

In 2008 we survived, just. Will we this winter? I real...

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In 2008 I seriously considered the possibility that the UK banking system might fail, and that if that happened the economy of the country might go down with it. There was good reason to do so. I was painfully aware that banks were about to fail and that no one had any idea what the domino effect might be.

Thankfully we had a government and a Chancellor at that time who were up to managing the very real crisis that we faced. As a result of nationalisations, bail outs, QE and strategic support for the economy we made it through that crisis. Cameron, Osborne and all who have followed made sure the recovery was as weak as possible, paving the way for Brexit, but in 2008 the day was saved.

I think the crisis that we are in now is much worse than that we faced in 2008. That crisis was relatively simple. What was known back then was that if the banks could be kept functioning much of the immediate risk of meltdown could be avoided. That is not true now.

The crisis we face now is so multifaceted that almost anything could trip the economy over into collapse. Household energy bills are enough to do that. Business failures could do the same thing. The failure of many public services, from schools, to the NHS, to social care, is on the cards. Banks are not immune in the face of a massive private debt crisis that looks almost unavoidable.

Compared to a week or so ago when I write 'Surviving 2023' there are welcome signs of progress in that the media are now beginning to appreciate the scale of the issues we face and that our problem is more than a cost-of-living crisis. There is, however, little sign that this perception is really permeating Tory consciousness. Nor is there, almost anywhere, discussion of the risk of the total failure of the economy, and yet that now seems so much more likely than it did in 2008.

By total failure I mean that we face the risk within months of having an economy where basic needs cannot be met. Markets could fail. Supply chains could break. Services are at risk of collapse. The infrastructure on which we rely, and on which we always depend

as recovery begins, may simply no longer be there as too much will fail. And all will be for three reasons.

One, of course, will be a lack of money in the hands of those who really need it. So far there is no sign that is going to happen as a result of benefit and wage rises. If they don't happen we are in real trouble.

Second, there is no apparent planning for what might happen. At least with the risk of banks failing it was relatively easy to work out what needed to be done. In a sense it is this time too: nothing but serious doses of money injected into the real economy can solve this. But dogmatically that is denied and so we gather that the Treasury is spending its time wondering if GPs should prescribe small handouts when total support for the whole economy is required.

Third, there is political vision. No one could accuse Gordon Brown or Alastair Darling of being deeply left wing, but the idea of nationalising banks was at least within their dogmatic reach. No such intervention appears to be within the range of either Truss or Sunak.

I keep looking for what Ian Drury might have called 'reasons to be cheerful'. The more I see of where we are going the fewer of those reasons seem to exist.

In 2008 we survived, just.

Will we this winter? I really am not sure.