

If there are no UK investment banks left why do we risk...

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The FT [has noted today](#) that with Barclays having announced the end of its global investment banking strategy there are no UK investment banks left. The market is now US dominated. It's an interesting point. Three thoughts follow.

First, why in this case do we take such risk with our economy to support this activity?

Second, does this say what the Americans have always thought, which is that London is a regulation light tax haven servicing Wall Street, which had such disastrous consequences in 2008.

Third, if the City really can't deliver on financial services why grant it those enormous privileges it enjoys?

My suspicion is the poverty of both ability and long term aspiration in the City is now being laid bare for all to see. And if that is the case then the case for reform is overwhelming.

Of course the UK needs strong financial services to support UK business and to provide services abroad. I do not for a moment argue otherwise. But the arrangements we have are clearly not meeting either need now. In that case what arguments are left for keeping the structure of the City that we have?

To put it another way, should we really stay as the tax haven the City really is, or is it time to do a proper job in financial services and integrate financial services into the domestic economy?