Policy Briefing

Qualitative Pleasing

The Bank Solidarity Contribution Scheme to Ease the National Dignity Crisis

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Overview

In 2008/09, the UK government intervened to prevent the collapse of the national banking system, providing approximately £65 billion in direct support and over £130 billion in guarantees and liquidity measures. While this stabilised the economy and preserved financial confidence, the primary beneficiaries were shareholders, bondholders, and large depositors across the entire banking sector—not just those in the directly bailed-out institutions.

The public bore the cost. The Treasury suffered a net direct loss exceeding £30 billion (in 2025 terms), continues to pay around £1 billion annually in interest, and has lost £1–2 billion per year in tax revenues due to post-crisis bank restructuring. Additionally, the crisis raised the cost of government borrowing through higher gilt yields.

Meanwhile, UK banks have returned to robust profitability, generating £30–40 billion in annual profits in recent years—highlighting their ability to contribute meaningfully to repaying this public debt.

The Bank Solidarity Contribution Scheme is designed to restore fairness and national dignity by requiring the financial sector to make a modest, direct, and socially constructive contribution toward the long-term public costs of the crisis it survived.

Proposal Summary

- Contribution Mechanism: For the next five years, banks must add an additional £10 payment directly into any customer account receiving a state-originated transfer (including pensions, benefits, salaries, and refunds) under £2,500. This amount supplements the original state payment.
- Estimated Annual Cost: Approximately £3.7 billion across the banking sector.
- Purpose: To recognise and repay the moral debt owed by the financial sector to the British public. These payments will directly assist low-income recipients with daily living costs and stimulate the economy by “trickling up” through local and household-level spending.

Bank Obligations

1. **Non-Discrimination Clause**: Banks are prohibited from terminating or altering customer accounts in response to this policy for five years.
2. **Transparency Requirement**: Each solidarity payment must be clearly itemised in the account's transaction history.

Compliance and Enforcement

- Failure to Itemise or Pay: Any failure triggers an immediate £50 fine, redeemable by the customer at the bank counter or via a simple online application.
- Dispute Resolution: Disputes are handled by a fast-track ombudsman procedure, with a binding decision issued within one week.
  - If upheld and unpaid, the fine increases to £500.
  - Continued non-compliance or legal obstruction may trigger unannounced inspections of any branch or headquarters, covering any area of operations. *(Detailed legal and procedural safeguards for these inspections will be developed to ensure compliance with UK law and financial regulation.)*

Public Benefit

- Restores balance between the financial sector and the public interest.
- Contributes to funding the long-term public costs of the banking bailout.
- Promotes transparency, trust, and a renewed social contract between the financial system and society.

Conclusion

The National Dignity Debt reflects a real and continuing moral obligation from the banking sector to the British people. The Bank Solidarity Contribution Scheme offers a modest, fair, and enforceable way to begin repaying that debt—restoring dignity to those who paid the cost of survival for the banking system.

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