
Scottish bid to save the BoS ?

Posted by TLJ - 2008/09/21 09:03

<http://www.sundayherald.com/news/heraldnews/display.var.2450052.0.0.php>

Alex Neil MSP is writing to a distinguished group of leading bank figures to hold an exploratory meeting in Edinburgh this week following a meeting initiated by Jim Spowart, the Scottish banker who created Intelligent Finance and founded Standard Life Bank.

As well as Spowart, those to be invited are expected to include:

Sir George Mathewson, former chief executive of the Royal Bank of Scotland;
Sir Angus Grossart, chairman of Noble Grossart;
Sir Peter Burt, the former chief executive of Bank of Scotland;
Gavin Masterton, the former managing director of Bank of Scotland;
George Mitchell, another former managing director of Bank of Scotland,

Alex Salmond has been told of the plan and is said to be sympathetic to any proposal that will save large numbers of jobs in Scotland.

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Re:Scottish bid to save the BoS ?

Posted by Robin T Cox - 2008/09/21 10:13

The Scotsman's article today is also interesting:

Treasury officials say there was no alternative to the merger, insisting such was the condition of HBOS, it had to make a deal. But that was disputed last night by the Bank of England's former chief adviser, Sir Charles Goodhart, who said that if the Government had not been so slow to extend its special liquidity scheme - which offers emergency cash for stricken banks - HBOS might have refinanced its mortgages and avoided having to be taken over.

<http://scotlandonsunday.scotsman.com/latestnews/Salmond-I39d-have-acted-to.4513007.jp>

Alex Salmond points out that, had Scotland been independent, then (a) the Lloyds-HBOS takeover could have been avoided; and (b) the task of persuading the merged corporation to locate in Scotland would be easier.

Be that as it may, it is a fact that the merger could not have taken place at all unless Gordon Brown had agreed to waive the competition rules. So the decision to sell Scotland's bank is his.

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Re:Scottish bid to save the BoS ?

Posted by TLJ - 2008/09/21 10:46

Robin T Cox wrote:

it is a fact that the merger could not have taken place at all unless Gordon Brown had agreed to waive the competition rules.

I'm not so sure about that.

The merger would normally have been referred to the Competition Commission which would then investigate it, giving particular attention to the detriment to the consumer through higher prices, lower quality or less choice of goods or services. If it was satisfied that the merger was needed to protect existing customers of HBOS and that without the merger the impact on the market was such that HBOS would withdraw from the mortgage sector, then I suspect it would allow it to take place.

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Re:Scottish bid to save the BoS ?

Posted by DoricMan - 2008/09/21 12:49

I cannot understand for who's benefit the Lloyds TSB and HBOS merger benefits. Not Scotland, not Scotland's financial and banking industry, or the HBOS shareholders and we the customers.

It seems that sweeping HBOS under the Lloyds TSB carpet at the Manchester party conference took priority. I wish Alex Neil MSP well in his attempts to put paid to this disastrous merger.

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Re:Scottish bid to save the BoS ?

Posted by Robin T Cox - 2008/09/21 20:06

We know that last Tuesday the UK government was planning to bypass the competition rules, instead of extending special liquidity.

<http://www.telegraph.co.uk/money/main.jhtml?xml=/money/2008/09/18/cnhutton118.xml>

So by that stage they had already decided to sell the BoS.

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Re:Scottish bid to save the BoS ?

Posted by Jimbo - 2008/09/21 21:57

I read somewhere that the merger would bring in an extra Â£1 billion for the UK Treasury.

I suppose that due to the state this government has gotten the country into, in Brown's opinion, every little helps.

As someone once said: Unemployment in the north is a price worth paying for prosperity in the south. Is it?

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Re:Scottish bid to save the BoS ?

Posted by Meg - 2008/09/21 22:07

Robin T Cox wrote:

Be that as it may, it is a fact that the merger could not have taken place at all unless Gordon Brown had agreed to waive the competition rules. So the decision to sell Scotland's bank is his.

I am glad someone else has been saying what I have been thinking.

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