

The Bank of England is determined to deliver a UK banki...

Published: January 13, 2026, 10:05 am

Yesterday, [I noted](#) the reckless relaxation of mortgage lending rules by the UK's Financial Conduct Authority, which are bound to prejudice some borrowers and increase the risk of mortgage defaults arising.

Then, later in the day, [the FT reported this](#):

The Bank of England has announced plans to scrap rules restricting risk-taking at building societies that it imposed after the collapse of former mutually-owned lenders Northern Rock and Bradford & Bingley in the financial crisis.

They added:

The decision to free building societies from extra restrictions on their lending and treasury activities shows regulators are confident the member-owned lenders are in a more solid position, 17 years after they were hit by the worst crash in their 250-year history.

Apparently, the move was demanded by the Treasury to supposedly support UK competitiveness. It cannot, of course, do that because this is a measure solely focused on domestic markets, but what it does do is seriously increase the risk of another UK financial crisis.

[Yesterday, I said this](#):

And so, here we go again. Another banking crisis is in the making because, in the absence of any other indicator of growth that is working, Rachel Reeves has fallen back on the perennial obsession of the UK middle classes and is trying to stoke an increase in house prices, which throughout history have only ever been a measure of an increasing economic divide within our society, and not of increasing well-being for all.

This will end in tears, or worse.

Stupidity is rarely displayed so obviously, but it is out in force today.

I see no reason to change my tune today.