

Finance Matters (NI) Ltd

Independent Financial Planning

Newsletter – summer 2019

Investment process - Selection of our chosen portfolio managers

I thought I would provide a further update from our spring 2019 Newsletter, confirming my visits in the last 8 weeks or so to the London head offices of two of our currently preferred portfolio managers.

Both visits were beneficial and reassuring and as a result of the visits (and of course prior desk based research by me), I remain comfortable continuing to recommend them, as appropriate, to clients.

As an aside, one portfolio manager said to me at the lift on the way out of their offices “you know you are the only one who does this?” I expressed some surprise, especially in relation to firms which were a lot closer to London than Belfast, but I remain sure that face to face visits to major portfolio managers is desirable to assist me in ensuring we are providing the most appropriate solution for each client’s situation.

Without the face to face meeting, I would miss out on the opportunity to have all my questions answered personally, taking in all the verbal & non-verbal communication from both those in the meeting but also in the office itself. You can also get views which may not be aired in a group situation.

The final benefit for me is that I think we have all been to offices where we felt welcomed, with a “good feel” to the place and other places which were unwelcoming and distant. If the office feels like the latter, it may be very subjective, but I am simply disinclined to put clients’ money there.

Danske Bank

Moving from portfolio managers I recommend, to an international bank with a large presence in Northern Ireland.

As you may be aware, Danske Bank is headquartered in Copenhagen and is the largest bank in Denmark. It has been involved in an international money laundering scandal, which arose in 2017 - 2018 with around €200 billion (or put another way, €200,000 million) of suspicious transactions that flowed from Russian and Azerbaijani sources through the Estonia-based bank branch of Danske Bank from 2007 to 2015. It has been described as possibly the largest money laundering scandal in world history.

The most recent news I have seen on this is twofold:

1. This was dated 24th June 2019 from the Financial Times, reporting that the Danske Bank executive who was made interim chief executive after the €200 billion money-laundering scandal has now been dismissed on a separate mis-selling scandal.
2. This was dated 4th July 2019, again from the Financial Times, reporting that the bank allegedly tried to discredit a whistle blower in the affair.

So, what on a personal level, can you take from this?

Well, the point that I would emphasise to all of you in the happy personal or business position of having more than £85,000 in cash deposits is this: whatever you think of your bank, good or bad, don't keep more than £85,000 in one deposit taker, as you are only protected up to £85,000 under the relevant compensation scheme (FSCS).

General

As ever, if you require advice or assistance in the areas discussed or indeed any other areas of financial planning, please contact me.

David Graham
Director & Chartered Financial Planner

The guide represents our understanding of the law and HM Revenue & Customs practice as at 9th July 2019, which is subject to change. In addition, tax reliefs referred to are those currently applying or due to apply and their value depends on the individual circumstances of the investor. This newsletter is provided strictly for general consideration only. No action must be taken or refrained from based on its contents alone. Accordingly, no responsibility can be assumed for any loss occasioned in connection with the content hereof and any such action or inaction. We believe professional advice is necessary for every case.

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