

Can banking ever be ethical?

Video transcript for 'Banking unethics', with Steph McGovern

The banks: once the trusted pillars of society, but recently they've taken a massive hit, being accused of putting profit before people. So where does that view come from?

The banks did some risky trading, lending money to people who couldn't afford to pay it back.

Some of them even illegally manipulated the financial markets to their advantage, for example rate-rigging, which affects how much it costs to borrow money from the banks.

And another scandal closer to home for some of us: payment protection insurance, the mis-selling of PPI, has cost the banks billions.

On top of this there is also the debate about the types of companies that banks invest in.

Would you be happy if your bank was funding, let's say, a tobacco firm, or a gambling company or even an arms manufacturer? Let's face it: banks want to make profit, how much do they need to think about the ethics?

These investments aren't illegal, but things are not necessarily always black and white: so what's ethically ok for some, might not be for others.

There's also the argument that we as consumers should take some of the blame and reconsider spending on credit, in other words spending what we don't have.

We're in a culture where debt is normal. Even our own government is in debt. But many would say if we can afford to repay that debt, then it doesn't matter.

So accountability is the key issue here. A major financial crisis, scandals and bankers taking home large bonuses: it's an explosive mix which has led some people to question whether we'd be better off without them.