

# The Bank of England has announced it can create money f...

Published: January 13, 2026, 11:10 am

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The [FT reported yesterday evening](#) that:

*The Bank of England is set to create a permanent lending facility for non-bank financial institutions such as insurers and pension funds during times of stress, its markets boss Andrew Hauser said on Thursday.*

*In a speech Hauser outlined the need to “urgently” plug gaps in the central bank’s current toolkit, which has traditionally been geared towards lending money only to banks, who then lend on to other financial institutions.*

Hang on a moment. Let's unpack that, shall we?

What the Bank is saying is that it can create money whenever it wants to save insurers and pension funds.

At the same time, the Bank is saying right now that it must do quantitative tightening to withdraw £100 billion from the economy, which is the money it created to manage the Covid crisis.

So, apparently, the Bank can use its ability to create money for its mates in the City of London but not for the benefit of society as a whole, let alone the government to which it is responsible and which owns it.

Am I alone in thinking this stinks?