

Private banks compete to pay their clients' bills

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May be not quite poodle walking, but private banks are upping their concierge services in an effort to gain clients.

Old-style concierge services for very wealthy clients are making a major come back as wealth management firms find competing with product offerings extremely difficult in the current environment.

Services such as taking care of clients' household bills, organising all insurance outlays and helping with travel arrangements are being marketed with increasing efforts by private banks, say industry insiders.

One senior private banker in London said his bank missed out on a major mandate from a well known wealthy celebrity because his bank was not prepared to pay and organise her household bills. "The client chose a multi-family office as they promised to deal with all her bills as well as her finances," said the private banker. "In the future we plan to be a bit more forthcoming in offering these types of services."

Recent research by Russ Prince in his book "The Sky's The Limit: Marketing Luxury to the New Jet Set" found that less than 34 per cent of what the book refers to as the "New Jet Setters" regularly open their own mail, and only 19 per cent pay all their own bills.

"Members of the New Jet Set may never even see their bills, given the amount of time they spend globetrotting, the number of residences they own, and their general disinterest in the mundane details of their day-to-day existence," said Mr Prince's book.

Such trends are ensuring that wealth managers are competing much more with fringe, or what some call, "soft services" as their product offerings are struggling to be different from their competitors. "Private banks have gone easy on their elaborate products in the current climate, as many wealthy clients get the jitters towards the more exotic-end of the product range," said an investment specialist. "Many of them are opting for less risky products, which all wealth managers can provide and with little difference between