

Stanhope crusades to restore faith in advice

STANHOPE Capital, the asset manager whose clients range from wealthy families to the Institute of Cancer Research pension fund, will this week start to canvass like-minded investment firms for a project dubbed the New City Initiative, which aims to become the voice of independence in the Square Mile.

Stanhope chairman Daniel Pinto believes that commission-driven sales tactics have undermined the public's faith in financial advice.

He said: 'There needs to be a new kind of business ethic because of the loss of confidence in traditional banks.'

Pinto expects up to 30 firms with about £100 billion under management to become

By **LISA BUCKINGHAM**

founder members of the New City Initiative and he predicts that a similar number will join soon afterwards.

He is looking to attract companies that operate to high ethical standards and which share his conviction that London's financial reputation needs protecting from the taint of hard-sell bonus-driven behaviour.

Members must be totally independent and be willing to promise transparency of charges and to have an alignment between principals and clients.

Stanhope Capital, like a growing number of other finance firms, is the product of

executives who have broken away from the big banks, disillusioned with the quality of service offered.

Managing partner Julien Sevaux says too often the big banks claim to be offering 'free' investment advice when hidden charges are far more costly than a flat fee.

Stanhope, for example, charges one per cent a year.

Though it caters for the very rich, Stanhope expects asset managers with a more mainstream retail business to become part of the New City Initiative.

Pinto says it will act as an informal quality 'kitemark' for members.

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