

Client: Tavistock Investments
Source: Citywire Wealth Manager (Main)
Date: 02 June 2016
Page: 12
Reach: 6058
Size: 560cm2
Value: 5280.8

ANALYSIS

Acquisitions no longer priority, says consolidator chief

JON YARKER •

[jyarker@citywire.co.uk](mailto: jyarker@citywire.co.uk)

Acquisitions are no longer the priority of consolidator Tavistock Investments says the firm's chief executive **Brian Raven**, but there will likely be 'one or two' more deals done before 2017.

Tavistock made its name through a string of acquisitions, most recently the £5.2 million buy of Abacus Associates Financial Services in March 2016, but Raven now wants to turn his attention to individual hires as he grows his team.

'We want to hire and there are organisations that are shedding teams,' Raven said. 'We have something to offer. We will hire people and help with their training and help them become authorised. Acquisitions are not the priority. Growing the business is the priority and hires are how we will do that.'

Growing the business

However, the chief executive says Tavistock is not ruling out further buys completely.

'We are likely to make other acquisitions but we have no targets in terms of the size of acquisitions,' he said adding that the firms he is considering range from £5 million to

£15 million in size.

'There are some firms that announce acquisitions every half an hour. We will probably do another one or two in the next six months. But we want businesses run by their principals so we want them to bring something to the group and participate.'

When Tavistock acquired the loss-making Financial Ltd in early 2015 it was received with scepticism as the business had several run-ins with the regulator in the past, but Raven says these issues were never a problem for him.

'Each acquisition we have made is turning a profit,' said Raven. 'Financial Group was in need of acquisition and were in trouble with the FCA. They had to deal with two S166s as far as I know. It was a well-run business that was changing itself but they just ran out of money.'

The chief executive is generally happy with the firm's progress in the past two years, having become profitable across the board and

Brian Raven:
Happy with the firm's progress so far

well known in the industry.

Raven added: 'We have gotten where we are at an unusual rate. Usually you grow a business and then list it. We did it the other way around and it allowed us to go out and acquire businesses. But we took our time and we did our homework.'

Staff integration

Raven says he is focussing on integrating staff into the Tavistock group. He wants to ensure the company's national reach acts as an advantage and not turn into something negative.

'It takes time for adoption,' said Raven. 'We want to make the existing business as profitable as possible. Communication is key and that in itself is a challenge because we are so dispersed around the country so I'm trying to bring the staff together as much as possible.'

With £4 billion under influence (AUI) and £450 million in assets under management (AUM), Raven wants to reach £5 billion AUI and £2 billion AUM in the next couple of years.

A current trend in wealth management, the rise of robo-advice, is not an area that Raven is currently interested in entering. In terms of offering advice, he said that until the rules are clarified as to what actually constitutes advice the company will keep its distance.

'In my experience there is never a problem being a "me too" player. Right now we are in a very comfortable business where 75% of income is recurring.'

Company direction

Raven pointed out that he wants the firm to be more modern in the way it operates, rather than becoming another copy of other listed players in the wealth management space. For example, he wants to distinguish the structure and direction of the company from one of the biggest firm's, namely St James's Place.

This in particular, applies to the controversial issue of pricing for SJP, which is something Raven wants to address with Tavistock.

'I have a lot of respect for St. James's Place but a lot of what they do is old fashioned. We are strong believers if you are going to have your own funds they should be Ucits compliant. The pricing should be consistent that does not fleece the client,' he said. •

TAVISTOCK'S ACQUISITIONS

Blacksquare:
May 2014 (rebranded as Tavistock Wealth)

County Life & Pensions:
May 2014 (rebranded as Tavistock Partners)

Standard Financial Group:
January 2015

Duchy IFA: May 2015

Cornerstone Asset Holding:
April 2015

Abacus Associates Financial Services:
March 2016