

THE UKSA NEWSLETTER

UKSA
UK Shareholders'
Association

ISSUE 6

Welcome to the sixth issue of your **UKSA Newsletter**, which goes to all full and associate members. It complements The Private Investor, which full members receive.

Chairman's comment – Since becoming your chairman on 16 August at the UKSA Social at the RAF Club, I have been working with the rest of the Board on our strategy and direction. To me, it is still right that our organisation promotes the interests of individual shareholders and investors. This includes restoring the rights and influence for the good of the individual investor, promoting the concept of STC by becoming the friend of the investment consumer and supporting individuals and their relationship with long-term savings, providing basic guidance on investing and savings and attracting more paying members by providing what members and prospective members want. As I suggested at the UKSA social, I need your help; so please email me with your thoughts and ideas on this. I would also ask you to pass on your interest in UKSA to your family and friends and get them to join us, if they have not already, as full paying members or even as non-paying associate members.

I managed to attend the UKSA Croydon & Purley (London & SE) Group meeting on 14 September and it was suggested there that UKSA should arrange more in-person socials like the one on 16 August with UKSA-relevant topics being presented and discussed. Please let the UKSA office know if you think this is a good idea and we shall try and progress it.

HM Treasury consultation – UKSA has [responded](#) to a Treasury consultation on a review of the Prospectus Regime, i.e. the rules for a prospectus for the issuance of new shares. The first of four key objectives from the ministerial foreword (by [John Glen](#), Economic Secretary to the Treasury) might have been drafted by UKSA:

'We want to facilitate wider participation in the ownership of public companies, and to remove the disincentives that currently exist for the issuance of securities to wide groups of investors – including retail investors. Doing so will allow a broader cross-section of society to benefit from their growth. It will also enable companies themselves to access a broader investor base, as well as improve market functioning overall by increasing the liquidity of markets.'

We chose to ignore the detailed questions in order to press one fundamental point: **companies are unable to communicate with their individual investors as they do not know who we are.** We noted how easily modern technology could enable this and allow a revolution (and simplification) of many reporting arrangements – not just the Prospectus Regime.

Financial literacy – The Financial Times has launched FLIC ([Financial Literacy and Inclusion Campaign](#)), its long-planned charity to improve financial literacy worldwide. Its heart seems to be in the same place as our education website [HonestMoneyNow](#) (HMN). Witness these words from the [FLIC launch video on YouTube](#) that echo the two leading sentences from the HMN front page:

Paul Lewis: *'The financial services industry is there to exploit you – to make money out of you...'*

HMN: *'Good financial habits are not difficult. They are only made to seem so by those with a vested interest in confusion.'*

Lucy Kellaway: *'How do we actually find out what we need to know - what's good.....?'*

HMN: *'This site provides basic, unbiased financial education, cradle-to-grave. We exist because innocent individuals cannot be expected to distinguish good from bad in the flood of purported financial advice available to them.'*

UKSA internationally – In September UKSA was represented at a conference cohosted by [Better Finance](#) and the Slovenian shareholder organisation VZMD on “European Capital Markets for Individual Investors”. This was the first physical international gathering for nearly two years.

Martin White, the UKSA director who drives the [Savers Take Control](#) campaign, gave a [presentation](#) on the state of pension savings in Europe. Martin spoke on the need for a revolution in approach that puts the interests of the ordinary person first, in the face of the huge power of the financial sector. A strategy needs to be found for knowledgeable individuals who are completely independent of the financial sector to work together, across countries. The text of the speech can be found [here](#). A full video of the event can be found [here](#). Martin's presentation is at 6h 10m.



Martin White presenting in Bled



Lake Bled, Slovenia, the conference venue

Northern Rock – Sue Milton, External Relations director, recently posted on the NRSAG Facebook page [UKSA Northern Rock Shareholder Action Group | Facebook](#) asking for suggestions on claiming and getting compensation agreed and distributed. Three aspects to consider are:

- 1. What are the practicalities around who receives compensation?*
- 2. Does NRSAG have the register of shareholders as at the date of government acquisition?*
- 3. What is the best way to keep us NRSAG members engaged?*

Meanwhile, the Bank of England has not been idle. It requires, by 2022, every UK bank and building society to have a minimum amount of loss-absorbing resources. Known as MREL (Minimum Requirement for Own Funds and Eligible Liabilities), it covers both the capital a bank holds as a going concern and the capital and debt that can be bailed in if it fails and enters resolution.

The issue is that Northern Rock was a liquidity, not a capitalisation, issue: Northern Rock proved that a bank can be **solvent** yet completely **illiquid**.

Commenting on recent articles in our magazine The Private Investor, **Muhammad Patel** writes: *"I concur with Bill Brown's view to work with HMT to oversee and address NR compensation as it did for other companies. We have more than ample evidence and very valid reasons to qualify for compensation. I commend UKSA's tremendous effort in pursuing this to date."*

Don't forget, Associate Members can take advantage of **half-price full membership** of UKSA in the first year by clicking [here](#).

The UKSA Board

6 October 2021