

We are pleased to welcome Steven Cooper as our new chief executive. He joins from a distinguished career in Barclays (retail) bank. We thank and congratulate David Green for leaving the bank considerably stronger than he found it 16 years ago.

We seek to be ‘good bankers and good citizens’. We hope this purpose will inspire staff and customers, and serve as a guide to management going ahead. Our track record of being both good bankers and good citizens has served us well. In a future letter, I shall say more about being good citizens.

Most of you enjoy being customers of the bank but the full customer proposition is unclear according to our latest research. All customers know about the humanity we offer, most understand our independence and lack of conflict of interests, but few know about all the other aspects of what we offer.

Our banking services are designed to save you time and stress. Depositing with us is perhaps the closest a retail customer can come to depositing in the Bank of England. We give quick in principle decisions on lending matters, with a commitment to doing the business with the least possible fuss and uncertainty. Our tax, trust and treasury departments have similar characteristics of trying to be helpful. Our pricing is clear and consistent.

Customers tend to say “when I joined Hoares Bank”, not “when I opened my accounts”. There is an aspect of membership to what we provide. We keep it small, which comes with a cost. In return, we endeavour to provide intimate opportunities for like-minded customers to meet, and our partners and staff are available to discuss more than just debits and credits. Privacy laws make sending invitations difficult without the requisite authority. Please speak to your relationship manager if you are feeling cut off from invitations to events.

We try to offer discretion, privacy and protection. Sometimes it is inconvenient, but presently we feel the longer term benefits of not sharing customer data with credit reference agencies, ApplePay and others will outweigh the immediate inconvenience. All data is exposed to leaks, hacks and other risks, and we therefore limit its sharing as much as possible. In December, 770m email addresses and passwords were posted to a popular hacking forum. See if any of yours were included by visiting: <https://haveibeenpwned.com>.

I worry about boring you all on the subject of fraud in these letters, and apologise for running onto a second side. However criminals target customers in preference to banks: our customers’ losses this year are running up 60% above the previous year, and I have just said we feel a duty to protect customers.

Please beware of unsolicited telephone calls purporting to be from the bank. During the conversation you could be advised of a fraud on your account and be asked to 'log into your online banking account'. If you do get a call like this please hang up and call us from another device as fraudsters can keep the line open. Please look out for some fraud warnings coming in another statement, and let your relationship manager know if you are interested in attending a 'Fraud Prevention Coffee Morning' in which we alert customers to the ways in which fraudsters are operating.

The telephone and email are fundamentally insecure, which is why we prefer customers to use our online system. The new online banking system is fully rolled out and works seamlessly with our mobile phone application. There is already a schedule of upgrades in coming months and we are open to your suggestions as to how to improve further. This year will see the introduction of voice identification which will add some protection when speaking over the telephone. We will continue to answer telephones promptly.

'It was the best of times, the worst of times' (A Tale of Two Cities, Charles Dickens). If you listened only to the media you might think it was the latter, but in reality we are living in a time of transition with lots of good and bad new ideas and technologies available to us. I am optimistic that consumers can choose to spend their money wisely, businesses can choose to produce sustainably, managements can act ethically, and if enough do, we will enjoy a prosperous future. It is about 250 years since we acquired the muskets in our hall, and the times Dickens described were much more uncertain than they are now.

Alexander S. Hoare  
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