

A recently-departed managing director from a European investment bank, who requested that he remain anonymous, said many of his colleagues' debt problems dated back to very large loans taken out before 2007. "In 2006, it was the norm for banks to lend amounts equal to three times annual base salaries *and* three times bonuses," he said. "Some people completely over-stretched themselves with huge mortgages which they were unable to service."

In the bad old days, bankers also over-extended themselves on credit cards according to James Falla of debt advisor [Wilmott Turner](#). "I used to see bankers who had 10 credit cards, each with £20k debts," he said. After capping cash bonuses at \$100k in 2011, Barclays was [reportedly forced](#) to lend money to some of its bankers who were unable to sustain their lifestyles. Similarly, [Goldman Sachs](#) had to lend money to more than 1,000 employees who couldn't afford their commitments in 2009.

Children are the cashflow killer

Nowadays, bankers' debt problems are more often related to high quotidian costs than costly interest payments, said [Karin Peeters](#), a life coach with banking clients. "People have very high living costs, and they are mostly related to childcare," she said. "The real problem is the cost of nannies and private schooling. People in banking end up with very high outgoings because of childcare costs, and as result they get trapped into receiving a high figure into their bank accounts every month."

In London, a nanny costs [around £550 a week](#), payable from net salary. In New York, ['elite nannies'](#) are reportedly making six digit salaries. Although banks often offer childcare facilities, bankers we spoke to said they didn't use them because they didn't want to take their children on public transport. "They're mostly used by people in back office roles," said one.

Not all bankers are struggling with money though. An ex-colleague of Adoboli's, who spoke on condition of anonymity, said people at UBS were surprised when it emerged that Adoboli was so indebted. "That certainly wasn't the case for me – or most other people there," he said. Frances Walker, a spokesperson for debt advisory service StepChange, said 70% of their clients have an income of less than £20k and that the proportion of people who seek their help and have incomes in excess of £100k is so small it doesn't show up on their charts.

The ex-banking managing director we spoke to said bankers only have themselves to blame if they become heavily indebted. "I've always been surprised to see the high standard of living some bankers have. People have lived as if there's no tomorrow. Come on – if you can't live on a salary of £200k a year, what does that say about you?" he said.

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