# NatWest returns to private ownership after 17 years amid lasting legacy of the financial crisis



The recent return of NatWest, formerly the Royal Bank of Scotland (RBS), to full private ownership marks a significant milestone in the UK's long recovery from the Great Financial Crisis. Following a tumultuous history since its £45.5 billion government bailout in 2008, the bank's journey reflects the broader challenges faced by the UK economy in the aftermath of the crisis. Once a global banking giant, RBS found itself on the brink of collapse just as it embarked on a perilous acquisition of ABN Amro, a transaction fraught with risk and ultimately disastrous.

Seventeen years on, the memory of Fred Goodwin, the bank's erstwhile chief executive whose aggressive strategy led to its near-demise, still looms large. His leadership style, characterised by a blend of ambition and hubris, spurred the bank to secure its place as a dominant player but ultimately resulted in it accumulating toxic assets, deeply embedding the bank in financial turmoil. The eventual rebranding to NatWest in 2020 aimed to distance the bank from the crisis-era reputation that was largely synonymous with Goodwin's tenure.

The UK's handling of the financial crisis diverged sharply from that of the United States. While the US government quickly began to recoup losses from its Troubled Asset Relief Program (TARP), the UK's lingering stake in the banking sector has been a source of continuous debate. Critics argue that the prolonged government ownership of NatWest hampered its ability to navigate the marketplace effectively, shackling it with constraints on bonuses that made it difficult to attract top talent. This cautious approach contrasts with the more aggressive policies adopted in the US, which favoured speed and a focus on restoring normalcy in lending and economic activity.

As NatWest finally retraces its steps into private ownership, it does so having shed numerous non-core assets and undergone a substantial downsizing under CEO Ross McEwan. However, the government’s eventual exit, despite recouping around £35 billion, came with a notable loss of approximately £10.5 billion, which raises questions about the efficacy of the strategy employed. The narrative surrounding NatWest’s management and regulatory oversight has been complicated further by events such as Alison Rose’s resignation in 2023, following a controversy linked to Nigel Farage, a high-profile political figure whose banking experiences ignited significant public discourse.

The economy today, while showing signs of recovery, is still grappling with the ramifications of a decade of overly cautious lending practices. The excess capital reservoirs mandated by government regulations intended to prevent another crisis have inadvertently stifled growth, particularly in critical sectors such as technology and pharmaceuticals. As a newly reformed NatWest seeks to turn the page and expand its operations, it faces the dual challenges of rebuilding trust with investors and responding to the political pressures that accompany its return to the private sphere.

In the broad tapestry of British financial history, NatWest's saga encapsulates the struggles of a system navigating the complexities of regulatory frameworks, executive accountability, and the overarching need for a robust banking sector capable of supporting economic growth. As the consequences of Goodwin's legacy continue to be felt, it remains crucial for NatWest—and indeed the British banking sector at large—to embrace lessons learned in order to foster a stable and successful future. The challenge now lies not just in reclaiming financial health, but in ensuring that the shadows of the past do not cast a long, debilitating influence on the journey ahead.

## Reference Map:

* Paragraph 1 – [[1]](https://www.dailymail.co.uk/money/comment/article-14765989/ALEX-BRUMMER-Fred-Goodwins-ghost-stalks-financial-corridors.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.reuters.com/business/finance/natwests-16-year-journey-crisis-bailout-reprivatisation-2025-05-30/), [[4]](https://www.ft.com/content/a2150ee7-75df-4b33-9ec2-43b41a6f5712)
* Paragraph 2 – [[1]](https://www.dailymail.co.uk/money/comment/article-14765989/ALEX-BRUMMER-Fred-Goodwins-ghost-stalks-financial-corridors.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[3]](https://www.ft.com/content/ede5be67-7623-448a-8f4e-ca8bde6aed95), [[5]](https://www.reuters.com/sustainability/society-equity/uk-government-says-it-has-sold-its-last-remaining-natwest-stock-2025-05-30/)
* Paragraph 3 – [[2]](https://www.reuters.com/business/finance/natwests-16-year-journey-crisis-bailout-reprivatisation-2025-05-30/), [[3]](https://www.ft.com/content/ede5be67-7623-448a-8f4e-ca8bde6aed95), [[6]](https://www.bbc.co.uk/news/uk-politics-16821650)
* Paragraph 4 – [[2]](https://www.reuters.com/business/finance/natwests-16-year-journey-crisis-bailout-reprivatisation-2025-05-30/), [[4]](https://www.ft.com/content/a2150ee7-75df-4b33-9ec2-43b41a6f5712)
* Paragraph 5 – [[1]](https://www.dailymail.co.uk/money/comment/article-14765989/ALEX-BRUMMER-Fred-Goodwins-ghost-stalks-financial-corridors.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[3]](https://www.ft.com/content/ede5be67-7623-448a-8f4e-ca8bde6aed95), [[5]](https://www.reuters.com/sustainability/society-equity/uk-government-says-it-has-sold-its-last-remaining-natwest-stock-2025-05-30/)
* Paragraph 6 – [[1]](https://www.dailymail.co.uk/money/comment/article-14765989/ALEX-BRUMMER-Fred-Goodwins-ghost-stalks-financial-corridors.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[4]](https://www.ft.com/content/a2150ee7-75df-4b33-9ec2-43b41a6f5712)

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## Bibliography

1. <https://www.dailymail.co.uk/money/comment/article-14765989/ALEX-BRUMMER-Fred-Goodwins-ghost-stalks-financial-corridors.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.reuters.com/business/finance/natwests-16-year-journey-crisis-bailout-reprivatisation-2025-05-30/> - NatWest, formerly known as the Royal Bank of Scotland (RBS), has returned to full private ownership in 2025, marking the culmination of a 16-year recovery journey following its government bailout during the 2008 financial crisis. In 2007, RBS led a record-breaking €70 billion acquisition of Dutch bank ABN AMRO, just before the global financial downturn. As toxic asset losses mounted, the UK government injected a total of £45 billion by 2009, gaining an approximately 82% stake in the bank. Over the years, RBS faced heavy criticism for poor management, underwent significant restructuring, and endured legal and regulatory challenges, including a massive Libor manipulation fine in 2013. Under CEO Ross McEwan, the bank significantly downsized and sold off troubled assets. In 2020, RBS was rebranded as NatWest in an attempt to shed its crisis-era image. Following leadership turbulence, including the resignation of CEO Alison Rose in 2023 over the handling of Brexit figure Nigel Farage's account, Paul Thwaite was confirmed as CEO in 2024. Despite plans for a public share sale, the UK government abandoned the initiative ahead of a general election. The bank’s return to private ownership symbolises a long-awaited recovery from its near-collapse. ([reuters.com](https://www.reuters.com/business/finance/natwests-16-year-journey-crisis-bailout-reprivatisation-2025-05-30/?utm_source=openai))
3. <https://www.ft.com/content/ede5be67-7623-448a-8f4e-ca8bde6aed95> - Seventeen years after receiving a £46 billion bailout during the 2008-2009 financial crisis, NatWest, formerly known as the Royal Bank of Scotland (RBS), has returned to full private ownership. The UK government, which once held an 84% stake in the bank, has completed the sale of its remaining shares, marking the end of one of the most significant interventions in British financial history. The government recouped £35 billion through dividends, fees, and share sales—£10.5 billion less than the initial rescue cost. The bailout stabilised the banking system and protected savers, homeowners, and businesses. Renamed NatWest in 2020, the bank underwent a substantial overhaul, shifting from a global institution to a UK-focused lender. While the government exited Lloyds Banking Group fully in 2017 with a profit, its exit from NatWest incurred a loss. NatWest’s recent share price gains, driven by rising interest rates, helped facilitate the final government sell-off. The bank is now positioned for strategic expansion under CEO Paul Thwaite, who has expressed ambitions for acquisitions, including a previously rejected £11 billion bid for Santander's UK retail operations. NatWest’s return to the private sector marks a significant milestone in the UK’s post-crisis financial recovery. ([ft.com](https://www.ft.com/content/ede5be67-7623-448a-8f4e-ca8bde6aed95?utm_source=openai))
4. <https://www.ft.com/content/a2150ee7-75df-4b33-9ec2-43b41a6f5712> - After nearly 17 years, the UK government has sold its remaining shares in NatWest, formerly Royal Bank of Scotland, marking the end of its most visible involvement in the 2008 financial crisis. The government exits with a £10 billion loss, highlighting the contrasting bailout strategies between the UK and the US. The US adopted a limited, strategic approach under the Troubled Asset Relief Program (TARP), investing over $300 billion in financial institutions and exiting largely with a profit by 2014. The UK, by contrast, took substantial ownership stakes in failing banks like RBS, Northern Rock, and Bradford & Bingley, driven by moral conviction to reform the sector. This Achilles-style approach gave the UK more control but also exposed it to substantial ongoing financial, legal, and reputational risks, including liabilities from legacy issues like the World Online IPO. While some argue the UK’s full control enabled deeper reforms, others note that the US’s Odyssean pragmatism yielded faster recovery and minimised taxpayer exposure. As NatWest returns to private hands, the debate remains: was moral rectitude worth the long-term entanglement and financial cost? ([ft.com](https://www.ft.com/content/a2150ee7-75df-4b33-9ec2-43b41a6f5712?utm_source=openai))
5. <https://www.reuters.com/sustainability/society-equity/uk-government-says-it-has-sold-its-last-remaining-natwest-stock-2025-05-30/> - The British government has sold its remaining stake—less than 1%—in NatWest, concluding a £45 billion ($60.59 billion) bailout initiated during the 2008 financial crisis. This marks the full return of NatWest to private ownership, an event hailed by Finance Minister Rachel Reeves as the end of a significant chapter in the UK's economic history. At one point as recently as December 2023, the government held a 38% stake. While NatWest’s share price has risen over 30% in 2025, reaching 523 pence, many earlier government share sales occurred below the initial bailout price of 502 pence, resulting in an overall loss of approximately £10.5 billion. Formerly known as RBS, the bank had become a symbol of pre-crisis excess, growing into a global entity with a massive balance sheet. Since rebranding in 2020, NatWest has refocused on domestic mortgage and business lending. Despite the return to private hands, the bank still faces political expectations to drive economic growth, especially under the Labour government, and may pursue further acquisitions to expand its fee-based income as competition intensifies among major lenders. ([reuters.com](https://www.reuters.com/sustainability/society-equity/uk-government-says-it-has-sold-its-last-remaining-natwest-stock-2025-05-30/?utm_source=openai))
6. <https://www.bbc.co.uk/news/uk-politics-16821650> - Former Royal Bank of Scotland boss Fred Goodwin has had his knighthood removed. Mr Goodwin, who was heavily criticised over his role in the bank's near-collapse in 2008, was given the honour by the Labour government in 2004. The Queen cancelled and annulled the title following Whitehall advice. Party leaders, led by Prime Minister David Cameron, welcomed the decision. In the past, only convicted criminals or people struck off professional bodies have had knighthoods taken away. Mr Goodwin oversaw the multi-billion-pound deal to buy Dutch rival ABN Amro at the height of the financial crisis in 2007, which led to RBS having to be bailed out to the tune of £45bn by taxpayers. There had been a growing clamour for Mr Goodwin to be stripped of his honour following thousands of job losses at RBS and in the banking industry since then, and the impact on the wider economy. ([bbc.co.uk](https://www.bbc.co.uk/news/uk-politics-16821650?utm_source=openai))