

Interview

Nick Clegg

Which? asks the leader of the Liberal Democrats what should be done to help consumers through the recession

Q How do you think the banking system should be reformed?

A The banking system will have to look utterly different. The days of these so-called universal banks where you have this confusion between high-risk investment banking and low-risk high-street banking are over. Directors of major banks should not have short-term bonuses – give them membership of the golf club, a chauffeur-driven car, but don't give them an incentive to always go for short-term profits over long-term gains.

Q Should the banks be fighting consumer claims against high overdraft charges?

A I think the banks should give up on the cases that are going through the courts – pull the stumps. I don't know why they are carrying on, wasting taxpayers' money in some cases, in defence of charges that are indefensible.

Q Do you think that more can be done for mortgage holders faced with repossession – is a six-month moratorium to give house-holders time to sort out their finances the way forward?

A It is an absolute minimum that you get this breathing space, and then it is a question of what you do in this moratorium. It seems to me you have to give people objective financial advice on their own household budget. In my experience of talking to people, they go into a complete panic when bills come in and they don't know how to pay them.

Q Are you surprised that energy firms score lower in Which? surveys than any other industry?

A No. We have had faster rising energy prices in the UK than anywhere else in the Western world, with the exception of Turkey. You have this parallel universe in which you've got wholesale prices going down and retail prices still remaining high. On top of that you've got a web of tariffs that you need a PHD in astrophysics to understand.

There is something fundamentally wrong with the tariff structure at the moment. Because the first units of energy are more expensive than the subsequent ones, people on lower incomes are paying more per unit of energy than a multi-millionaire does to heat a five-storey mansion.

'The days in which we allowed big companies to fleece consumers are over'

Nick on...

consumer power...

'... the days in which we allowed big companies to do what they like, fleece customers, take risks – they are over. These are very gloomy times, but if there is a silver lining, a sense of hope, it is that going forward we have will have a more consumer-powered economy...'

long-term care for the elderly...

'... we have developed proposals that are based on a single care guarantee – every single person who needs long-term care in this country is given a guarantee that as a minimum, two-thirds of the cost of that care is covered (by the state). The remaining third would be means-tested...'

labels on food...

'... sugar and salt content has skyrocketed. I want to know about that, but crucially I want to know about it in the same way – I don't want to have read about it in Sainsbury's in one way, in Tesco in another and in Asda in another...'



shopping...

'...I am a supporter of independent shops close to where I live. One of the most important things for me is to know people in shops and not to have this faceless, impersonal "computer says no" experience...'