

Coutts & Co. /ˈkuːts/ is a London-headquartered private bank and wealth manager. Founded in 1692, it is the eighth oldest bank in the world. Today, Coutts forms part of NatWest Group's wealth management division.^[3] In the Channel Islands and the Isle of Man, Coutts Crown Dependencies operates as a trading name of The Royal Bank of Scotland International Limited.^[4] In 2021, Coutts achieved B-Corp Status becoming only the 3rd UK bank to achieve the certification.^[5]

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History

The bank which was to become Coutts & Co, was originally a goldsmith-banker's shop. It was formed in 1692 by a young Scots goldsmith-banker, John Campbell of Lundie, Scotland. He set up business in the Strand, London, under a sign of the Three Crowns, as was customary in the days before street numbers.^[6] Today, the Coutts logo still has the three crowns, and its headquarters is still on the Strand.

Coutts & Co.

<div>Coutts</div>	
Type	Subsidiary; Private unlimited company
Industry	Private banking and wealth management
Founded	1692
Headquarters	440 Strand London, WC2 United Kingdom
Key people	Lord Waldegrave of North Hill, Chairman Peter Flavel, CEO ^[1]
Products	Wealth management – accounts, investments, lending, deposits
Revenue	▲ £ 690 million (2019) ^[2]
Net income	▲ £ 220 million (2019) ^[2]
Total assets	▲ £ 34.05 billion (2020) ^[2]
Total equity	▲ £ 1.375 billion (2020) ^[2]
Number of employees	1,560 (2018) ^[2]
Parent	NatWest Holdings
Website	coutts.com (http://coutts.com)

Campbell died in 1712, leaving the business to members of his family. The dominant force was Campbell's son in law, George Middleton, who had become Campbell's partner in 1708. During Middleton's stewardship, the bank was buffeted by one crisis after another. The Jacobite rising of 1715 threatened the stability of the banking system; and John Law, the Comptroller of France's finances, owed a great deal of money to the bank when the Mississippi Company bubble burst in 1720 and the English stock market collapsed in the same year. Stability for the bank did not return until 1735. John's son, George Campbell was also a partner, and ultimately became the sole partner after the death of Middleton in 1747, after which the bank was renamed the "Bankers of 59 Strand".

In 1755, John Campbell's granddaughter, Mary (known as "Polly"), married a merchant and banker, James Coutts. Polly was George Campbell's niece and George immediately made James a partner. The bank became known as **Campbell & Coutts**, with James running the business and becoming sole partner following Polly's and George's deaths in 1760. George bequeathed most of his fortune, and the bank, to James.

Thomas Coutts

In 1761 James took his brother Thomas Coutts into the business, which was now named **James and Thomas Coutts**.

James and Thomas did not always get on and eventually James drifted into politics, leaving the running of the bank to Thomas. James retired from the bank in 1775 due to ill health. The bank in the Strand became known as **Thomas Coutts & Co.**

The bank flourished under the lead of Thomas, who took in three partners: Sir Edmund Antrobus (1st Baronet), Edward Marjoribanks and Coutts Trotter. In the final decade of the 18th century, the premises at 59 Strand were significantly extended, and profits rose from £9,700 in 1775 to £72,000 in 1821. Edmund Antrobus, who started at Coutts as a lowly clerk, was taken into partnership in 1777. By the time he died in 1826 he had been made a baronet, and he left a fortune estimated at £700,000 with newly-acquired estates at Amesbury (Wilts) and Rutherford (Roxburghshire).

Thomas Coutts married twice. His first wife, a servant named Susannah Starkie, gave him three daughters nicknamed "The Three Graces" who eventually married leading figures in British society: the Earl of Guilford, the Marquess of Bute and Sir Francis Burdett. Thomas also had four sons who died in infancy. When Susannah died, he remarried just four days after the funeral. Thomas Coutts was 80 years old, and his new wife, Harriot Mellon, was 40 years younger and an actress, which stirred considerable comment. On Thomas' death in 1822 the bank was renamed "Coutts & Co."



A Coutts office as it appeared in the 18th century. This mock-up is part of the archives of Coutts at their head office at 440 Strand



Mary Peagram, the granddaughter of John Campbell, who married James Coutts in 1755



The "Three Graces", the daughters of Thomas Coutts

Thomas' widow, Harriot, inherited £900,000 from Thomas along with a 50% share in the bank. Although she did not get on with her stepdaughters, she wanted to keep the bank in the Coutts family. Harriot died in 1837. In her will, the Coutts fortune was passed on to Thomas' granddaughter, Angela Burdett, the daughter of Sophia Coutts and Sir Francis Burdett. The will contained three conditions: first, Angela's 50% share in the bank must be held in trust; second, the heir must take the name Coutts; and third, the heir must never marry a foreigner.

Angela Burdett-Coutts

Upon receipt of her inheritance, Angela Burdett-Coutts became the wealthiest woman in Britain. She devoted her life to philanthropy, giving away an estimated amount of between £3 million and £4 million. Her charity ranged widely: she supported the Church of England and its Anglican offshoots overseas, as well as the arts, but the main thrust of her charity was directed toward improving the lives of the poor. A sewing school in Spitalfields, cotton gins in what is now Nigeria, boats and nets for the Irish fishing industry, and ragged schools in the poorest sections of cities were but a few of her projects. Gladstone, the Prime Minister, and Queen Victoria resolved to acknowledge her philanthropic spirit formally.

In 1871, she was granted a peerage in her own right as *Baroness Burdett-Coutts of Highgate and Brookfield in the County of Middlesex*. In 1880, it became known that the baroness wished to marry her young American secretary William Ashmead-Bartlett, who was her junior by thirty-seven years. The partners of the bank were aghast at the prospect of such a marriage, as were many dignitaries; they saw Bartlett as an adventurer, only interested in her money. Archibald Tait, the Archbishop of Canterbury, attempted to prevent the marriage, while Queen Victoria herself, with whom the Baroness had often dined, tried to prevent what she called the "mad marriage". The Queen wrote to Lord Harrowby saying that it would grieve her much "if Lady Burdett-Coutts were to sacrifice her high reputation and her happiness by such an unsuitable marriage". This letter was passed on to Lady Burdett-Coutts, who asked Lord Harrowby to reply that he had no knowledge of the subject alluded to—quite a snub to the Queen. One potential stumbling block to the marriage was her step-grandmother's (Harriot's) will which forbade marriage to an alien. As Bartlett was an American, the marriage would cause her to be disinherited. In that event, her younger sister Clara would inherit. Angela Burdett-Coutts managed to get Clara to waive her rights. Clara's son Francis (known as Frank) was not, however, so easily dissuaded, and consulted his lawyers, thinking to forestall the marriage by standing on their rights. Finally Bartlett himself, in the face of immense pressure from society, offered to release the Baroness from his offer of marriage. She, however, remained determined, refusing to release Bartlett from his promise, in spite of various scandalous accusations being made against him involving another woman, and even his fathering of an illegitimate child.

In February 1881, at the age of 67, Angela Burdett-Coutts broke the terms of the will by marrying Bartlett in Christ Church, Down Street, Piccadilly. The partners of the bank rushed to reassure the press that the heiress was neither a partner in the bank, nor could she touch the capital. An argument sprang up over the inheritance and, in particular, over whether Angela should give up the bank to her sister Clara. Angela fought back, claiming that Bartlett was only half American and therefore not technically an "alien". Clara then claimed the fortune, and the bitter dispute continued. In anticipation of victory, Clara and her son Frank took the name "Coutts" – as required by the will. Finally, a compromise was struck, with the majority of the Coutts fortune set to pass to Clara and her heirs. Angela Burdett-Coutts, however, kept two-fifths of the income until her death in 1906.

On changing her name, Clara Burdett, who had married James Money in 1850, became Clara Burdett Money-Coutts. Her son Francis' full name became Francis Burdett Thomas Nevill Money-Coutts. He was better known as Francis (or Frank) Coutts, a writer and poet. He became 5th Baron Latymer in 1913 and died in 1923.

The following appeared in Punch at the time:

*Money takes the name of Coutts,
Superfluous and funny
For everyone considers Coutts,
Synonymous with Money.*
—Vere Carpenter

The Panic of 1890 forced the bank to change from a partnership to an unlimited liability company in 1892. At that time, limited liability was seen by depositors as risky. As a partnership, the Coutts family would have been personally liable to any depositor for his bank deposit in a crisis. However, there was no crisis. Despite this, there was little change in the organisation—the working partners were divided between managing and junior managing partners.^[7]

Further expansion

In 1904, the bank moved to its current premises at 440, The Strand. In 1914, Coutts took over the bank of Robarts, Lubbock & Co. in the city, obtaining a branch office and a clearing house seat in the process.

In 1919, Coutts merged with the National Provincial & Union Bank of England but retaining the Coutts & Co. name and board of directors.

Throughout the 20th century, Coutts opened more branches. The first West End branch outside 440 Strand was opened in 1921 in Park Lane. Further London branches were opened in the West End (1921), Cavendish Square (1927), Sloane Street (1929), Mayfair (1932), London Wall (1962), Brompton Road (1975), and Kensington (1978).^[8]

It was not until 1961 that the Bank moved outside the capital, opening its first out-of-town branch at Eton. This was followed by a branch in Bristol in 1976.

In 1969, National Provincial Bank (and its District Bank subsidiary) merged with Westminster Bank to form National Westminster Bank.

Coutts embraced modern technology, becoming one of the first banks to bring in machine-posted ledgers at the end of the 1920s. In 1963 it was the first British bank to have a fully computerised accounting system. In 1987, Coutts gained international representation when Coutts established operations in Geneva.



Coutts & Co. traveller's cheque, issued in London. (Langmead Collection, on display at the British Museum)

Between 1974 and 1978, Coutts' Strand headquarters were redeveloped by Frederick Gibberd and Partners.^[8] Francis Burdett Coutts's great grandson, Sir David Burdett Money-Coutts, became chairman in 1976, retiring in 1993, leaving his cousin Crispin Money-Coutts (heir to the title of Baron Latymer) as the last remaining Coutts name until his resignation.

In October 1990, Coutts and NatWest decided to strengthen their representation internationally and the Coutts Group was created when subsidiaries already owned by Coutts and NatWest were merged. In 2000, NatWest was purchased by the Royal Bank of Scotland Group (RBS) in one of the largest corporate transactions in the European banking sector. RBS Group became NatWest Group in 2020.

Recent years

In 2003, Coutts acquired Zürich-based Bank von Ernst & Cie^[9] and in 2008, Coutts Bank von Ernst and other Coutts International subsidiaries became RBS Coutts Bank. These traded as RBS Coutts International to align them with the parent Group until 2011, when RBS Coutts was renamed Coutts & Co. Limited. The international division was renamed Coutts International prior to its sale to Union Bancaire Privée in March 2015.^[10]

Coutts International was sold to Union Bancaire Privée (UBP) on 29 March 2015, for an undisclosed figure. The sale was part of the Group's strategy to reduce the number of countries it operated in, in favour of a greater focus on the United Kingdom.^[10] Coutts' confirmed that it expected the transfer of its business in Europe and the Middle East to UBP to be completed by the end of 2015, and its business in Singapore and Hong Kong would follow in early 2016. UBP were required to rebrand the business.^[11]

Locations

The bank is headquartered at 440 Strand, which serves as its flagship client-facing office and branch. It reduced its London footprint in 2013 with the closure of its Canary Wharf, St Mary Axe, Cadogan Place and Fleet Street offices.^[12] It further reduced that footprint by exiting from Premier Place in London in 2017.^[13] It has 28 offices in the UK and formerly international offices in Zurich, Berne, Geneva, Hong Kong, Montevideo, Singapore, Dubai, Jersey, Isle of Man, Miami, Monaco and Cayman Islands. Following the sale of Coutts International in 2015, the bank's businesses in Switzerland, Monaco, United Arab Emirates, Qatar, Singapore and Hong Kong transferred to UBP in October 2015. Its remaining businesses in Asia are due to transfer in 2016.



Headquarters of Coutts in Strand at night

Clients

Until the 20th century Coutts was a clearing bank to the nobility and landed gentry, but today it is a wealth manager to a wider range of clients, including entrepreneurs, entertainers, sportsmen, professionals and executives. The British Royal Family are notable clients.^{[14][15]} There are stringent requirements to being accepted as a client, not just based on average and total financial assets. Prospective clients need at least £1,000,000 in investable assets, not including real estate.^[16]

Design

Coutts often collaborates with British fashion designers, including previous designs for its distinctive credit and debit cards. In 2004, British fashion designer and Savile Row tailor Ozward Boateng designed the super-premium Coutts World Charge Card^[17] while in 2006 Stella McCartney was commissioned to design the Coutts Visa debit card.^[18] The card included a translucent Coutts logo which could only be seen if held up to the light.

In 2013 Coutts replaced its purple 'World' charge card, which had been designed by Boateng, with the new 'Silk' Charge card. The silk design was inspired by the traditional Chinese wallpaper brought back by Britain's first ambassador to China, Earl Macartney in 1794, and presented to Thomas Coutts, which lines the walls of the boardroom at the Strand headquarters.^{[19][20]}

Sponsorship

Coutts sponsorship focuses on causes and organisations that share its values and traditions.

In the early nineteenth century, Thomas Coutts became a shareholder of the Royal Opera House.^[21] Today, Coutts sponsors productions at the theatre, such as the 2013 production of La rondine.^[22] Since May 2011, Coutts has also been the principal sponsor of the Royal Court Theatre, the UK's leading new writing theatre based in Sloane Square.

Since 2011, Coutts has also supported the London Design Festival - an annual event, held to celebrate and promote London as the design capital of the world, and as the gateway to the international creative community.^[23]

Malpractice

Breaches of money laundering rules

In March 2012 Coutts was fined £8.75m for breaches of money laundering rules after three years of "serious" and "systemic" problems in handling the affairs of customers vulnerable to corruption because of their political links.^[24] The Financial Services Authority (FSA) fined Coutts because of an "unacceptable risk" that the bank could have been handling the proceeds of crime for a three-year period up to November 2010 after failing to properly deal with customers classified as "politically exposed persons".^[24]

Following an industry-wide review in 2010, the FSA found that Coutts was not conducting robust enough checks on such high-risk customers and was not monitoring relationships with them properly. The FSA reviewed a sample of 103 high-risk customer files, and identified deficiencies in 73 of them.^[24] The FSA's acting director of enforcement and financial crime, Tracey McDermott, said that "Coutts's failings were significant, widespread and unacceptable. Its conduct fell well below the standards we expect and the size of the financial penalty demonstrates how seriously we view its failures".^[24]

Coutts's bonus system rewarded bankers for opening accounts, providing an incentive to bring in new business without too much scrutiny, and the bank's anti-money laundering team, intended to act as a check in identifying high-risk customers, failed to identify enough "politically exposed persons".^[24] In

two cases reviewed by the FSA, bankers did not conduct appropriate checks on the customers, and failed to identify serious criminal allegations against them. There were five cases where sources had provided "adverse intelligence" such as allegations of criminal activity, in each case the accounts were approved by Coutts.^[24]

A spokesperson for Coutts said that there was no evidence that money laundering took place as a result of its deficient controls, and said that "We recognise our systems weren't totally adequate in the past and we've taken steps to improve these". Coutts would have been fined £12.5m if it had not agreed to settle at an early stage in the investigation.^[24]

Mis-selling of AIG savings product

In November 2011 the Financial Services Authority (FSA) fined Coutts £6.3m for mis-selling the American International Group (AIG) Enhanced Variable Rate Fund between December 2003 and September 2008.^[25] The FSA forced Coutts to compensate all customers who suffered a loss as a result of its failings in selling the AIG Life Premier Bonds. A significant proportion of the fund's assets were invested in riskier asset-backed securities. A run was started on the fund following the late-2000s financial crisis.^[25]

Coutts customers still had £748m invested in the fund when it was suspended in September 2008, but were only allowed to withdraw half of their investment. Many transferred the remaining 50% to a non-interest bearing recovery fund until July 2012.^[26] The FSA said Coutts failed by giving advisers inadequate training around the risks of the product.^[25] Coutts recommended the fund to some customers even though it might have exposed them to more capital risk than they were willing to accept and many customers were advised to invest too large a proportion of their overall assets in the fund.^[25]

Coutts agreed to settle at an early stage in exchange for a 30% discount on its fine, which would otherwise have been £9m.^[25]

References in culture

Coutts is mentioned in the 1889 Gilbert and Sullivan Savoy opera *The Gondoliers* in the following lyrics:

The Aristocrat who banks with Coutts—
 The Aristocrat who hunts and shoots—
 The Aristocrat who cleans our boots—
 They all shall equal be!

Robert Louis Stevenson mentions Coutts in his 1886 classic novella *Dr Jekyll and Mr Hyde* as being the bank of choice for Dr Jekyll: "...and presently came back with the matter of ten pounds in gold and a cheque for the balance on Coutts's drawn payable to bearer,..."

In the first episode of Michael Palin's *Around the World in 80 Days*, Palin visits the bank to inquire about the safeguarding and ease of replacing money while on his trip. His bank manager suggests a code-word, which will alert a less knowledgeable member of his staff that Palin is indeed who he says he is, the code-word in question being Jabberwocky.

In chapter three of Bram Stoker's novel, *Dracula*, Jonathan Harker lists the recipients of several of Dracula's letters in his journal, including: "... the third was to Coutts & Co., London".

See also

Other private banks owned by the NatWest Group:

- Adam and Company
- Child & Co
- Drummonds Bank

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External links

- Official website (<http://www.coutts.com/>)
 - Coutts Crown Dependencies (<https://www.couttscrowndependencies.com/>)
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