

Why are people who are capable of massive misjudgement . . .

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I found it quite staggering that the [FT could report this](#) today:

Barclays has agreed to buy US personal loan business Best Egg for \$800mn in a move that will help expand its consumer lending and give it access to more loans to package up and sell to investment bank clients.

The 2008 global financial crisis happened in no small part because US banks sold portfolios of debt that they had issued to US consumers to investment bank clients who did not understand the risk in those portfolios, and subsequently discovered that the supposed AAA debt they had acquired was nothing of the sort, and banking balance sheets collapsed as a result all over the world.

Admittedly, in 2008, it was mortgage rather than consumer debt that was being repackaged, but consumer debt is even riskier. And Barclays is deliberately buying a company so it can repackage its debt as if it is an asset of worth when, around the world, alarm bells are ringing almost everywhere about the unsustainable levels of personal financial debt, leading to the widespread belief that the edifice might collapse soon.

But Barclays clearly thinks "it is different this time". Bankers always tell themselves that. And it never has been to date. The crash, almost inevitably, comes around again, usually on about 15-year cycles, meaning we're now well and truly due one, since it has been 17 years since 2008.

Staggeringly, Barclays is now heading the queue to end up with egg on its face, no doubt sure in the belief that the UK government will bail it out all over again (and I do know the whole story of what happened in Barclays post 2008, so don't bother to relate it in the comments).

Why, oh why, are people who are capable of such massive misjudgement allowed to run public companies? I wish I could answer that.