

The recent financial failures of Cyprus and other countries should be a warning, and we should be learning by their mistakes. We should not be passing legislation which creates the potential for the same problem.

If a financial institution fails, it is not okay for it to absorb its customers' money on the pretext of unsecured loans. It is not okay to steal people's life savings.

Furthermore, if I was to take out an unsecured loan from a bank, the interest rate would be huge (in the range of credit card rates). Why should they be allowed to take an 'unsecured loan' from me (i.e.; use my savings entrusted to them) and pay me a piffling couple of percent interest, and then be completely liability free if they lose the money?

This is not acceptable, and this legislation is not a positive move to the future. It would be a very big step backwards. This kind of move would decrease trust in the banks, and may result in a mass withdrawal of money - which would create a Cyprus-like scenario. This is not something we should be encouraging!