

## Banks need to be good, says new archbishop

By RYAN HOOPER

THE Archbishop of Canterbury has called for the UK's banking industry "to be good".

The Most Rev Justin Welby said banks "can be good with the fear of hell and the hope of heaven", rather than being motivated solely by cash bonuses and penalties. His comments came during a keynote speech at St Paul's Cathedral in London last night, in which he also said the banks needed to be filled "with good people" for the benefit of the country.

He said: "There will never be such a thing as perfectly good banks -- because in the end no human being is of themselves perfectly good.

"But we can have potentially good banks, banks that live with a culture that is self-correcting and self-learning. A culture that is more like a body than a system.

"We see deep differences in wealth and potential at the moment, they are differences that can be eliminated, but they cannot be eliminated without good banks."

Earlier this year the former oil executive accused Chancellor George Osborne of lacking the political will to break up the big banks.

The archbishop, who sits on the Parliamentary Commission on Banking Standards at Westminster, warned Mr Osborne in February that he was risking a repeat of the "disasters" of the recent past through his refusal to take more decisive action.

Speaking to more than 1,500 people, the archbishop said morals in the banking industry were important.

He referenced an inquiry into a trade takeover 30 years ago in which "everyone asked whether it was legal, but not whether it was right".

He said: "Morals are important, they do make a difference.

"But there's not a single silver bullet.

Regulation won't do it, markets didn't do it in 2008 (after the global financial crisis). But neither did moral sentiment.

"We have to have a combination."

The archbishop agreed with another panellist at the discussion, former Office of Fair Trading chief John Fingleton, who said there was a "moral responsibility" on consumers.

It was "no secret" there would be further crises, but he added: "The answer to them is a society that does have a moral basis and moral values, and enable it to find its balance when material things let it down, rather than putting all our weight on material things."

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