

Banks and society – rebuilding trust

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By Tony Weekes

Tony Weekes considers a new report from the Ecumenical Council for Corporate Responsibility

It is just over two and a half years since Lehman Brothers bank filed a petition for bankruptcy. The event was a defining moment in recent times and the shock waves are still affecting us. A few weeks later banks in Britain and Ireland were pleading for help from their respective governments. Several banks, in consequence, are now in substantial public ownership.

The devastation brought about by these events is still with us, and there is more to come. Economic uncertainty remains with unemployment, bankruptcies, mortgage foreclosures and public expenditure cuts. But the 'culture of greed' has returned – if, indeed, it ever went away!

In early March several newspapers reported the almost unbelievable bonus payments to senior bank executives. The chief executive of Barclays – a bank once known as 'the Quaker Bank' – received £6.5m as a bonus, as well as some deferred payments.

While the government continues to dither about the need for serious reform of financial services, NGOs have been providing critical comments and constructive proposals for the way forward. One contribution to this work comes from the Ecumenical Council for Corporate Responsibility (ECCR), whose report *The Banks and Society: Rebuilding Trust* was launched at an ECCR meeting in Birmingham on 1 March.

The report was researched and written by Suzanne Ismail, who works both with ECCR and Quaker Peace and Social Witness. Its perspective recognises our responsibility to work for a society '... marked by justice, compassion, peace and environmental stewardship' and recommends what banks must do '... to repair their reputation as responsible corporate citizens'. It is a big task. Many current banking practices have adverse social and environmental impacts, such as financing the recovery of oil from the Canadian tar sands.

The report covers the main banking institutions in Britain and Ireland and explains much more about what banks do, the many ways they are failing us and the changes that are needed.

It challenges us to ask: 'What are banks for?' The report also prompts us to consider whether they have 'lost their way' and to question whether the objective of maximum profit needs to be tempered by a greater sense of public service.

We must press forward with confidence for the reforms that are required. The words of William Penn remind us that: *'True godliness don't turn men out of the world but enables them to live better in it and excites their endeavours to mend it... Christians should keep the helm and guide the vessel to its port; not meanly steal out at the stern of the world and leave those that are in it without a pilot to be driven by the fury of evil times upon the rock or sand of ruin'* (Quaker faith & practice 23.02).

This is work in progress that ECCR intends to continue. It needs to be better known and discussed among Friends. An executive summary and the full report can be downloaded (free) from the ECCR website: www.eccr.org.uk.