Barclays: how the Libor scandal unfolded

Barclays has been fined £290m for attempting to manipulate the world's benchmarking borrowing rate in a scandal that stretches back seven years. Here is a timeline of key events.

In 2007, Barclays admitted it has had to borrow £1.6bn from the Bank of England's emergency lending facility for the second time in a fortnight amid rumours of financial problems.

By Philip Aldrick

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June 2005

In the final years before the crash, markets are soaring and bankers are making huge bonuses. According to the Commodity Futures Trading Commission (CFTC), from "at least mid-2005" traders at Barclays start trying to rig the Libor market "routinely, and sometimes daily ... to benefit their derivatives trading positions". They continue trying to manipulate Libor until the autumn of 2007. For the time being the activity goes undetected.

August 9, 2007

BNP Paribas freezes withdrawals at two of its in-house hedge funds, heralding the start of the credit crunch. Libor rates start climbing above base rate for the first time in years. This "spread" rapidly becomes the key indicator for financial stress.

August 31, 2007

Barclays admits it has had to borrow £1.6bn from the Bank of England's emergency lending facility for the second time in a fortnight amid rumours of financial problems. A "technical breakdown" in the inter-bank clearing system is blamed.

September 2007

Northern Rock becomes the crunch's original victim when it suffers the first bank run in more than a century. Barclays' "senior management" start to worry that the bank's daily Libor submissions are higher than rivals. "To fend off negative perceptions of Barclays' financial condition", the managers instruct staff to make artificially low Libor submissions, according to the CFTC.

May 29, 2008

The Wall Street Journal publishes an article alleging that several global banks were reporting unjustifiably low borrowing costs for Libor, suggesting they were "low-balling to avoid looking desperate".

September 15, 2008

Lehman Brothers collapses. A month later Barclays raises £7.3bn of capital from its Qatari shareholders.

Autumn 2008

The CFTC begins an investigation in the US into suspected "low-balling" of Libor submissions by global banks.

Early 2009

CFTC broadens out its investigation to include the Securities and Exchange Commission and begins talks with overseas regulators.

August 19, 2009

UBS, the giant Swiss bank, signs an agreement that ends a tax evasion dispute over its US customers. Breaking Switzerland's cherished banking secrecy, **it hands over details of 4,450 accounts to the US**. A commitment to help on the Libor probe is said to be given as well.

October 2009

The Financial Services Authority in the UK officially joins the global investigation, which now also involves the Japanese, the Canadians, the Swiss, and the European Commission.

April 20, 2011

Vienna-based **asset manager FTC Capital and two funds it operates launch a lawsuit** against 12 major investment banks, including Barclays, RBS, Lloyds and HSBC, claiming they conspired to depress Libor artificially.

July 26, 2011

UBS is granted a degree of immunity **over the Libor probe** in return for co-operating.

June 27, 2012

Barclays is fined £290m by the CFTC, the US Department of Justice Fraud Section and the FSA over attempted Libor manipulation. The FSA’s £59.5m penalty is a record.