

## Root of all evil

Human characteristics have been known for centuries. Religion in the shape of the Catholic Church tried to codify the darker side of people's propensities in the Middle Ages by naming the seven deadly sins. Today in the 21<sup>st</sup> century these inbuilt instincts are exploited by ever more sophisticated tracking and predictive techniques.

There is a saying that you cannot cheat an honest man, but what if you're simply a naïve man?

I have known Andy since his mid teens. He was a typical university student who worked hard (occasionally), played hard (all the time) and consequently built up a huge debt in the process. He dropped out and took a job in a trendy bar in Southampton. Living at home with minimal overheads still only gave him a net income barely able to support his lifestyle.

He was a good worker and was promoted to a chef position offering more hours and more money. The letters and bills and reminders mounted up without any attempt or interest to even open them. In Andy's eyes this was so, not what life was about.

Andy stayed with friends for a while when the oppression of the family home got him down. Whilst there he was tracked down and harassed by debt collectors and finally bailiffs. He decided to make himself bankrupt. Presenting himself at the insolvency service office, having completed the forms and with a borrowed sum of £310 he went there to end the misery. Astonishingly, he was asked how long he had lived at his friend's address and on hearing a reply of less than three months, he was told to go away and come back again after three months had passed.

Not surprisingly that evening Andy celebrated with his mates. The borrowed money was soon spent and in the ensuing depression, he lost his job and was forced to return to his familial home.

Scraping a living in the black, Andy survived but his debts continued to increase exponentially. The Inland Revenue eventually caught up with him and made him bankrupt. Ironic that public money was used to do this when all the banks and credit card companies had not as they knew there was no chance of recovering any assets.

Andy was invited to interview with the Insolvency Service where his case was examined. The examiner concluded that no fraud had been perpetrated and there was no money to be gleaned from this young person.

Although Andy was discharged a year later, the legacy of bankruptcy meant he could not get credit of any sort for at least another eight years and he only dealt in cash. He was not able to get a standard bank account, only a savings account. Purchase online or any kind of transaction requiring a credit card was out of the question. This severely restricted his

options. This would seem to be an anomaly in the Government led initiative for everyone to have a bank account.

Unfortunately this sorry tale is being repeated all over the UK in rapidly increasing numbers. It is due in part to the instant gratification culture promoted so cleverly by banks. Why wait when you can have it now? This is just the point. Thirty or forty years ago we did wait, and saved money and only purchased essentials when we could pay for them. This discipline seems to have completely disappeared.

One of the effects of Western consumerism is the, me, now culture. What happened to communities helping each other, people relating to each other?

Consumer habits are being tracked all the time but even more sinister is the current research of particular interest to major retailers about how different parts of the brain react to particular stimuli to do with images of foods and products.

So, avarice, gluttony and envy are well on the way to being used to prop up consumerism and in the process produce record profits for the major banks and financial institutions in the UK.

There is a good reason for the proverb “Neither a lender nor a borrower be” but we need to accept reality and so we should go back to the sound principles of the small co-operatives of the 19<sup>th</sup> century who lent small sums of money in a kind of credit union – there are of course organisations doing that very same thing today – in order to lead the way in responsible lending.

Banks and their like should have a moral responsibility when lending money. In almost every case money is a commodity to be sold and subject to sales targets like any other product. This is wrong. Money lending to individuals should be handled by responsible institutions.

At the same time, all school children should be educated about money, saving, budgets and finance. I do not believe this is currently happening. If it was, we would not have the increase of more than 230% (1999 – 2005) in personal bankruptcies that we are currently witnessing.