

Farewell security

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The FT [reports this morning](#) that:

Big banks in Europe and the US announced almost 100,000 new job cuts this year, and thousands more are expected from BNP Paribas and Barclays early next year, as the wave of lay-offs that began in 2007 shows no sign of abating.

The 2015 cuts - which exclude the impact of major asset sales - amount to more than 10 per cent of the total workforce across the 11 large European and US banks that announced fresh lay-offs, according to analysis by the Financial Times.

Some might think that I would not worry about the decline in a sector for which I have never wanted to work and for which I show limited affection. But let me be clear, those losing their jobs will, in large part, not work for the part of banking that causes so much stress. The people who will be going will very largely work in the part of banking that we indisputably need.

We need banks to manage transactions.

And we need functioning loan and deposit institutions.

But banks are shedding staff in these areas. Partly it is, of course, the result of automation.

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And partly it's because banks are lending less; don't want to take so many deposits for which they by and large have little use and don't want to supply personal banking services on which they make little money and which no longer guarantee that they also get the lucrative unsecured loan business from the account holder.

The net effect though is a loss of middle class security. It's a hollowing out of the economy where people once had stable, long term, pensioned employment. It was never what I wanted, but I see the appeal, and also appreciate that those in such

employment did provide the stability within the economy itself. Other things came and went but these people thought they would always have a job.

And now they either don't or won't. And there are no jobs like the ones they had to go to. The economy has outsourced risk onto people who never thought they were risk takers, but are now, and the consequences are real.

People who aren't natural risk takers struggle when faced with it. They try to curtail spending. They try to save. They shrink the economy as a result. And when they can't replace their security the stress that causes increases costs to society, in a great many ways.

Banks may think they're rational. And maybe in their own way they are. But as a result middle class Britain shrinks just that bit more. And with that the stability on which we all depend shrinks too. Until, that is, we get a new economic narrative that gives people purpose again.

But we're not there yet.