

Still too big to fail, and still too small minded to un...

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According [to the FT](#):

The Treasury will on Monday be accused of failing to learn the lessons of the financial crisis, with senior MPs claiming there is “an urgent gap” in its preparedness in the event of another crash. The MPs expressed surprise that financial and economic risks are not included in the government’s “national risk register” and said the Treasury and other regulators should do more crisis planning.

Apparently Bernard Jenkin, Conservative chairman of the cross-party public administration committee, has said:

We did not find evidence that government and the City are actively practising and exercising for this worst case scenario.

The Treasury has done a lot but there is more to be done to be ready for another financial crisis. We still have institutions which are too big to fail, but with so much national borrowing capacity used up, they may prove ‘too big to save’ if it happens again.

I am sure he's right.

Our banks are still too big to fail. As are our auditors and many other parts of the financial services system.

Second, despite efforts such as quantitative easing which pumped cash into the financial services sector it is not in robust health because much of that money was taken out again by bonuses, fines, and compensation payments.

But most importantly, a certain part of the Establishment is still just too stupid, blind, arrogant or small minded to realise that 2008 was not a once in 25,000 year event, but indication of a systemic flaw in Anglo-Saxon capitalism and that recurrence is nigh on inevitable.

