, 2026, 5:36 am

I've been asked by a number of people what chance there is that we'll have another banking crisis in the UK.

Well, [just read this from the Guardian this morning](#):

Underlining his concern about the pressures on UK financial institutions, the governor said Threadneedle Street would provide as much cash as banks required "given the turbulence ahead".

Osborne said the Bank and the Treasury were taking co-ordinated action to inject new confidence into the financial system and support the flow of credit to the real economy.

"We are not powerless in the face of the eurozone debt storm. Together we can deploy new firepower to defend our economy from the crisis on our doorstep. The government, with the help of the Bank of England, will not stand on the sidelines and do nothing as the storm gathers."

I don't think it needs incredible powers of interpretation to say that the Bank of England is calling it a certainty.

And because almost nothing has been done so far to address the problems arising from and which created the last crisis then the money will simply have to flow again.

I just hope that this time first we directly inject the money in any bank that needs it as equity, and at a significant discount to current market price on the reasonable assumption that the funding prevents failure and second that this time the funding is used and is not converted immediately in a) funding for speculation and b) cash for bonuses.

Is that too much to hope?

Of course, what is also needed is, as I have argued (with my colleagues) since 2008 is a Green New Deal.

But I fear Osborne would rather trash the economy than do anything so useful.

And in answer to the opening question: it's going to happen. The only astonishment would be if it didn't.