

Caught Out Part 4 of 4

December 2015

☼ Echo of the cry of scandal

Two years on from the [September 2008 financial crisis](#), 16 top UK bank executives signed their personal names to an open letter addressed to the UK The Financial Times entitled "[Financial leaders pledge excellence and integrity](#)". A number of signatories resigned within months of penning the letter. To this day, sectors of the UK public harbour a disdain of bankers, due to immoral attempts to manipulate the LIBOR, as well as unethical handling of interest rate swaps. [LIBOR](#) is an acronym for the London Interbank Offered Rates: "the average interbank interest rate at which a selection of banks on the London money market are prepared to lend to one another." The cry of "scandal" from UK consumers has been heard before, loud and clear. Members of the food industry may recall the mid-'90's when a similar distrust and vehement contempt was levelled at scientists, due to the UK public's rejection of genetically-modified food, and, the manner by which the technology was launched into the UK. Unfortunately, this coincided with the UK cattle BSE epidemic – completely unrelated, yet simultaneous. The UK bank debacle of 2008 was and remains different: the fraud was deliberate; consumers had and have few, if any, investment alternatives; the value of retirement pensions dwindled while no UK bank employee suffered the same fate. Due to British regulations, no one individual banker was held accountable for his/her actions.

☼ The Clean Up Guy

The Bank of England hired a new helm in July 2013 – Mark Carney – previously Governor of the Bank of Canada, the first non-Brit to hold the post since 1694. Carney's specific mandate was not public knowledge immediately prior to nor following his appointment. However, [Carney speeches](#) during November and December of 2015 reveal a desired re-positioning of the entire UK financial sector, with wide-sweeping regulatory reform a key strategy of this pursuit. In a sit-down [interview with the CBC](#), Carney alluded to pending and wide-sweeping legislation, promising: "There's a lot more to be done on the core responsibilities, and we'll look to see it through."

☼ Re-boot

In the fall of 2012, members of the UK's [Confederation of Business Industry](#) initiated a meeting with leaders of the UK religious sector, to, in their words "restore business's battered reputation for ethical behaviour." One executive in particular, a founding member of this initiative, stands out in his tireless, outspoken and unyielding crusade for better business practices - Unilever's [CEO Paul Polman](#). Polman works with levels of government, the UN, NGO's and industry frontrunners to realize his vision:

"If you look out five or 10 years, which is my job, the power is in the hands of the consumers and they will not give us a sense of legitimacy if they believe the system is unfair or unjust. Some companies that miss the standards of acceptable behaviour to consumers will be selected out."

Does it sell? Unilever's global sales outpaced analysts' estimates for 2015 [third-quarter revenue](#).

☼ Other words by which we're known

The source of some business terms to ponder:

Revenue: pronounced "revenoo" in the USA and "revenyoo" in Canada. The word is a derivative of the French verb "revenir" which means to come back, to return. The accounting term relates to the amount of money earned before expenses, taxes and other deductions.

Turnover: the British and Australian equivalent to the accounting term "revenue". The word stems from the perspective of transformation, wherein assets (equipment, employees, resources, inventory, etc.) are converted, or overturned, into cash.

Profit: from the Asturian, Spanish dialect "proficiere": 'pro-' means 'on behalf of' and '-ficiere' is a derivative of the Asturian verb "facer" and Latin verb "facere" meaning "to make", "to do", "to create". **FF**

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