

# It's bankers who would benefit from an increase in bank...

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This [comes from the FT](#) this morning:

*Received wisdom in the banking sector is that higher rates are great news. US banks, with their heavy domestic focus, can push a [Federal Reserve rate rise](#) on to many of their borrowers pretty quickly. They can also try to delay passing the benefit on to savers for as long as possible. Foreign banks with US operations get the same benefit, but on a smaller portion of their business.*

To summarise: an increase in Fed or Bank of England interest rates would simply provide a profit opportunity to banks. Borrowers would pay them more. Savers would gain not a penny. The banks would pocket the difference.

And you wonder why banks are so keen on a return to 'normal times' with more 'normal' interest rates?

It is hard to see how at present an increase in rates could be a move in the national interest.

In fairness, the FT is not sure that it will be either, concluding the thoughtful piece by saying:

*After such a long period of low rates, any increase will be a welcome relief for many banks. But with potential problems in emerging markets, increased regulatory scrutiny and the threat around customer loyalty created by the growth of internet banking, rising interest rates will not be the one-way bet some banks suggest.*

And therein lies the problem: bankers making judgements for their own interests do not necessarily get things right.