

MoneyMarketing

Friday, 22 February 2013

By Pamela Morris

Advisers hit back at Myners over fund managers and intermediaries slur

Advisers have hit back at former Gartmore chief executive and former Labour City minister Lord Myners after he claimed fund managers and intermediaries have become rich at the expense of private investors.

Last week, Myners claimed the industry lobbied Gordon Brown's government in order to gain preferential treatment.

He made the statement while giving evidence to the business, innovations and skills committee on the recommendations of the Kay Review of UK equity markets.

Hargreaves Lansdown head of research Mark Dampier says Myners is doubly implicated as both a former member of the financial services industry and the Government.

He says: "His argument does not seem very logical to me. You can always lobby for something but the Government does not have to give in. The Government therefore has to have been involved at some stage. Isn't Lord Myners just saying the Government was useless and gave in? If so, he is only criticising himself."

Jonathan Davis Wealth Management managing director Jonathan Davis says Myners is confusing the different sectors within the financial services industry.

He says: "I would agree with him wholeheartedly that the banking lobby is far too powerful in the UK. However, the IFA community does not have any lobbying power whatsoever. Anything that we make comes from ourselves, not from government handouts.

"We could always ask him how he made his fortune building up Gartmore? Nothing in the industry has materially changed between now and then."

Highclere Financial Services partner Alan Lakey says: "Have advisers been made rich? Considering unit trusts, ISAs and investment funds tend to pay around 3 per cent commission, I would not say that has made me rich. In the case of clients with large sums to invest, they are the very ones who are able to negotiate down any charges."