

## **Lloyds TSB Tops HNW/Ultra HNW Relationships League: But ING is Tops for HNW/Ultra HNW Customer Wealth**

Today's new report from Tulip Financial Research<sup>1</sup>, *HNW & Ultra HNW Bank & Fund Manager Ratings* reveals that the rich in Britain – the wealthiest 1% by liquid assets – are multi-banked. Most have relationships with 3 or 4 of the main retail bank brands, and many have additional links with other specialist banks.

The report highlights how important it is that the main retail banks identify their HNW and Ultra HNW customers: individuals averaging liquid assets of £2 million plus. These are the prime market for savings and investment products.

Lloyds TSB tops the list with 174,000 HNW & Ultra HNW UK customer relationships<sup>2</sup>, 40% of all UK HNWs & Ultra HNWs. Barclays, NatWest and HSBC are second equal, each reaching around 30% of HNWs and /Ultra HNWs.

**Figure 1: The Leading Bank Brands Ranked  
by T HNW & Ultra HNW Relationships<sup>2</sup>**

<b>Base: All HNWs &amp; Ultra HNWs: The UK's wealthiest 1%</b>	<b>HNW/Ultra HNW Relationships: 000s</b>
Lloyds TSB or Lloyds TSB Private Bank	174
Barclays, Barclays Premier or Barclays Private Bank	137
NatWest Bank or NatWest Private Bank	137
HSBC Bank, HSBC Premier or HSBC Private Bank	132
Abbey	122
Halifax	122
RBS or RBS Private Bank	85
Nationwide	80
Alliance & Leicester	75
Bank of Scotland or Bank of Scotland Private Bank	71
Egg	66
ING	61
First Direct	42
Tesco	42
Sainsbury	19
Average No. of Relationships	3.2

Source: Tulip HNW/Ultra HNW Survey August 2005

But the amount of HNW & Ultra HNW relationships is only one measure of a bank brand's wealth marketing opportunity. The other is the wealth owned by each relationship. And ING tops this second list with an average liquid wealth per HNW/Ultra HNW customer of £6 million plus.

<sup>1</sup> This report is based on a survey of 150 HNW & Ultra HNW individuals conducted in September 2005

<sup>2</sup> Relationships are defined as having a current, a savings account, an investment or a loan with the named bank brand.

**Figure 2: The Leading Bank Brands Ranked by  
The Liquid Wealth of their HNW & Ultra HNW Customers.**

<b>Base: All HNWs &amp; Ultra HNWs: The UK's wealthiest 1%</b>	<b>Average Liquid Assets: £ millions</b>
ING	6.15
Bank of Scotland or Bank of Scotland Private Bank	5.75
Egg	5.45
RBS or RBS Private Bank	4.95
NatWest Bank or NatWest Private Bank	4.6
Sainsbury	4.6
Barclays, Barclays Premier or Barclays Private Bank	4.4
Abbey	4.25
HSBC Bank, HSBC Premier or HSBC Private Bank	4.2
First Direct	3.6
Nationwide	3.6
Lloyds TSB or Lloyds TSB Private Bank	3.3
Halifax	3.25
Alliance & Leicester	2.95
Tesco	2.95

Source: Tulip HNW/Ultra HNW Survey Sept. 2005 & The Tulip UK Wealth Model

Figure 2 demonstrates ING's success in building an ultra wealthy customer base via a well promoted, easy access, high interest savings account . Egg has held on to a similar customer base, initially attracted by a similar launch platform.

John Clemens, Managing Partner of Tulip Financial Research Ltd, draws these conclusions from this new Tulip report.

*"Britain's wealthy each use a range of banks: most have several current and savings accounts These valuable customers appear more loyal than they are as they hold on to accounts and rarely close them – bank accounts, even dormant ones, are useful properties. Hence the big bank brands have many HNW and Ultra HNW customers of which they are unaware, as bank accounts often reveal little of their owners' real wealth.*

*Banks need to identify their HNW and Ultra HNW customers. The growth of massive lifestyle databases covering millions of individuals enables banks to identify and classify their customers by wealth - it's a straightforward data mining exercise. But few banks do so.*

*This kind of classification enables banks to market specialist wealth services and products direct to their high liquid asset customers: to offer individual interest rates, relevant investment products and the skilled investment advice sought by them. Banks often believe that these customers are catered for by their private banks, but that's not so. Less than half of all HNWs and Ultra HNWs use a private bank, and even then often only for a current account.*

*This research shows how banks can market wealth products and services proactively to their wealthy clients. . And the success of ING shows that simple products, well promoted and easily accessible, swiftly build a franchise. These HNW & Ultra HNW relationships exist and once identified can provide major new revenue streams."*

For more information or for copies of the report call John Clemens, Managing Partner, Tulip Financial Research Limited on 020 7582 6870 or email [john.Clemens@tulipresearch.com](mailto:john.Clemens@tulipresearch.com)



Figure 3 below shows the current breakdown of liquid wealth in the UK within the UK's Wealthiest 5%. It is included to provide additional background information on the HNW and Ultra HNW wealth market.

**Figure 3: Liquid Asset Ownership within the Wealthiest 5% of UK Adults**

Base: The UK's wealthiest 5%	Average Liquid Assets: £s	% of UK Liquid Assets Owned	No. of individuals 000s
The Mass Affluent (4%)	£144,000	15.5%	1,880
HNWs (0.7%)	£665,000	12.8%	335
Ultra HNWs (0.3%)	6,442,000	48.8%	135
The UK Super-Rich	£70,000,000	4.0%	One

Source: Tulip Wealth Model 2005

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