

Barclays admits its tax products were "inappropriate"

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The FT's [reporting this morning that](#):

Barclays will take the axe to its controversial tax structuring unit, as the UK lender seeks to clean up its image in the wake of a succession of scandals.

The business, which at its peak may have generated as much as three-quarters of profits at Barclays' investment banking operation, will be shrunk dramatically as part of the bank's Project Transform under new chief executive, Antony Jenkins.

Why's that?

"We have to take a fresh look to see if there are products and services in which ... we no longer deem it appropriate to do business, regardless of financial return," Rich Ricci, Barclays investment banking chief, said in an address to investors on Monday night.

"For example, elements of our tax advisory business have generated negative media and political attention."

Well, we've reached a point where after many years Barclays and I are in agreement.

I think what Ricci's words clearly mean is that, as I've argued for many years, what Barclays has done in the past has been "inappropriate". That's the kind interpretation.

And forgive me for saying so, but I think Barclays are saying all of those who campaigned on this issue were right all along. Others should, perhaps, please note.

As the FT also notes:

Mr Jenkins reaffirmed Barclays' commitment to its investment bank more broadly, silencing predictions he would significantly reduce its size. But the new chief executive, formerly head of the group's retail banking operation, was clear that ethical behaviour would become a priority in future.

All activities would in future be "screened for reputational impact" as well as

profitability, Mr Jenkins said. “Our ability to build a franchise over time depends on our reputation,” he added, admitting the bank had made some “serious mistakes” in recent years.

And

Though legal, the avoidance strategies [Barclays] used on behalf of its clients were politically controversial.

Well, no marks for taking time to notice. And the consolation prize for getting there in the end.

I'll be commenting on what this decision means later.