15 years on from Lehman Brothers, the fallout is still with us

I
t is exactly 15 years since that never-to-be-forgotten day of high drama on 15 September 2008.

It began for me with a 4.30am call to be told that Lehman Brothers – one of the biggest, oldest and most respected names in Wall Street investment banking – had filed for bankruptcy.

Within hours bewildered staff were spilling out of the bank's European headquarters in Canary Wharf clutching their possessions in cardboard boxes.

The collapse lit a fuse that detonated the biggest explosion in western financial capitalism since the Wall Street Crash. Within weeks the entire British banking system was on the brink of collapse.

Only swift coordinated action on a global scale led, to his credit, by Gordon Brown, prevented an even more cataclysmic meltdown.

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The fallout from that day is still very much with us. The Government remains a 38% shareholder in one of our biggest banks, NatWest, a factor that may have contributed to the downfall of its former chief executive Dame Alison Rose in July.

Economic growth has struggled to return to the healthier levels seen in the Nineties and early Noughties, and living standards have stagnated longer than almost any period in recorded economic history. Even now bankers are regarded with a level of suspicion that dates back to the revulsion unleashed by what became known as the global financial crisis.

Some good has come of it. Our banking system is far more robust and it is unlikely that finance bosses will ever again take the reckless risks that stoked the firestorm a decade and a half ago. Or at least if they do the alarm will be sounded at a far earlier stage.

It has been a tumultuous time with austerity, Brexit, Covid and war in Ukraine adding to the uneasy sense of perma-crisis.

Is it too much to ask for the next 15 years to be just a little duller?