

Are You An A**hole? by Charles B. Wendel

Let me be clear. I am not suggesting you are, but the new nominee for the head of the OCC said precisely that. As quoted in the *New York Post*, Saule Omarova views banking quite differently than any banker I know.

Omarova wants to shift deposit taking to the Fed. As the *Post* notes, “Banks, in other words, will not be ‘special’ anymore,” she wrote, advocating for separating their lending function from their monetary function.” A *Wall Street Journal* article states, “In a recent paper ‘The People’s Ledger,’ she proposed that the Federal Reserve take over consumer bank deposits, effectively end banking, as we know it, and become the ultimate public platform for generating, modulating, and allocating financial resources in a modern economy.” Note as head of the OCC she does not run the Fed.

Getting back to the *Post*, the article goes on, “Omarova echoed these sentiments in a 2019 documentary film called ‘A**holes: A Theory,’ where she called Wall Street’s culture a “quintessential a–hole industry,” according to the *Daily Mail*.” But good news for bankers. When I checked the October 20th *Daily Mail* article, Omarova was more targeted in her a**hole comment: “Omarova called Wall Street's hedge fund-dominated culture a quintessential a**hole industry.” I can see some commercial bankers nodding their heads in agreement at that comment.

It seems unlikely that this Moscow State University graduate (!) will become the head of the OCC, but given the present environment who knows? Beyond her view, the banking industry needs to address her perspective. This is a smart, well-educated, and credentialed person who may, in fact, represent the viewpoint of a growing number of progressive thinkers.

She and others would blow up the current banking model. The *Coingeek* website quotes her from a *Politico* interview: Earlier this year, she told *Politico*, “...large financial institutions hold so much power now and they move so much money through their own channels that it is effectively impossible through just rules and some enforcement to really shape what it is they’re doing.” The article also included her view of some of the recent innovators: “She has also expressed skepticism that so-called fintech companies and cryptocurrencies can provide the type of disruptive benefits to consumers that they promise.”

Her suggestion for addressing the problems she sees should scare bankers more than any Halloween slasher movie. Again, from *Politico*: “What we should be really thinking about is, what should we do to shift that balance and have the Fed and have the Treasury and have maybe other public institutions maybe take a greater part in the infrastructure itself, in the provision of financial services,” she said. “We need to bring more adults into the room, the adults meaning the public.”

The industry will likely dodge the Saule as OCC head bullet, but the bigger question is why she and others see the need for a fundamental overhaul to the banking system, one that would basically destroy it. Her and similar views suggest that the overall financial services industry,

including banks, have failed to communicate their value to customers and instead have alienated many of them by poor to mediocre service, rising fees, and overreliance on technology and self-service over people.

Each bank and the overall industry itself needs to pull back and review what created people like Omarova. Just dismissing her is a mistake because even if she does not head the OCC there are many others like her in positions of increasing power. Views like hers are not going to go away. Banks need to listen and mitigate their power by actions rather than PR words

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