Texts – Guardian Week-end Podcast – 26 Nov

Marina Hyde on the hollow sound of the England football team's 'activism' (1m37s), Jessica Rawnsley on the house-sitters living for free (9m20s), Lucy Knight meets Heartstopper writer and illustrator Alice Oseman (19m33s), and technology editor Alex Hern charts the rise – and epic fall – of FTX (34m15s)

https://www.theguardian.com/lifeandstyle/audio/2022/nov/26/weekend-podcast-marina-hyde-england-armband-u-turn-the-house-sitters-defying-the-cost-of-living-crisis-heartstopper-creator-alice-oseman-and-the-rise-and-fall-of-cryptocurrency-ftx?CMP=Share_AndroidApp_Other

England's armband activism was heroic – until it met the mere threat of a yellow card

Marina Hyde

Vague, hashtag-friendly and easy to take off: the OneLove armband was the perfect non-protest for the Qatar World Cup

John Stones puts a Fifa-approved captain's armband on Kieran Trippier during England's World Cup match against Iran in Qatar, 21 November 2022. Photograph: Sebastian Frej/MB Media/Getty Images

The Guardian, Tue 22 Nov 2022

So England didn't wear the OneLove armband in the end. The gesture was gesture-trumped by Fifa, which gestured towards the referee's pocket to indicate a yellow card would be forthcoming. Ahead of England's World Cup opener against Iran yesterday, the Football Association put out a joint statement with other no-longer-participating nations, explaining "we can't put our players in a position where they could face sporting sanctions including bookings". That "including bookings" really puts it into perspective. #ActivismIsHard.

Without wishing to undermine this heroically short-lived civil rights moment even further, what really is OneLove, with its off-brand Pride rainbow? The whole thing feels as weirdly and carefully vague as the bar

orders of soap-opera characters, who walk into pubs and ask simply for “a pint”. A pint of what? OneLove of what?

So anodyne is the wider armband advocacy movement that it seems concerned above all else with not causing offence, to the point where it is impossible to imagine it sitting even very distantly on a continuum with sprinters Tommie Smith and John Carlos’s epic podium protest at the 1968 Mexico City Olympics (and the solidarity of the silver medallist, Peter Norman), or Muhammad Ali’s heroic career self-harm. Instead, #armbandgate feels perfectly contextualised in an era in which huge numbers of people became conveniently convinced that activism is something that happens in a web browser. After such a swift climbdown by the various nations, it would be nice to think the entire episode shows the absolute limits of this type of “change-making”.

Whenever I see people arguing hour after hour about their supposed causes on social media, I no longer even think of them as working in the service of those causes, but simply in the (perhaps unwitting) service of whichever Silicon Valley billionaire owns the digital space where they’re doing it. As serious tech experts have long pointed out, people stay longer on these platforms when they’re angry, so the best way to keep them there – where the techlords can monetise them – is for their algorithms to fan that anger. So that’s what they do. Spent all day arguing about Jeremy Corbyn/Boris Johnson/whatever on Twitter? Hate to break it to you, but you don’t work for your faction; you just work for Elon Musk. Try not to choke on it.

Fifa president Gianni Infantino with Qatari prime minister Sheikh Khalid bin Khalifa bin Abdul Aziz Al Thani at England’s match against Iran in Qatar, 21 November 2022. Photograph: Jonas Ekströmer/TT/Rex/Shutterstock

Speaking of overlords, we must conclude that Fifa president Gianni Infantino did not “feel gay” yesterday. On Saturday, Infantino gave a speech in which he said he did feel gay, and disabled, and like a migrant worker, because – I think I have this right – people teased him about his red hair when he was a child. This put me in mind of the late football pundit Jimmy Hill’s insistence that the N-word was “funny”. “Why should that be any more of an offence,” Hill wondered idiotically, “than someone calling me chinny?” It was the year 2004 at the time – and, even more incredibly, not a whole lot seems to have changed in Zurich’s corridors of power today.

As for what I suppose we’ll have to characterise as the FA’s thinking on all this, there are really only two possibilities. The first is that they knew very well Fifa would prohibit it, because they always do, so always planned to fold at the first sign of threat (which they did). The second is that they literally didn’t even realise this was how it would play out, in which case I do hope their football campaign for this tournament is better strategised, otherwise it’s going to fall apart at the first sign of trouble.

In a modern game in which they’re everywhere, there is something very will-this-do about armbands in general. They feel like little more than a hashtag-heavy social media template. You retweet it, you undo the retweet. You make a big show of wearing it, then you discard it the minute you’re threatened with a yellow. Easy come, easy go.

It seems strange to have to state this, when historically it was axiomatic: but true activism typically involves rather higher stakes than this, and at the very least the potential for some kind of personal sacrifice. As we

can see from the hugely perilous collectivist endeavours unfolding in Iran, it is rather harder work to refuse to wear the hijab than it is to be banned from wearing the armband. No one is remotely saying that England players need to take to the streets and risk their lives for a cause they say they truly believe in. But taking a yellow is arguably doable – and if it honestly isn't, then don't even bother trailing the gesture in the first place. It's an insult to those who do seriously put themselves out.

Putting yourself out cuts different ways, of course, some of them also ridiculous. David Beckham's rumoured 150m pieces of silver to promote Qatar is unquestionably a piece of activism, and is – regrettably – worth more than countless armbands. You can even see it has involved David laying down some of his personal desires for the cause. Scowling down from the dignitaries' seats at the tournament, Beckham has been wearing the expression of a man who knows he's never going to get his knighthood now. I'm sure the Qatari regime thanks him for his sacrifice.

Sacrifices that don't benefit you are harder. Structural change requires structural action, and plastic gestures will generate plastic results. England and any other nations who genuinely wish to take a stand could still come up with a better form of protest at this World Cup. There is plenty of time for creative collective action – but is there truly the will?

'I'm a homeless guy looking after a palace!' The housesitters escaping the cost of living crisis

'Financially, housesitting is amazing' … Sean Wood and Megan Gay, at a property they are caring for in Taunton, Somerset. Photograph: Roy Riley/The Guardian

Who wouldn't want to live rent-free in a nice warm home in return for looking after the owner's pets and keeping burglars away?

Jessica Rawnsley

The Guardian, Mon 21 Nov 2022

Massive houses, expansive gardens, occasionally a fridge full of food – and all of it free. Megan Gay and Sean Wood, both 27, have managed to dodge the cost of living crisis and the rent or mortgage

hikes that are ravaging many people's lives and savings in the UK. Their trick? Full-time housesitting. Seven months ago, the couple decided to quit London's rental market and go on the road. Their belongings in bags, they have moved from house to house across the UK. They plan to continue living like this for at least another year.

Housesitting – taking care of properties and pets for nothing while owners are away – is not new. But since the pandemic, the trend has boomed. Confronted with an unstable housing market, inflation at a 40-year high and soaring food and energy costs, increasing numbers of people of all ages and walks of life are turning to housesitting to keep a roof over their heads.

"More and more people are struggling to find a place they can afford to live in, so housesitting is definitely a desirable alternative," says Nick Fuad, of House Sitters UK, which connects sitters with owners. The number of housesitters on his site is double what it was before the pandemic. TrustedHousesitters, another housesitting platform, reports a 275% increase in UK growth since 2021.

With no rent or utility bills, Gay, a PR and marketing manager, is now able to put a significant portion of her salary into savings, while Wood has been able to set up his own business. Their overheads include petrol, some food and a £200 annual subscription to TrustedHousesitters, but this pales in comparison with what they were previously forking out: £2,000 a month rent for a flat in south London, £200 or more for bills each month and £2,500 a year for a parking space – and they didn't even have a garden.

"I was working in a job that only just covered my rent and expenses, so I wasn't able to save," says Gay. "We reached breaking point and decided to leave the flat. Financially, housesitting is amazing. I'm hearing stories from friends whose rent is being hiked; they're having to leave and go back home to live with their parents, move to cheaper places, or beg their bosses for pay rises."

Megan Gay and Sean Wood, who left their rented flat to stay in other people's homes. Photograph: Roy Riley/The Guardian

The average housesit lasts one to two weeks, but long-term sits that average three to five weeks are on the rise, especially among those wanting to do it full time.

Angela Laws, 75, and her husband were among the first to sign up to TrustedHousesitters 12 years ago. They were semi-retired and back-to-back pet-sitting offered an otherwise unattainable lifestyle.

"It allowed us to travel more and do more than we ever thought possible on a limited income," says Laws. Their housesitting has seen them crisscross the globe: Scotland, France, Australia, America, Italy, Canada

and the Caribbean. For the past four years, Laws has also been working as a community manager for TrustedHousesitters. She has heard people say they have saved more than £30,000 a year.

‘It allowed us to travel on a limited income’ … veteran sitter Angela Laws housesitting on Bainbridge Island, Washington.

“You can literally save tens of thousands if you housesit for a few years,” says Fuad. “That can be enough to save for a deposit on your own home.”

Corinne Harrison and her partner Jack, both 30, began full-time housesitting earlier this year. Over the past six months, they have chalked up 11 housesits, staying in a tiny cottage in south Wales, a flat in Notting Hill in west London, a Tudor house in Bath and a residential compound in Spain.

“The only way to live together and save money at the same time is essentially to make yourself homeless and live in other people’s houses,” says Harrison. “Even before the cost of living crisis, the numbers were creeping up. This was our chance to get off that treadmill of renting, working, buying.”

That is not to say there aren’t downsides to this way of living. While some people have found lining up back-to-back sits relatively easy – in Wood’s words, it is a “sitter’s market” – others confess to a scramble to fill gaps between bookings: nights spent on friends’ sofas, a week at the parents’, or a few days in a bedsit.

This makes permanent housesitting untenable for those who do not have a safety net. For Harrison, it has spawned an obsession with finding long-term sits. The couple began with week-long gigs, but soon discovered it wasn’t sustainable because it was sometimes hard to line up sits that made sense geographically. Even so, the shift to remote work – and its continued acceptance by many employers – has seen the numbers of digital nomads balloon, and furthered the popularity of housesitting.

‘This was our chance to get off that treadmill of renting, working, buying’ … Corinne Harrison on the Sugar Loaf, Monmouthshire, while housesitting in Wales.

The pandemic has brought more owners to the market, too. On House Sitters UK, homeowner memberships are up 400%. This year, 5,000 new sits were posted on the TrustedHousesitters site each day. The surge has been fuelled partly by people itching to travel post-pandemic, and partly because of the mass puppy purchases that swept the UK during lockdown: pet owners looking for holiday cover now account for 85% of members on HouseSit Match.

For Julia Cudbard, 60, a care worker, housesitting offers a cost-saving and worry-free option when she has to leave her three Burmese cats. “They’re very dog-like cats and they need a lot of stimulation,” she says. “There’s no way I’d consider just leaving them in the house and getting neighbours to come round and feed them twice a day.” And hiring a private housesitter, she says, would “probably cost as much as the holiday itself”.

On the whole, housesitting works as a value-based exchange: no money changes hands between sitters and owners. The sitters look after the owners’ homes and pets; the owners pay them back with free accommodation, heating and, sometimes, food. This kind of bartering is an age-old practice, but the fact that some people are using it as a result of the housing crisis says something wider about British society today. Increasingly, people are turning not to the state, but to each other, to find a way to cope with current pressures.

How do people wanting to use a sitter ensure they can trust them? How do sitters ensure they are not being lured into an unsafe situation? Housesitting platforms provide a certain amount of vetting through user reviews but that is not to say things never go wrong.

Leila, 61, who has been a full-time housesitter since 2020, admits that living in other people’s properties can present challenges. “I’ve had a couple of pretty torrid experiences,” she says. “I’ve ended up staying in building sites, looking after animals that were end of life, and one that had had an operation recently so wasn’t able to go for walks. I’ve been in a couple that were less than clean.” Last-minute cancellations can leave owners in the lurch, too.

For most, though, the experience is a good one. David Twigg, 55, turned to housesitting after a divorce. With nowhere to live, it offered a lifeline while he sorted his finances. He says it has been transformational, partly because of the kindness of strangers, now friends, he has met along the way.

“I’m technically a homeless guy looking after a palace,” he says. “But that’s not what’s important. It’s trust and universal values.”

Housesitting provided David Twigg with much-needed accommodation after his divorce.

Five years ago, Lamia Walker, the director of HouseSit Match, received a call from Bragi Jonnson, from Iceland, who didn't want to spend the winter there. Walker found him a lengthy stay in Spain. Then another. Jonnson spent the next few years leaving Iceland to housesit during the winter, and returning in summer. Now he has retired and housesits full time. Currently in Truro, Cornwall, he has done more than 50 sits. Living rent-free means he can save money, even while living off his pension. He has been able to travel, buy a drone, and pay for his hobby of geocaching – a game using hidden objects. He hopes to continue housesitting into his 70s and 80s: "I don't see any reason for stopping."

For those who have been catapulted into housesitting because of strained finances, it is the community and friendships that inspire them to continue. Alejandro Alvarez, 34, felt isolated living with relatives in a small village in Derbyshire. Unable to afford city rents, he began to search online for free accommodation, exchanges, or sofa-surfing opportunities. Then he discovered housesitting. For the past month, he has been pet-sitting in London. He will continue until he can find work and get on his feet. "This has been the most incredible thing for me," he says. "As a gay man, being in this diverse city, it really is life-changing. Housesitting opened doors for me."

"We've stayed in several large places where we're like: 'Yeah, this is never going to be us'," says Harrison. "But it's a novelty to see how the other side live. We just take it as an experience."

Interview

Heartstopper author Alice Oseman: 'If you don't have sex and romance, you feel like you haven't achieved'

Lucy Knight

Alice Oseman. Photograph: Rebecca Gannon

The writer and illustrator on turning her 'weird hobby' into a bestselling YA series and Netflix hit, the importance of asexual representation and lessons from her fans on love bites

Sat 19 Nov 2022 09.00 GMT

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At 28, the author and illustrator Alice Oseman recently achieved what so many of her peers cannot: she bought a flat. But instead of giving up Netflix so she could save for a deposit, as Kirstie Allsopp notoriously recommended, she sold the streaming service the rights to her gay romance comic book series.

The series in question is of course Heartstopper, the web comic turned graphic novel turned Netflix show that this paper's reviewer described as "completely lovely" when it aired earlier this year. The boy-meets-boy tale, set in a British secondary school, sees rugby captain Nick and socially awkward Charlie navigate friendships, bullying, coming out – and falling in love. It's not hard to see why the TV adaptation won over teenagers and adults alike, with its lovable characters, quirky nods to its comic book origins – for example, tiny animations of hand-drawn flowers form a circle round the actors when Nick and Charlie share their first kiss – and an injection of starriness in the shape of Olivia Colman (Nick's mum) and Stephen Fry (headmaster Barnes). The show's success resulted in a huge increase in book sales for Oseman: the Heartstopper series has now sold more than 6m copies worldwide. Volume One recently won the Books Are My Bag readers' choice award and is a contender for the 2022 Waterstones book of the year.

Oseman, who is also the author of four prose novels for young adults, knows her experience in the publishing world has been a rare one. "Very few creators achieve this level of success, and I'm very aware of that. I feel really lucky and grateful to be in this position."

She may put it down to luck, but there is a quiet determination in the way the writer talks about her work. At just 18, she made headlines after bagging a six-figure deal for her first book, Solitaire, which tells the story of 16-year-old Tori Spring, a sardonic introvert who is reluctantly persuaded by her new friend Michael to help discover the identity of a hacker who is disrupting the school computer network. What motivated her to send out her writing to publishers at such a young age? "I thought it was good," she says simply.

Clearly she wasn't the only one – publishing houses tussled for the novel, which HarperCollins bought after a bidding war. The announcement was made during Oseman's freshers' week at Durham University, when commissioning editor Elizabeth Clifford called the novel "the perfect story for the Instagram Tumblr generation". From Solitaire grew Heartstopper: Nick and Charlie, who are 16 and 15 at the start of the comic, began as supporting characters in the novel, which is set roughly a year after the pair began their relationship. Oseman had always loved them as characters, and "knew that they had some kind of backstory". Initially, she wanted to tell that story in another novel, but "just couldn't get it to work". "Nick and Charlie's story didn't have that beginning, middle and end structure that you have in a novel," she says. The episodic nature of the web comic format allowed her to zoom in on specific periods in the teenagers' lives without the need for an overarching narrative.

Oseman grew up in Rochester, Kent, with a dance teacher mother and a father who works for an electronics company. She "hated" the local grammar school that she attended, always wanting "to be at home writing stories and doing creative things". She started working on Heartstopper during the final year of her English degree ("I skipped a lot of lectures"), at which point drawing the comic strip felt like "a very weird hobby", rather than something that could actually be lucrative. The first instalment went live the September after she graduated, and a dedicated group of readers began to grow.

It is arguably the writer's first-hand knowledge of how fandoms and online communities operate that has been the key to Heartstopper's success. From the very start of the web comic, Oseman engaged directly with her fans, responding to their comments and fan art online. Due to the sheer number of messages, she can no longer reply to all her readers, but her latest book, The Heartstopper Yearbook, is evidence that she still wants to cultivate that fandom. The yearbook, "a

cross between an annual and an art book", is aimed at the comic and TV show's fans, complete with quizzes, drawing guides, and behind-the-scenes information about the characters.

Kit Connor (Nick) and Joe Locke (Charlie) in the Netflix adaptation of Heartstopper. Photograph: See-Saw Films

Oseman understands this world because she was – and still is, though to a lesser degree – part of it. She is a self-proclaimed "Tumblr veteran", having joined the blogging site in 2010, using it, alongside Tapas and Webtoon, to post the original Heartstopper web comic. Tumblr "very much shaped the person that I've become, in good ways and bad ways," Oseman says. Seeing other people's blogs "opened my eyes to queerness in a way that the real world was just not giving me," she says; a digital coming-out experience she tried to replicate through Heartstopper's Nick, who questions his sexuality via YouTube videos and BuzzFeed quizzes.

The author's gender is "an ongoing journey" – she has recently started using they/them pronouns alongside she/her, but isn't "tied to any specific labels". She identifies as asexual and aromantic – something she explores in her 2020 novel Loveless, which is "not an autobiographical book, but it does draw on a lot of experiences". Like Oseman, Loveless's protagonist Georgia went away to university feeling something of an outsider, having never had a crush on anyone, despite enjoying fictional romance stories. Oseman remembers taking online quizzes to work out where she fell on the Kinsey scale, a method of identifying a person's sexuality on a scale of zero to six. The quizzes would return her result not as a number, but as an X. "Well, that's not helpful to me," she would think.

At the time she had no language to describe her asexual feelings. "The world is obsessed with sex and romance. And if you don't have that, you feel like you haven't achieved something that's really important," she says. Oseman tries to highlight the importance of platonic relationships in her own work – even in Heartstopper, an out-and-out love story, friendship is hugely important – and to include asexual representation in her books. She has even told her online followers that her character Tori, who identifies as straight in Solitaire (largely because Oseman didn't know about asexuality at the time), is probably somewhere "on the ace/aro spectrums" and that this will "become canon" in Volume Five of Heartstopper.

As much as Oseman and others like her are trying to start conversations about asexuality, she doesn't think it's going to be a widely talked about subject any time soon. "We're never really going to see much cultural change in terms of awareness until a big celebrity comes out as being asexual," she says. "And there's nothing I can do about that."

I very much felt like I had to put out everything about myself in order to sell my books

Could she become that big celebrity herself? "I need to do that!" she laughs, but it's clear that even the small taste of fame that has come with the success of Heartstopper doesn't suit Oseman. These days, she sets firm boundaries when it comes to social media. "Four years ago, I was perfectly happy to share my whole life online," she says. "I very much felt like I had to put out everything about myself in order to sell my books."

The pressure to share personal details with fans is still there, however, and LGBTQ+ celebrities in particular are often expected to come out publicly, sometimes before they are ready. Kit Connor, the 18-year-old star of Heartstopper, recently tweeted that he felt "forced" to come out as bisexual. "I truly don't understand how people can watch Heartstopper and then gleefully spend their time speculating about sexualities and judging based on stereotypes," Oseman tweeted in response.

The author herself now "treasures" being able to keep some things private: "I feel like I deserve that." She also tries very hard not to read or be influenced by fanfiction created about her own work. "You can get caught up in trying to please the fans, but it's impossible."

Interacting with her teenage fanbase can be useful, however, especially when it comes to keeping her characters' language realistic. "In Volume Three of the comics, there's a whole storyline about Charlie having a love bite. And when I was writing the scripts for

season two [of Heartstopper], I suddenly thought, do teens still use the phrase 'love bite'?"

"Apparently they don't," she discovered after checking with some of her fans, so the phrase had to be swapped out for "hickey", their current word of choice.

Oseman was adamant that she would be involved in Heartstopper's screen adaptation. As it turned out, production company See Saw offered her the opportunity to write the screenplay straight away, but she would have been "prepared to fight for it" otherwise. "I don't think I would have allowed someone to just take the book and do what they want with it."

What she couldn't control, of course, were people's reactions to the Netflix show. While the response has been overwhelmingly positive, she was confused by the way Heartstopper has been labelled by some as "the purest, cleanest, most wholesome show [they've] ever seen".

'Heartstopper is so positive and joyful, it's hard to hate without seeming like a horrible person.' Photograph: Album/Alamy

While the central relationship between Charlie and Nick is undoubtedly, and intentionally, very cute, Oseman felt some viewers were "sort of ignoring" the darker aspects of the story. "Even in season one, you've got an emotionally and physically abusive relationship, there's homophobia, there's bullying, there are implications of mental health issues," she says, suggesting that more of these themes will be explored in future episodes. "So it was a strange reaction."

Perhaps it's because Heartstopper is being seen in the context of shows such as the US high school drama Euphoria, which was written for an adult audience. So while Nick, Charlie and their friends choose milkshakes over class A drugs and "crap" is as bad as it gets when it comes to expletives, this is largely because the show is specifically aimed at younger viewers. There was actually "loads of swearing" in the first draft of the script, Oseman tells me, as there is in the original comic, but the words were taken out after an executive producer explained it would mean an automatic 15 rating. "It was important to us" that the show would be "accessible to younger teens", Oseman says, since the number of programmes aimed at this age group that depict positive queer relationships is still small.

Oseman has been pleasantly surprised by the lack of transphobic responses to the show. One of the main characters in season one, Elle, is a trans girl who has just moved to an all-girls school, and is played by trans TikTok star Yasmin Finney. The author had assumed this storyline would be criticised by some viewers, since transgender identities, particularly when it comes to teenagers, so often come under fire online. "I like to think [the lack of negativity] is because Heartstopper is so positive and joyful and full of love, so it's hard to actively hate without seeming like a horrible person," she says. "But that's not how bigots work, so I'm not sure how it's avoided that. But I'm glad that it has."

Perhaps there has been some pushback "deep in the forums", but it certainly hasn't stopped the show and the comics from becoming hugely popular. Since season one aired, anyone walking into the young adult section of their local Waterstones branch is likely to be met by a barricade of Heartstoppers. Within the last year, "everything has skyrocketed in a really massive way," Oseman says. It has "kind of changed my life". When it all becomes overwhelming, she turns to her parents, who live near her flat in Kent. "I tell them everything," she says, citing their support as what has got her through the more surreal moments of her career.

Right now she feels too "burnt out" to work on anything else. "I have no creativity left in my brain," she says, with obvious frustration. It is clear there is part of her that wishes she could be back in her teenage bedroom, writing uninterrupted. "I miss having a new story to write," she admits. "But I just don't have the time or energy. So I'll have to wait."

Volume Five of Heartstopper, due out in February, will be the last, at least for now, though Oseman can feel

the weight of her readers' expectation. "It's going to be impossible to please everyone," she says. "That's something that I'm trying to come to terms with."

Whatever she comes up with next, it will be written in Oseman's own time, on her own terms – and, of course, in her own flat.

Polyamory, penthouses and plenty of loans: inside the crazy world of FTX

Sam Bankman-Fried and FTX's Bahamas penthouse. He received a $1bn personal loan from the group's hedge fund, Alameda, a court bankruptcy filing states. Photograph: Twitter/FTX/Reuters

After the crypto firm collapsed, the executive who handled the Enron debacle was brought in – and said he'd never seen anything like it

Alex Hern *UK technology editor*
The Observer, Sat 19 Nov 2022

Casual observers could be forgiven for thinking the collapse of the cryptocurrency exchange FTX is another typical tale of financial mismanagement. That's how its founder, Sam Bankman-Fried, terms it: a liquidity crisis that tipped over into a solvency one.

FTX had deposits and loans and when depositors tried to get their money back, FTX didn't have it to hand. Sure, the loans were in fancy digital money, rather than stale dollars, but at first glance, it appears like just another big company failure.

Then you look closer, and it becomes clear that the whole edifice is in fact the corporate equivalent of three children in a trenchcoat pretending to be a fully grown man.

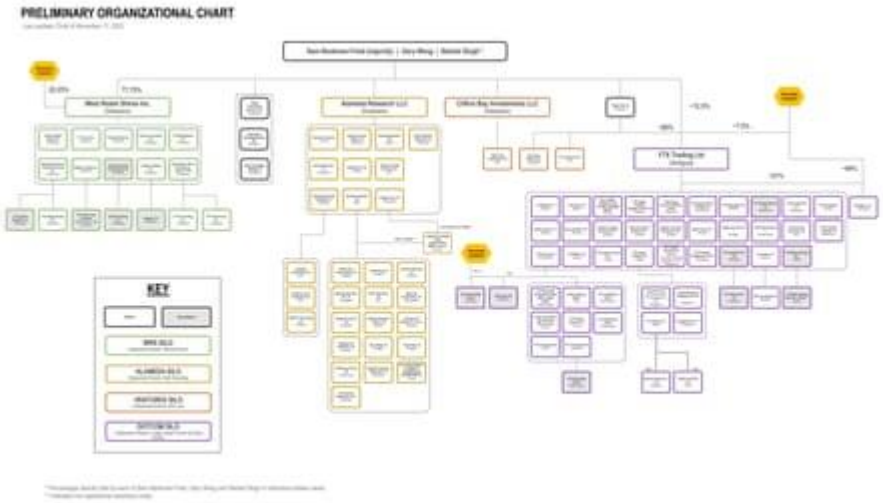
It is a story that encompasses a financial black hole inside a company once valued at $32bn (£27bn), a byzantine group structure with unclear lines of ownership, and a leadership with a highly unconventional approach to governance and interpersonal relations.

That chaos was laid out in excoriating terms in a bankruptcy filing submitted on Thursday by John Ray III, who replaced Bankman-Fried as FTX's chief executive after its collapse on 11 November. "Never in my career have I seen such a complete failure of corporate controls and such a complete absence of trustworthy financial information as occurred here," he wrote. Bear in mind this is the man parachuted in to oversee the collapse of energy company Enron after its fraud was revealed.

"From compromised systems integrity and faulty regulatory oversight abroad, to the concentration of control in the hands of a very small group of inexperienced, unsophisticated and potentially compromised individuals, this situation is unprecedented," Ray added.

The company, he said, did not have a simple liquidity crisis, or even a simple insolvency one. On Wednesday, Bankman-Fried claimed the "semi-liquid" assets of FTX.com were still worth $5.5bn, a significant chunk of the outstanding $8bn it owes depositors. Ray gave a different valuation for those assets: $659,000. All of FTX's holdings combined, including $1bn of "stablecoins" and $483m of cash, were in fact worth less than $2.5bn.

But FTX.com is only part of the business. The wider group is formed of a sprawling network of more than 100 related companies, all shared through the common ownership of Bankman-Fried and two of his co-founders, Gary Wang and Nishad Singh. No single investor other than the co-founders owns more than 2% of the equity of any of the four main "silos" that make up the group: FTX's US crypto exchange, its hedge fund Alameda, its venture capital arm, and its international exchange.



A chart included in Thursday's bankruptcy court filing mapping the byzantine structure of the FTX group Photograph: District of Delaware court document

Ray's filing details every way you could imagine a multibillion-dollar company run by a trio of inexperienced hedge fund graduates could go wrong, and then some.

The Alameda silo had $4bn of loans made to "related parties", including $2bn to Bankman-Fried's personal company, Paper Bird, and a further $1bn to Bankman-Fried himself. The international exchange owed money to its depositors, but did not track that in its own financial statements. The group as a whole "did not maintain centralised control of its cash", did not have an accurate list of bank accounts, and did not pay attention to the creditworthiness of banking partners.

It gets worse. No one was able to put together a list of FTX staff, Ray said. He had “substantial concerns” about the financial statements assembled under Bankman-Fried, and said they should not be treated as reliable. The group was used to buy homes for employees; the digital assets were controlled through “an unsecured group email account”.

“Unacceptable management practices include … the use of software to conceal the misuse of customer funds,” the filing added. “Very substantial transfers” of property may have occurred in the “days, weeks and months prior” to the bankruptcy, it continued, while on the day of bankruptcy, “at least $372m of unauthorised transfers” occurred.

On Friday, those last unauthorised transfers were revealed to have been made at the behest of the Bahamian government, which claimed it was taking the money for “safekeeping”, and launched a legal battle to try to wrest control of the bankruptcy case from the US. In a response from FTX (pdf), the company accused the Nassau government of having flouted the freeze on FTX assets that was put in place specifically to ensure funds were not waylaid, and implied that the country was working with Bankman-Fried, who is “effectively in the custody of Bahamas authorities”, to undermine the bankruptcy case.

Ray’s report ended with a final, personal, note. “Mr Bankman-Fried, currently in the Bahamas, continues to make erratic and misleading public statements. Mr Bankman-Fried, whose connections and financial holdings in the Bahamas remain unclear to me, recently stated to a reporter on Twitter: ‘F*** regulators they make everything worse’ and suggested the next step for him was to ‘win a jurisdictional battle vs Delaware.’”

The document makes for astonishing reading, but barely scratches the surface of FTX. Take its fourth major player, Caroline Ellison. Bankman-Fried’s sometime girlfriend, the 28-year-old was head of trading at Alameda before being promoted to jointly run the hedge fund in summer 2021, and was left in sole charge this year when her counterpart Sam Trabucco abruptly quit to spend more time with his boat.

If Bankman-Fried was the public face of FTX on Twitter, Ellison was its Tumblr equivalent. In posts on her account, since deleted, she wrote about her understanding of traditional finance (“it’s very unlikely for you to actually lose all your money”), her ideal man (“controlling most major world governments [and having] sufficient strength to physically overpower you”), and her exploration of polyamory. “When I first started my first foray into poly, I thought of it as a radical break from my trad past,” she wrote in 2020, “but tbh, I’ve come to decide the only acceptable style of poly is best characterised as something like ‘imperial Chinese harem’. None of this non-hierarchical bullshit. Everyone should have a ranking of their partners, people should know where they fall on the ranking, and there should be vicious power struggles for the ranks.”

The FTX Arena, where the Miami Heat NBA basketball team plays. Photograph: Marta Lavandier/AP

It’s hard to know where to stop. Ellison, Bankman-Fried, and eight others in the group’s inner circle shared a luxury penthouse in the Bahamas, according to a report in Coindesk that saw the inner circle dubbed a “polycule” by, among others, Elon Musk.(That penthouse has now been put up for sale for $40m.) According to one report, an in-house psychiatrist was on hand to dole out prescription stimulants; photos of Bankman-Fried at his desk appear to show an empty box of one such medication.

In the days leading up to the collapse of the company, Wang, its co-founder, continued to code, making changes to a private repository hosted on coding platform GitHub. Wang has not been available to answer questions about what the urgent programming job was.

In the days following, Bankman-Fried took to Twitter to try to defend his reputation, which he did in part by tweeting the word “what” and the letters “H A P P E N E D” in nine separate posts over 36 hours. At the same time, he was sending direct messages to Kelsey Piper, a journalist at Vox, giving a rather different side of the story.

Some of those direct messages include the “fuck regulators” line quoted by Ray in the filing. Others contain the clearest explanation yet of what did happen – the trigger that toppled the years-long pile of mismanagement.

FTX didn’t have a bank account that customers could send money to; Alameda, the hedge fund, did. So they would wire the cash to Alameda, and FTX would add it to its account. And, in all those years, Alameda never passed the cash on. No one noticed, and the firm apparently traded, and lost, $8bn of customer funds that it should never have had in the first place.

“Each individual decision seemed fine and I didn’t realise how big their sum was until the end,” Bankman-Fried told Piper. “Sometimes life creeps up on you.”