

This time nationalisation has to mean in the public int...

Published: January 13, 2026, 12:04 am

The realisation that we are facing another financial melt down is dawning on people who have been in denial for a long time.

HSBC is staying in London because the quality of UK bail outs is much higher than those available elsewhere.

Sir John Vickers, whose report on UK banking was too timid and allowed action far too late now says British banks are vulnerable again.

And they are. To losses dating back to 2008, still not recognised. To losses on new loans since then. To losses from QE funded speculation. From exposure to emerging markets. To excess capacity in sectors like shipping. To the London property market which is vastly over valued and where too much of the wrong type of property is being built. I could go on.

It is entirely plausible that the capital integrity of one or more banks will be tested to breaking point.

This can be corrected: we know now that banks can be recapitalised by governments. But never again must control of the banks impacted stay with bankers. Gordon Brown and Alistair Darling failed the UK badly by letting bankers keep control of banks last time.

Nationalisation must mean nationalisation if it happens again. And for the long term, leading to fundamental reforms of the sector. Surely we can all agree on that?