

## The RBS sale: a tale of opportunity lost

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RBS [is to begin its return to the private sector](#). Way back in October 2008 I suggested it should be fully nationalised instead. I stick to that view. Around that time I argued that there were at least four reasons for keeping RBS in the state sector.

The first was to clean it up, although we had no idea at the time how bad it was.

The second was to split it up, both by spinning off unnecessary activity (some of which has happened) but more importantly to make it a series of regional banks for the UK, which would, of course, have overcome the competition issues that still threaten it.

Third, it was to ensure that the state had a bank available to it to ensure that SMEs could secure the funding they need, which is so hard in the UK economy.

Fourth it was to act as an infrastructure bank. This does now, of course, link to the idea of [People's Quantitative Easing](#) or Green QE (whichever you prefer).

All of these remain valid arguments now.

What is more, if they had been done so many of the massive mis-selling and other abuse issues that still hang around the neck of RBS (and so the government) would not have happened.

I hate to say I was right, but this is a massive tale of opportunity lost with no happy ending in sight when the shares in the company are now being dumped on the market at massive undervalue because of all that has gone wrong because of mismanagement since 2008.

If there is blame in all this then it is across parties. Alistair Darling and Gordon Brown should have had the courage of their left of centre convictions. They should have also never entrusted the management of this bank to the sole care of bankers as if 2008 had not happened. And George Osborne has never taken the right steps as the banking tales of woe unfolded to address the issues in a bank for which he was ultimately responsible. The political class failed here.

I'd love to think it will never happen again.