

The most notable feature in the last few (busy) months was Henry Hoare clocking up 60 years working at the bank. He is a full and active member of the credit committee and retains unlimited liability.

Our new public website is live, and will remain lively with regular news and updates. Customer-banker communication should preferably be done privately through our secure Online system at present. In due course we will encourage communication through mobile applications when we release them to your mobile telephones and tablets.

Please remember that email and post are very exposed to fraud. About three customers a week have their email accounts hacked, which is invariably inconvenient and sometimes very expensive. Criminals are routinely posturing as the bank to try to trick you out of your cards and passwords with the intent of stealing. They do this both online and in person, and if someone asks you for your card and PIN, it's not us!

"Wonga finance" has been in the news. In the last year the Golden Bottle Trust has made a loan to Fair Finance which provides microfinance and debt advice in deprived parts of London; provided some capital to the Archbishop of Canterbury's credit union; and made a grant to the Fair Banking Foundation.

The Master Charitable Trust is two years old. It succeeds in making it easier and more convenient for private clients to give and has also proved a good vehicle to make social and impact investments.

We are exploring collaboration with Oxford University's Smith School of Enterprise and the Environment to explore the bank's sustainability. We have a Green Committee looking at our own emissions, and we have demonstrated financial sustainability over many generations, so the main topic becomes the sustainability of our customer lending and investing. Any customers who would like to participate in focus groups of this nature should contact me. Ultimately we aim to create services which meet customer needs and support your values.

My summer letter made reference to this extended period of abnormally low interest rates. The danger is that we are fooled into thinking that the economy is growing healthily again. It is growing but at the cost of a subsidy to debt (which is still growing) and debtors. This penalises creditors and banks which have deposit-taking at the core of their business; bank charges are again under review. At the same time we have to respond to the burden of regulation. Do not be surprised if the bank decides to exit from comparatively small uneconomic lines of business.

Victoria Hutchings' "A History of the Hoare Banking Dynasty" is over eight years old. More recently she has published "The Red Lion Brewery, Hoare & Co" in which the bank's relationship with the brewery in the 19th Century features prominently. Please ask your relationship manager if you would like a copy.

Our archivist, Pamela Hunter, continues to turn up gems from the past. Here is Sir Richard Colt Hoare writing in 1836, "I have always considered that money has to be spent for the benefit of the community, not to be hoarded".

Alexander Hoare  
February 2014

Please see overleaf for details of the Financial Services Compensation Scheme and changes to our Visa cards.

**We are legally required to advise you of the following:**

Important Information about Compensation Arrangements

We are covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a bank is unable to meet its financial obligations. Most depositors - including most individuals and small businesses - are covered by the scheme.

In respect of deposits, an eligible depositor is entitled to claim up to £85,000.00. For joint accounts each account holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors, the maximum amount that could be claimed would be £85,000.00 each (making a total of £170,000.00). The £85,000.00 limit relates to the **combined** amount in all the eligible depositor's accounts with the bank including their share of any joint account, and not to each separate account.

For further information about the compensation provided by the FSCS (including the amounts covered and eligibility to claim) please call us on 020 7353 4522 or refer to the FSCS website [www.FSCS.org.uk](http://www.FSCS.org.uk). Please note *only* compensation related queries should be directed to the FSCS.

**We will be upgrading our card processing system in the next few months. If you hold one of our Visa debit, credit and/or currency cards please note the following:**

- Your Visa credit and/or currency card number for making payments will remain the same, however the account number will change. This will only affect those customers who have set up arrangements with other banks to repay their credit card account which will need to be amended to reflect the new number. Payments made quoting the old account number may be delayed or returned.
- In future, all debit card transactions and cash withdrawn using your credit card will be deducted from your current account's 'Available Balance' pending presentation of the transaction. The 'Available Balance' is the amount you have to spend including any pending transactions and agreed overdraft facility. However, if viewing your account via our Online Banking service, the 'Available Balance' excludes any agreed overdraft facility which is shown as a separate figure.

We will advise you of the actual date of the change via your Credit Card statement and through Online Banking. In the meantime should you have any queries in relation to this please contact the Visa Department.