

We need a new Girobank

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

The number of people who feel 'locked out' of the financial system shot up by 40 per cent last year as lenders reined in their risk appetite amid a cost of living crisis, new data from peer-to-peer lending platform Plend shows.

They added:

This year's survey found that 28 per cent of people now feel locked out of the UK's financial services market, up from 20 per cent when the inaugural research was done last year. The percentage who feel financially excluded rises to 45 per cent for black and ethnic minority groups.

There is a simple comment to make. It is that we cannot have a fairer, more inclusive, path to funding the sustainable path to a better economy that we all need without inclusivity and what is apparent that existing financial services providers are not willing to provide that.

Time and again I have discussed the need for that inclusivity here, always suggesting that the need is for a state-run bank to ensure that those who want access to conventional banking facilities and the opportunities that they provide should not be denied that fundamental need by market forces.

We need a state-run bank that guarantees access to finance for all. Simultaneously, it should provide a safe place of deposit as well. It is absurd that the recklessness of bankers denies this to too many.

What we need is something like the Girobank that bolder readers will recall, which provided all the basic facilities of bank, including mortgages without any of the risks from being associated with investment banking.

It would, of course, be entirely possible for the state to do this. It need only cite market failure as the reason to get around state aid rule-based objections and it could be done.

But will it happen? I wish I could imagine Labour doing it. We know the Tories won't. I fear we have a long time to wait.