Scoping the Private Wealth Management of the High Net Worth and Mass Affluent Markets in the United Kingdom's Financial Services Industry

Final Report

Professor Jonathan V. Beaverstock
Dr Sarah Hall
Dr Thomas Wainwright

School of Geography
The University of Nottingham

Email: jonathan.beaverstock@nottingham.ac.uk
Phone: 0115 951 5382
Fax: 0115 951 5249

May 2010

Contents | Page

Contents	Page
List of tables	1
List of figures	1
List of case study boxes	2
Authors	3
1. Executive Summary	4
2. Introduction	6
3. The Private Wealth Management and High Net Worth Market in the United Kingdom's Financial Services Industry	8
4. Methodology	17
5. Exploring the Morphology of the U.K.'s Private Wealth Management Industry	19
6. Understanding the Provision of Private Wealth Management in the UK	30
7. Implications	44
8. Summary of Findings and Conclusions	45
8. Bibliography	48

List of Tables

		Page
Table 1	The composition of the HNWI private wealth market (selected years)	10
Table 2	The number of individuals in the mass affluent (EUR50K-EUR1m) and HNW asset bands (EUR1m+) in Western Europe (000s)	11
Table 3	The number of individuals in the HNW category (£1m+ asset band)	12
Table 4	The proportion of the top 1,000 HNWIs who were born, live or have their business centred in London and the South East of England	13
Table 5	The number of individuals in the mass affluent category (£50K-£1m asset band)	14
Table 6	Income by region (>£50,000), 2003-2004 and 2006-2007 (thousands)	14
Table 7	The world's largest private banks, 2007	16

List of Figures

Figure 1	Wealth management providers by client category	19
Figure 2	Composition of the MA+ client category	20
Figure 3	Composition of the MA-UHNWI client category	20
Figure 4	Composition of the HNWI-UHNWI client category	21
Figure 5	Products and services offered by accountancy firms	22
Figure 6	Products and services offered by legal firms	23
Figure 7	Products and services offered by asset managers	23
Figure 8	Products and services offered by banking groups	24
Figure 9	Products and services offered by insurers	25
Figure 10	Products and services offered by commercial banks	26
Figure 11	Products and services offered by private banks	26
Figure 12	Products and services offered by wealth management firms	27
Figure 13	Products and services offered by wealth management arms	27
Figure 14	Products and services offered by retail banks	28
Figure 15	Products and services offered by brokers	29
Figure 16	Products and services offered by retail firms	29
Figure 17	Banking and investment management services	32
Figure 18	Disintermediated products and services	34
Figure 19	USPs servicing old and new money HNWI-U-HNWI	37
Figure 20	Differences in services supplied by WMAs and private banks	38
Figure 21	The USPs of MA+ wealth management products	41

List of Case Study Boxes Page

Box 1	Intermediation	30
Box 2	Disintermediation	30
Box 3	HSBC Bank Plc	31
Box 4	Coutts & Co	33
Box 5	AIG	34
Box 6	Credit Suisse	35
Box 7	Cavendish online	35
Box 8	Marks & Spencer	36
Box 9	Weatherby’s Bank	38
Box 10	J. P. Morgan	39
Box 11	Whiteaway Laidlaw	40
Box 12	European Arab Bank	42
Box 13	Cornish Mutual	43

Authors

Professor Jonathan V. Beaverstock is Professor of Economic Geography at the School of Geography, the University of Nottingham. He holds degrees from the Universities of Wales and Bristol, and prior to his appointment at Nottingham, he was Professor and Head of the School of Geography at Loughborough University. He has published widely on: globalization and international financial centres; the internationalization of professional services; and, expatriation and business travel. He has received numerous external research grants from the Economic and Social Research Council, The Leverhulme Trust and The British Academy. He has undertaken external work for the Corporation of London, and most recently, the Abu Dhabi Council for Economic Development. His most relevant publication to this study includes: Cook, G., Pandit, G., Beaverstock, J. et. al. (2007) The Role of Location in Knowledge Creation and Diffusion: Evidence of Centripetal and Centrifugal Forces in the City of London Financial Services Agglomeration *Environment and Planning A* 39 (6): 1325-1345.

Dr Sarah Hall is a Lecturer in Economic Geography at the School of Geography, the University of Nottingham. She holds degrees from the Universities of Cambridge and Bristol and has previously worked at Loughborough University. Her research focuses on issues surrounding the competitiveness of London's international financial district. She has particular interests in: the investment banking sector; the relationship between business education and financial services practice; and the development of financial expertise. She has published in a number of international journals and her research has been supported by awards from the Economic and Social Research Council, The Nuffield Foundation and The British Academy in addition to the Financial Services Research Forum. Her most relevant publication to this study includes: Hall, S. (2007) Knowledge makes the money go round: conflicts of interest and corporate finance in London's financial district *Geoforum*38 (4): 710-719.

Dr Thomas Wainwright is a Researcher at the Small Business Research Centre, Kingston University, UK. Tom completed his doctoral thesis in 2009 at the University of Nottingham, which examined contemporary UK retail banking and the credit crunch. In particular, his research explored the UK mortgage market, the development of credit scoring and the implementation of RMBS securitisation. His research interests focus on the increased integration of retail banking within international finance, and the social and regulatory aspects of banking within the UK. His latest relevant publication is: Wainwright, T. (2009) 'Laying the foundations for a crisis: Mapping the historico-geographical construction of residential mortgage backed securitization in the UK,' *International Journal of Urban and Regional Research* 33 (2): 372-388.

1. Executive Summary

1.1 Wealth management is a recent term which developed from the late 1980s. The arrival of new specialist market participants including the wealth management arms of investment banks, specialist brokers, insurers, legal services and retail banking ‘premier’ account services, grew quickly to service the emergence of the high net worth individual and mass affluent.

1.2 There are now accepted definitions of the ‘rich’ based upon the value of their liquid, investable assets: the Mass Affluent (MA) (US$100K to $1million), High Net Worth Individual (HNWI) (>US$1million), Very High Net Worth Individual (VHNWI) (>US$5 million) and Ultra-High Net Worth Individual (UHNWI) (>US$50million). In sterling, we define the mass affluent as those with investable assets between £50,000 and £1 million, and HNWIs as £1 million+.

1.3 In 2009, the UK population of sterling HNWI’s stood at 106,110, a -16% reduction from 2007, and in EUROs, the UK HNWI stock reached 198,000, accounting for almost a quarter of all European HNWIs (Datamonitor, 2009). The credit crunch has squeezed the HNWI and MA populations in the UK, due primarily to declines in the value of property and real estate portfolios, reductions in share prices, the devaluation of other market investments, and a reduction in remuneration and bonus packages. The highest proportions of HNWIs live in London and the south-East of England, but the highest growth rates are in Northern Ireland and the north-east of England. The MA population in the UK was estimated to be 5.1 million in 2009, which has declined by -17% since 2007 (Datamonitor, 2009). The MA market is concentrated in London and the south-east, but substantial growth rates have been experienced in Scotland and Northern Ireland.

1.4 Key financial services offered to the MA and HNWI include: asset protection; tax planning; estate and financial planning; investment planning; trusts; insurance; private annuities; investment banking; long-term care planning. The main players involved in the private wealth management industry are: private banks; trust banks (US owned private banks); retail banks (who specifically target the MA group); family offices (who target the V and UHNWI); independent financial advisors and specialist brokers; asset managers; investment banks (who target V and UHNWIs); insurance; and professional services (accounting and legal).

1.5 The research project compiled a database of 400 companies which offered financial products to the MA and HNWI (and this database is available to Forum members at no extra cost in an excel file from the lead author). Within that database, 50 companies were scrutinised in depth, including: private, retail and investment banks; financial advisors; asset managers; internet banks; insurers; and accounting and legal services. From the database of 400 firms, 36% specifically targeted the MA and 35% the HNWI-UHNWIs. Different financial service providers offered different products to highly segmented parts of the MA and HNWI markets. For example:

1.5.1 Accounting firms predominantly targeted the HNWI-UHNWI category, with the most advertised products focused on tax advice (20%) and financial planning (15%).

1.5.2 Legal firms predominantly targeted the HNWI-UHNWI category, with the most advertised products focused on the establishment of trusts (20%).

1.5.3 Asset managers predominantly targeted the MA-UHNWI category (71%), with the most advertised products focused on equity fund management.

1.5.4 Banking groups predominantly targeted the HNWI-UHNWI category (56%), with important advertised services being financial planning and investment management.

1.5.5 Insurance predominantly targeted the MA (78%), with a range of protection services (home, car, illness, life and travel insurance).

1.5.6 Private Banks predominantly targeted the HNWI-UHNWI category (83%), with the most frequent offered services being current accounts and investment management.

1.5.7 Retail banks predominantly targeted the MA+ category (78%), with the most frequently offered products being current accounts, mortgages and credit cards (18% each).

1.5.8 Internet based firms predominantly targeted the MA+ category, with the most frequently offered service being car and life insurance (19% and 15% respectively)

1.6 The services provided by companies operating in the UK wealth management sector can be broadly separated into intermediated providers who provide their own products to clients through cross-selling, and disintermediated providers who advise and select third party products for their clients.

1.7 Four significant implications can be inferred from this research project:

1.7.1 The U.K.'s stock of HNW and MA individuals will continue to be squeezed by dampened asset prices, stock market performance, company results and public and private remuneration, in a context of stringent fiscal responsibility, cuts in public expenditure and possible increases in 'white collar' unemployment. The introduction of the new 50% tax rate, coupled with a proposed 'non-dom' tax and the uncertainties over the regulation of bonus compensation in banking, will certainly contribute to the further contraction of the HNW and MA markets as the value of investable assets fall in relative terms, and as some HNWIs leave for other jurisdictions.

1.7.2 The U.K.'s wealth management industry is an extremely dynamic and competitive retail financial ecology. London remains the pre-eminent financial centre for the management of such wealth through a constellation of global players in private banking, asset management, brokerage, insurance and investment and global banking capacity, and expert labour. But policy-makers and stakeholders must be diligent in their regulatory frameworks as the 'City' remains in fierce competition with 'offshore' jurisdictions and established centres like New York and Singapore.

1.7.3 Future potential growth in the UK market for the management of HNWIs and the mass affluent are both at the national and global scale. At the U.K. regional scale, whilst London and the south-east of England dominate absolute share in this population, significant growth is recorded in regions like Northern Ireland, Wales, Scotland and the north-east of England. On a global scale, London continues to attract a HNWI population from around the world, and the industry manages significant global portfolios with its critical mass of experts and professionals.

1.7.4 In the MA+ category, there is significant evidence to suggest that the financially literate consumers are, and will in the future, choose to select their own products, through the medium of internet and other 'on-line' platforms, which obviously opens the door for financial products to be sourced from foreign wealth management providers outside of the jurisdiction of the UK.

2. Introduction

World income inequality between people has witnessed staggering polarisation over the last three decades generating significant interest in the 'rich' and 'super-rich' (Beaverstock *et al*, 2004; Bergensen and Bata, 2002; The Sunday Times, 2009). During this period, the private wealth management industry has come of age with the growth of a constellation of financial and professional services to serve this customer base in competition with established private banks. The rapid growth of million- and multi-millionaires across the globe, particularly in North America and Europe, has filled the coffers of the burgeoning United Kingdom (UK) private wealth management industry, who now service the requirements of a 'high net worth' market (HNW)[1] (International Financial Service London [IFSL], 2007; 2008). Prior to the onset of the global financial crisis, Datamonitor's (2009) *U.K.'s regional wealth model* revealed spectacular annual information on the 2007 trends and size of the U.K.'s HNW market:

- HNW individual (HNWI) population grew by 30.7% from 2004, numbering 126,690 (with investable assets >£1m);
- HNWI population with investable assets £5million+ grew by 20% from 2004, numbering 10,900;
- London and the south-east of England had the highest share of HNW's (70%) in the U.K.

Increasingly, the source of private wealth in the U.K. has shifted very quickly to 'new money' (e.g. from executive remuneration packages, including share options and salary bonuses, and entrepreneurial activity), but traditional 'old money' sources (from land and gentry, inheritance wealth, established family businesses) remain important generators of private wealth in the U.K. (The Sunday Times, 2009). A range of financial services firms, including private, investment and retail banks, insurance companies, asset management and wealth management advisory services, are the main providers of financial products and management to the U.K. HNW market. When considering the 'mass affluent', many of the UK's high street banks have 'premier' accounts for their high-income and investable asset customers (e.g. HSBC's Premier account). Despite the growing significance of private wealth creation and management in the UK, there remains a dearth of research on the morphology and functioning of the private wealth management financial services industry.

2.1 Project Aims and Objectives

The aim of this project is to investigate the private wealth management of the HNW and mass affluent market in the U.K.'s financial services industry. The project has three specific objectives:

- To define the differentiated market for HNW and mass affluent wealth management in the U.K.'s financial services industry;

[1] The high net worth market for private wealth includes individuals with investable assets greater than US$1 million (Boston Consulting Group, 2007; Merrill Lynch/Capgemini, 2007; PricewaterhouseCoopers, 2007). See section 3.1.

- To explore the HNW and mass affluent market size and growth, and nature of customer product range in the U.K.; and,
- To investigate how different U.K. financial services sectors service the needs of the HNW and mass affluent market.

2.2 Project Methodology

These three objectives were fulfilled through desk-based research, conducted in two stages:

(1) A desk-based content analysis of academic and private wealth management industry sources to identify:

(a) the definition, size and scope of the U.K.'s HNW market (e.g. Ultra-High, Very-High and HNWI's and the mass affluent);

(b) the major financial service providers and products in the U.K.'s private wealth management market. Important sources for investigation included: academic and industry-specific research on 'super-rich' and 'rich'; HNWIs; private wealth management; and, specialist consultancies (e.g. Datamonitor);

(2) From (1) above, a sample of 50 individual financial services firms was targeted for detailed investigation drawing on firm web-sites and other sources, which collected information on firm strategy and product range for servicing/advising the private wealth management of the Ultra-High, Very-High and HNWI's, and mass affluent in the U.K..

2.3 Structure

The remainder of this report is divided into six sections. In section three, we undertake an analysis of the private wealth and HNW market in the UK, particularly noting the: definitions and changing geographical coverage of the HNW and mass affluent markets; and the morphology of the UK's private wealth management industry. In section four we outline the research methodology used to compile the database of 400 private wealth providers, and sample survey of 50 case study firms. In section five, we report the analysis of the 400 firm data base and 50 case study firms, outlining by accounting, asset management, commercial banking, investment banking and legal services the highly differentiated segmentation of the HNW and mass affluent markets for private wealth. In section six, we discuss the implications of our findings in a context of understanding the intermediation and disintermediation of the provision of private wealth management in the UK's financial services industry. In sections seven and eight, we address the projects implications for the industry.

3. The Private Wealth Management and High Net Worth Market in the United Kingdom's Financial Services Industry

"Of all the classes, the wealthy are the most noticed and least studied" (John Kenneth Galbraith)

In the UK (and US), on the back of the roaring bull market, neo-liberal agendas of state and regulators, and muted personal income redistributive policies, there has been an unprecedented rise in the rich and mass affluent segments of society (e.g. Haseler, 1999; Irvin, 2008; Lundberg, 1988; Smith, 2001; Thorndike, 1980; Wolff, 1996), fuelling the market for private wealth management. The establishment of a 'pure' private wealth management industry developed at a pace from the mid-1980s by a range of multinational corporation and SME banking, financial and professional service providers, in close competition with established, traditional private banks (e.g. Wachovia) (Bicker, 1996). In order to provide a scoping study of the private wealth management of the HNW and mass affluent markets in the UK, it is important to evaluate four key issues:

- The definitions of HNW and mass affluent markets;
- The size and composition of the HNW and mass affluent markets;
- The changing European and UK geographical coverage of the HNW and mass affluent markets;
- The UK (and global) private wealth management industry.

3.1 Defining the High Net Worth and Mass Affluent markets

The year 1982 was a key moment for the study of wealth as it marked the publication of the *Forbes* magazine's first list of the USA's most 400 wealthiest individuals. The *Forbes* list at that time was dominated by 'old money', inherited wealth, manufacturing industrialists real estate tycoons and natural resource barons (oil, mining), but also included a list of people who were virtually unknown entrepreneurs (like Sam Walton, the founder of Wal-Mart), Philip Knight (Nike shoes) and Steven Job (Apple Computers). A key function of the *Forbes* list (and later *The Sunday Times Rich List*, first published in 1988) was to provide new intelligence and information on individual wealth to a new and burgeoning private wealth management industry, which allowed for the refinement of many definitional terms to describe the 'rich', and ultimately, to frame a market for the 'High Net Worth Individual' (HNWI).

There are several definitional characteristics of the 'rich' and 'super-rich' that co-inside with the established financial definitions of HNWIs, all priced in US$s. Haseler (1999, 2-3) noted three sub-categories of the 'super-rich':

- Millionaires – in 1996 it is estimated that there were approximately 6 million US$ millionaires;

- Multi-millionaires – in 1995 about 1 million US households possessed an average of US$7 million, and c48,000 British households (the top half a per cent) had on average US$2 million (c£1 million+);
- Mega-rich and Billionaires – a distinction can be drawn between the mega-rich at the lower (<$50m) and upper (>$500m) end of the spectrum, and the billionaires (US$1000m+). In 1997 it was estimated that there were between 350 and 450 US$ billionaires worldwide.

Merrill Lynch Capgemini (MLCG) *World Wealth Reports*, first published in 1996 (MLCG 2009, 2) segments the rich as:

- "HNWIs are defined as those having investable assets of US$1million or more, excluding primary residence, collectables, consumables, and consumable durables;
- Mid-tier millionaires are HNWIs having US$5million to US$30million;
- Ultra-HNWIs are defined as those having investable assets of US$30million or more, excluding primary residence, collectables, consumables, and consumer durables."

PriceWaterhouseCoopers' annual *Global Private Banking/Wealth Management Survey* provides a more refined classification of the 'Wealth Pyramid':

- Ultra-high net worth individuals worth >US$50million;
- Very-high net worth individuals worth between US$5million - US$50million;
- High-net worth individuals worth between US$1million and US$5million;
- Wealthy worth between US$500,000 - US$1million;
- Affluent worth between US$100,000 - US$500,000.

The ISFL annual reports on, *International Private Wealth Management*, defines the market for private wealth as consisting of (2008, 1):

- "Ultra high net worth individuals (NWIs), with over $30m of investable assets;
- Very high NWIs with over $5m of assets;
- High NWIs with over $1m of assets;
- Mass affluent with assets of over $100,000."

The IFSL category of 'mass affluent' suggests that it is, "largely a domestic market", which stretches to an upward limit of $1m of investable from a base of over $100,000.

In a UK sterling context, the mass affluent could be defined as those individuals with investible assets greater than £50,000 (i.e. those that qualify for high street bank's 'premier' accounts) and HNW category as those with investable assets greater than £1 million+.

3.2 The size and composition of the HNW private wealth market

In 2008, the world population of US$ HNWIs stood at 8.6 million, which was down 15% from 2007 due to the global financial crisis (MLCG, 2008). If we refer back to 2007, since 1996 there has been more than a doubling of the number of HNWIs worldwide from 4.5 million to 10.1 million (+122%) and a +145% increase in the value of wealth, from US$16.6 trillion to $40.7 trillion (MLCG, 2008, 2009).

According to MLCG, the global population of HNWIs are dominated by those persons in the millionaire and mid-tier millionaire categories (between $1million and $5 million, and between $5 million and $30 million, respectively (table 1). In 2008, the U-HNWI group represented 0.9% of the population of HNWIs (78,000), but accounted for 35% of the total value of private wealth (MLCG, 2009).

Table 1 The composition of the HNWI private wealth market (selected years)

	Percentage of the total population of HNWIs						
Category	*2002*	*2003*	*2004*	*2005*	*2006*	*2007*	*2008*
Ultra-high NWI	0.8	0.9	0.9	1.0	1.0	1.0	0.9
Mid-tier millionaire	99.2	99.1	99.1	99.0	99.0	99.0	99.1
Total number of HNWI (millions)	7.3	7.6	8.3	8.7	9.5	10.1	8.6

Source: MLCG (various)

There were a total of 1,125 US $ billionaires and 10.7 million millionaires in 2008 (IFSL, 2009). One year on, the number of billionaires has been reduced by almost 30% to 793 (-332 persons), with a net loss of private wealth of approximately US$2.0 trillion (Forbes, 2009). In 2008 it was estimated that the UK had 51 billionaires and 668,000 millionaires (Forbes; Boston Consulting Group, as cited in the ISFL, 2008). The Centre for Economics and Business Research [CEBR] (2009) suggests that the number of UK millionaires has fallen 51% from 489,000 in 2006 to 242,000 in 2009, through the collapse of house prices, falling share values and plummeting City bonuses.

3.3 The changing geographical coverage of the HNW and mass affluent market

North America and Europe accounted for the highest shares of both the total number of HNWIs (5.3million, 62% of the share) and distribution of private wealth (US$17.4, 53% share) in 2008 (MLCG, 2009). All global regions experienced reductions in the number of HNWIs and value of private wealth from 2007 to 2008, with North America feeling the largest contraction of -19% (from 3.3 million HNWIs to 2.7 million) and -23% (from US$11.7tr to US$9.1tr) respectively (MLCG, 2008, 2009).

In Western Europe, Germany, the UK, Italy and Spain had the largest populations of Euro HNWIs (EUR 1million+) and mass affluent (EUR 50K to 1 million) in 2009 (table 2). Specifically, the U.K.'s mass affluent market stood at 8.118 million individuals (representing 19% of the European share), and grew by almost+5% from 2004. At the HNWI level, the UK had 198,000 EUR millionaires+, which had increased by one fifth since 2004, and represents a 24 % share of the Western European population of HMWIs.

Table 2 The number of individuals in the mass affluent (EUR50K-EUR1m) and HNW asset bands (EUR1m+) in Western Europe (000s)

Country		*2004*	*2007*	*2009*	*Change '04-'09*
Austria	EUR50K-1m	1,276	1,447	1,491	+17%
	EUR1m+	17	21	24	+41%
Belgium	EUR50K-1m	2,161	2,274	2,051	-5%
	EUR1m+	36	41	39	+8%
Denmark	EUR50K-1m	731	968	899	+23%
	EUR1m+	10	14	14	+40%
Finland	EUR50k-1m	643	807	735	+14%
	EUR1m+	8	11	10	+25%
Germany	EUR50k-1m	10,591	11,246	10,217	-4%
	EUR1m+	135	160	152	+13%
Greece	EUR50K-1m	728	908	1,034	+42.0%
	EUR1m+	13	18	21	+62%
Eire	EUR50k-1m	675	846	903	+34%
	EUR1m+	13	15	19	+46%
Italy	EUR50k-1m	7,262	7,140	6,446	-11%
	EUR1m+	135	149	139	+3.0%
Netherlands	EUR50k-1m	2,002	2,078	2,179	+9%
	EUR1m+	29	34	37	+28%
Norway	EUR50k-1m	564	695	697	+24%
	EUR1m+	7	9	10	+43%
Portugal	EUR50k-1m	793	812	834	+5%
	EUR1m+	19	21	21	+11%
Spain	EUR50k-1m	3,777	4,561	4,761	+26%
	EUR1m+	67	90	99	+48%
Sweden	EUR50K-1m	921	1,162	1,129	+23%
	EUR1m+	10	15	16	+60%
Switzerland	EUR50k-1m	1,928	2,061	1,876	-3%
	EUR1m+	32	39	36	+13%
UK	EUR50K-1m	7,748	8,575	8,118	+5%
	EUR1m+	164	201	198	+21%

Source: Datamonitor (2009)

Turning to the U.K.'s regional market for HNWIs, Datamonitor estimates that in 2009, there were 106,110 HNWIs, +10% more than in 2004, but -16% less than 2007, and of this 2009 population, 91% were in the £1m-£5m investable asset category (table 3).

Table 3 **The number of individuals in the HNW category (£1m+ asset band)**

Region		*2004*	*2007*	*2009*	*Change '04-'09*
North-East	£1m-£5m	490	870	730	+49%
	£5m+	50	80	70	+40%
North-West	£1m-£5m	3,290	3,810	3,260	-1%
	£5m+	340	360	310	-9%
Yorks. & Hum.	£1m-£5m	2,010	2,550	2,160	+8%
	£5m+	210	240	210	0%
East Midlands	£1m-£5m	2,150	2,740	2,340	+9%
	£5m+	220	260	230	+5%
West Midlands	£1m-£5m	2,250	3,030	2,590	+15%
	£5m+	230	290	250	+9
East of England	£1m-£5m	9,440	11,970	10,140	+7%
	£5m+	980	1,130	780	-20%
London	£1m-£5m	40,270	53,220	44,100	+10%
	£5m+	4,170	5,010	4,250	+2%
South East	£1m-£5m	22,130	28,480	23,920	+8%
	£5m+	2,290	2,680	2,310	+1%
South West	£1m-£5m	2,440	3,550	3,010	+23%
	£5m+	250	330	290	+16%
Wales	£1m-£5m	470	570	490	+4%
	£5m+	50	50	50	0%
Scotland	£1m-£5m	2,450	4,150	3,500	+43%
	£5m+	250	390	340	+36%
N. Ireland	£1m-£5m	430	850	710	+65%
	£5m+	40	80	70	+75%
Total	£1m-£5m	87,820	115,790	96,950	+10%
	£5m+	9,080	10,900	9,160	+1%
Grand total		96,900	126,690	106,110	+10%

Source: Datamonitor (2009). Note: rounded to the nearest ten

In terms of total regional share, London and the south-east of England accounted for 70% of the HNWI population (74,580), but the highest regional change was experienced in Northern Ireland (+65% and +75%) and the north-east of England (+49% and +40%) between 2004 and 2009.

A UK regional analysis of the distribution of *The Sunday Times Rich List*'s shows that London and the south east of England has consistently been the most important location for the wealthiest 1,000 HNWIs during the 2000s (table 4). In 2009, the capital accounted for 39% (385) of the top 1,000 HNWIs who were born, live or have their interests centred in London.

Table 4 The proportion of the top 1,000 HNWIs who were born, live or have their interests centred in London or the south east of England

	% share in London	*% share in the south east*
2002	-	49%[1]
2003	-	47%[1]
2004	-	49%[1]
2005	-	50%[1]
2006	NA	NA
2007	41%	12%
2008	42%	14%
2009	39%	12%

Source: The Sunday Times Rich List (various) Note: 1. Includes London; NA data not available

Turning to the mass affluent market, Datamonitor (2009) suggest that there were 5,107,900 individuals in this category in 2009, which had increased by only +1% from 2004, but had decreased by -17% (1.032m) from its spike in 2007 (table 5). London and the south-east of England had the highest share of the mass affluent market in 2009 (+35%), but had both recorded reductions in their regional populations since 2007 (-4% and -1% respectively). In terms of growth in the mass affluent segment of UK wealth, Scotland (+11%), Northern Ireland (+9%) and the north-east of England (+5%) experienced the greatest change in the number of individuals in the £50,000 to £1million investable asset category between 2004 and 2009.

Income (employment earnings, pension income, investment income) is an important determinant of the composition of the UK mass affluent and time-series data is available from the H.M. Revenue & Customs *Survey of Personal Incomes* which annually records income and tax by Government Office Region (GOR). In 2006-07, the latest date that data are available, the UK had 11,000 individuals who earned more than £1million, and 2.23 million who earned over £50,000 (table 6), with the highest concentrations in the south east of England (21%) and London (21%).

Table 5 The number of individuals in the mass affluent category (£50K-£1m asset band)

Region	*2004*	*2007*	*2009*	*Change 2004-2009*
North-East	134,700	170,200	141,000	+5%
North-West	470,700	553,100	466,000	-1%
Yorks. & Hum.	333,500	406,800	339,400	+2%
East Midlands	333,500	398,900	334,700	+1%
West Midlands	370,600	444,700	374,100	+1%
East of England	580,200	691,000	577,300	-1%
London	858,700	1,007,500	823,700	-4%
South East	984,500	1,183,300	980,000	-1%
South West	399,600	492,600	411,400	+3%
Wales	156,400	185,400	156,400	0%
Scotland	367,100	489,600	406,100	+11%
N. Ireland	89,800	117,700	97,800	+10%
Total	5,079,300	6,140,800	5,107,900	+1%

Source: Datamonitor (2009). Note: rounded to the nearest hundred

Table 6 Income by region (>£50,000), 2003-2004 and 2006-2007 (thousands of individuals)

Region	2003-04	% share	2006-07	% share	%change '03/04-'06/07
North-East	29	2.0	51	2.3	+76%
North-West	114	7.8	171	7.7	+50%
Yorks. & Hum.	79	5.4	127	5.7	+61%
East Midlands	85	5.8	129	5.8	+52%
West Midlands	91	6.3	142	6.4	+56%
East of England	174	12.0	254	11.4	+46%
London	299	20.6	462	20.7	+55%
South East	325	22.4	476	21.4	+47%
South West	105	7.2	161	7.2	+53%
Wales	36	2.5	58	2.6	+61%
Scotland	95	6.5	159	7.1	+67%
N. Ireland	22	1.5	37	1.7	+68%
Total	1,454	100	2,227	100	+53%

Source: HM Revenue & Customs (2006: 2009)

Between 2003-04 and 2006-07, the number of individuals with income of more than £50,000 increased by 0.77 million (+53%) from 1.45 million to 2.23 million, and the highest regional percentage growth was in the North East of England (+76%) (http://www.hmrc.gov.uk/stats/income_distribution/menu.htm)

3.4 The UK private wealth management industry

Historically, the European and U.K. market for private wealth was serviced almost exclusively by private banks with the management of investable assets in Europe and 'offshore' jurisdictions (e.g. Switzerland, Luxembourg, the Channel Islands, Isle of Mann, Caribbean) (Bicker, 1996; Maude and Molyneux, 1996). The development of the term 'wealth management' has only really developed since the late 1980s and early 1990s in response to the explosive growth of the HNW market, and, "arrival of the mass affluent" (Maude, 2006, 1). Whereas 'traditional' private banking essentially evolved around deposit taking and payments, limited asset management and tax advice, and brokerage, offered by a, "single designated relationship manager", the new wealth management industry developed to service a higher volume customer base and, importantly, a more sophisticated and knowledge rich consumer both in 'onshore' and 'offshore' jurisdictions (Maude, 2006, 1-2; Bicker, 1996).

An analysis of the products and services available to management of the mass affluent and HNW market can focus on the following areas (Mayer and Levy, 2004: 1-6): asset protection; tax planning; estate and financial planning; investments; trusts; insurance; private annuities; investment banking; and, long-term care planning. Maude (2006: 2) suggests that wealth management is now more extensive than private banking asset management because it is focused on providing financial advice to accumulate, nurture, grow and transfer personal wealth between generations, and the types of services typically involve: brokerage; banking (current and deposit accounts); lending (credit cards, mortgages); insurance and protection products; advice (for all kinds of eventualities e.g. trusts, family-dispute, inheritance, tax planning); and, concierge-type services (e.g. yacht broking, art storage).

An industry once dominated by private banks and 'family-connected' stockbrokers is now a significant global industry spanning banking, financial services, insurance, real estate and traditional professional services (accounting, legal), with many, if not all, of the global financial and professional service firms highly active in this market. Whilst it is impossible to quantify the actual number of players in private wealth management in the UK, one can distinguish between the main types of players involved in the market (Maude, 2006):

- Private banks who target all HNWIs and are perhaps the significant players in the market (table 7);
- Trust banks (US private banks) who mainly target UHNWIs;
- Universal and retail banks who target the mass affluent and HNWIs from their existing clientele and portfolio of business;

- Family offices who serve the very UHNWIs and top tier billionaires in the US (upward of 4,000 families) and Europe (circa 500 families);
- Financial advisors serving both HNWIs and the mass affluent;
- Stockbrokers who serve both HNWIs and the mass affluent;
- Asset managers who serve mostly HNWIs;
- Product specialists (e.g. hedge funds) who serve U&VHNWIs;
- Investment banks who target UHNWIs;
- Insurance and other professional services who target HNWIs and the mass affluent.

Table 7 The world's largest private banks, 2007

Bank	*Global assets under management*	
	US$billion	*%share*
UBS	1,896	15
Citigroup	1,784	14
Merrill Lynch	1,309	10
Credit Suisse	745	6
J P Morgan	545	4
Morgan Stanley	522	4
HSBC Group	494	4
Deutsche Bank	286	2
Wachovia Corporation	285	2
Other banks	4,720	38
Totals	12,586	100.0

Source: IFSL (2008, quoted from Scorpio Partnership, 2008)

In the early 2000s, the UK's wealth market was dominated by the activities of private banks (40% share), independent financial advisors (27%) and investment banks (22%) (McKinsey & Co, 2002; quoted in Maude, 2006). Despite the dearth of intelligence of the structure of the private wealth industry in the UK, it is important to note that the sector is both highly concentrated and fragmented.

4. Methodology

This section of the report will outline:

- How the core database of 400 companies was compiled;
- How the core database of 400 companies was analysed;
- How the sub-sample of 50 firms was compiled and analysed.

4.1. Compiling the databases

In order to develop the core database, it was necessary to compile a list of the key types of firms that provided services and products to the HNW and MA markets. Six types of service providers were identified:

- The *banking* category included retail banks that offered: 'premier' services; private and commercial banks that provided selective 'current account' services; international financial groups that provided banking services; and, the wealth management arms (WMAs) of investment banks;
- The *asset management* (AM) category included the asset management arms of investment banks, insurance companies, retail banks and general asset managers;
- The *insurance* category included retail banks that offered insurance products, large insurance brokers, investment banks that operated insurance arms, independent insurance companies and assurance companies;
- The *accountancy* category included those companies which provided wealth management services;
- The *legal* category included those practices which provided wealth management services;
- *High-street retailers and brokers* that supplied financial products predominantly to MA+ clients.

The 400 firms compiled in the core database were obtained from: The British Bankers Association; Investment Managers Association; Association of British Insurers; The Legal 500; and, Accountancy Age.

4.2 Core database firm webpage content analysis

In order to 'capture' and analyse data from the firm's websites it was necessary to develop a series of thematic categories so that information could be classified into generic concepts. Fifteen categories were developed:

- ***Providers:*** listing the names of the service providers;
- ***Supplier type:*** separating each financial service provider into a specific category (e.g. all accountancy firms have been grouped together under the field of accountancy);
- ***Affiliations:*** listing the affiliations that the provider has with additional financial services providers. This field can also be used to highlight the additional geographical reach of companies that extend their international coverage through other firms;

- ***Target Market:*** identifying which types of wealthy individuals are targeted by specific firms with specific products. **These clients are segmented into the categories of: MA (>£50,000 liquid assets); assets; HNWI (>£1.5 million); the *Very-HNWI* (>£2.5-25 million); and, the *Ultra-HNWI (*>£25 million);**
- ***UK Location:*** illustrating where the services providers and their products can be accessed, which once can be used to locate regional markets of wealth servicing within the UK;
- ***International Location:*** determining where service providers operate and on the target markets served, for example HNWIs to U-HNWIs who are not domiciled in the UK, or live in several different jurisdictions;
- ***USP:*** evaluating the unique selling points of individual providers. For example, the entry 'TradValues' notes that the company promotes its perceived appreciation of its traditional values, which implies that the company services wealthy 'old money' clients;
- ***Products:*** containing the main services and products provided to the clients. This data can be combined with particular target markets to identify what services are popular and what competition there is between the providers in these markets;
- ***Additional information:*** listing any additional data available for that company;
- ***HQ:*** This column lists the head quarters of the service provider;
- ***WebAdd:*** containing hyperlinks to the source material, to provide easy access to more detailed information available from the corporate websites.

The core database was sorted and filtered to produce nine additional databases that were used to identify trends between the financial services industry, its products and types of wealthy individuals. Due to the wide-ranging nature of the available data from firms used to produce the core database, **overlapping categories were developed to classify products and firms into the following: MA+; MA-HNWI; MA-UHNWI; HWNI-UHNWI; and UHNWI.**

4.3. Extensive to intensive: Exploring consumer groups and their market providers

A stratified sample of fifty companies was compiled from the core databases for in-depth content analysis on the financial products offered to clients, consisting of: 20 banks; 10 asset management firms; 10 insurers; five accountancy firms; and, five law firms. The information for each company was analysed, and compared and contrasted to reveal new trends and evidence for sub-groups with the MA-HNWI categories. This activity was important as this analysis is later used to identify specific target markets and their needs that exist within the recognised MA-UHNWI categories by producing a more granular analysis of consumers, and their needs.

5. Exploring the Morphology of the UK's Private Wealth Management Industry

The core database of 400 companies was segmented into these client categories: MA+; MA-HNWI; MA-UHNWI; HNWI-UHNWI; and, UHNWI. This section will outline: in which client categories of private wealth management the companies are active; and which products and services are offered to the different client categories by the different service providers.

5.1 Client categories for private wealth management companies

The number of companies servicing the segmented HNW and MA markets showed three important client groups:

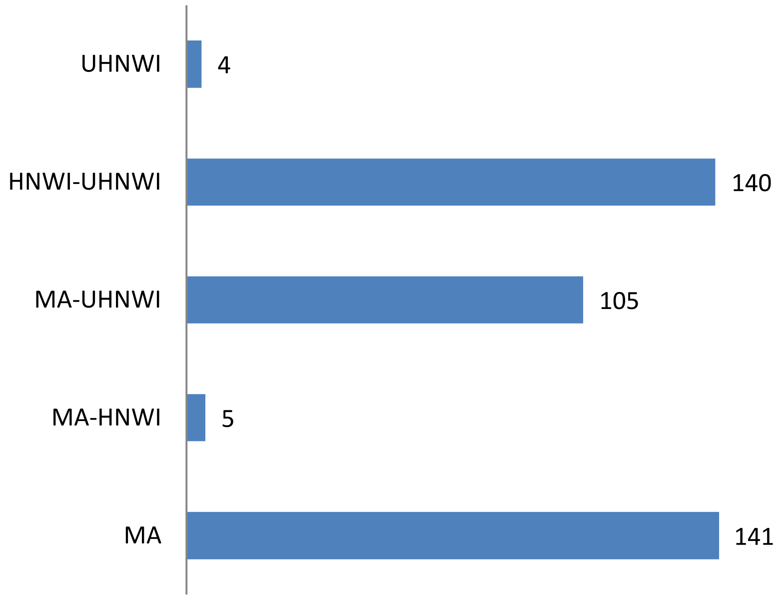


Figure 1: Wealth management providers by client category

- ***MA +:*** accounting for 36% of the total wealth management companies;
- ***HNWI-UHNWI:*** accounting for 35% of the core database; and.
- ***MA-UHNWI:*** accounting for 27% of the core database

5.1 Types of wealth management companies active within each client category

5.2.1 MA+: 141 companies advertised services to the MA+ category (Figure 2). Insurance firms accounted for 65% of the products advertised, asset managers (11%), retail banks (9%), banking groups (5%), retail finance services (4%), and private banking and brokers (3% each).

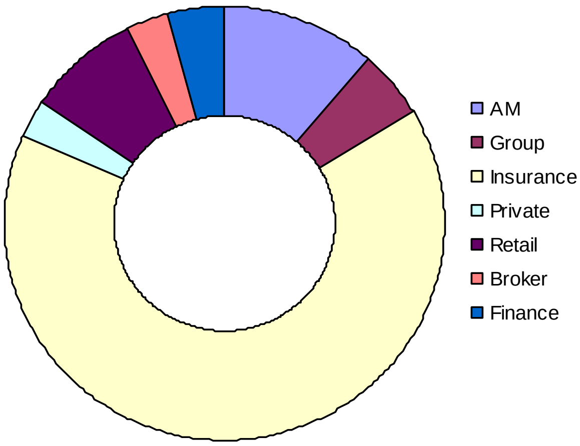


Figure 2: Composition of the MA+ client category

5.2.2 MA- UNHWI: 105 companies supplied wealth management services to this category (Figure 3).

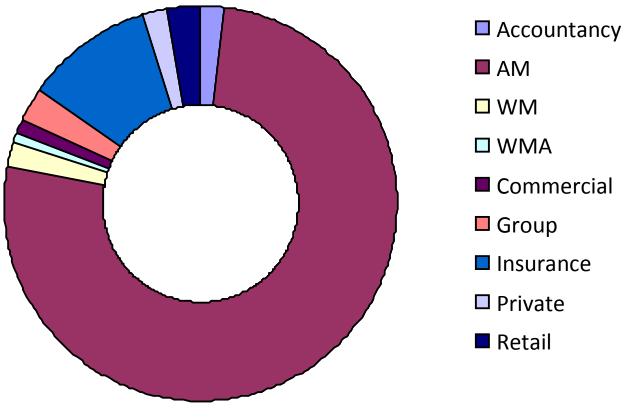


Figure 3: Composition of the MA-UHNWI client category

In detail, asset managers accounted for 76% for the products advertised, followed by: insurance firms (11%); retail banks (3%); accountancy firms, wealth managers and private banks (2% each); and wealth management arms and commercial banks (1% each).

5.2.3 HNWI-UNWI: 140 firms were active within this category (Figure 4). Accounting firms accounted for 23% of advertised products, legal firms (17%), asset management firms (16%), private banks (13%), wealth management arms (10%); banking groups (6%), wealth managers (4%), insurance firms (3%) and commercial and retail banks (1% each).

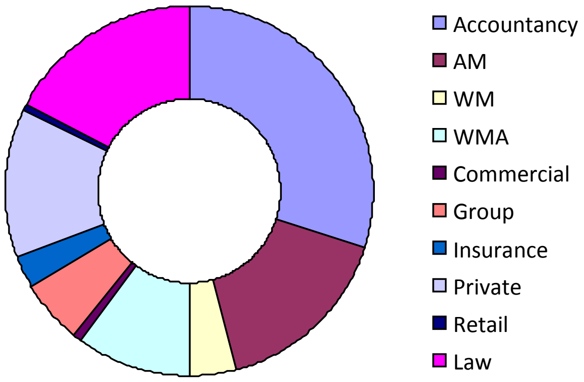


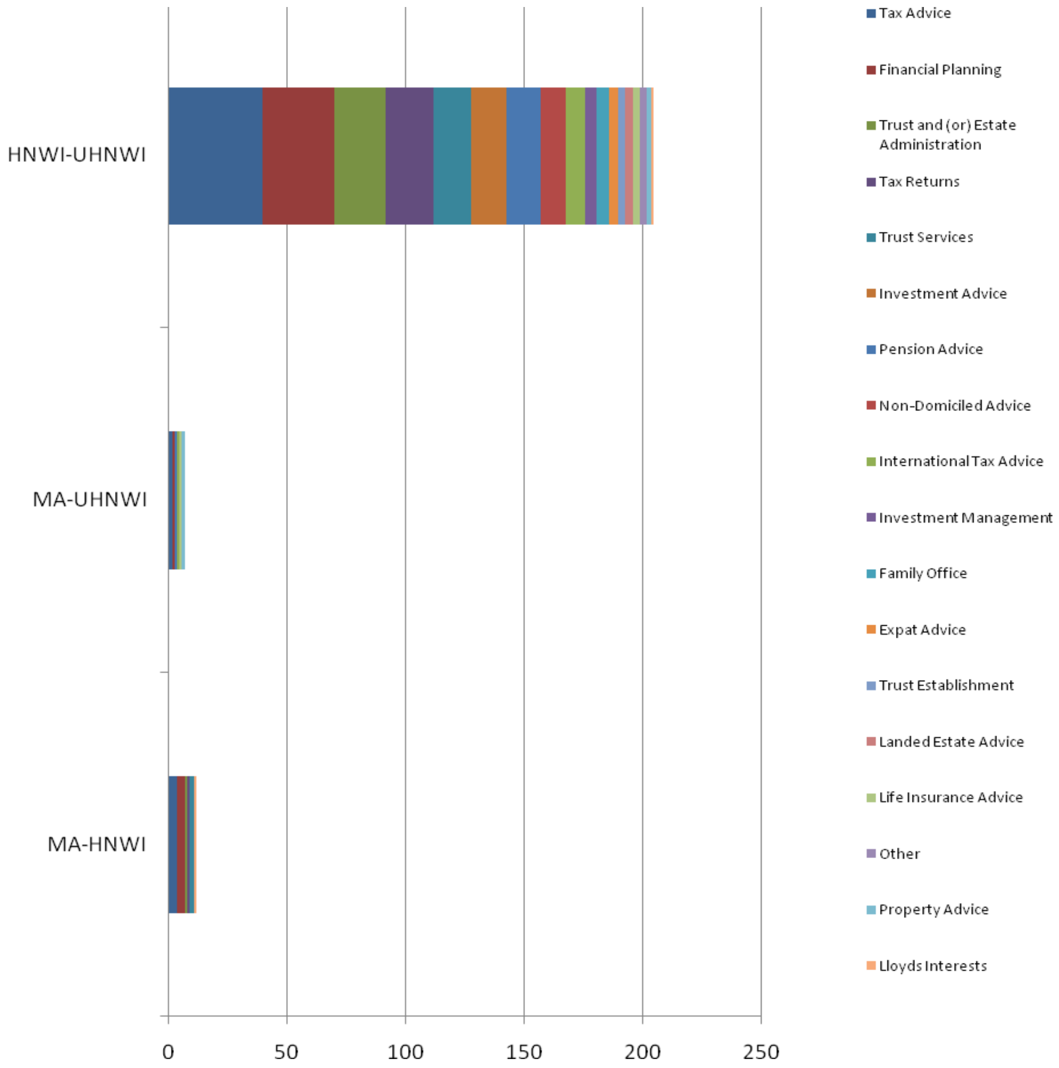
Figure 4: Composition of the HNWI-UHNWI client category

5.3 Products and services offered to the different client categories by wealth management providers

5.3.1 Accountancy: 92% of accounting services are offered to – and consumed – predominantly by clients in the HNWI-UHNWI band (Figure 5). The services advertised most frequently by accountancy firms to the HNWI-UHNWI were tax advice (20%), financial planning (15%), trust and (or) estate administration (11%) and tax returns (10%). Accountancy firms provided services to family businesses to facilitate the efficient running of a business, but to also maximise a company's financial performance. Accountancy advice was also important to manage the inheritance of an individual's estate.

5.3.2 Legal firms: Legal firms predominantly offered services at the HNWI-UHNWI category (Figure 6), with the two services most frequently advertised by legal firms being the establishment of trusts (20%) and the administration of trusts and estates (16%). The advice of legal firms enabled clients to preserve their wealth by minimising tax exposures and losses through divorce for example. This protection is delivered in three ways: first, legal expertise allows firms to engage in strategic tax planning, to minimise the tax liabilities of wealthy individuals. For example, May, May and Merrimans, "offer and implement advice on wills and lifetime gifts or settlements and on minimising capital taxation". Second, law firms establish and administer trusts. Legal firm Taylor &Wessing note how capital gains tax on investments can be minimised once a client's assets are moved to a trust. Third, law firms, such as Bircham Dyson Bell, use their expertise to preserve the intergenerational family wealth through estate planning and prenuptial agreements to ensure that family wealth is not 'lost' outside of a family during a divorce.

Figure 5: Products and services offered by accountancy firms



5.3.3 Asset Management: The majority of products are offered to the MA-UHNWI (71%) and HNWI-UHNWI categories (17%) (Figure 7). The MA-UHNWI category provides little insight into the particular niche markets because many financial products, mutual funds and OEICs may be recommended for purchase by both an MA+ client's accountant, or by the private bank of a HNWI-UHNWI. For example, Credit Suisse and JP Morgan offer unit trusts, fund of funds, ISA and OEIC products to its clients. The MA + products tend to focus on 'traditional ' products such as exposures to equity, corporate bond funds and government bonds (accounting for 72% of products) while HNWI-UHNWIs included 'non-traditional' products, not available to MA+ consumers, including hedge funds, bespoke portfolios and structured funds (accounting for 22% of products). For example, Credit Suisse offers exposures to real estate, private equity, hedge funds and leveraged loans.

Figure 6: Products and services provided by legal firms

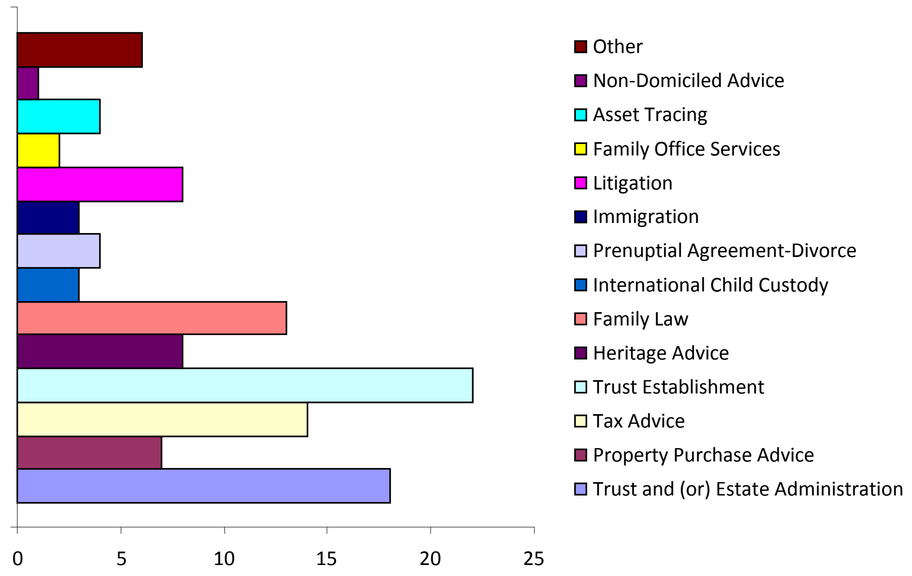
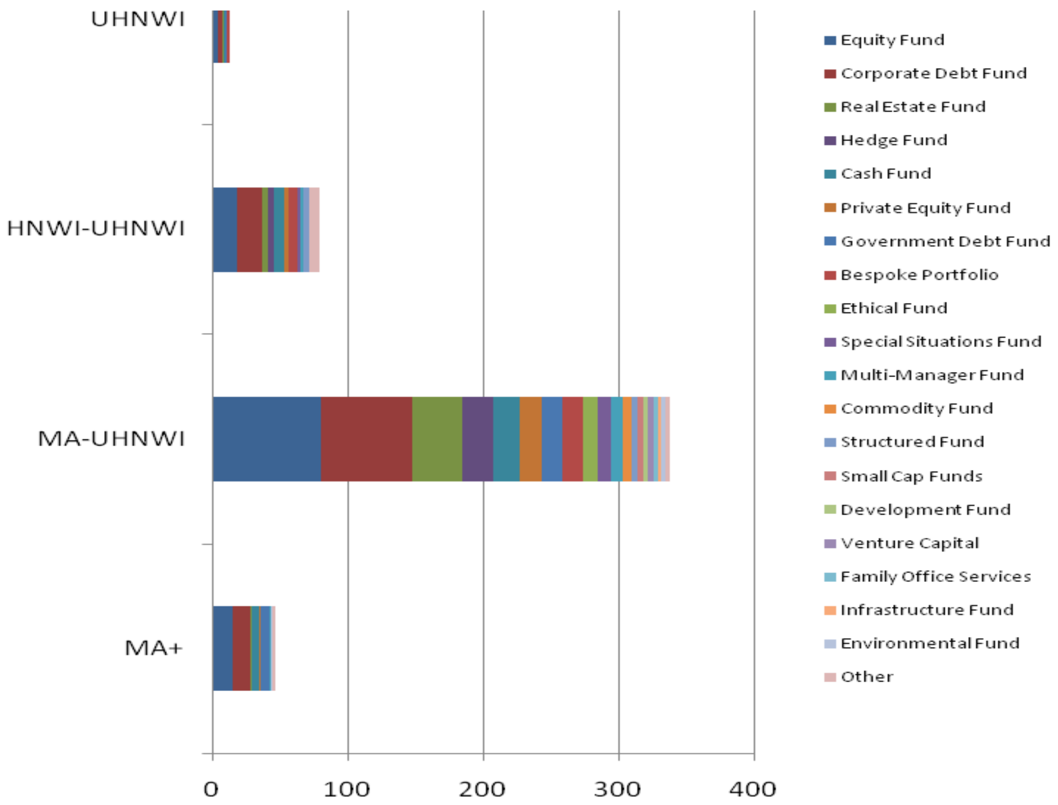


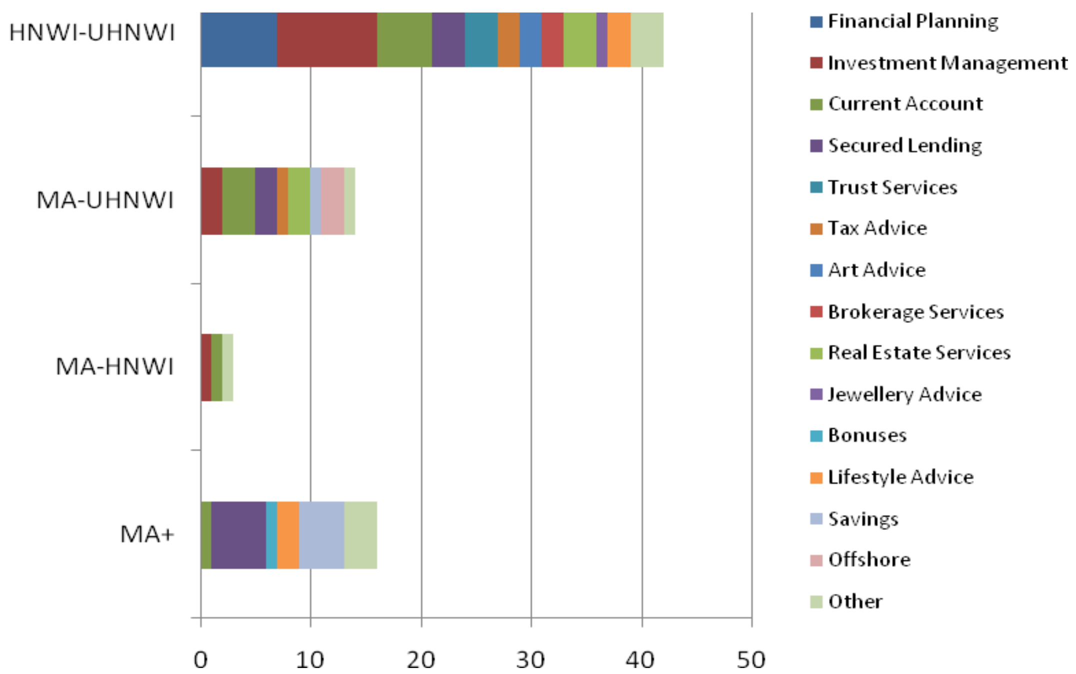
Figure 7: Products and services offered by asset managers



Similar 'traditional' and 'non-traditional' products were offered to the HNWI-UHNWI category, although some asset managers were identified that specifically overlapped with the MA+ category. For example, Liverpool Victoria offers three ISAs which it refers to as its 'common sense' solutions, where each product is defined by its risk targeted at MA+ clients seeking less complex financial solutions to their savings.

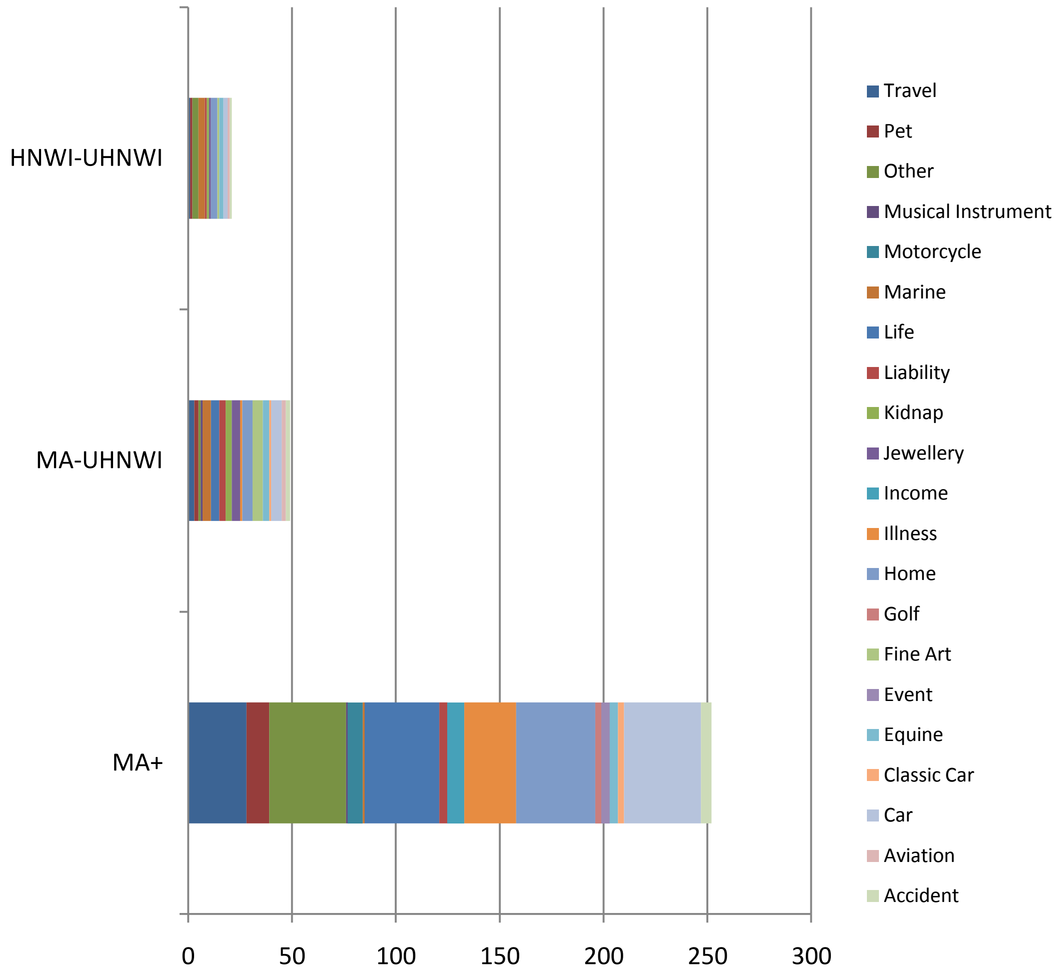
5.3.4 Banking groups: The products and services were predominantly offered to the HNWI-UHNWI category (56%) and MA+ clients (21%) (Figure 8). The most common services and products marketed for HNWI-UHNWIs included, financial planning, investment management and current accounts, but include more diverse services such as tax advice, lifestyle advice and art & jewellery advice. The MA + clients are offered a less diverse suite of services and products that include secured lending, savings and lifestyle advice.

Figure 8: Products and services offered by banking groups



5.3.5 Insurance: The products offered to the clients were predominantly in the MA+ category (78%) which can be attributed to competition within the market. Five products, home, car, illness, life and travel insurance, accounted for 65% of the entire product range. These products are supplied by companies such as Esure and banks such as Co-operative, HSBC and insurers like Aviva. The dominance of the MA+ sector can be attributed to the larger size of this population. The HNWI-UHNWI market was smaller and specialised. For example, the most frequently advertised products were home insurance and marine insurance (accounted for 14% each). Chubb provided specialist insurance products for to protect assets such as jewellery and fine art, and AIG yacht, aircraft and kidnap products.

Figure 9: Products and services offered by insurers



5.3.6 Commercial banks: The products predominantly offered in this category were to the MA-UHNWI (46%); and the HNWI-UHNWI (31%) (Figure 10). Only three commercial banks offered products to wealthy consumers. The MA-UHNWI and HNWI-UHNWI bands utilised currents accounts, financial advice and offshore financial services.

5.3.7 Private banks: The HNWI-UHNWI client sector accounted for 83% of the services offered, the MA + 12% and the MA-UHNWI 4% (Figure 11). The range of services offered to the MA+ and MA-UHNWI categories were savings, current accounts mortgage advice and investment advice. The most frequently offered services to HNWI-UHNWI clients included current accounts and investment management, accounting for 13% of services, followed by financial planning (10%), trust services (9%) and offshore services (8%) for expatriate and non-domiciled clients with interests in the UK. Private banks offered 'lifestyle advice' and specialist lending facilities to these clients to service their complex financial requirements.

Figure 10: Products and services offered by commercial banks

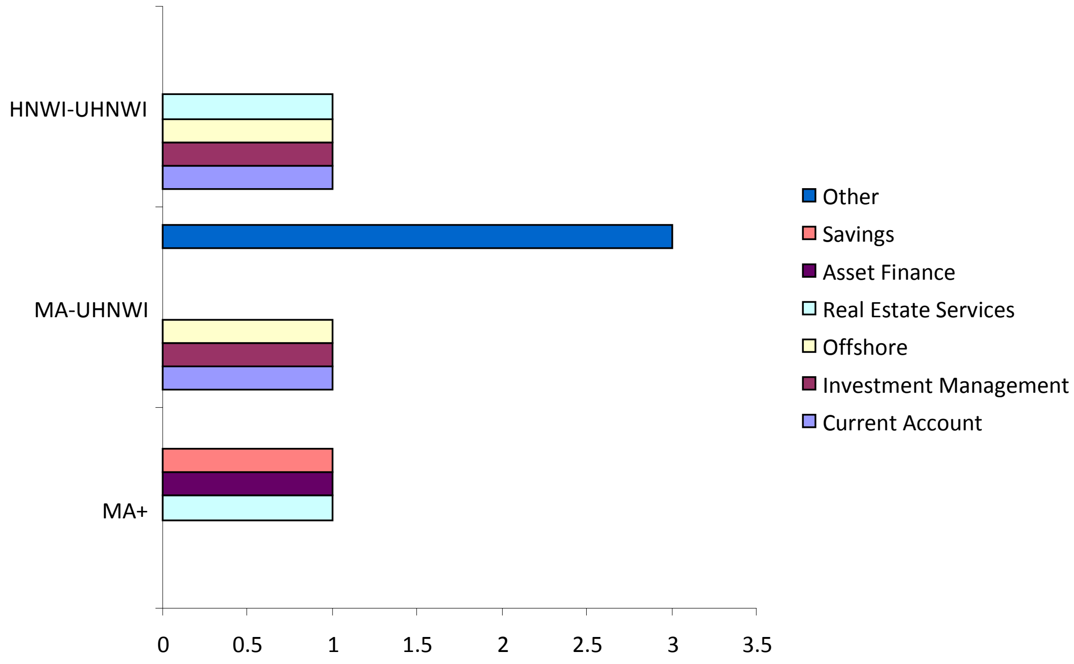
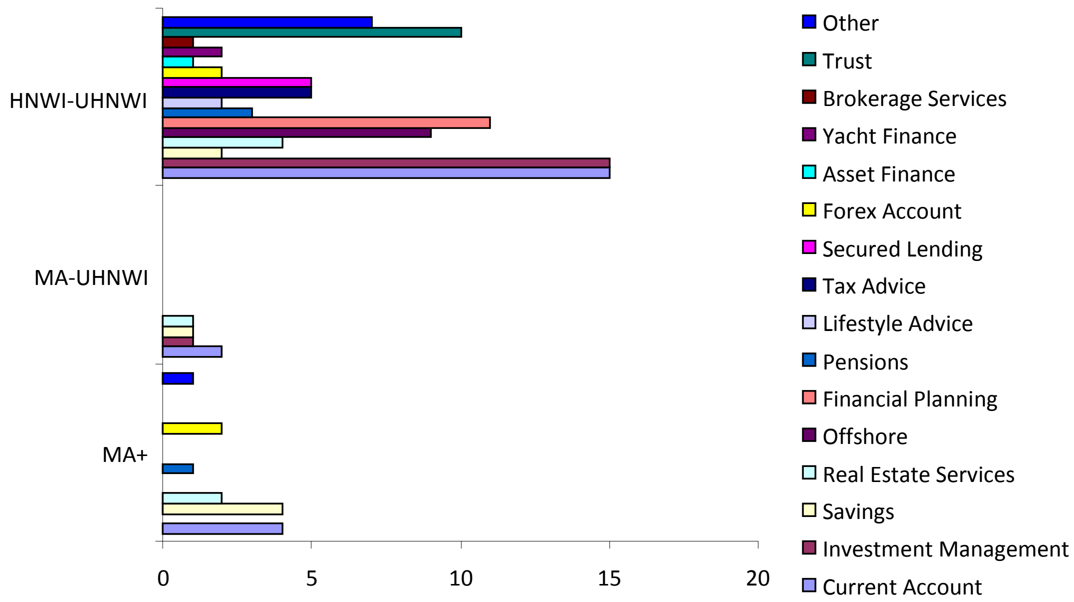
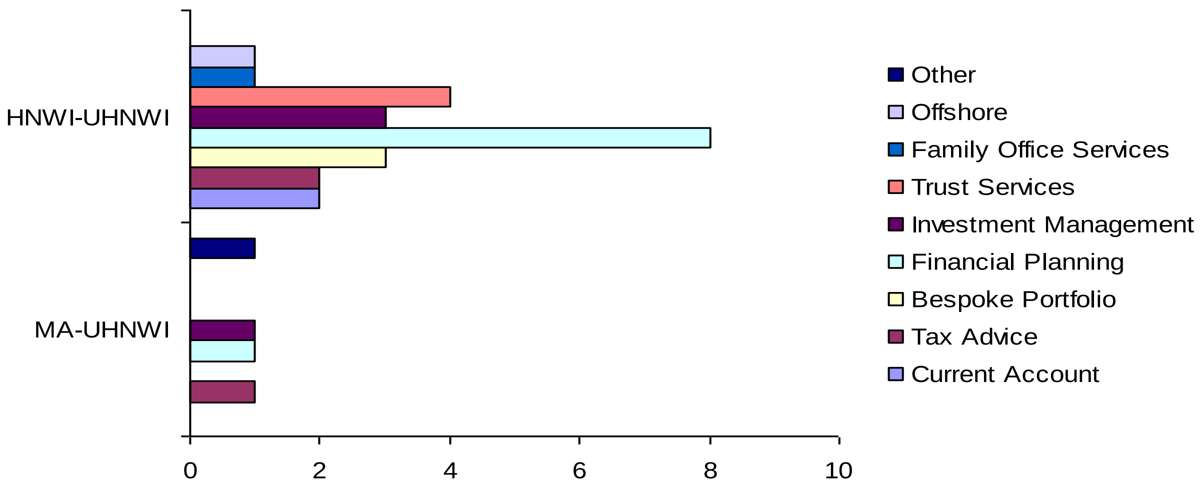


Figure 11: Products and services offered by private banks



5.3.7 Wealth Management: The services offered by wealth management firms were classified as serving MA-UHNWI clients and HNWI-UHNWI client groups (Figure 12).

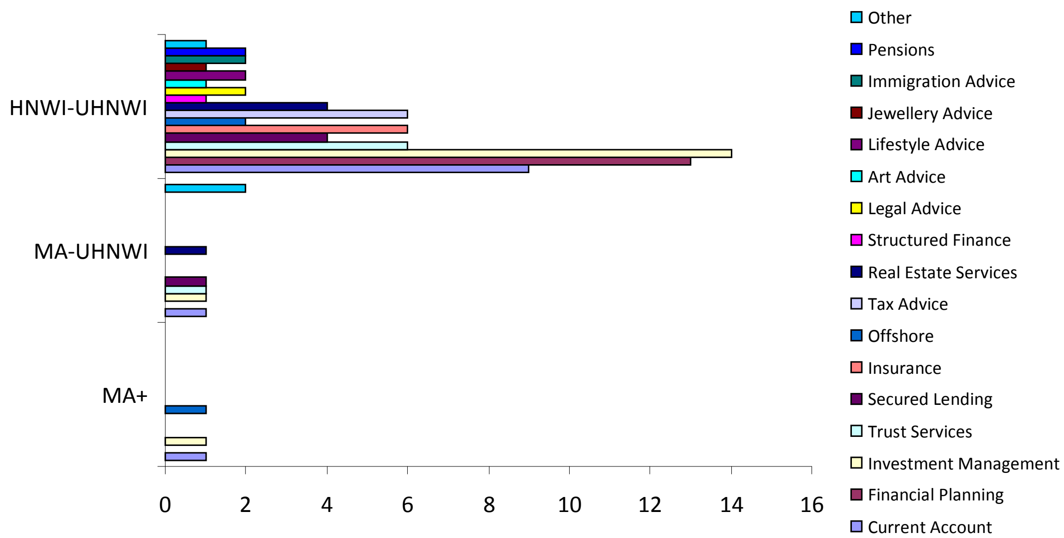
Figure 12: Products and services offered by wealth management firms



The majority of services were offered to the HNWI-UHNWI category, accounting for 86% of the products, and the MA-UHNWI (14%). The most commonly offered product was financial planning (33%), trust services, to protect family wealth (17%), and bespoke investments and investment management accounting for 13% each of the offered services.

5.3.8 Investment Banks' Wealth Management Arms: The HNWI-UHNWI clients are offered the largest share of products by WMAs, accounting for 88% of services (Figure 13).

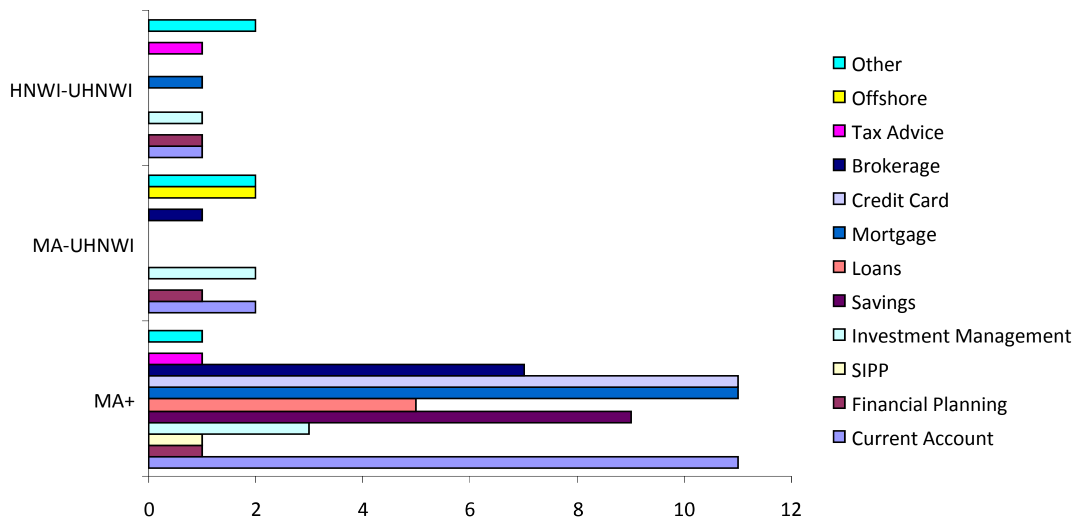
Figure 13: Products and services offered by wealth management arms



WMAs supply a diverse range of services to its HNWI-UHNWI clients, in a similar way to private banks. The most frequently offered service were investment management (16%), financial planning (15%) and current accounts (15%), as well as tax advice, trusts and 'lifestyle advice.'

5.3.8 Retail Banks: The largest number of products and services were offered to MA+ category which accounted for 78% of all products (Figure 14).

Figure 14: Products and services offered by retail banks



The most frequently occurring services supplied to the MA+ client group included; current accounts (18%); mortgages (18%); credit cards (18%); savings (15%) and stock brokerage (12%).

5.3.10 Brokers: Each product accounted for 17% of the market with the exception of travel insurance and pension products accounting for 8% each (Figure 15).

5.3.11 Internet-based Retailers: There is an additional group of financial service providers that are arms of high-street, or internet based retailers, that cross-sell their products to MA consumers, even though these companies may be classified as MA+ financial services providers. The frequency of products offered by these groups is as follows: home insurance (19%), life insurance (15%), car insurance (12%), insurance against illness (12%) and travel insurance (12%) (Figure 16).

Figure 15: Products and services offered by brokers

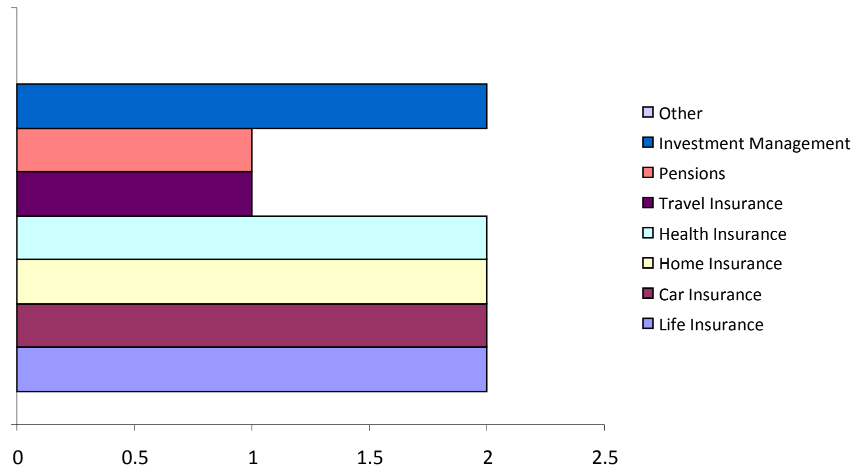
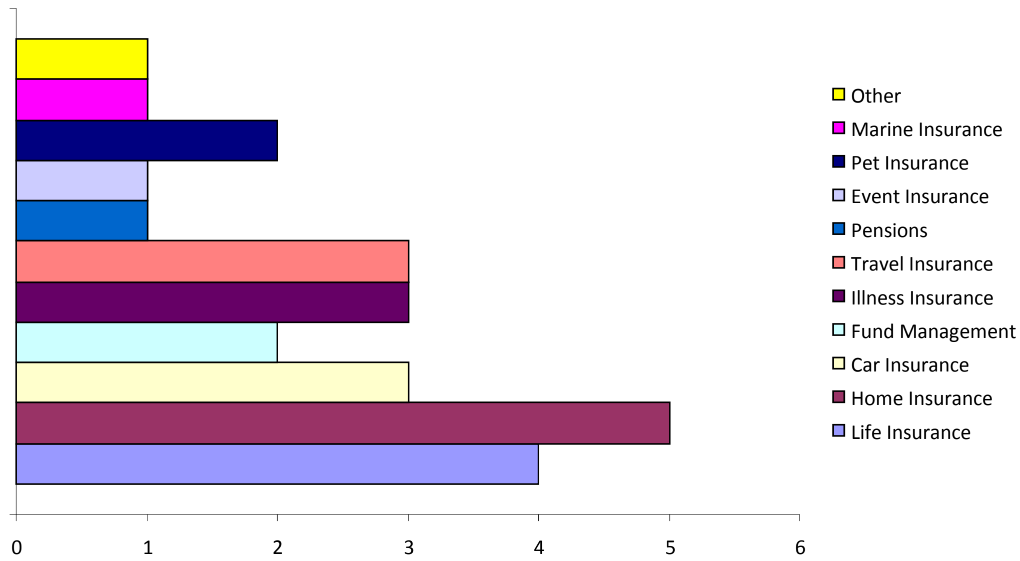


Figure 16: Products and services provided by retail firms



6. Understanding the Provision of Private Wealth Management in the U.K.

The research indicated that there were two distribution approaches that were used by many companies in the private wealth industry to service their clients, called *intermediation* and *disintermediation* (Boxes 1 and 2).

Box 1: Intermediation:	**Box 2: Disintermediation**:
A financial service provider sells its own products through its existing branch and distribution channels. For example, retail banks promote their own financial products and services through their own distribution channels to its existing client base through cross-selling and up-selling, especially as companies seek to maximise the 'share of wallet' of their consumer's financial needs.	A financial provider's product is sold by a third party firm, or is purchased over the internet. Disintermediation can also be seen as a model where consumers are bypassing financial advisors and brokers altogether, using the internet to purchase financial services and products, because they have become more financially literate.

This section of the report will use case studies from the 50 sampled firms to focus on how particular firms serve three important client markets:

- **MA+ intermediation:** shows how retail banks servicing MA+ clients make use of an intermediated financial model to cross-sell products to its clients;
- **HNWI-UHNWI hybrid:** illustrates how HNWI-UHNWI clients are served through a hybrid model of intermediation and disintermediation;
- **MA+ disintermediation:** explains how MA+ clients service their own financial needs through intermediaries and by organising the provision of financial services.

6.1 MA+ intermediation

The MA+ intermediated market focused on retail banks offering MA+ products and services to clients. Figure 17 illustrates the number of services offered to clients at: retail banks (serving MA+); private banks (serving HNWI-UNHWIs); and WMAs and WMs (servicing HNWI-UHNWIs). The range of products offered to MA+ clients by the retail banks totalled 11, while the WMAs and private banks offered approximately +50% more (22). The intermediated MA+ model is illustrated through the example of HSBC Plc (Box 3).

Box 3: HSBC Bank Plc (www.hsbc.com, 25/02/09)

HSBC offers to key MA+ and MA clients – the HSBC premier account and HSBC Plus account

HSBC Plus highlights preferential interest rates on loans, mortgages and savings, and offers free travel insurance and roadside breakdown assistance with discounts on accommodation and dining.

HSBC uses the current accounts to cross-sell and advertise associated products and services including, car insurance, home insurance, life insurance, savings accounts and personal loans.

Savings are limited to HSBC's investment bonds and guaranteed capital account. The investments available through the account are limited to HSBC products, and its HSBC World Selection range investing in bonds and equities.

A set range of products that do not overlap with the HSBC products are offered through JP Morgan, Invesco, Gartmore and Schroeder's.

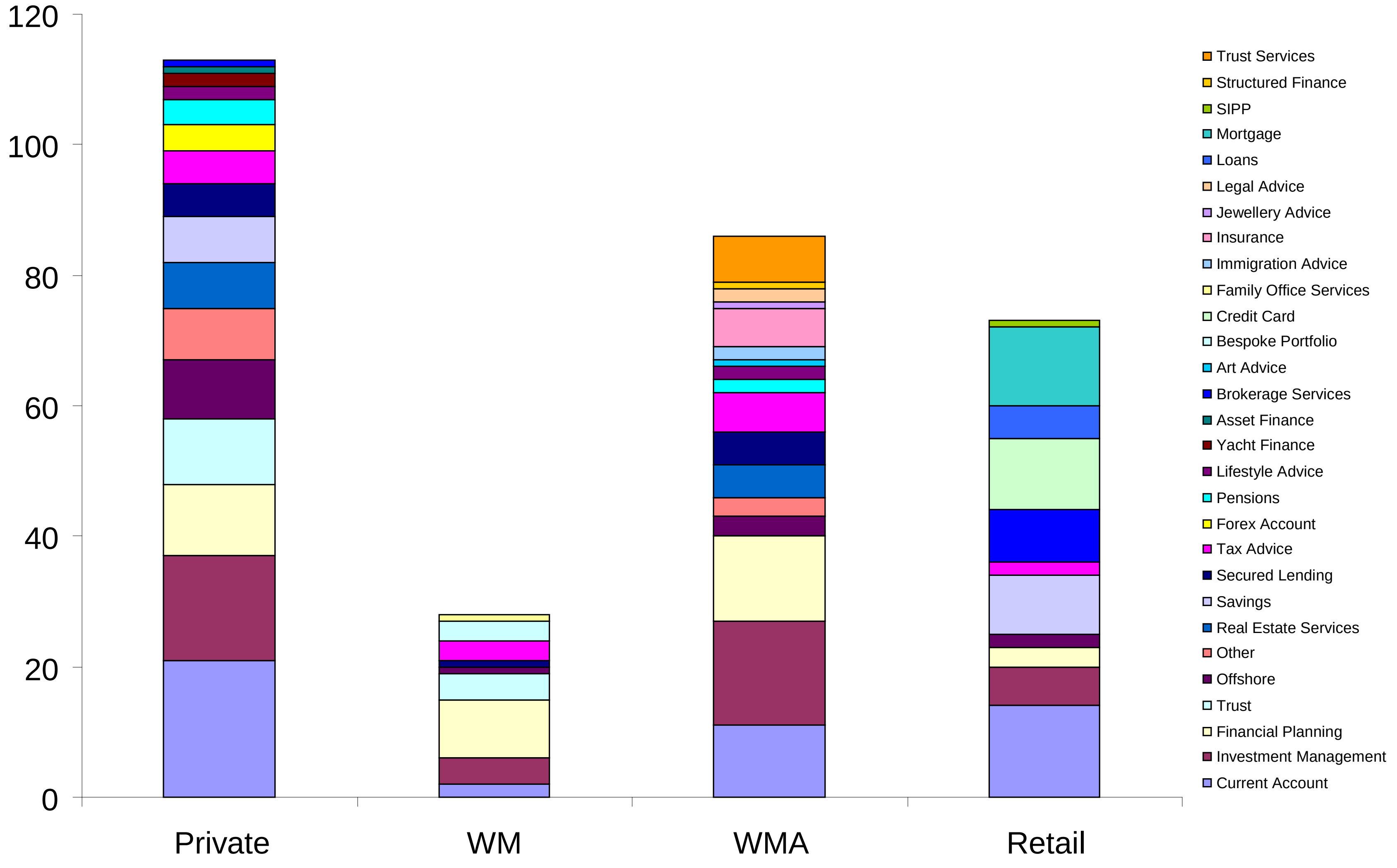
HSBC Premier is limited to clients with over £50,000, but offers additional advice to clients in helping clients move overseas and tax inheritance planning.

HSBC Premier customers may access 'independent financial advice' and the IFAs are employed by HSBC and use HSBC research to inform the decisions, which may highlights conflicts of interest.

6.2 HNWI-UHNWI hybrid

There are more products and services offered by private banks and WMAs (approximately +50%) attributed to the complex needs of the HNWI-UHNWIs who require strategic wealth management (Figure 17). These organisations tend to utilise a hybrid model using their own advice as an intermediated product and disintermediated wealth management services, as illustrated through the example of Coutts & Co. (Box 4). Coutts provides its own financial products from current accounts and expert advice to credit cards. Coutts does not offer insurance. The private banks use additional asset management firms to provide funds that complement their services that are necessary to produce a particular portfolio for clients. These firms do not provide insurance either. The private banks also enrol the outside help of other firms such as law and accountancy firms to aide them in tax compliance and wealth management.

Figure 17: Banking and investment management services consumed



Box 4: Coutts & Co (www.coutts.com/approach/private-office/index.asp, 09/03/09)

Coutts has been established for over 300 years, but is now owned by RBS providing services to HNWI-UHNWIs.

Coutts banking services include; current accounts credit cards, lending and mortgages, investment services, advisory and wealth protection services, financial planning, tax advice, trusts and pensions

Additional advice such as immigration and estate planning are also offered. Coutts provides trust establishment financial planning to ascertain if a regular income is required, or not.

Coutts' investment management uses parent group RBS's products, but stresses its use of a multi-manager approaches to investment management, using managers from different asset management companies combined with discretionary portfolios.

Coutts offers advisory investment advice for its clients that wish to use another asset manager.

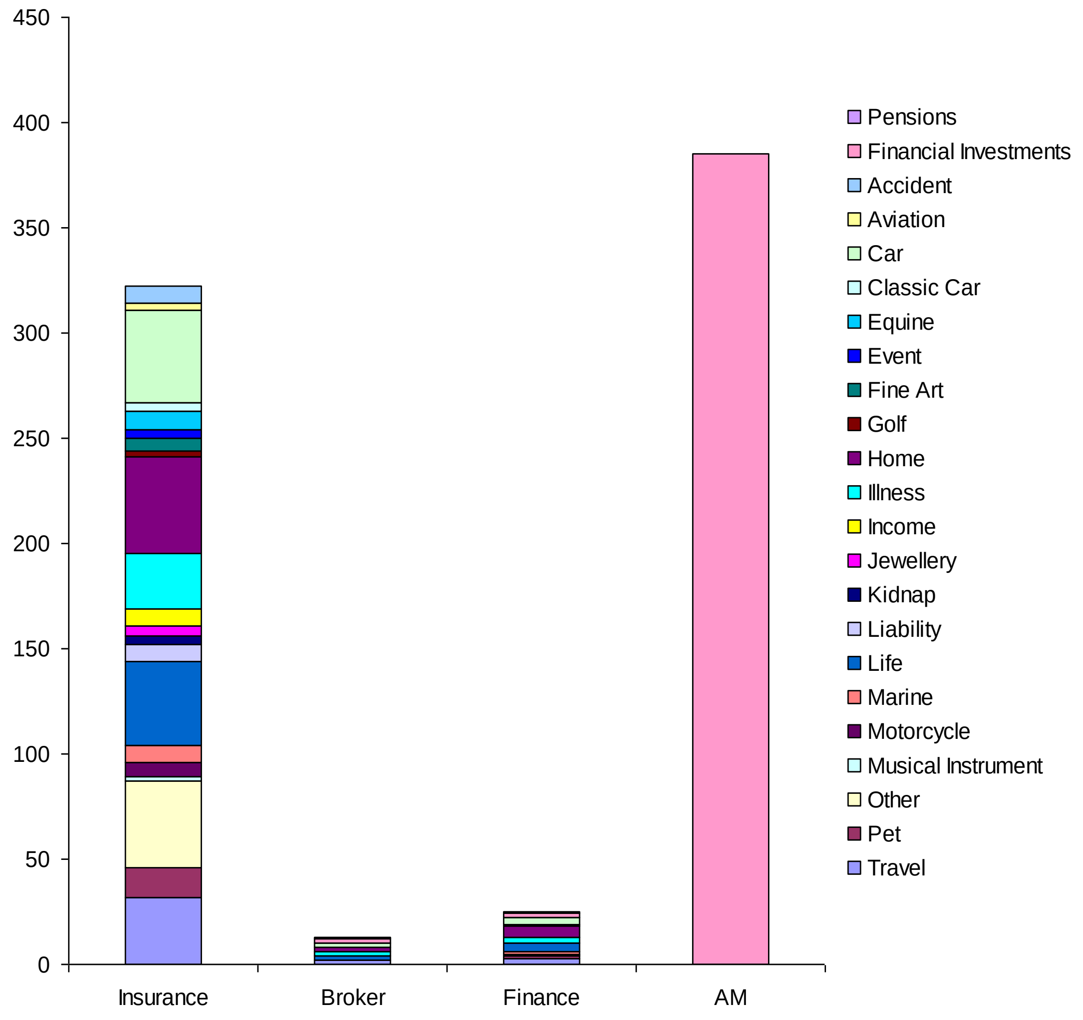
Coutts does not offer insurance.

Coutts helps clients to find additional specialists providing financial advice: "we have built up a significant amount of knowledge on other organisations that provide services that you may need to seek."

6.3 MA+ disintermediation

MA+ consumers are becoming more financially literate as they seek to protect themselves in the future by amassing private pensions, savings and stock portfolios (Harmes, 2001; Langley, 2006). Financial service providers increasingly offer products over the internet and by telephone, and consumers are also able to compare the available products on websites such as 'money supermarket' (Clemons and Hitt, 2000). These changes have aided disintermediation, as the financial affairs of the MA+ are less complicated than the HNWIs as they requires less accounting and legal help in planning their finances. Figure 18 illustrates the number of financial products available from the sampled firms, whose products can be purchased over the internet by MA+ consumers. The insurers offer a wide range of standardised insurance products, directly through their own distribution channels (box 5), while brokers offer, insurance pensions and investment packages. Retailers also offer insurance and savings products over the internet and through their branch networks, while asset management funds can be purchased and wrapped in ISAs over the internet, or through IFAs.

Figure 18: Disintermediated products and services



Box 5: AIG (www.aig.com/life-insurance_318_90812.html, 25/02/09) AIG specialises in insurance products consumed by MA+ clients. AIG offers a range of specialist life insurance products including; cancer cover for women and guaranteed life cover for the over 50s, and accident insurance for both children and adults. AIG also offers more conventional products including; home and car insurance, travel insurance for single travel, annual travel, ski, golf and business travel.

The disintermediated service providers focus on the particular markets of insurance or investment, selling their products online, by telephone or post and MA+ consumers may now purchase them directly from these firms as opposed to through their banks. AIG provides a wide range of specialist insurance products available online, unlike the retail banks and the private banks made available by brokers or directly to consumers, so can be considered to be a disintermediated financial services provider.

Asset management may previously have been seen as a preserve for the wealthy investing in shares and bonds, but the introduction of ISAs and access to information on the internet has made it easier for consumers to access professionally managed funds, offering these clients diversity beyond retail savings, for those willing to accept higher-levels of risk. This has been made easier as access to fund prospectuses have become available over the internet through asset managers such as Credit Suisse (Box 6).

Box 6: Credit Suisse (www.credit-suisse.com/uk/en/, 09/03/09)

Credit Suisse is a global financial services company which offers financial services to corporate investors, and charities, but also to ‘retail investors’.

Retail investors can access unit trusts, OEICs, and multi-manager funds through ISAs.

These products provide clients with exposures to; equities, corporate bonds, small capitalised funds and ethical funds, across different geographical regions.

The funds can be used to provide capital growth or to provide income with different levels of risk.

Applications can be made by post or telephone, investment from £1,000.

Box 7: Cavendish online (www.cavendish.co.uk, 19/02/10)

Cavendish Online is an execution only financial services broker based in Cardiff and provides customers with life assurance, annuities, pensions and investments for different financial service providers.

Cavendish charges its clients a fixed fee, instead of taking a commission on a non-advisory, execution only basis, charging a one-off fee of £35 for online applications.

Any commission received from the investment plan or insurance policy is reinvested for the client. Costs of this service are low because communication with the broker is conducted by post and email.

Credit Suisse's products are part of a disintermediated model, used by MA+ clients who choose to invest their money through asset managers, without using brokers, or under advice from an IFA. An alternative to clients investing with their bank, or directly with asset managers, is through a disintermediated model using brokerages such as Cavendish Online that allow clients to gain access to financial products such as annuities or pensions and discounted rates (Box 7). Consumer finance products have also become available through third parties such as high street retailers including Marks & Spencer (Box 8).

Box 8: Marks & Spencer (http://money.marksandspencer.com, 19/02/10)

Marks & Spencer Financial Services, now Marks &Spencer Money was founded in 1985 to administer the M&S Charge card.

Marks & Spencer sold M&S Money to HSBC,in exchange for a 50:50 profit sharing agreement.

M&S Money offers a charge card for use in its store and a credit card, with an affinity scheme and offers personal loans and car loans.

Money provides a range of insurance products including; life, home, car, travel, pet and wedding insurance to its customers.

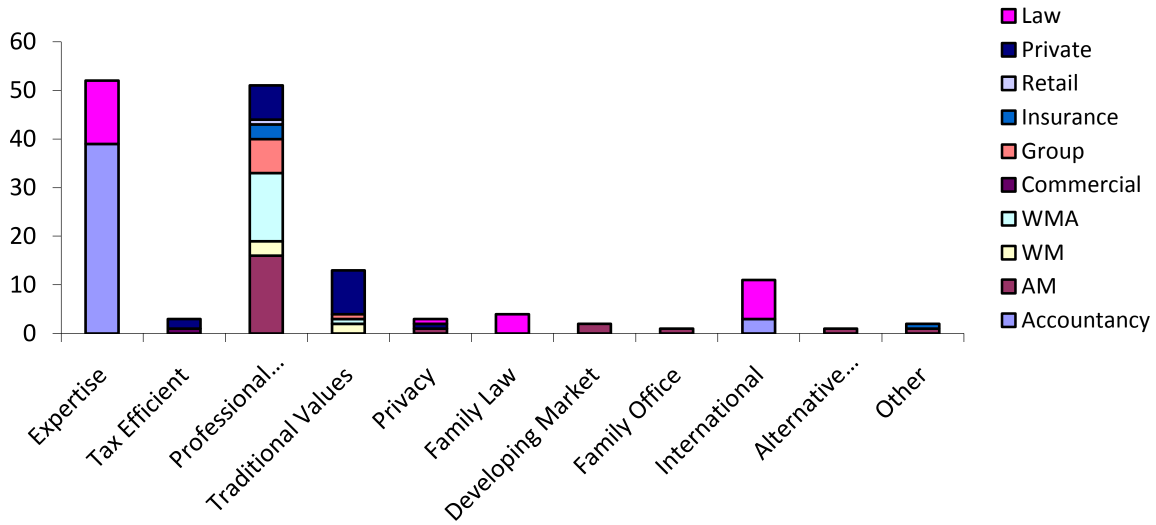
M&S Money offers fixed savings products, cash ISAs, and a stocks and share ISAs. In addition to these products M&S Money offers a range of 5 unit trusts managed through HSBC Global Asset Management, which outsources the management of these funds to other asset managers.

With the exception of providing share dealing, mortgages and a current account M&S Money provides similar product ranges to the MA+ client group, who may chose not to use their bank's products but those of M&S. Supermarkets and retailers now frequently offer financial services to consumers, consumers which they may visit more regularly than their own bank, offering opportunities for cross-selling (Leyshon and Pollard, 2000).

6.4 Market differentiation within the HNWI market

With the emergence of 'new money', the growth in HNWI clients raises different questions about their financial requirements. The database showed that 9% of the wealth management companies provided services and products to clients that were classified as seeking 'traditional values' (potentially 'old money' clients) deriving their wealth from inheritance (Figure 19). It was notable that nine private banks were identified as offering traditional value services, compared to one WMA, whereas 14 out of the 15 WMAs sought to offer professional management as a key competence. This data infers that private banks are more likely to offer their services to old money clients, by leveraging their historic brands, than the newer WMAs who appear to rely on offering professional management services.

Figure 19: USPs servicing old and new money HNWI-U-HNWI

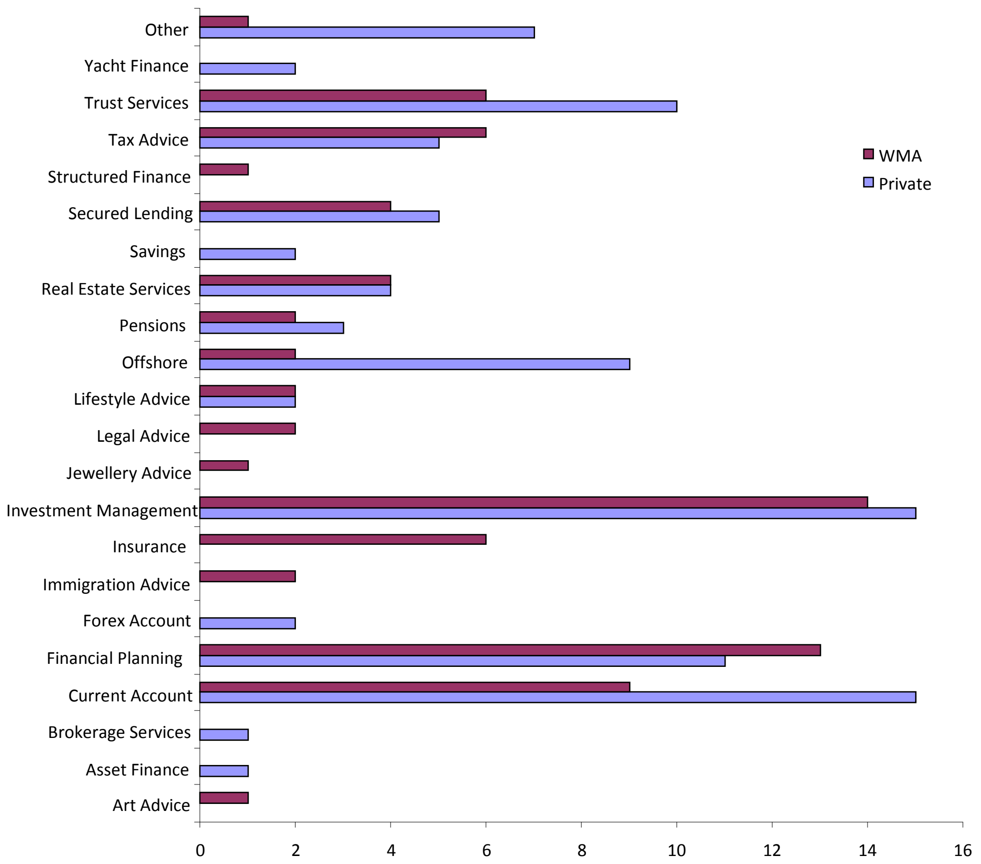


Accountancy and legal firms focus their USP on expertise, implying that amongst the HNWI, both old and new money clients utilise these services for professional and legal advice to help manage their wealth. Figure 20 shows a comparison of the different services offered by WMAs and private banks. Private banks and WMAs both offer lifestyle advice, whereas WMAs offer explicit advice on purchasing art and jewellery as well as providing legal advice and immigration advice. This may be useful to new money individuals wishing to invest in non-monetary assets, and require advice. There is however little strong numerical data to suggest that here is a large split between the services and products of WMAs and private banks who and provide financial planning and investment management to protect and grow the wealth of these clients.

6.5 Divisions between wealth managers?

Weatherbys bank's website and values target old money clients, through its products and attitude towards banking, highlighted through its small size, a key attribute that enables it to offer a highly personalised service (Box 9). However, Coutts is an interesting example, because although it has a heritage to draw upon, unlike other private banks and WMAs, it has stratified its clientele into specific groups, based on their particular needs and source of the wealth (Box 4). Coutts has a reflexive outlook on its shifting client base proving services to its 'inherited wealth' clients, but also new client groups that have emerged over time. Both Weatherbys and Coutts are both different to JP Morgan which has an office in the UK and appears to have developed its target market from a US perspective, focussing on the wealth of entrepreneurs (Box 10).

Figure 20: Differences in services supplied by WMAs and private banks



Box 9: Weatherbys Bank (www.weatherbys.co.uk/, 27/02/09)

Weatherbys Bank, with one office, is 'a modern bank, refreshingly traditional', drawing on its rich history, operating for over 200 years after initially supporting the horse racing industry since 1770.

Weatherbys focuses on its personal, bespoke service, tailored to each client's needs.

Weatherbys highlights its bespoke, private banking products and that clients receive the full attention of a private banker to meet with on a regular basis.

Weatherbys week to 'keep the wealth' of their clients, not to 'make them wealthy' implying that they seek to maintain family wealth, of old money clients.

This is illustrated by their specialist equestrian insurance, in keeping with old money and landed wealth they offer insurance for farms and estates, and stables.

The US WMAs are different to UK banks, which sell their parent company's products, providing clients with the ability to experience a 'liquidity event' and to 'join' the wealthy. As WMAs are recent, branding is seen to be critical to their success, explaining why the newer WMAs focus on their global coverage and banking expertise, while UK private banks focus on their heritage. WMAs have developed to take advantage of the profits to be made from the assets of HNWIs whose investments are large, institutional investors.

Box 10: J.P. Morgan (www.jpmorgan.com/pages/jpmorgan/am/uk, 27/02/09)

JP Morgan describes its business outlook as: "the overriding objective of our investment practice is to help you achieve success".

JP Morgan focuses more on constructing the correct asset allocation and portfolio construction and risk management – far more technical than the private banks, perhaps to illustrate their expertise or maybe because it sees its clients as institutional investors.

JP claims to be an advisor to 40 per cent of the individuals on the Forbes Billionaire List and the Forbes 400 wealthiest Americans.

JP Morgan appears to be focussed on 'new money': "Many parents recognise the importance of building a sustainable legacy…to create lasting wealth for their family".

JP Morgan seeks to provide training on governance so parents can teach their children how to understand wealth and their position as heirs through education, implying that the parents are the first wealthy generation of a family.

JP Morgan goes beyond managing the wealth of HNWIs – its services create them: "If you hold a significant equity stake in your company, an IPO, merger or corporate sale can unlock substantial personal wealth… We can help you prepare for a sale by valuing your interest in the business, weighing the pros and cons of various kinds of liquidity events,"

JP's products appear to be targeted at new money including; business owners, corporate executives, and entrepreneurs consistent with the wealth management of new money.

Despite being a global wealth manager, JP Morgan's UK coverage is limited with only 1 office on the UK mainland – which suggests it caters mainly to HNWIs + living in London.

They are more focussed on selling their own products around the existing corporate architecture, such as Citibank's wealth management arms. There is evidence to suggest that old money and new money clients are served by different types of organisations and that - like Coutts- there is scope for the wealth management industry to acknowledge and tailor their products and services to particular types of HNWI-UHNI clients.

6.6. Problematising the 'MA+ client group' to identify new consumer groups and their needs

Compared to the other client groups, 'membership' of the MA+ group is the easiest to obtain, as less assets are required. The information gleaned from the core database and the corporate website reveals that there are a series of particular niche markets within this group, where diversity is not based on the complexity of a client's wealth, but on the diversity of the different clients' lives. This section of the report delineates 15 potential sub-groupings of the MA+ category. Figure 21 illustrates the number of companies that supply services to MA+ clients, where they are classified by their unique selling points (USP).

6.6.1 Professional management: These providers accounted for 50% of the products and services offered to MA+ clients, especially large insurance firms such as Aviva and retail banks like HSBC, supplying standardised insurance products for home, car and travel. Asset managers such as JP Morgan, Credit Suisse and Newton Investment management supply unit trusts, ISAs and OEIC products, and retail banks and banking groups provide current accounts, savings and credit cards. Professionally managed MA+ wealth management providers can be further segmented. While private banks have previously been seen as a preserve of the HNWI-UHNWIs, private banks such as Wesleyan Savings Bank and Whiteaway Laidlaw (Box 11) have become established to serve the needs of MA+ consumers with banking services, for clients disenfranchised with high-street retail banks or, or preferring more personalised service.

Box 11: Whiteaway Laidlaw (www.wlbank.co.uk/aboutus.asp, 27/02/09)

Whiteaway Laidlaw is a small bank in Manchester - part of the Manchester Building Society Group - and began trading in 1971.

The bank debunks the services provided by other banks as being impersonal and stresses the high-level of 'personal banking' provided by its office and low charges.

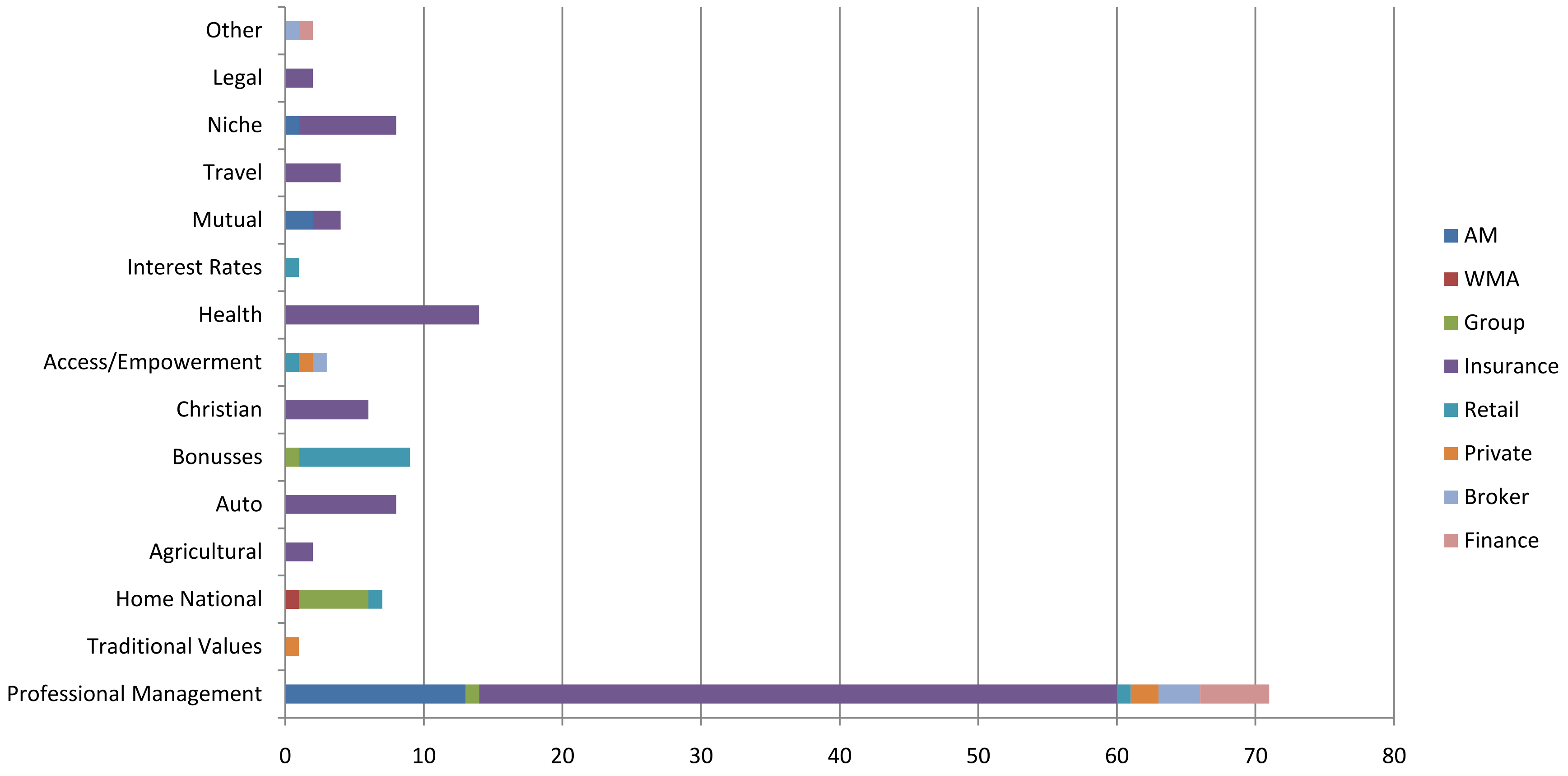
Client comments include: 'I have been with Whiteaway Laidlaw bank for some 14 years…this is how banking used to be and this is banking as it should be.'

Whiteaway Laidlaw supplies clients with current accounts, savings accounts, loans and Forex services.

Whiteaway does not supply mortgages, credit cards, insurance, wealth management or planning.

Whiteaway does offer business current accounts, savings and credit cards.

Figure 21: The USPs of MA+ wealth management products



6.6.2 Health: Specialist insurers focus on life assurance, insurance and illness cover, and accounted for 10% of the providers offering MA+ products (e.g. Simply Health and Stonebridge international insurance provide niche market products combined with extensive ranges of products).

6.6.3 Bonuses: Companies that offered bonuses accounted for 6% of the MA+ services providers. These usually include, free travel insurance, breakdown assistance, preferential interest rates on savings and credit cards, and relationship managers, for example through HSBC and RBS.

6.6.4 Auto: Insurers providing cover for cars and motorbikes accounted for 6%, being the most competitive service providers for the MA clients. MA consumers are not specifically offered insurance for 'MA cars' and if they do not have an MA 'premier' bank account they may chose to use a specific car insurer, especially if their products are more competitive.

6.6.5 Home national: Some banks, WMAs and retail banks, have UK subsidiaries that serve expatriate clients, or clients affiliated with this MA+ community. There is a group of MA clients with international connections served by the UK subsidiaries of foreign banks. These companies accounted for 5% of the companies offering services to the MA client group. For example, Alpha bank, based in Greece, provides a suite of consumer products aimed at Greek clients in the UK, as well as the Arab National Bank (Box 12).

Box 12: Europe Arab Bank (www.eabplc.com/english/private_banking/, 27/02/09)

EAB is headquartered in London and markets itself as having a 'strong and sound financial and credit position'.

The bank seeks to help its international clients: 'Wherever in Europe, the Middle East and North Africa our clients are located…Europe Arab Bank is available to help.'

The bank provides current accounts, credit cards, deposit accounts and international money transfer services and specialist foreign exchange services.

EAB has established 'Murabha' products trading in goods not prohibited by the Qur'an to provide returns on client savings, without the charging of interest.

6.6.6 Mutual: Two insurers and two asset managers had the USP of having a mutual status accounting for 3% of the service providers. For example, the Royal Liver Asset Managers, due to their historical roots, have a mutual status that they believe means they put their clients first, as such profit boosts the pay out of lump sum investment products and life insurance policies.

6.6.7 Christian: Christian service providers accounted for 4% of all MA providers. These companies all offered insurance to churches and donated profits to charity (e.g. Ecclesiastical Insurance).

6.6.8 Travel: Insurers offering insurance products covering travel accounted for 3% of firms serving the MA.

6.6.9 Access and empowerment: Three companies identifying themselves as private bank, broker and retail bank provided brokerage services enabling their MA clients to invest their own money in stock markets and financial products. This USP accounted for 2% of the firms active in serving MA clients.

6.6.10 Legal*:* Two insurance companies, Elite Insurance and Financial & Legal Insurance, provided insurance against legal costs for MA+ clients, accounting for 1% of the firms offering MA products.

6.6.11 Agricultural: Two insurers provided insurance solely to MA+ clients with agricultural interests and accounted for 1% of the firms in the market. The NFU and Cornish Mutual provide insurance for farmers on property, vehicles, machinery, livestock, produce and loss of earnings (Box 13). The NFU also provides a series of bonds, cash and stock ISAs, savings and its own OEIC fund.

Box 13: Cornish Mutual (www.cornishmutual.co.uk/index.php/about-us, 25/02/09)

Cornish Mutual is an insurer based in Truro which specialises in providing insurance to farmers based in the South West.

The proximity of Cornish to their clients enables them to provide: 'a friendly face to face service, as well as in-depth knowledge of the local area and conditions.'

Cornish Mutual supplies specialist insurance products that cover livestock, horses, farms, farm workers accident insurance, guesthouses and special events insurance.

Cornish also offer 'traditional' insurance cover for vehicles and home insurance.

6.6.13 Traditional: One private bank, R Raphael & Son, served MA+ consumers, accounted for 1% of the firms offer banking services to clients, desiring tradition personal banking.

6.6.14 Interest rates: One privately owned commercial bank, Ruffler bank, accounted for 1%, offers attractive interest rates, through deposit accounts, similar to private banks, as an alternative to low interest rates offered by high street banks

7. Implications

Six significant implications can be inferred from this project which reflect both the projection of the market for HNWIs and the mass affluent, and the dynamics of the UK's private wealth management industry:

7.1 The U.K.'s stock of HNW and MA individuals will continue to be squeezed by dampened asset prices, stock market performance, company results and public and private remuneration, in a context of stringent fiscal responsibility, cuts in public expenditure and possible increases in 'white collar' unemployment. The introduction of the new 50% tax rate, coupled with a proposed 'non-dom' tax and the uncertainties over the regulation of bonus compensation in banking, will certainly contribute to the further contraction of the HNW and MA markets as the value of investable assets fall in relative terms, and as some HNWIs leave for other jurisdictions.

7.2 The U.K.'s wealth management industry is an extremely dynamic and competitive retail financial ecology. London remains the pre-eminent financial centre for the management of such wealth through a constellation of global players in private banking, asset management, brokerage, insurance and investment and global banking capacity, and expert labour. But policy-makers and stakeholders must be diligent in their regulatory frameworks as the 'City' remains in fierce competition with 'offshore' jurisdictions and established centres like New York and Singapore.

7.3 Future potential growth in the UK market for the management of HNWIs and the mass affluent are both on the national and global scale. At the U.K. regional scale, whilst London and the south-east of England dominate absolute share in this population, significant growth is recorded in regions of the UK like Northern Ireland, Wales, Scotland and the north-east of England. On a global scale, London continues to attract a HNWI population from around the world, and the industry manages significant global portfolios with its critical mass of experts and professionals.

7.4 In the MA+ category, there is significant evidence to suggest that financially literate consumers are, and will in the future, continue to choose to select their own disintermediated products, through the medium of internet and other 'on-line' platforms, this obviously opens the door for financial products to be sourced from foreign wealth management providers outside of the jurisdiction of the UK.

7.5 The preference amongst the MA+ category to utilise disintermediated forms of service delivery means that it is important for financial services firms to consider how they facilitate access to their services by clients and maintain and foster trust based relationships with them as traditional, face-to-face meetings at financial services firm offices become less popular. Developments here could include the use of seminars as currently used predominately by US WMAs specialising in particular tax or legal issues.

7.6 The highly segmented nature of the wealth management sector (both by investable assets and services offered) means that financial service firms need to be clear which parts of the market they are aiming new and existing services at and tailor such services and products accordingly. This is likely to become increasingly important as more firms enter the market and the morphology of the market itself changes markedly in size and global reach as a result of the global financial crisis.

8. Summary of Findings and Conclusions

In light of the project's *raison d'être* as a scoping study of the private wealth management of high net worth market in the U.K.'s financial services industry, the report makes three significant findings: refining the differentiated market of HNW and the mass affluent (Objective 1); exploring the HNW and mass affluent market size and growth, and nature of customer product range in the UK (Objective 2); and, explaining how different UK financial service providers service the requirements of the HNW and mass affluent markets (Objective 3).

7.1 Defining the differentiated market of HNW and the mass affluent

Three common denominators categorise the definitions of private wealth. First, wealth is defined by investable assets and not necessarily by income or earnings, and the industry uses US$ as the benchmark. Second, from the review of pertaining classifications of private wealth that in the UK context, exceeding the ceiling of £1 million distinguishes the HNWI from the rest of society, and mass affluent (>£50,000), but there is debate as to what level of assets should be benchmarked with the scalars of 'ultra' or 'very high' NWI. Third, beyond defining the existence of the mass affluent as fitting into the range of > £1 million to £50,000, that this exceptionally long tail of individuals and households are probably impossible to precisely quantify on a national scale because of the rapid fluctuations in asset prices, all income and wage levels, which receives little technical analysis in the private wealth management industry in relation to the HMWI market.

7.2 Exploring the HNW and mass affluent market and nature of customer product range in the UK.

7.2.1. The HNW Market. In 2009, the UK population of sterling HNWI's stood at 106,110, a -16% reduction from 2007, and in EUROs, the UK HNWI stock reached 198,000, accounting for almost a quarter of all European HNWIs (Datamonitor, 2009). The credit crunch has squeezed the HNWI populations, due primarily to declines in the value of property portfolios, reductions in share prices, the devaluation of other market investments, and a reduction in remuneration and bonus packages. The highest proportions of HNWIs live in London and the south-East of England (70%, 74,580), but the highest growth rates are in Northern Ireland (+70%), the north-east of England (+45%) and Scotland (40%). In 2008, Forbes (2009) noted that there were 51 billionaires and 668,000 millionaires in the UK, with London being the second most desirable location after New York City

7.2.2 The Mass Affluent. The MA population in the UK was estimated to be 5.1 million in 2009, which has declined by -17% (-1.03m) since 2007 (Datamonitor, 2009). The MA market is concentrated in London and the south-east, accounting for 35% of the UK population (1.8m), but substantial growth rates have been experienced in Scotland (+11%), Northern Ireland (+10%) and the north-east of England (+5%) between 2004 and 2009. The H M Revenue & Customs (2009) indicated that in the fiscal year 2006/07, 2.23 million UK citizens earned over £50,000 (from employment earnings, pension income and investment income), which had increased by +52% since 2003/04 (+0.77million), with the highest concentrations being in London and the south-east of England (42%), but the greatest growth rates being in the North East of England (+76%), Northern Ireland (+68%), Scotland (67%) and Wales (+61%) between 2003/04 and 2006/07.

7.2.3. The growth and nature of the Private Wealth Management market. The term 'wealth management' has only really been a feature of the UK's financial services industry from the late 1980s, which grew in response to the rapid growth of the HNW and mass affluent markets, and neoliberal agendas of the US and UK regulatory authorities in banking and financial services (both in a context of a long, sustainable boom since the mid-1980s). The new private wealth management industry developed to service a high volume HNW and mass affluent customer base, with a range of differentiated financial products, including: asset protection; tax planning; estate and financial planning; investments; trusts; insurance; pension provision; investment banking; credit and current accounts; long term care planning; and inter-generation planning (Maude, 2006; Mayer and Levy, 2004). The UK's private wealth industry is populated by a constellation of banking, financial and professional services all competing for the business of both HNWIs and the mass affluent, including: private and US Trust banks; retail banks; specialist wealth management subsidiaries/arms of investment banks; asset management firms; accounting, legal and insurance services; independent financial advisors; and internet providers (whether in banking or insurance). An important element of the UK's private wealth management for the mass affluent is the advent of 'High Street' retail banking 'premium' or 'premier' current accounts for individuals with earnings typically exceeding £50,000.

7.3 How different UK financial service providers service the UK's HNW and mass affluent markets

From our two surveys, of 400+ financial services and 50 companies in depth, who offer private wealth management products, several important findings stood out:

7.3.1 The main players involved in the private wealth management industry are: private banks; trust banks (US owned private banks); retail banks (who specifically target the MA group); family offices who target the V and UHNWI); independent financial advisors and specialist brokers; asset managers; investment banks (who target V and UHNWIs); insurance; and professional services (accounting and legal services).

7.3.2 36% specifically targeted the MA group, followed by the HNWI-UHNWI group (35%).

7.3.3 Accounting firms predominately targeted the HNWI-UHNWI category, with the most advertised products focused on tax advice (20%) and financial planning (15%).

7.3.4 Legal firms predominantly targeted the HNWI-UHNWI category, with the most advertised products focused on the establishment of trusts (20%).

7.3.5 Asset managers predominantly targeted the MA-UHNWI category (71%), with the most advertised products focused on equity fund management.

7.3.6 Banking groups predominately target the HNWI-UHNWI category (56%), with important advertised services being financial planning and investment management.

7.3.7 Insurance predominately target the MA (78%), with a range of protection services (home, car, illness, life and travel insurance).

7.3.8 Private banks predominately target the HNWI-UHNWI category (83%), with the most frequent offered services being current accounts and investment management.

7.3.9 Retail banks predominately target the MA+ category (78%), with the most frequently offered products being current accounts, mortgages and credit cards (18% each).

7.3.10 Internet based firms predominately target the MA+ category, with the most frequently offered service being car and life insurance (19% and 15% respectively)

7.3.11 The UK wealth management sector can be broadly separated into intermediated and disintermediated financial networks, with some hybrid providers. Intermediated providers seek to provide their own products to clients through cross-selling (e.g. retail banks), whilst disintermediated providers provide advice and select third party products for their clients (e.g. private banks).

7.3.12 There has been a rise of meritocratic wealth in the UK through the advent of 'investividuals' through 'liquidity events', although old money clients remain a significant group of HNWIs seeking wealth management services. Private banks tend to leverage their historic brands to attract 'old' money clients, whilst wealth management arms focus on 'professional management' values, and provide lifestyle advice to 'new' money clients seeking to invest in cultural, non-monetary assets, such as jewellery and fine art.

7.3.13 Niche markets have emerged that satisfy their clients' specific needs or provide products that support their lifestyle. These include, religious banking products, providers with links to particular states or ethnic groups, and particular professions, such as teaching or farming. These wealth management providers cater to the diverse needs of these individuals, based on consumer lifestyles, job type, inherited wealth, beliefs and the current stage of their lifecycles.

9. Bibliography

Bergesen, A. and Bata, M. (2002) Global and national inequality. Are they connected? *Journal of World Systems Research* 8: 130-144.

Beaverstock, J. V., Hubbard, P. J. and Short, J. R. (2004) Getting away with it? Exposing the geographies of the super-rich. *Geoforum* 35: 401-407.

Bicker, L. (1996) *Private Banking in Europe.* Routledge, London.

Centre for Economics and Business Research (2009) *Number of millionaires in the UK falls from 489,000 in 2007 to 242,000 now.* Press release. 27th May 2009.

Clemons, E. and Hitt, L. (2000) *The Internet and the Future of Financial Services.* Wharton Financial Institutions Center, Wharton.

Datamonitor (2009) *UK and Western Europe Regional Wealth Model* (available from Datamonitor, Farringdon, London)

The Boston Consulting Group (various) *Global Wealth* (available from www.bcg.com).

Forbes (2009) *The World's Billionnaires 2009* (available from www.forbes.com).

Harmes, A. (2001) Mass investment culture. *New Left Review* 9:103-124.

Haseler, S. (1999) *The Super-Rich. The Unjust New World of Global Capitalism*. St. Martin's Press, London.

HMRC (various) *Survey of Personal Incomes.* (available from www.hmrc.gov.uk/stats/income_distribution/menu.htm)

International Financial Services London (2007 and 2009) *International Private Wealth Management*. November (www.ifsl.org.uk)

Irvin, G. (2008) *The Super Rich. The Rise of Inequality in Britain and the United States.* Polity Press, London.

Langley, P. (2006) 'The making of investor subjects in Anglo-American pensions' *Environment & Planning D: Society and Space*.24: 919-934.

Leyshon, A. and Pollard, J. (2000) Geographies of industrial convergence: the case of retail banking. *Transactions, Institute of British Geographers* 25:205-220.

Lundberg, F. (1988) *The Rich and the Super-Rich.* Citidel Press, New York.

Maude, D. (2006) *Global Private Banking and Wealth Management. The New Realities*. Wiley, Chichester and New York

Maude, D. and Molyneux, P. (1996) *Private Banking.*Euromoney Books, London.

Mayer, R.H. and Levy, D. R. (2004) *Financial Planning for High Net Worth Individuals.* Beard Books, Washington DC.

Merrill Lynch/Capgemini (2002 to 2009) *World Wealth Reports* (available from www.ml.com).

PricewaterhouseCoopers (2009) *Global Private Banking/Wealth Management Survey*. (available from www.pwc.com

Smith, R.C. (2001) *The Wealth Creators.: The Rise of Today's Rich and Super-Rich*. Truman Books, New York.

Thorndike, J. (1980) *The Very Rich. A History of Wealth.* Crown Books, New York.

The Sunday Times (2002 to 2009) *The Sunday Times Rich List*. Annual Survey, April.

Wolff, E. N. (1996) *Top Heavy? A Study of Increasing Inequality of Wealth in America.* New Press Books, New York.

Z/Yen (2009) *The Global Financial Centres Index 6.*September (available from http://www.cityoflondon.gov.uk/Corporation)