# London banks fund $100bn in 'carbon bomb' fossil fuel projects risking climate goals



Banks in the City of London have committed over $100 billion (£75 billion) to companies developing large-scale fossil fuel projects, referred to as “carbon bombs,” that could significantly contribute to climate change. This finding stems from a study conducted by the Leave It in the Ground Initiative, revealing that nine London-based banks, including HSBC, NatWest, Barclays, and Lloyds, financed at least 117 of these projects across 28 countries between 2016 and 2023.

The scale of potential emissions from these projects is alarming, with an estimated output of 420 billion tonnes of carbon dioxide anticipated if they proceed. This amount is equivalent to more than a decade's worth of current global emissions. Fatima Eisam-Eldeen, a lead analyst at the Leave It in the Ground Initiative, commented, “Despite the UK’s seemingly ambitious climate plans, it is astonishing how much money has flowed from UK banks to companies worldwide developing the biggest climate-wrecking and damaging projects since 2016." She further emphasised the need for comprehensive financial regulation both domestically and internationally to mitigate such investments.

These findings follow a previous investigation by The Guardian, which highlighted numerous vast fossil fuel projects being planned that jeopardise efforts to restrict global heating to 1.5 degrees Celsius above pre-industrial levels. While the study indicated that the primary countries driving these projects included the US, Saudi Arabia, Canada, Russia, and China, it also identified the UK as a pivotal financial centre for these initiatives.

Lucie Pinson, director of the campaign group Reclaim Finance, stated that UK banks are effectively making the City of London “Europe’s stronghold for financing fossil fuel expansion,” contradicting the country's role in promoting climate finance. She urged banks to reconsider their financial influence, saying, “As international tensions escalate, these banks must now choose which world they want to help build.”

The study scrutinised the financial backing of these carbon bomb projects. Though some banks questioned the methodology of attributing project emissions directly to them, the researchers maintain that banks traditionally fund entire companies rather than specific projects. This broader financing is crucial for enabling the continuation of such environmentally detrimental projects.

Among the banks assessed, HSBC emerged as the primary supporter, backing firms involved in 104 carbon bomb projects, which could generate 392 billion tonnes of carbon dioxide emissions. Standard Chartered followed with support for firms tied to 75 projects, while Barclays was linked to 62. Lloyds and NatWest financed 26 and 20 projects, respectively.

When approached for comment, HSBC, Lloyds, and Standard Chartered declined to address the findings. A spokesperson for Barclays affirmed the bank’s engagement across the energy sector, stating it is focused on energy security and aims to mobilise $1 trillion in sustainable financing by 2030. Similarly, NatWest reported having provided over £93 billion in climate and sustainable funding since early 2021, acknowledging that their lending to the oil and gas sector constituted less than 0.7% of total financing activities.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.theguardian.com/environment/2023/jan/17/banks-still-investing-heavily-in-fossil-fuels-despite-net-zero-pledges-study> - This article discusses how major banks, including HSBC, have continued to finance fossil fuel projects despite their net-zero pledges, highlighting the contradiction between their climate commitments and investment activities.
* <https://www.theguardian.com/environment/2023/jan/17/banks-still-investing-heavily-in-fossil-fuels-despite-net-zero-pledges-study> - The piece also mentions that HSBC has approved 58 transactions worth $12 billion in capital to fossil fuel developers since joining the Net-Zero Banking Alliance in April 2021, underscoring the scale of their investments in carbon-intensive projects.
* <https://www.theguardian.com/environment/2023/jan/17/banks-still-investing-heavily-in-fossil-fuels-despite-net-zero-pledges-study> - The article highlights that HSBC's spokesperson stated the bank aims to reduce emissions in line with a 1.5°C pathway and will no longer provide new finance or advisory for new oil and gas fields or related infrastructure, indicating a shift in their financing strategy.
* <https://www.theguardian.com/environment/2023/jan/17/banks-still-investing-heavily-in-fossil-fuels-despite-net-zero-pledges-study> - It also notes that HSBC's spokesperson added that fossil fuels were still likely to be necessary for a transition period, reflecting the bank's perspective on the role of fossil fuels during the transition to a net-zero future.
* <https://www.theguardian.com/environment/2023/jan/17/banks-still-investing-heavily-in-fossil-fuels-despite-net-zero-pledges-study> - The article mentions that Lucie Pinson, executive director and founder of Reclaim Finance, accused the alliance of greenwashing, stating that it is business as usual for most banks and investors involved in GFANZ, who continue to support fossil fuel developers without any restrictions.
* <https://www.theguardian.com/environment/2023/jan/17/banks-still-investing-heavily-in-fossil-fuels-despite-net-zero-pledges-study> - The piece also highlights that Lucie Pinson's statement underscores the damaging impact of greenwashing, casting doubt on the sincerity of all net-zero commitments and undermining the efforts of those who are truly acting for the climate.
* <https://www.theguardian.com/environment/2025/may/01/uk-banks-put-75bn-into-firms-building-climate-wrecking-carbon-bombs-study-finds> - Please view link - unable to able to access data