

[Disqualifying the architects of failure from holding office](#) [1]

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Business Secretary Vince Cable is reportedly looking to see if there is [sufficient evidence to justify an action to ban the HBOS 3](#) [3] named in the Banking Commission's report from serving as company directors again. He is reportedly "outraged" by the situation.

A Department for Business, Innovation and Skills spokesman said: "The business secretary has instructed officials at the Insolvency Service to look into the Financial Conduct Authority report when it is published to see whether there are matters that could lead to further action."

In general it is seen as a good thing that those who break the rules should suffer some consequences. Laws and rules usually set out what will be considered a transgression, and they normally set out the range of punishments that will follow. It has to be a breach of the rules, however. Simple incompetence or inability is not, in itself, a punishable offence. Failing to show due diligence can be, however, where the rules specify that it is required. If the HBOS 3 broke the rules, of course they must be called to account.

The same could apply to the guilty politicians who presided over it, encouraging and enabling behaviour that led to the crisis, and recklessly flooding the market with money and credit. They did this because they were addicted to spending and stood to gain personally from the electoral support that it helped to produce. They tried to manipulate the economy by 'smoothing the Business Cycle' to avoid the electoral unpopularity that an economic downturn would have engendered. Gordon Brown and Ed Balls and others stood to make personal gain of popularity and office from their actions, and certainly failed to show due diligence for the welfare of the nation and of its citizens.

An investigation could establish whether they broke rules in doing so, and whether there is enough evidence to have further action taken against them. Did they, for example, engage in systematic deceit? Did they knowingly lie about the true state of the nation's finances? The most likely outcome is that the finding would be one of simple incompetence on an overwhelming scale, a finding that would not justify debarring them from office, but whose publication might make it difficult for any of them to do so again. It is worth an investigation, though, if only to put on record what they did.

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