M&G FORCED TO SUSPEND £2.5BN FUND

KATHERINE DENHAM

TRADING has been suspended in M&G’s £2.5bn property fund after investors rushed to withdraw their money.

Asset management giant M&G said the Property Portfolio had seen unusually high outflows, and blamed continued Brexit-related political uncertainty for the fund’s suspension, which had made it difficult to sell commercial property.

In a statement yesterday, M&G said: “Given these circumstances, we have now reached a point where we believe it will best protect the interests of the fund’s customers by applying a temporary suspension in dealing.”

Any orders placed after midday yesterday will not be accepted until the suspension is lifted. The company is also temporarily waiving 30 per cent of its annual charge.

The fund is particularly vulnerable to the challenges facing the high street, with many retailers going into administration in the past year.

Jonathan De Mello, head of retail consultancy Harper Dennis Hobbs, said: “M&G’s issues are the first sign that property funds are materially starting to feel the pain that retailers have been feeling for years. It is pain that can only get worse for those funds that own buildings or centres in locations that are in decline.”

Funds which invest in illiquid assets but can be traded on a daily basis have come under intense scrutiny in recent months. There have been calls to create a long-term fund to address the structural mismatch.

The portfolio was also one of several property funds that suspended trading immediately after the EU referendum following large outflows. It has since halved in size.

Jason Hollands, managing director of financial planning firm Tilney, said: “Fund suspensions are especially emotive in the wake of the recent debacle involving the Woodford Equity Income Fund, but it is important not to confuse the situation.

“This fund has not had problematic performance, but it is invested in an inherently illiquid asset class, and therefore redemptions need to be dealt with in an orderly sale process.”

Patrick Connolly of Chase de Vere urged investors not to panic. He said M&G has struggled with fund liquidity due to the high number of investors cashing out, coupled with a “relatively high” exposure to retail properties that are harder to sell.

“As a result, the amount of cash in the fund has fallen to about five per cent, making it difficult for them to meet ongoing redemptions,” he said.

Connolly added property remains an asset class which can play an important role in investment portfolios.

“When we have some real clarity on Brexit, the prospects for this asset class will hopefully improve,” he said.

Yesterday’s suspension came just months after M&G temporarily stopped investors exiting its £636m UK Property Income Fund, which buys units in the M&G UK Property strategy.

Funds which invest in illiquid assets are under intense scrutiny following a series of suspensions in recent months.

SÉBASTIAN MCCARTHY

Metro Bank’s chief executive officer (CEO) Craig Donaldson revealed last night that he will step down at the end of this year, bidding farewell to the troubled lender in the wake of a torrid 12 months.

After a decade-long stint running the challenger bank, Donaldson has become the latest in a string of senior figures to announce his departure.

Donaldson’s final months at the helm have been clouded by a steep fall in the firm’s share price, sparked by the shock discovery of a major accounting error almost a year ago. The under-fire firm has since been embarking on a major management shake-up, with chairman Vernon Hill saying in October that he would leave the board by the end of 2019.

“When this has undoubtedly been a challenging year, it has been a privilege to serve,” Donaldson said in a statement after markets closed yesterday afternoon.

Chairman Sir Michael Snyder said: “My priority is to appoint a permanent CEO and new [non-execs] to the board who will bring even more retail banking experience.”
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**M&G fund freeze gives a distinct sense of déjà vu**

WHY DOES it feel like we have been here before? Well, it’s because we have. It wasn’t that long ago when thousands of investors in property funds flocked to the exit door after the referendum, forcing several major asset managers to temporarily block withdrawals. So cue the déjà vu when M&G yesterday suspended trading in its Commercial Property Portfolio for the second time in less than four years. And that’s before mentioning that M&G deferred withdrawals in a separate UK Property fund only a few months ago, which impacted some of Prudential’s pension-holders. Admittedly, this gating mechanism is in place to protect the remaining investors, by giving the fund managers time to sell-off the assets to meet redemption requests. And for those who are invested for long-term goals like pensions, the suspension won’t be such an issue. But fund gating can be painfully frustrating for investors who are unwillingly locked in, particularly when it’s not clear when they can access their money. Some will have thousands of pounds trapped in a fund, so it’s not just a matter of inconvenience either.

The commercial property sector is currently out of favour with investors, with outflows reaching £1.6bn in the past year. A suspension of this kind has been expected as the retail sector in particular takes a beating. But poorly performing investments are only one part of the story; the root cause is the mismatch between the daily dealings of the funds and the illiquid nature of the underlying assets. The Woodford scandal demonstrated that this is as true with property funds as it is with fund managers who pike money into early-stage biotech companies. There has been a lot of talk about banning illiquid assets from these types of funds, but a clear position is yet to emerge. And in the meantime, more suspensions seem likely — which is as frustrating for investors who are unwillingly locked in, as it is a matter of inconvenience for the underlying invested companies as it is for the investors. Brexit uncertainty has often been blamed for fund suspensions over recent years, but if these funds can’t withstand the shocks, they are not fit for purpose.

Asset managers can’t control whether investors panic or not, but they can address this structural problem. How does the industry expect to encourage investment if the sector is plagued with suspended funds? The Financial Conduct Authority won’t have been surprised by yesterday’s news, and the City will be waiting for its considered response.
Christmas saved at Clinton’s after rescue package

JESS CLARK
@jclarkjourno

HIGH street card retailer Clintons yesterday said it had secured a pre-pack administration deal to allow it to continue operating through the crucial Christmas trading period.

Clintons has been bought out of administration by Esquire Retail, a new vehicle that has been established by the Weiss family, which has owned the card retailer since 2012.

The deal, announced yesterday, will allow the retailer’s 334 shops to remain open throughout December — its busiest month of the year — and rescued 2,500 permanent jobs.

Clintons had previously explored a number of other rescue options, including a sale and a company voluntary arrangement (CVA), which would have lead to store closures and job losses.

However, the retailer was unable to secure enough support from stakeholders to launch the CVA procedure.

Clintons chief executive Eddie Shepherd said: “As part of our exploration of sale options to secure the future of the business, we entered into extensive discussions with stakeholders with a view to entering into a company voluntary arrangement.

“Despite receiving support from a number of landlords, we were unfortunately unable to secure the requisite support needed to successfully launch our proposals.”

“With no other investment options available, we therefore had to take the difficult step to place the company into administration,” he added.

Shepherd said the firm was confident that this deal will kickstart a new chapter for the business.

The company said it had been affected by pressures from business rates, weak consumer confidence and the “lack of clarity around the taxation of online retail businesses”.

Will Wright, partner at KPMG and joint administrator, said: “Clintons has been a fixture on the British high street for over 50 years, so it is pleasing to have been able to secure this agreement which will see it continue to trade.”

M&C Saatchi’s £11.6m accounting error sends shares plummeting

EDWARD THICKNESSE
@edthicknesse

M&C SAATCHI suffered as its market cap was nearly cut in half yesterday, after revealing a profit warning and an £11.6m accounting error, its second this year.

The accounting error came after an independent review by PwC.

M&C Saatchi’s share price fell 46 per cent to 79p — its lowest in more than a decade — yesterday as traders abandoned the firm.

The accounting review related to several units in the company’s UK business overstating income and receivables and M&C said it would restructure its UK operations.

“This restatement of our numbers and the reduction in forecasts make for very difficult reading,” said chief executive David Kershaw.

The ad agency already set aside £6.4m in August after it had spotted an error in its accounts.

Eddie Stobart puts administrators on alert ahead of crunch deal vote

JAMES BOOTH
@JBooth1

TROUBLED haulier Eddie Stobart has lined up Deloitte to act as its administrator ahead of a crucial shareholder vote tomorrow.

Shareholders are set to vote on whether to approve a £55m financing package from former owner Dbay Advisors.

The Telegraph reported that if shareholders reject the deal, Eddie Stobart’s holding company will be put into administration.

“In these circumstances the lenders would support the board taking steps to achieve the Dbay transaction by an alternative route which would see no return to shareholders,” the statement said.

Former Stobart Group boss Andrew Tinkler’s TVFB vehicle yesterday said it continued to “gather shareholder support” for an alternative financing plan.

“There is no upcoming liquidity issue within the next week,” it said. Eddie Stobart published letters from its lenders yesterday that said “the banks will not entertain any other proposals and are wholly supportive of the Dbay proposal”.

M&C Saatchi is famous for its poster campaigns on behalf of the Conservatives

M&C SAATCHI is famous for its poster campaigns on behalf of the Conservatives.

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Senior has been accused of breaching professional standards after sexually harassing a junior lawyer (Person A) after a night of drinking and then allegedly interfering in the internal investigation into the incident.

Senior was head of the legal giant’s London office at the time of the incident. He left the firm last year after the allegations came to light.

Andrew Tabachnik QC, prosecuting for the Solicitors Regulation Authority, asked Senior if he thought his “own version events amounts to sexual harassment of Person A?”

Senior replied: “Yes I think so, yes.”

Tabachnik said Senior had “made a pass” at the junior lawyer who was “half your age or perhaps less” after a night of drinking.

Senior admitted giving her a “compliment about her looks and kissing her on the neck... none of which she wanted.”

In a note made in the days after the incident, Person A alleged that Senior’s conduct went further than this — something he disputed.

Person A said Senior asked her to stay behind at 3am after a small group had spent an hour drinking in his hotel room after a night out.

“Gary Senior said ‘time for a hug then,’” Tabachnik said, reading out Person A’s account.

“He said ‘you are very attractive, I think you’re really fit,’” Person A’s account said. “He looked at the bed, I felt disgusted, he was still hugging me the whole time,” it added.

“I don’t recall the situation getting that far advanced,” Senior said.

Person A ultimately left the firm after being given a cash settlement and signing a non-disclosure agreement (NDA).

Senior was given a written warning and allowed to keep his job.

Senior denies professional misconduct and denies influencing the investigation. The hearing continues.

McKenzie lawyer admits sexually harassing staff

JAMES BOOTH


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Slack beats expectations despite Microsoft app competition woes

JESS CLARK

WORKPLACE messaging app Slack beat analyst expectations in its third-quarter results, following concerns that the tech firm would fall victim to increased competition.

Last night the company reported a loss of $0.02 per share compared to a consensus of an eight cent per share loss. Slack also beat on revenue, which was $168.7m (£128.73m) — an increase of 60 per cent year-on-year — compared to an average estimate of $156m.

In its second financial filing since its direct listing on Wall Street this summer, Slack said it increased the number of paid customers by 30 per cent to 105,000.

The announcement comes as competition in the workplace messaging sector has stepped up as Microsoft pushes its competitor app Teams. The rivalry between Slack and the tech giant turned up a notch last month after Slack accused Microsoft of ripping off its latest advertising campaign.

WHO SAID THE SKY HAD TO BE THE LIMIT?

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Standardised past performance to 30 September*

<table>
<thead>
<tr>
<th>Year</th>
<th>Scottish Mortgage</th>
<th>AMC Global Sector Average</th>
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<td>2018</td>
<td>2.6%</td>
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<tr>
<td>2019</td>
<td>2.6%</td>
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*Source: Morningstar; share price; total return as at 30.09.18. **Ongoing charges are at 31.03.19 calculated in accordance with AIC recommendations. Details of other costs can be found in the Key Information Document. Your call may be recorded for training or monitoring purposes. Issued and approved by Baillie Gifford & Co Limited, whose registered address is at Carlton Square, 1 Greenside Row, Edinburgh, EH1 2AN. United Kingdom. Baillie Gifford & Co Limited is the authorised Alternative Investment Fund Manager and Company Secretary of the Company. Baillie Gifford & Co Limited is authorised and regulated by the Financial Conduct Authority (FCA). The investment trusts managed by Baillie Gifford & Co Limited are listed UK companies and are not authorised and regulated by the Financial Conduct Authority.
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SNP seats: 44-46
Lib Dem seats: 18-22
Plaid Cymru seats: 3.5-4.5
Green Party seats: 1-2
Brexit Party seats: 0.5-2

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The pound climbed to a seven-month high yesterday as traders grew hopeful that the Conservatives would clinch a majority at the upcoming General Election and bring some certainty to the Brexit process.

Sterling rose to $1.312 yesterday afternoon before dropping back somewhat. The pound finished the day 0.01 per cent higher at $1.309, a level not seen since early May.

Most investors think a Tory majority at the 12 December poll would finally see Britain leave the European Union with a deal, bringing some much-needed certainty to the economy.

A poll from asset manager Toscafund and Deltapoll yesterday predicted the Tories will win a majority of about 30 in the 12 December vote. A YouGov poll from Tuesday showed the Conservatives on 42 per cent and Labour on 33 per cent of the vote.

In a report accompanying the poll, the asset manager said a Tory majority would cause an “unleashing of the consumption and investment” that Brexit uncertainty has held back in 2019, it said.

Toscafund’s chief economist Savvas Savouri said a win for Boris Johnson’s party would give domestic assets “clearance to take off”.

He said it would likely send the pound surging to $1.48.

Johnson strategists were breathing a sigh of relief last night as US President Donald Trump left the UK without handing Jeremy Corbyn any early Christmas presents in the form of comments about the NHS.

Campaign sources believe that Friday’s head-to-head debate between Johnson and Labour leader Jeremy Corbyn is the last chance for the opposition to build poll momentum.

Even in an election where both main parties have stretched the truth to elastic limits, it takes something for the UK Statistics Authority to step in. Boss Sir David Norgrove yesterday rebuked Jeremy Corbyn for a claim at the party’s manifesto launch that “violent crime has doubled” under nine years of Tory rule. Sir David said there was “little change in overall violent crime.” "Whoops.

## POLLS WATCH

Is it getting closer? A Survation poll which measured voting intention at the start of the week gives the Tories a nine point lead over Labour (42 to 33) compared to a 14 point lead (42 to 28) on 18 November. The good news for the Tories is that their vote seems to be remaining stable.

### GOOD DAY ▲

Commercial firms can often come unstuck when they dally in politics but yesterday Burger King received deserved online acclaim for its new bus advert, parked up against parliament. “Another Whopper on the side of a bus,” it read. “It must be an election.” As parties continue to dart round the country in their battle buses, they might be sticking to KFC and McDonald’s for their pit-stops after that.

### BAD DAY ▼

Living costs claim row rumbles on

Even in an election where both main parties have stretched the truth to elastic limits, it takes something for the UK Statistics Authority to step in. Boss Sir David Norgrove yesterday rebuked Jeremy Corbyn for a claim at the party’s manifesto launch that “violent crime has doubled” under nine years of Tory rule. Sir David said there was “little change in overall violent crime.” “Whoops.

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**DESSERT**

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- Plant Kitchen Butternut, Almond and Pecan Nut Roast

**SIDES**

- Boston Fine Beans
- Potato Rosti
- Red Onion & Fontal Cheese PANTOFFOLA

**DESSERTS**

- Collection Hand Dipped Chocolate Piné Cones
- Yuletide Log
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**WINES**

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Philip Day seeks expansion after strong earnings

JESS CLARK .................................................................@jclarkjourno

PHILIP Day’s Edinburgh Woollen Mill Group reported a strong profit in its latest financial update as the billion-aire businessman eyes potential acquisitions for his high street empire.

The group, which includes brands such as Peacocks, Jaeger and Austin Reed, reported profit after tax of £23.4m in the 27 weeks to 2 March, on revenue of £237.5m.

The company also revealed it has a cash balance of £117.8m, is bank debt free and has undrawn bank facilities of £100m.

Edinburgh Woollen Mill posted a profit after tax of £12m and Peacocks, which has recently been named the preferred bidder for Bonmarche, reported profit after tax of £7.7m.

Day was previously the majority shareholder in Bonmarche through separate holding company Spectre

Strong earnings have been made possible thanks to the group’s facilities.

The group will be able to build a “single luxury tailoring division”, the firm said.

It is not possible to compare the group’s latest 27-week reporting period with its previous financial filing, which covered 78 weeks.

An Edinburgh Woollen Mill Group spokesperson said: “As we continue to expand our store estate, our multi-faceted strategy has allowed us to appeal to a wide demographic of customers across a range of different prices points.”

Quiz shares plunge as it blames ‘very challenging’ high street for £7m loss

JOE CURTIS .................................................................@joe_r_curtis

FAST fashion brand Quiz has sunk to a loss due to its stores, a lack of footfall in the first half of its financial year, revealed yesterday.

Shares sank 16 per cent during trading yesterday, before closing 11.8 per cent down at 14.75p.

Quiz swung to a loss before tax of £6.8m in the six months to the end of September, after posting a £3.8m profit this time last year.

Underlying profit sank 85 per cent year on year to just £600,000. It was also hit by a drop in sales that knocked revenue five per cent lower to £63.3m.

Shareholders suffered a 4.44p loss per share, compared to 2.46p in earnings per share a year ago.

Quiz blamed “very challenging” conditions on UK high streets for the huge drop. It warned more people are increasingly shopping online but its own online revenue was flat year on year at £20m. Quiz, which has 73 stores and 171 concessions in the UK, also booked a £7m charge for onerous leases in its store estate.

John Moore, senior investment manager at Brewin Dolphin, called the results a “nightmare before Christmas” for Quiz. “The City has been worried about Quiz for some time and these figures will do little to ease those concerns,” he added.

US proposal for global tax rules risks deadlines

LEIGH THOMAS

THE UNITED States’ latest proposal on reform of international tax rules could set back efforts to meet previously agreed tight deadlines, the OECD said yesterday.

US Treasury secretary Steven Mnuchin sent a letter to OECD head Angel Gurria on Tuesday voicing “serious concerns” about the organisation’s reform proposals and suggested they could be addressed by creating a safe-harbour regime.

In response to the letter, Gurria said in a letter that was the first time such an idea had been floated despite lengthy consultations, in which Washington already actively contributed. “We raise this concern, as it may impact the ability of the 135 countries that are now participating in this process, to move forward within the tight deadlines we established collectively.”

He ended the letter by inviting Mnuchin to Paris for talks “ideally before Christmas” which would include French finance minister Bruno Le Maire. The US threatened to apply tariffs on a range of French goods this week.

The fashion retailer’s profit plummeted 65 per cent year on year to just £600,000
Musk: ‘Pedo guy’ was not meant literally

Alex Daniel reports on the opening of Musk’s defamation trial

Elon Musk has, yet again, gone where most fear to tread. This time he has defended an episode in which he called a British cave diver a paedophile with the excuse that he didn’t mean it like that.

His charge? Calling Vernon Unsworth — a British cave diver who helped save 12 boys and their football coach in Thailand in July 2018 — a “pedo guy”. His defence? It was not a literal accusation of paedophilia; just a run-of-the-mill insult.

The statement came in a Los Angeles courtroom on Tuesday — the first time the two have come face-to-face since the daring rescue and subsequent barb took place.

During the session, Musk apologised to Unsworth, who sat stony-faced throughout. But several other comments raised eyebrows among observers.

The controversy stems from a tweet sent by Musk on 15 July 2018, which carried the insult. That was in response to a video interview with Unsworth in which the cave diver was asked about a plan by the Tesla billionaire to save the trapped boys with a mini submarine he created himself. Unsworth called the idea a PR stunt and said the businessman could “stick his submarine where it hurts”.

Asked about the interview on Tuesday, Musk said: “It was wrong and insulting, so I insulted him back,” implying he did not mean the “pedo guy” statement literally.

Unsworth’s lawyer pointed out, in response, that Musk did not correct the record afterwards. Rather, he later went on to call Unsworth a “child rapist” in an email to a journalist.

But Musk replied: “I think that would have been worse. If you called someone a mother f**ker I don’t think you would have to clarify you don’t actually commit incest. It would sound disingenuous.”

“People say a lot of things on Twitter that aren’t true,” he added.

Musk doubled down on his defence as he wrapped up two days of testimony yesterday, saying the insult was an “off-the-cuff” remark. Unsworth’s lawyer said that he brought the lawsuit “for accusing him of being a pedophile in what should have been one of the proudest moments of his life.” Instead, Musk brought him “shame,” he said.

Musk tried to suggest he was not an influential person, despite having 22m followers on Twitter at the time — a figure which has now risen to more than 29m. “I’m not sure to the degree I’m influential. I try to get people to take climate change seriously and that hasn’t worked,” Musk said.

However he later contradicted himself, saying yesterday: “Most things I say on Twitter will generally get some press awareness... if I write something on Twitter, it will get reported.”

Musk insisted the tweet in question was his reaction to “an unprovoked attack on what was a good-natured attempt to help the kids.”

EXCUSES, EXCUSES: HOW MUSK DEFENDED HIMSELF

1. Musk’s lawyer called the tweet a “JDART” — meaning a joking, deleted, apologised for, responsive tweet.

2. Musk said in his own defence: “If you called someone a mother f**ker I don’t think you would have to clarify you don’t actually commit incest. It would sound disingenuous.”

3. Musk’s lawyer said: “(Unsworth) is saying he has been horribly damaged, and deserves money. He doesn’t.”

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Global economy to pick up in 2020 despite slowdowns in US and China

HARRY ROBERTSON
@henrygrobertson

GLOBAL economic growth is set to pick up in 2020 despite the world’s two biggest economies slowing, according to asset manager Investec.

The world economy will expand by 3.3 per cent in 2020, Investec said yesterday, up from a post-crisis low of 2.9 per cent growth this year. Trade tensions, a slowdown in China, and difficulties in Eurozone manufacturing have all dented global economic growth in 2019.

The US-China trade war is likely to carry on into 2020, Investec said, holding back both countries’ economies. In China next year growth is expected to be its lowest in 30 years.

The City firm said the two sides should sign phase one of a trade deal in 2020, although this would not be a comprehensive agreement. “Our baseline case is that a phase two deal will not be settled until after November’s [US] Presidential election,” said Investec chief economist Philip Shaw.

The report said the pickup in global growth “primarily reflects” the economic stimulus that has resulted from 60 or so central banks cutting interest rates around the world in 2019.

Services sector contracts as UK election looms

HARRY ROBERTSON
AND SEBASTIAN MCCARTHY
@henrygrobertson @SebMcCarthy

The UK services sector contracted last month at the fastest pace since March, survey data showed yesterday, as domestic political uncertainty once again led to cautious business and consumer spending.

The IHS Markit/CIPS services purchasing managers’ index (PMI) fell to 49.3 in November, down from a score of 50 — which marks no change — in October. Although the reading beat an initial estimate of 48.6, it nonetheless put the UK’s most important sector in contraction territory.

The services sector reading is the latest sign this week that the UK economy has slowed in the final three months of the year. Data showed that the manufacturing and construction sectors both also contracted in November.

Tim Moore of data firm IHS Markit, said: “November’s PMI surveys collectively suggest that the UK economy is staggering through the final quarter of 2019.”

The outlook for the private sector is also gloomy, according to an EY Item Club report that today said bank lending to firms is expected to creep up at its weakest rate since 2015 next year.

Ruth Gregory of Capital Economics said: “GDP growth has slowed sharply in the fourth quarter and perhaps even turned negative”.

The CBI's current president Dame Carolyn Fairbairn yesterday that the “impending General Election has brought fresh uncertainty.

IHS Markit said that private sector output fell in November after stagnating in October, with the composite PMI hitting its joint-lowest reading since July 2016.

Carolyn Fairbairn has guided the CBI through the EU referendum and its political aftermath

CBI hires headhunters as it kicks off search for Fairbairn successor

SEBASTIAN MCCARTHY
@SebMcCarthy

The CBI is said to have launched the search to select its next boss, as its current director general’s term draws to a close.

The business lobbying giant has just less than 12 months to serve in her five-year term. She described 2020 as “the most important year in a generation”.

The post is due to be publicly advertised next week, with an appointment expected during spring 2020. The CBI’s current president John Allan and his colleagues will be in charge of selecting the next director general.

Fairbairn has guided the CBI through the EU referendum and its political aftermath
Chinese power firm Sdic delays a London listing

EDWARD THICKNESSE
@edthicknesse

LEADING Chinese power generation firm Sdic Power yesterday announced it would delay listing 10 per cent of its shares on the London Stock Exchange (LSE) due to “market conditions.”

In a statement, the company said it “believes this is a prudent decision and is in the best interests of its existing and future shareholders.”

The decision comes as another blow to the LSE, which has seen a number of prominent initial public offerings (IPOs) cancelled or delayed recently. There have only been four IPOs worth more than £1bn in London so far this year. As of September, only 25 companies had listed, compared with 87 in 2018 and 106 in 2017.

High-value potential floats such as those of Wework and Shore Capital have further damaged London’s reputation. By contrast, in the US Nasdaq have seen a number of big listings, such as Uber, Pinterest, and Beyond Meat.

Originally it was suggested that Sdic would seek to complete the deal by Christmas. The Shanghai-listed firm is worth ¥573.8bn yuan (£6.4bn), meaning that the offering could be worth up to £640m, according to a source familiar with the transaction.

The offering would be the second to take place under a new scheme linking the London and Shanghai bourses. Chinese brokerage Huatai Securities listed in London in June this year, raising about £1.5bn (€1.15bn) in the process.

Sdic already has a presence in the UK market through its ownership of renewable energy firm Red Rock. The Scotland-based company owns part of the Beatrice wind farm project, which cost £2.5bn, and will supply electricity to 450,000 homes through a joint venture with SSE Renewables and Copenhagen Infrastructure Partners.

Not-for-profit Clientearth said BP’s eco-friendly adverts draw attention away from its mainstream oil and gas business

EDWARD THICKNESSE
@edthicknesse

ENVIRONMENTAL law charity Clientearth has accused BP of “misleading” the public regarding its low-carbon credentials with its multi-million-pound advertising campaign.

The non-profit group said yesterday it has lodged an official complaint under international guidelines regarding the campaign – BP’s first in 10 years.

The group are backing up the complaint with demands that all fossil fuel advertising should be banned unless it comes with a “tobacco-style” warning about the dangers to planet and people.

Clientearth climate lawyer Sophie Marjanac said: “BP is spending millions on an advertising campaign to give the impression that it’s racing to renewables, its gas is cleaner, and it is part of the climate solution. “This is a smoke screen. While BP’s advertising focuses on clean energy, in reality, more than 96 per cent of the company’s annual capital expenditure is on oil and gas.”

Not-for-profit Clientearth said BP’s eco-friendly adverts draw attention away from its mainstream oil and gas business.
Google searches for a spark with leadership rejig

The Google founders’ departure marks a new era, writes James Warrington

GOOGLE’s announcement that co-founders Larry Page and Sergey Brin will step back from their top roles is, in some senses, a groundbreaking moment. Since starting the iconic search engine in a rented California garage in 1998, the pair have grown the firm into one of the world’s most valuable companies, turning themselves into two of the world’s richest men in the process.

Google’s ubiquity — it was officially recognised as a verb in 2006 — means it is now hard to imagine life without the colourful search engine. However, Page’s and Brin’s role in organising the inchoate mass of the early worldwide web should not be overlooked. Culturally, too, the pair’s influence is significant. Over the last two decades, Google has laid the groundwork for the modern Silicon Valley, nurturing — for better or for worse — a culture of flexible working alongside its unofficial motto of “don’t be evil”.

OTHER BETS

Although Google — and parent company Alphabet — has held its own amid the emergence of new tech rivals, it’s clear the company is moving into a new era, and the decision to make way for fresh meat in many ways seems logical.

With the triumphs of the search era and Gmail behind it, the Californian giant is now looking to new avenues such as cloud computing and artificial intelligence (AI), which are contained within its aptly-named Other Bets division.

“Page and Brin revolutionised our access to information and services in the last 10 years, but innovation in the core business is not as fast paced as it once was,” says Jim Criddlin, global head of innovation and partnerships at Mindshare.

“Google won the search wars. The question now is will it win in the new battlegrounds of cloud services, AI and all its Other Bets,” he added.

Moreover, Google may well be moving into choppy regulatory waters. Political pressure for tighter regulation of tech giants is picking up pace, with critics citing concerns including Silicon Valley’s use of data, its dominance in the digital advertising market and its failure to police content posted online by its users.

France has already outlined plans for a digital services tax, and a host of other countries, including the UK, may soon follow suit.

It is not the first time the company has faced regulatory hurdles. However, with public opinion gradually turning against the tech giants, a changing of the guard may be a necessary measure as the company moves into a new era.

PROUD PARENTS

While Page and Brin’s departure will be lamented in breakout spaces across the West Coast, in reality the transition has been gradual. The pair have stepped back from the limelight in recent years, allowing Google chief executive Sundar Pichai to become the public face of the company. Pichai now becomes chief executive of Alphabet and Google, and takes responsibility for the day-to-day running of the firm.

Page and Brin have said they will now adopt the role of “proud parents — offering advice and love, but not daily nagging”.

But with more than 50 per cent of voting rights still resting with the founders, it’s clear they’re not ready to relinquish power just yet.
Expedia bosses quit after board strategy clashes

JESS CLARK
@jclarkjourno

EXPEDIA chief executive Mark Okerstrom and finance boss Alan Pickerill have quit following disagreements with the board over the travel group’s strategy.

Chairman Barry Diller said he will oversee the company’s executive leadership team with vice chairman Peter Kern.

Chief strategy officer Eric Hart will serve as acting chief finance officer.

The pair’s exit, effective immediately, comes after Expedia implemented a reorganisation plan that the board said had “resulted in a material loss of focus on our current operations”.

This distraction led to “disappointing” third-quarter results and a “lacklustre near-term outlook”, the board said.

Diller added: “The board disagreed with that outlook, as well as the departing leadership’s vision for growth, strongly believing the company can accelerate growth in 2020.”

City of London update

Book of condolence at Guildhall Art Gallery

Following last Friday’s attack at London Bridge, a book of condolence has been set up at the City of London Corporation’s Guildhall Art Gallery (Guildhall Yard EC2V 5AE).

This book is available for all City workers, residents and visitors to pay their respects and express their sympathies for all those affected.

Advice, assistance and support for victims, witnesses and those affected by the attack is also available.

Victim Support can offer free and confidential help and support. Call their 24/7 Supportline on 08 08 16 89 111 or visit www.victimsupport.org.uk

Have a good time but stay safe

BY taking a few, good steps and some simple party planning everyone can have a fun night out. So this Christmas you are invited to do three wise things and keep your night, merry and bright: Eat, Pace, Plan.

Eat: Drinking on an empty stomach is never a good idea, so make sure you eat before you go out.

Pace: Try having a soft drink or some water between alcoholic drinks to slow the rate of your drinking.

Plan: Plan your journey home in advance, check the train or bus times and only use licenced taxis.

Look after your friends and colleagues and stick to safer drinking levels.

Loungers shares rise as group cuts losses amid restaurant openings

JAMES WARRINGTON
@j_a_warrington

SHARES in Loungers rose as much as four per cent during trading yesterday after the bar and restaurant group slashed its loss and boosted revenue after opening a string of new sites.

Revenue rose 22 per cent to £79.8m in the 24 weeks to 6 October, while the firm cut its loss from £4.3m to £2.5m.

The strong performance was driven by an uptick in like-for-like sales, which rose 5.4 per cent over the period.

Loungers, which owns the Lounge and Cosy Club, said it had 10 restaurant and bar openings scheduled in the second half, taking its portfolio to 171 sites.

Shares closed up 2.3 per cent at 202.1p yesterday.

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Duolingo is now focusing its efforts on the UK, where it has 12m users

London comes top in world ranking of most popular city fintech hubs

SEBASTIAN MCCARTHY
@SebMcCarthy
LONDON boasts the most fintech headquarters of any city in the world, according to new research.
The capital has topped a new ranking for global fintech hubs, with more than 1,000 companies in the sector choosing to put their HQ in London.

New York is trailing in second place, a new report from Savills and its flexible office specialist Workthere found, with 939 fintech HQs in the Big Apple.

Worldpay, Fishtech, Monzo and Transferwise are among the fast-growing firms to base themselves in London.

Matthew Fitzgerald, a Savills director of cross border tenant advisory, said: “At these early-stage companies grow headcount and become more established over the coming years, we expect to see them making the move from flexible to conventional offices and then major occupiers in their own right, as we have seen in London.”

London, New York and San Francisco were also shown to be “the clear epicentres of the fintech world”, making up a combined 38 per cent of global fintech venture capital investment this year.

Duolingo said the new funds would be invested in research and development to improve its product, as well as to expand its staff numbers.

“Duolingo has been adding users and revenue at an impressive pace, continuing to solidify their position as the number one way to learn a language globally,” said Laela Sturdy, general partner at Capital G.

“Google funding grants Duolingo unicorn status

james warrington
@j_a_warrington
LANGUAGE-LEARNING app Duolingo has joined the ever-growing ranks of tech unicorns, reaching a valuation of $1.5bn (£1.1bn) thanks to funding from Google’s venture capital arm.

The US firm yesterday announced it has bagged $30m in a series F round led by existing investor Capital G—a private equity fund owned by Google parent company Alphabet.

The latest cash injection brings Duolingo’s total funding to $138m, and makes it the first tech startup from Pittsburgh, Pennsylvania to reach a valuation over $1bn and achieve unicorn status.

Duolingo’s app and website have amassed more than 30m monthly active users, who can choose from 91 courses across 30 different languages.

The firm has now shifted its focus to the UK, where it has 12m users. Last week it launched a new Scottish Gaelic course, and there are now more people learning Scotland’s indigenous language on Duolingo than there are native speakers alive.

Duolingo has more than doubled its number of employees over the last two years, and now has offices in New York, Seattle and Beijing.
**Polish drinkers boost revenue at Stock Spirits**

JAMES WARRINGTON  
@j_a_warrington

SHARES in Stock Spirits rose more than nine per cent yesterday after the drinks company served up a strong rise in full-year revenue and profit.

The London-listed firm posted a nine per cent rise in revenue to €312.4m (£264.7m) in the year to the end of September, while pre-tax profit jumped almost 20 per cent to €9.2m.

Growth was also driven by acquisitions, as Stock Spirits bought Italian grappa maker Distillerie Franciacorta and Czech spirits firm Bartida.

The company pinned its successes in the country on strong economic growth, which has boosted disposable incomes and helped increase sales.

Poland was up 13 per cent to €171.7m over the year.

Stock Spirits, which is focused on central and eastern Europe, also said its largest market. Revenue from France increased 19 per cent to €38.2m.

**Buzzfeed issued strike-off warning as news site’s company accounts are late**

JAMES WARRINGTON  
@j_a_warrington

BUZZFEED is under fierce pressure from financial authorities for failing to produce its company accounts.

The digital media firm cut jobs at its London newsroom earlier this year as investors baulked at the drop in revenue.

In an email to staff, chief executive Jonah Peretti said while revenue was being cut, he was also reducing headcount by 15 per cent.

Bleakley Advisory Group said Buzzfeed’s US parent company was “running at an unsustainable rate”.

In January, Buzzfeed slashed its headcount by 15 per cent.

Audit firm Blick filed its accounts more than two months after the deadline.

Government agency Companies House has lodged a proposal to strike Buzzfeed from the official register as it seeks to double down on the lucrative market.

The company was “running at an unsustainable rate”. Buzzfeed’s accounts for 2017 showed a pre-tax loss of £1.9m on revenue of £33.4m, while the firm owed £7.7m to creditors at the end of the year. However, auditors Blick assured them of continuing support.

Auditors Blick said they had received assurances of continuing support from Buzzfeed’s US parent company.

In January, Buzzfeed slashed its London newsroom in half as part of a wider effort to reduce global headcount by 15 per cent.

The company was “running at an unsustainable rate”.

**Peloton’s ‘sexist’ advert so bad it sends shares tumbling down**

JAMES WARRINGTON  
@j_a_warrington

EXERCISE bike firm Peloton is facing a fierce backlash over a Christmas advert that has been widely mocked as “sexist” and “dystopian”.

The 30-second campaign shows a woman receiving a Peloton bike — which costs roughly £2,000 — from her husband. She then films herself exercising over the year and presents the video to her spouse as a way of saying thank you. “A year ago, I didn’t realise how much this would change me,” she says.

Shares in the fitness startup dropped as much as four per cent yesterday as investors baulked at the campaign.

Many branded the advert “sexist” and comparing it to a horror film.

**Collapsed Italy bridge suffered falsified checks**

**Emilio Parodi**

AN ITALIAN court in Genoa yesterday found that motorway unit Autostrade per l’Italia applied pressure on officials at a sister maintenance firm to falsify safety reports for several bridges to save money for parent company Atlantia.

A court document seen by Reuters says the firm would be in financial difficulty, and an industry source told City A.M. the firm was “running at an unsustainable rate”.

The turnaround of our Polish business is complete, and we have no debt, said chief executive Mirek Stachowicz.

The 30-second campaign shows a woman receiving a Peloton bike — which costs roughly £2,000 — from her husband. She then films herself exercising over the year and presents the video to her spouse as a way of saying thank you. “A year ago, I didn’t realise how much this would change me,” she says.

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In a court document seen by Reuters, three judges said for the first time that the pressure to cut costs had guided several employees of both Autostrade and maintenance company SPEA when producing the reports.

They did not find any evidence of wrongdoing by executives at Atlantia, the group which controls both Autostrade and SPEA.

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The court finding could benefit Italy’s ruling coalition party 5-Star Movement, which has been demanding that Atlantia be stripped of its lucrative concessions after 43 people were killed in the collapse of a Genoa bridge.

**Final checks**

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Labour’s pledge to save households more than £6,700 each year has been savaged by commentators and industry experts who question the party’s figures and assumptions about privatisation.

John McDonnell in Birmingham yesterday called out those warning about the risks of Labour’s plans to nationalise energy, broadband, water and other industries, claiming that “the privatisation fat cats are scaremongering with their threats of legal action.”

He added: “Of course they need paying for. But we believe in a fair society, we don’t leave them to the market so those with the most can afford them while others can’t.”

Experts queued up to question their numbers, however.

Former party adviser, Tom Hamilton, said: “Anyone who tells you Labour will put £6,717 in your pocket is lying to you, it’s as simple as that.”

Robert Colvile, director of the Thatcherite Centre for Policy Studies think tank, slammed Labour’s figures as “a naked deceit” and offered a forensic look at the numbers.

Colvile pointed to the inconsistencies in their assumptions of an average household. “This is a ‘household’ in which two working parents are rich enough to both commute into London (or another big city), to pay for their own NHS prescriptions, and receive zero state help with childcare,” he said.

“Yet at the same time poor enough to still be receiving free school meals, and renting their home — and, according to the final paragraph, earning the minimum wage.”

Colvile also rubbished Labour’s use of nominal inflation figures while complaining that wages have not risen in real terms as “batsh*t.”

Paul Johnson, director of the Institute for Fiscal Studies, agreed. “There is no sense that this is an average person,” he told City A.M. “This is a carefully constructed person, of whom there are very few in the country.”

“ Probably isn’t a family in the land who would get all the things they are talking about,” he added.

Johnson also attacked Labour for what he described as “clearly just a made-up number” on energy savings, and noted that whatever happened: “Someone is going to have to pay for it... Labour’s taxes are progressive, but it’s just absurd to suggest this can all be paid for by the top five per cent.”

Those potentially affected by the changes also hit back.

Water UK chief executive Michael Roberts attacked what he called Labour’s “fantasy figures”, which he said ignored inflation.

“On average, customers have seen water bills going down in real terms for the last 10 years, and they will keep going down over the next five years. And according to Ofwat, bills in England and Wales are £120 lower than they would have been without privatisation and regulation.

“It’s also completely untrue to state, as the Labour document does, that ‘privatisation has not meant more investment’. Water would be nation- alised under Labour’s plans.”

Catherine Neilan asks experts if Labour’s budget claims to save household money actually stack up
Tech taxes to go ahead despite Trump warning

GOVERNMENTS around the world yesterday reiterated their plans to implement a tax on tech giants, despite threats of retaliation by the US.

Canada, Austria and Indonesia are among those to join the UK in reaffirming a commitment to a tax on US tech companies such as Amazon, Facebook and Google.

The move comes despite a proposal by the US to punish France with 100 per cent tariffs on $2.4bn (£1.83bn) of exports such as cheese and Champagne, in response to the country’s digital services tax.

Prime Minister Boris Johnson has committed to a new two per cent tax on the revenues of search engines, social media platforms and online marketplaces.

However, tech bosses have warned that a digital services tax could derail future US-UK trade talks, after Trump on Tuesday said “if anyone was going to tax American companies it will be me... They’re starting to tax other people’s products... therefore we’re going to tax their products”.

The Canadian and Austrian finance ministries have both committed to continuing with their tech tax policies, the Financial Times reported.

Meanwhile, Indonesia yesterday issued new rules to make overseas companies that have a presence in its booming online economy pay taxes.

The new regulation requires foreign firms that trade in goods or services electronically in the country to be considered as equal to having a physical presence in Indonesia and pay all taxes accordingly.

It followed a letter sent by US Treasury secretary Steven Mnuchin to the OECD, urging all countries to suspend plans for digital services taxes that Washington believes unfairly target US tech companies in order to allow the body to reach a consensus.

In a letter yesterday, the group said that it is still continuing a review of possible options for the firm’s long-term viability.

On 13 November, the group previously told investors that it expected “to confirm which of them [the options] we believe is in the best interests of investors in the next 21 days”.

Woodford Income Focus stays suspended as options mulled

NEIL WOODFORD was sacked as the fund’s manager in October.

In a letter yesterday, the group said that it is still continuing a review of possible options for the firm’s long-term viability.

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Chrysler was undervalued by Fiat, says Italy

ITALIAN tax authorities believe that Fiat Chrysler Automobiles (FCA) underestimated the value of its US business by €5.1bn (£4.3bn) following Fiat’s phased acquisition of Chrysler, according a source close to the matter.

The audit, which concerns transactions dating back to 2014, could result in FCA having to pay back taxes for €1.5bn (£1.1bn), the source added. FCA said in its third-quarter report that the tax authorities had issued to the company a final audit report in October this year “which, if confirmed in the final audit assessment, could result in a material proposed tax adjustment related to the October 12, 2014 merger of Fiat SpA into FCA NV".

It said the issuance of a final audit report starts a 60-day negotiation period, which ends with the issuance of a final audit assessment expected to be received by the end of December 2019.

“The company believes that its tax position with respect to the merger is fully supported by both the facts and applicable tax law,” it said yesterday.
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Iain Duncan Smith: Election is a ‘fight right to the end’

Catherine Neilan sits down with the former Tory leader to discuss Labour, the election and death threats

ABOUR has made no secret of its plan to unseat former Conservative leader and minister Iain Duncan Smith in favour of Corbynite candidate Faiza Shaheen. Hundreds of the hard-left Momentum group’s activists have been diverted into Chingford and Wood Green in the past few weeks in the hope of claiming such a recognisable scalp — that of the poster boy for the hope of claiming such a recognised around the constituency, as a change candidate. She has been likened to the charismatic young US politician Alexandria Ocasio-Cortez, who unseated an older white male incumbent in a shock primary midterm election last year. But IDS believes the new Prime Minister is bringing in enough changes to fend off this attack. He points to the end of austerity as one example, which IDS resigned over in 2016 because he thought the cost-cuts were political rather than necessary. He advocates “a little dose of Keynesianism” to nudge inflation in the right direction. “The trading environment needs growth, but it’s got to be affordable growth. Corbyn is just wallowing money at the public sector and you know what happens — productivity goes out the window.”

Despite the shifting demographics, which mean Chingford has become home to more traditional Labour voters, IDS believes Momentum has miscalculated in focusing so heavily on his seat. “We are not Hackney, we are not Islington — this is not a Momentum seat. We don’t have champagne socialists here. We have families who are making decisions for different reasons. There are some ideologues, but they are few and far between. Most people just get on with their lives here.”

IDS should be “looking over his shoulder”, with the seat — a marginal of around 2,400 — looking very risky. Polls suggest Labour is attempting to position Shaheen, who was born and raised in the constituency, as a change candidate. She has been likened to the charismatic young US politician Alexandria Ocasio-Cortez, who unseated an older white male incumbent in a shock primary midterm election last year. But IDS believes the new Prime Minister is bringing in enough changes to fend off this attack. He points to the end of austerity as one example, which IDS resigned over in 2016 because he thought the cost-cuts were political rather than necessary. He advocates “a little dose of Keynesianism” to nudge inflation in the right direction. “The trading environment needs growth, but it’s got to be affordable growth. Corbyn is just wallowing money at the public sector and you know what happens — productivity goes out the window.”

Far from being a boon to Shaheen, who did not respond to requests for an interview, her proximity to Corbyn could be what keeps Duncan Smith safe. The Labour leader “runs like a thread through all of this” — his name acts like “a galvaniser”. It certainly seems to be galvanising a number of Tory voters who stayed away in 2017, but promise to vote this time for fear of letting in what one person calls “the red ants”. We meet a self-described socialist, a man who after 15 minutes on the doorstep Duncan Smith thinks he has persuaded, although I am not so sure. But there’s more — a voter who says he once marched with Corbyn but now will be voting Tory. Another voter says she is switching from Labour for the first time. By this point Duncan Smith is fist-pumping, last seen in the Commons when George Osborne hiked the minimum wage in the 2015 budget. The shift in sentiment is partly down to Labour’s “Brexit mess”, Duncan Smith says, but more usually it’s concern about the scope of the party’s tax and spend plans.

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This is the nastiest election campaign I’ve seen in my 27 years... I’m not going to stop campaigning

...IDS is a ‘fight right to the end’
City A.M. has teamed up with The Open taking place on Saturday 16th July 2020. The winner plus their guest include food and drink throughout the day, complimentary parking, fast-track ticket entrance, easy access to the course, access to a private gardens in the Scorers Hospitality.

Hospitality is divided into four tiers – Champions, Engravers, Caddies and Scorers – each offers a unique way to enjoy the Championship. Together they cater to every taste and budget. Imagine overlooking the deceptively difficult Par 3, 16th at Royal St George’s with the sun shining, a glass in hand and supporting the likes of Rory McIlroy, Justin Rose and Tommy Fleetwood as they compete for golf’s most prestigious trophy. The best seats in the house are still available at The 149th Open Championship.

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In association with IG
CHRISTINE Lagarde has called the fight against climate change “mission critical” for the European Central Bank (ECB) but she will struggle to match those words with actions during her eight years leading Europe’s most powerful financial institution.

While the ECB will be able to use its platform to highlight the financial risks associated with climate change, its narrowly defined mandate of fighting inflation will limit what Lagarde can actually do.

“It’s fashionable to include climate change in the discussion but right now it’s much ado about nothing,” said Angel Talavera, an economist at Oxford Economics. “There’s not a lot the ECB can do. Climate change isn’t really part of the ECB’s mandate.”

Central banks have come under growing pressure to do their part in fighting climate change and pioneers like Bank of England chief Mark Carney — soon taking up a UN climate finance job — have spoken up about it for years.

They fear extreme weather events could lead to large fluctuations in economic growth and result in food price surges as crops are wiped out. It could also pose a systemic risk to the financial system through banks’ exposure to sectors like coal, which may be rendered less viable by policies needed to tackle climate change.

While Federal Reserve chief Jerome Powell said dealing with climate change was not a job for the US central bank, Lagarde confirmed to the European Parliament this week that it would be part of an ECB policy review. But she cooled expectations of major change by presenting a narrow list of options to discuss.

The ECB, already buying up €20bn (£16.9bn) worth of debt each month to lower borrowing costs and generate inflation, could use its financial firepower to buy more “green” assets, some argue.

But abandoning the principle of market neutrality may be seen as too risky for the ECB’s unelected technocrats, calling into question the bank’s independence and opening it up to political attacks that could undermine its monetary policy.

The ECB could also be given an explicit political mandate to fight climate change but that would require a revision of the European Union Treaty — a notoriously difficult process that would need consent from all 28 EU countries and which appears to be deeply unpopular among central bankers.

“I actually think that the mandate as is does a good job so I would not start a discussion about changing the mandate,” said Isabel Schnabel, Germany’s next representative on the ECB board.

Bundesbank president Jens Weidmann and Italian central bank chief Ignazio Visco, normally at opposing ends in debates, have both publicly argued that fighting climate change is a task for elected politicians.

The bank has some leeway to act under the EU Treaty, which calls on it to “support” the bloc’s economic policies.

If credit rating agencies factored climate risk into their assessment, the ECB could differentiate between assets without giving up on market neutrality. But even then, the pool of green assets is limited and the criteria for inclusion is poorly defined.

If the ECB overbought a particular sector, that would raise the price of assets and lead to accusations it was providing a direct subsidy.

Lagarde suggested the ECB could force banks to factor climate impacts into their risk assessments, which could require them to build bigger buffers for investments in polluting sectors. She also argued that the ECB’s pension fund could differentiate between green and other assets, but probably only where they do not take focus away from its legal mandate.

Abandoning market neutrality may be seen as too risky for the ECB’s technocrats.
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*24/7 excludes the 6 hours from 10pm Friday to 4am Saturday, and 20 minutes just before the weekday market opens on Sunday night.

Parcel problems cost consumers £85m in a year

JESS CLARK

The UK competition watchdog has been urged to review the delivery sector after research found consumers have lost £85m due to parcel problems over the last year.

According to new research, more than half — 59 per cent — of online shoppers faced issues with parcel deliveries including packages being left in insecure locations, delivery instructions being ignored, damaged contents and parcels arriving late or not at all.

The issues amounted to an average cost of £15.50 per person, which could cover making telephone calls, replacing lost or damaged items or travelling to return items in person.

Research released today by Citizens Advice found that one in three online shoppers were unable to find contact information to address their problem. The same number did not receive any information about their consumer rights.

The survey of more than 5,000 UK adults also found that one in three online shoppers were unable to find contact information to address their problem. The same number did not receive any information about their consumer rights.

The consumer advice charity has urged the Competition and Markets Authority to review the sector, saying the scale of the problem “is a sign of a broken market, rather than simply isolated bad practice”.

It also told companies to improve their complaints procedure and make it easier for shoppers to access solutions to parcel problems.

Citizens Advice chief executive Gillian Guy said: “More of us now rely on parcel delivery services as we shop online for convenience and to access the best deals.”

Problems with parcels can be incredibly frustrating, and can be especially disruptive for people who rely on deliveries like people with disabilities,” she added.

The London Overground will add capacity on morning services from Gospel Oak to Barking next month.

The line will benefit from two extra services before 6am to meet "growing customer numbers".

Rory O’Neill, Transport for London’s (TfL) general manager for London Overground, said: "These additional early morning trains are being introduced to meet growing customer demand on the route since the introduction of the new electric trains earlier this year.”

The new services will begin on 16 December, just a day after Crossrail will officially start running limited services. The £15bn project, which was supposed to open in December 2018, has had its full rollout pushed back until 2021.

However, services will begin running on 15 December on the line between Paddington and Reading. It will come under the banner of TfL Rail, instead of the Elizabeth line as it will eventually be known.

TfL cracks down on hundreds of illegal minicabs

STEFAN BOSCIA

TRANSPORT for London (TfL) has banned hundreds of minicab drivers on the back of an investigation into centres fraudulently offering licences.

It was revealed in November that the transport regulator was investigating Vista Training Solutions in Newham and all other centres offering Business and Technology Education Council (Btec) diplomas that can be used to gain private hire vehicle licences.

A BBC London News investigation found Vista was giving out licences for a £500 fee, without actually testing the participants. It prompted a TfL investigation into 2,000 potentially fraudulent minicab drivers.

TfL has now revoked 352 minicab licences, shut down Vista Training Solutions and is preparing to ban other private centres from offering minicab licences.

Helen Chapman, TfL’s director of licensing, regulation and charging, said: “To eliminate the risk of fraudulent topographical certificates... we will remove this exemption after February.”

HUAWEI Freebuds 3

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Creating A Better City For All with The Lord Mayor’s Appeal

The Lord Mayor’s Appeal is looking forward to 2020, and continuing to realise their commitment to create a Better City For All. The Lord Mayor’s Appeal brings together a rich mixture of businesses, employees, neighbouring communities, and charities to find solutions to some of London’s most pressing societal issues.

The work falls under four pillars, each of which describes the kind of city that the Appeal wishes to see – one that is inclusive, fair, skilled, and healthy. In 2020 the Appeal will continue to support and develop the four existing initiatives, and deliver groundbreaking programmes with their charity partners Place2Be, Onside Youth Zones, Samaritans, and new charity partner Place2Be.

The power of Inclusion Forum and workshop series breaks down barriers to inclusion by empowering organisations to create inclusive workplaces and equal opportunities for all. 75% of attendees said they learned something to implement in their business.

This is Me is a pioneering mental health initiative, which aims to change perceptions towards mental health in the workplace, which collaborates with organisations to reduce the stigma, dispel myths and raise awareness, building inclusive workplace cultures to improve employee wellbeing for good. Over 800 organisations have now signed up.

She Can Be... is an opportunity for young women to develop their skills and be inspired to join the City workforce through exposure to and collaboration with participating City businesses. Working in partnership with Place2Be, Onside Youth Zones and Teach First, the Appeal changes young women’s perceptions and empowers them to make informed decisions about their careers to see the City as not only a viable, but an exciting career option for them.

COPPER rose yesterday on reports of progress towards an initial trade deal in US-China negotiations, though gains were capped by scepticism in some quarters.

Bloomberg reported that the US and China were moving closer to agreeing on the amount of tariffs to be rolled back in a phase one trade deal. This came a day after a US President Donald Trump warned that a deal may not be possible until late next year, pushing copper prices on Tuesday to their lowest in three weeks.

“We are seeing a short rebound in some metals today, but it’s a relief over US-China trade prospects,” said Commerzbank’s head of commodities research, Eugen Weinberg.

Benchmark copper prices on the London Metal Exchange (LME) gained 0.6 per cent to $5,850 a tonne in official rings after shedding 1.1 per cent in the previous session. The LME index hit its lowest in three months late last week as optimism over a US rate cut faded.

Across the UK, workers receive a average of £16.55. Meanwhile Nottingham was the most unwilling to part with its money, at £9.71. Post office workers were deemed the least likely to receive a tip at Christmas, while restaurant staff and taxi drivers were the most likely.

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The pound and domestic stocks have rallied in recent weeks on hopes that Prime Minister Boris Johnson’s Conservative party will secure a majority in next week’s election and push Brexit through. Several opinion polls have also bolstered those hopes.

Sterling jumped above $1.31 for the first time in seven months, causing exports-focused firms to dip. That left the FTSE 100 trailing the broader European benchmark and Wall Street.

Best of the Brokers

To appear in Best of the Brokers, email your research to notes@cityam.com

CITY MOVES

WHO’S SWITCHING JOBS

WILLIAMSON

RIVERCROWN

Rivercrown has appointed Charles Archer to lead its debt investment management team, with responsibilities for originating, underwriting, execution and loan asset management of real estate debt opportunities in the UK and Europe.

Charles, who joins as a director, will oversee the European Credit Opportunities Vehicle — Rivercrown’s £250m (€286m) annual allocation mandate with a sovereign wealth fund. Charles joins from Legal & General where he worked in the real estate debt team. Prior to this he was at AIG, where he was involved in origination, structuring and underwriting loans and commercial mortgage backed securities (CMBS) in the UK and Europe, as well as working on performing loan (NPL) funding and development finance. Stephen Benson, managing director at Rivercrown commented: “We are delighted to welcome [Charles] to our debt team, with his significant industry experience.”

CASHFLOWS

Payments specialist fintech Cashflows has appointed Helen Smith as chief operating officer (COO). Helen joins from London-based Earthport, where she also served as COO. Prior to this, Helen held senior roles with Visa Europe where she played a key role in transforming the business. Cashflows chief executive officer Amanda Mester commented on the new appointment: “Helen is a great fit and truly complements our executive team. Her impeccable track record and vast experience in transforming and expanding payments businesses will be key in continuing to support and accelerate our high-growth commercial strategy.”

CROMWELL

Real estate investor and manager Cromwell Property Group has appointed Nigel Batters as chief financial officer, Europe, with effect from April 2020. Nigel will be responsible for Cromwell’s corporate finance operations across Europe. He has a strong international background spanning more than 20 years in commercial finance and property, principally as a senior audit executive with Ernst & Young UK, where he worked with a number of large international companies such as Invester, National Australia Bank (including Clydesdale and Yorkshire Banks), Royal Bank of Scotland, JING Lease, Siemens Financial Services and Chicago Mercantile Exchange from 2004 to 2011. Michael Wilde, chief financial officer of Cromwell, said: “Nigel is extremely familiar with the group’s finances and operations, having worked alongside Cromwell since 2013 when he became the lead engagement partner on the group audit.”
Hunting unicorns? Stop chasing a myth and invest in innovation, not disruption

Kevin Monserrat

I N 2016, an American healthtech startup named Theranos completed what would be its final funding round, raising a jaw-dropping $700m in investment. Just two years later, the company collapsed after a sensational scandal. The story of Theranos is bizarre. At its peak, the ‘unicorn’ company — valued at £1bn as a clear sign of something truly innovative was on the cusp of making massive profits in the healthtech space. Yet, it all came crashing down, with its founder Elizabeth Holmes going on trial for fraud.

The need for VC funds to seek out potential unicorns and to finance their growth has been a reality for decades. However, the rise of new companies valued above $1bn is now relatively common. Go back to January 2015, and there were just 82 companies that could be considered unicorns. Now, according to TechCrunch, there are 484 members of the unicorn club.

Sad as it may sound, the whole ecosystem around unicorns would revolutionise blood testing didn’t work. One honest worker described the tech as so new that it was in an early stage of pilot testing. He said that the company had been the subject of a number of investigations by health authorities.

The problem? The cutting-edge technology is so nascent that it is impossible to be sure of its accuracy. There is a lack of data on how effective it is compared to traditional methods.

For all the brow-beating of the British state, the wrong solutions are being posited to guard against the scale of the threat

Alan Mendoza

Alan Mendoza is executive director of the Henry Jackson Society.

To the Editor

I have now been sent the Labour dossier on their claim to save the average household £6,700. Even by the standards of modern politics, it is impossible to stress how bloody ridiculous these numbers are and how quickly they fall apart.

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Twitter dunked Peloton over a dumb ad so hard that the stock dropped 10%.

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The only comment I have on that Peloton ad is that no way that child is vaccinated.

@rmccarthyjames

Almost as dystopian is the fact that some people are paying more than £2,000 for a stationary bike with a tablet bolted to the handlebars.

@shjfrench

We cannot afford to be timid about calling out radical Islam

Alan Mendoza

Khan’s offence. Labour has suggested foreign policy and police policies could be able to prevent future incidents of this type.

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One of the lot’s heat has been vented since the attack, with both major parties blaming the other for the failure to guard against the scale of the problem.

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The tampon tax isn’t the problem — our inconsistent VAT system is

AST week, Boris Johnson promised to scrap the so-called “tampon tax” — the VAT levied on feminine hygiene products. The current VAT regime, which dates back to the 1970s, cannot be changed while Britain remains in the EU.

Feminists and progressives have long argued that such a tax is unfair and sexist, so scrapping it probably seems like a smart way for the Conservatives to target this group with the benefits of Brexit.

It could even be argued that the policy makes sense from a free market perspective: here is a chance to get rid of another tax which is increasing the cost of living for women.

However, such a move would be deeply misguided.

What the tampon tax situation serves to do is highlight the absurdity of our VAT system. Most goods and services in the UK attract the standard rate of VAT at 20 per cent. Others, such as sanitary products, face a five per cent levy. And some — namely food products and, oddly, children’s shoes — are VAT exempt.

Such a system creates bizarre outcomes. Take everyone’s favourite example: Jaffa Cakes. Are they a biscuit or are they a cake?

Jaffa Cakes are found in the biscuit aisle at the supermarket and you’d probably scoff a few during your tea break at work. But for VAT purposes, a Jaffa Cake is a cake (the clue is in the name). This was the ruling of a tax tribunal. A giant Jaffa Cake was baked in order to demonstrate the cake-like qualities of the spongy chocolate discs. Why does this matter? Chocolate-covered cakes are zero-rated when it comes to VAT, whereas covering a biscuit in chocolate will attract the standard rate of 20 per cent.

Part of the logic behind this is the idea of essential goods versus luxury goods. A chocolate-covered cake was seen in Whitehall in the 1970s as the staple of good honest folk, whereas smothering a biscuit in chocolate makes it a luxury good only ever consumed by the fitchy rich.

Such a situation is clearly absurd. What is more, it is applied inconsistently. As is rightly pointed out by campaigners who want to scrap the tampon tax, sanitary products are clearly not a luxury. However, neither is soap, for example — which is just as essential to personal hygiene, and also incurs VAT.

The absurdity doesn’t stop there. Chocolate buttons, for example, are subject to the standard rate. That is, unless they are to be used to decorate a cake, in which case they are zero-rated. Buying nuts still in their shells incurs no VAT, but out of their shells, expect to shell out more as they are charged the standard rate.

Buying a book? Good news, no VAT — unless it’s an e-book, then you’ll have to pay more. It might make sense to learn that a bike helmet is exempt from VAT, but is slightly more puzzling that a chocolate teacake from Marks & Spencer is also zero-rated.

All of this creates burdens for businesses, which have to spend time and money ensuring that they comply with VAT, with the risk of lengthy and expensive legal battles against HMRC over the status of products. Surely the resources of both businesses and the law courts could be better utilised in other pursuits?

And that’s only on the business side.

The system also creates economic distortions for consumers, who make choices based on the VAT rate instead of their own preferences.

Rather than scrapping the tampon tax and creating yet another exemption, complicating the tax system even further, the government would do better to go the other way, broadening and simplifying the VAT base. By scrapping the various exemptions and different rates, the overall rate could be much lower — on everything.

This would boost the Treasury’s coffers, while allowing us to cut more economically damaging taxes and target welfare to those who need it most.

The debate over the tampon tax could therefore lead to a fairer, more logical tax system for all.

Ben Ramanaukas is a research economist at Oxford University.

Chocolate buttons are subject to the standard rate — unless they are used to decorate a cake

Does Labour’s pledge to cut rail fares make sense from a social mobility perspective?

NO

Grace Blakeley was borne by travellers, and the rest by taxpayers. Today, roughly 75 per cent of the cost sits on passengers’ shoulders. It is bad public policy and bad politics to burden people who don’t use trains with the cost of the service — especially when the latter tend to be those in lower income brackets.

Grace Blakeley is an economics commentator at the Institute of Economic Affairs.

YES

Emma Revell

Rail accounts for a tiny two per cent of journeys taken each year in the UK. It might not feel like it from Labour HQ in London, but just 11 per cent of people commute to work by train, and train passengers are wealthier than the average Brit.

What Labour is effectively proposing is making it cheaper for city workers to get the train from their leafy suburban home to the office, by transferring the cost of a ticket onto lower-income workers in more deprived areas of the country, who only ever drive, walk, or catch the bus to work.

Fare increases over the last two decades have in part come from a re-proritisation of costs. In 1995, half the day-to-day cost of running the railways was borne by travellers, and the rest by taxpayers. Today, roughly 75 per cent of the cost sits on passengers’ shoulders. It is bad public policy and bad politics to burden people who don’t use trains with the cost of the service — especially when the latter tend to be those in lower income brackets.

Emma Revell is a head of communications at the Institute of Economic Affairs.
THE NATURE OF TIME

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CANARY WHARF: Watches of Switzerland, 22 Canada Square
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THE CITY A.M.
CHRISTMAS GIFT GUIDE FOR HIM...

Let us take the hard work out of Christmas with our comprehensive guide to gifts for the men in your life. And don’t worry: women are covered next week!

**SOREL MEN’S CARIBOU WOOL SNOW BOOTS**
£159.99, ellis-brigham.com

If you’re in the market for a pair of walking boots that will be used beyond the postprandial Christmas day walk, then train your eyes on these professional-level snow boots, which feature full leather uppers, a 9mm woolen inner-boot, a vulcanised rubber shell and a seam-sealed waterproof construction. If your loved one is serious about hiking and mountaineering, these will hit the spot.

**SIMON CARTER ANIMAL CUFFLINKS**
From £50, simoncarter.net

Menswear guru Simon Carter has a wide range of products and price points to choose from. We’re especially taken with his Animal range of cufflinks, with creatures from the mighty shark to the humble pigeon wonderfully realised in metal and enamel. Decide which of your uncles is a cheeky monkey and which is a real (blue) tit.

**BEOSOUND 1**
£1,250, bang-olufsen.com

Legenday Danish audio manufacturer Bang & Olufsen is known for merging quality craftsmanship with eye-catching design. No surprises, then, that its flagship Beosound 1 is a striking object as well as an incredible speaker. Chromecast, Airplay and Bluetooth means this curious aluminium cone is compatible with whatever devices you’ve got, while the 360-degree design allows for placement anywhere in the room.

**WILLIAM & SON SHIRT**
£125, williamandson.com

The countrywear and shooting specialists at William & Son sell everything from fine leatherware to jewellery set with precious stones. But if you’re looking for a simple stocking filler, look to its range of wonderfully designed, hard-wearing shirts, which will look equally at home around the dinner table as it will on a foggy field in the Highlands.

**GLENFARCLAS 10 YEARS**
£32.90, masterofmalt.com

A quality, easy-drinking whisky that’s recommended as an aperitif. This would be perfect if you’re hosting on Christmas day and want to impress your guests without breaking the bank.

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THE CITY A.M.
LUXURY CHRISTMAS
GIFT GUIDE – FOR HIM

MONDAINE WALL CLOCK
£219, uk.mondaine.com
Mondaine made the first iteration of this sleek minimalist design all the way back in 1944 when it was first used as a railway clock to keep Swiss train drivers running on time. The original clock – and some of the new wall clocks – even pause for two seconds at the minute mark to give drivers more chance of pulling out of the platform bang on time. A classic of its kind, which can now decorate your very own wall.

LEICA Q2
£4,500, en.leica-camera.com
The sequel to the legendary Leica Q camera is improved in all of the right places, but untouched where it matters most. It boasts a new 47.3 megapixel full frame sensor, a super fast Summilux 28mm f/1.7 prime lens, but retains Leica’s timeless design and world-renowned build quality. The Q2 is also completely weatherproof, so you can use it come rain or shine.

APPLE AIRPODS PRO
£199, apple.com/uk
With active noise cancellation to turn your cacophonous commute into a cocoon of calmness, the latest iteration of Apple’s wireless EarPods are easily the finest earphones the company has ever made. A choice of silicone tips means they’re comfortable, the battery case gives you a day of continuous use, they’re Siri-enabled and sound incredible.

FALKE SOCKS
From £11, falke.com
It is a truism that, as a gentleman, you will receive socks on Christmas day. Most of those socks will soon become threadbare, widowed from their partner and forgotten. But if not they are from Falke. These finely-made footwarmers will stand the test of time and you’ll make damn sure they stay together as a happy couple long past Boxing day.

NOBIS TRAPPER HAT
£150, uk.nobis.com
Winter is coming. The winds are already beginning to howl around the base of the Walkie Talkie and soon the real blizzards will descend upon the City, forcing Berghaus jackets and thermal underwear out of hibernation. But as every good boy scout knows, the majority of heat is lost through the head. Protect yours with this super-warm, super-stylish trapper hat, which will make you feel like a cowboy, or a noir detective, or both.

SENNHEISER PXC 550 II
£299, en-uk.sennheiser.com
An essential tool in any business traveller’s armoury, the Sennheiser PXC 550 represents the pinnacle of headphone tech. Active noise cancellation adapts to your surrounding to ensure near-total silence without compromising music quality. Intelligent features such as pausing when removed, and integration with both Alexa and the Google Assistant, make everyday use a breeze. This second iteration offers a huge battery upgrade over the originals, meaning you can listen for even longer.

ORBITSOUND BAR A70
£499, orbitsound.com
With its narrow footprint and unobtrusive design, this elegant TV soundbar from British audio pioneers OrbitSound will fit neatly into any existing media setup. The wireless subwoofer offers powerful bass and can be placed anywhere in the room, meaning you don’t have to compromise on sound quality or space. Once you’ve heard Eastenders through this thing, there’s no going back.

LEICA Q2
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ORBITSOUND BAR A70
£499, orbitsound.com
With its narrow footprint and unobtrusive design, this elegant TV soundbar from British audio pioneers OrbitSound will fit neatly into any existing media setup. The wireless subwoofer offers powerful bass and can be placed anywhere in the room, meaning you don’t have to compromise on sound quality or space. Once you’ve heard Eastenders through this thing, there’s no going back.

LEICA Q2
£4,500, en.leica-camera.com
The sequel to the legendary Leica Q camera is improved in all of the right places, but untouched where it matters most. It boasts a new 47.3 megapixel full frame sensor, a super fast Summilux 28mm f/1.7 prime lens, but retains Leica’s timeless design and world-renowned build quality. The Q2 is also completely weatherproof, so you can use it come rain or shine.

SENNHEISER PXC 550 II
£299, en-uk.sennheiser.com
An essential tool in any business traveller’s armoury, the Sennheiser PXC 550 represents the pinnacle of headphone tech. Active noise cancellation adapts to your surrounding to ensure near-total silence without compromising music quality. Intelligent features such as pausing when removed, and integration with both Alexa and the Google Assistant, make everyday use a breeze. This second iteration offers a huge battery upgrade over the originals, meaning you can listen for even longer.

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JOHNNIE WALKER TIMOROUS BEASTIES SPECIAL EDITION
£225, selfridges.com
Every whisky-drinker worth his or her salt will appreciate a nice bottle of Johnnie Walker Blue Label. But if you want to give them something extra special, consider this limited edition bottle designed by Glasgow Studio Timorous Beasties, which celebrates the natural fauna and flora of Scotland.

NYETIMBER CLASSIC CUVEE
£34, mrwheelerwine.com
England’s greatest success story when it comes to the small matter of grapes, Nyetimber’s best-selling Classic Cuvee is a delicious premium fizz to rival anything grown by our neighbours across the Channel.

POL ROGER CHAMPAGNE
£46, waitrosecellar.com
Never in the history of mankind has someone been disappointed when gifted a bottle of Champagne. There are, of course, gradients of impressedness, however, and we recommend plumping for a bottle of Pol Roger to make sure you score high on the scale. Wonderfully quaffable, this bottle is great for wolfing down immediately or storing in your cellar for a special occasion.

SEIKO 5 SPORTS
£280, seikowatches.com
Disrupting the Swiss hegemony, Japanese watchmaker Seiko has been selling watches since 1881. And it continues to impress to this day, as this handsome – and vaguely festive – watch can attest. With its stainless steel case, green canvas strap and textured green dial, it’s exactly what we want in a sports watch: rugged design, stylistic flair and that all-important automatic movement.

HANRO ROBE
£183, hanro.co.uk
If your loved ones don’t own a quality dressing gown, then quite frankly they are doing winter all wrong. Correct that immediately with this super-luxe robe from the expert craftsmen at Hanro. Warm and soft, this will be your fella’s perfect partner during the colder months.

ASPINAL OF LONDON HIP FLASK
£85, aspinaloflondon.com
A cosy robe isn’t the only thing that can keep you warm this winter. Aspinal have this sumptuous double hip flask, which will allow you to seamlessly switch between brandy and whisky on the fly, as your mood takes you. It comes in various finishes, although we like this classic “cognac” leather.
How can banks factor in climate change without damaging the economy? Rob Smith explains.

A FEW weeks, we will get the results of the UK bank stress tests, which is a measure of our biggest banks’ ability to withstand the toughest of economic shocks. In 2021, these tests will include a scenario on climate change. The regulator wants to know that our biggest financial institutions really can weather any storm without bringing the economy to its knees. This means that, regardless of sea levels, banks have a hard deadline to really understand the extent of the risks that climate change might pose, and how to mitigate them.

So far in 2019 alone, the Bank of England has issued seven separate communications on the topic. The European Commission has also issued a raft of new rules for all types of financial services firms and is now looking at changing banks’ capital requirements to take account of the increased risk climate change poses. To think of climate change as a side issue is to underestimate the real, tangible risks for banks — and for the businesses and individuals that they finance.

When we think of climate change and financial services, we tend immediately to think of insurers and their exposure to natural catastrophes such as fires, floods or hurricanes. And it is true that insurers are, and will increasingly be, hit hard by changing weather conditions. Homes on flood plains, for instance, will become more difficult to insure. But the impact on the financial services sector goes beyond just the insurance industry. For example, will banks have to make mortgages for homes built on flood plains more expensive to factor in the increased costs resulting from climate change? Or will they refuse to offer mortgages for homes that are not built or adapted to the latest environmental standards?

In doing so, banks would be taking a leap towards discouraging environmentally damaging constructions, factoring in the increased risk of climate change and putting a big tick against their environmental credentials.

However, the 40 per cent of Britons who don’t yet own a home probably won’t be cheering that approach. Neither will the people living in at-risk areas, who could see the value of their most prized asset plummet overnight. And what would it mean for our housebuilders, who are under pressure to build nearly four million new homes to ease the UK’s housing crisis? For every action, there is a reaction. And when it comes to balancing finance and the environment, the balance needs to be finely struck and carefully evolved. While many argue that melting ice caps and rising sea levels are a very distant threat, let’s think about the here and now.

In a recent KPMG poll, 70 per cent of the British public said that they care more about the environmental impact of their consumption than they did five years ago. And 62 per cent said that they look to corporate Britain to make sure their consumption is responsible.

This is leading to a change in corporate and public behaviour, which will have an impact on the value of the assets underlying the banks’ balance sheets. Hotels are moving away from using plastic bottles, retailers from single-use bags, and even the transport industry is moving away from oil. Bristol, the council has proposed banning diesel vehicles from the city centre, and we can only expect to see more of this sort of initiative. Diesel and petrol cars will therefore lose value as they fall out of favour with the public and policymakers, and banks risk being left with a lot of high-risk loans and low-value cars.

Banks and regulators have worked hard to reduce consumers’ use of car finance, but it still makes up a notable amount of overall consumer credit. If lenders start making it harder for those still producing, selling or buying non-environmentally friendly assets to get financing, it can have a huge impact on livelihoods and companies’ ability to operate.

So at what point can banks really start to protect the environment and their reputation?

Changes must be made, but they must not be to the detriment of financing our economy in the short term. Britain needs a steady and consistent transition towards a financial system that prices assets for the long term, rather than either incentivises environmentally-responsible industry or punishes those that don’t.

Will banks have to make mortgages for homes built on flood plains more expensive?

N OBODY would travel with an out-of-date passport, so why should the world of finance be any different? And yet, many major institutions are at great risk of acting on outdated information as they navigate through the increasing complexity of modern-day markets.

With so much out-of-date information out there, it is imperative to know where data comes from and where it ends up. But despite the increasing importance of pure data to a bank’s wellbeing, numerous companies are still struggling to become data-driven businesses.

According to research that we carried out across 15 tier one and tier two US and European financial institutions, 60 per cent said that poor quality and inconsistent data was a major barrier. Given the era we operate in, this is a staggering finding.

What is even more staggering is that other industries which are far less complex than finance have proven that there is no need to carry the burden of poor data on their shoulders.

For example, did you know that every cow in the UK has a passport? From this, dairy farmers know where the cow’s parents are, how many farms it has grazed on, which fields it has stood on, where its milk has been processed and by whom, even which batch of milk and cheese has ended up on each restaurant table.

Why is this so important? Well, one only has to look at the global rise in veganism to understand how concerned people are with what they put into their bodies.

Perhaps the financial industry should be taking a leaf out of the dairy farmers’ book. The question is: could a financial institution be 100 per cent confident of where its data comes from? Do they really know what other data has been linked to the original source, and who has manipulated it?

Banks are not just looking for the provision of a commodity like milk. The data affects their entire reputation as a business. It is now paramount that a bank can see where the information has been. Data needs to be digitised, with no manual intervention on the content. The information also needs to arrive in the right format so that it can integrate easily into tools and workflows.

There is, however, no overnight utopia. Data will continue to be expensive, and with the market dominated by just a few firms, financial institutions need to ensure that they are gaining maximum bang for their buck.

Having survived successive waves of technology-fuelled disruption, firms are now adapting to change. The sheer scale of information may not be something that the markets can control, but the provenance and traceability of data, including where it comes from and where it ends up, very much can.

After all, if a dairy industry can recognise the importance of customer health through in-depth data insights, so too can financial institutions.

Fredric Messen is head of product propositions at SIX.
Every business has to deliver bad news from time to time—whether it is a delay, a data breach, or a price hike. Of course, these can be tricky situations to navigate.

It’s easy to sound good when you’re telling people about the wonderful products and services that you offer. It’s much harder when you’re telling them that they’re going to be four hours late getting home.

This is something that we get asked about a lot at my brand writing agency. Is it best to cushion the blow? Should we keep things formal when we’re saying sorry? Here’s what I think.

Mistakes were made

It’s tempting to fall back on safe, non-committal language, or bury bad news at the end of a long email. But this can be a big mistake.

An obvious example is the “non-apology apology”. When the Equifax breach compromised the personal details of 143m Americans (almost half the US population), this was the company’s official statement: “Earlier this year, Equifax experienced a security incident involving a payroll-related service. The incident was reported to customers, affected individuals and regulators.”

It’s cold, passive, and doesn’t really take responsibility for what went wrong. Unsurprisingly, it just made people angrier.

Now is not the time to boast

It can also be tempting to soften an apology by reminding customers of all the great things that you do. But that’s tricky to pull off.

For instance, Ryanair delivered the news that it was shrinking its fleet—and therefore cancelling flights—with an odd boast: “Ryanair, Europe’s largest airline, today confirmed it will slow down its growth this winter, by flying 25 less aircraft.”

Reminding customers of the benefits that you offer can be wise if you’re increasing prices. But drop the hard sell, fast.

Winner winner, chicken dinner?

The best corporate apologies share two qualities: they sound human, and are consistent with the brand’s standard communications.

You probably heard about KFC running out of chicken last year. Its response—a full-page ad in The Sun—was note-perfect: “A chicken restaurant without any chicken. It’s not ideal. Huge apologies to our customers, especially those who travelled out of their way to find we were closed.”

It’s humble, honest, empathetic, and feels consistent with the brand’s usual voice. It feels genuine, which turned a crisis into a triumph.

The power of planning

So how do you deliver an apology this good? One essential tactic is to plan ahead. If a crisis hits, you want to be ready for it—not formulating strategies in a panic.

Tone of voice guidelines generally focus only on “good news”. But we encourage our clients to explore a range of scenarios—the good, the bad, and the just plain boring—so that they’re ready for anything.

Armed with the right strategy, saying sorry doesn’t have to be a disaster. In fact, as KFC showed, it could be one of the best things that you ever do.

Mike Reed is founder and creative director at Reed Words.
Boxing has a tendency to over-promote the significance of its fights but for Anthony Joshua the magnitude of Saturday’s bout in Saudi Arabia truly is career-defining.

The Briton will step into the ring to face Andy Ruiz Jr knowing that defeat will likely end his hopes of uniting the heavyweight division and leave him cast aside, another “what if” of British boxing.

Victory, however, would make him a two-time world champion and put a huge bout with Deontay Wilder next year back on the map.

“It’s amazing how life works out,” Joshua’s promoter, Matchroom Sport supremo Eddie Hearn, told CityAM at the stable’s annual fight night at the Monte Carlo Casino last weekend.

Six months ago, everyone was saying the dream’s over. Now it’s the biggest fight of the year – of the decade – and the biggest payday of AJ’s career.”

Joshua lost the WBA, WBO, IBF and IBO heavyweight belts to Ruiz at Madison Square Garden, New York, in June, having originally been scheduled to fight Jarrel Miller, who was banned in itschko camp, “says the promoter, referencing Joshua’s watershed 2017 victory. “In a proper gym, with eight or nine sparring partners, using three of four over 12 or 15 rounds.”

Both Joshua and Hearn dismissed a series of explanations for the loss to Ruiz, with Hearn suggesting his fighter’s “head and heart” were not in the right place and that the short notice hindered planning.

“He’s always been a student of the game, but he’s an overthinker and you may have seen that in the first fight,” Hearn says. “He was in the frame of mind to solve that problem, whereas he’s very regimental and if you tell him this is how you beat Ruiz, he’s good at carrying out a game plan.”

Despite being 30, Joshua has only had 21 professional fights and 41 amateur fights, and is still “having to learn under the most pressure,” Hearn adds.

His 24th pro fight is set to be crucial to the trajectory his career takes, but regardless of the outcome, it will also be his biggest payday to date by virtue of its location, a purpose-built 15,000-seater outside of something like a Joshua-Wilder fight.”

Contrary to people thinking we own Sky, DAZN, we don’t set the price,” says Hearn, who still expects UK pay-per-view records to be broken.

“The first bell is at 9pm, which is a great time, and it’s coming off the back of the Manchester [football] derby, so you’ve got that huge audience ready to migrate straight over to the AJ fight. “It couldn’t have worked out better. Now he’s just got to win.”
Rashford double hands Mourinho his first defeat

Marcus Rashford scored twice as Manchester United beat Tottenham 2-1 at Old Trafford last night to hand Jose Mourinho his first defeat as Spurs manager. United dominated the early stages and Rashford opened the scoring with a powerful shot which beat Paulo Gazzaniga at his near post. The Spurs keeper kept out Mason Greenwood and two shots by Rashford before Dele Alli produced a brilliant piece of skill to level before half-time. But Moussa Sissoko tripped Rashford soon after the break and the United striker converted the penalty to seal the points.

ABRAHAM RETURNS TO HELP BLUES BEAT VILLA
Tammy Abraham returned from injury to guide Chelsea to a 2-1 win over Aston Villa last night. Abraham, who missed Saturday’s 1-1 defeat by West Ham through injury, headed the Blues in front early on before Trezeguet bundled in an equaliser. The Blues striker then chested down for Mason Mount to volley in and secure the points. Elsewhere in the Premier League, Leicester made it seven successive victories with a 2-0 win over Watford, Southampton beat Norwich 2-1 and West Ham lost 2-0 at Wolves.

SPURS SUNK

Of the Premier League table. Their manager. United dominated the early stages and Rashford opened the scoring with a powerful shot which beat Paulo Gazzaniga at his near post. The Spurs keeper kept out Mason Greenwood and two shots by Rashford before Dele Alli produced a brilliant piece of skill to level before half-time. But Moussa Sissoko tripped Rashford soon after the break and the United striker converted the penalty to seal the points. A much-changed Liverpool still streets ahead of Everton in derby, writes Felix Keith

SOME might have questioned Jurgen Klopp’s wisdom when they saw the Liverpool team sheet he turned in to face Everton in the Merseyside derby last night. With a daunting and draining festive fixture list looming ahead, Klopp has decided rotation is his only option. The clash with their rivals from across Stanley Park represented the fourth of 12 games Liverpool have to play between 23 November and 2 January, with Premier League, Champions League, Carabao Cup and Club World Cup matches piling up.

When you are sitting pretty at the summit of the Premier League, eight points clear of your nearest rivals and in a brilliant position to win the club’s first league title since 1990, injuries cannot be allowed to derail you. Balancing local bragging rights with the bigger picture saw Klopp settle on five changes to his starting line-up. Adrian came in for the suspended Alisson in goal, but the fresh legs of James Milner, Adam Lallana, Xherdan Shaqiri and Divock Origi were all in on the manager’s say so.

Klopp cited “respect” for the occasion and “the intensity” of the tie as his reasons. He soon proved the naysayers wrong, as his second-string side outplayed an Everton team fighting for their lives at the opposite end of the Premier League table. Origi (pictured) holds a unique place in the hearts of Liverpool fans. He’s a backup striker, using sparingly be

With Firmino and Salah rested, it was Mane who ran the show

Mane swept in a flowing counter-attack which owed much to Trent Alexander-Arnold’s athleticism, adaptability and vision, and while Richardson’s diving header ended an entertaining first half and gave Silva hope, nothing materialised for the away side. Instead, Firmino rubbed salt into the wound when he climbed off the bench and set up Georginio Wijnaldum to power in a fifth. While Southampton’s win over Norwich sent Everton into the relegation zone, Liverpool’s win – in which Salah was not required at all and of which Firmino played just 21 minutes – maintained their complete authority in pole position. Over 94 minutes, the contrasting fortunes of Liverpool’s two sides were laid bare.

SPUTA SIGNS A NEW DEAL WITH BRISTOL BARS

Bristol Bears fullback Charlie Pattinson has signed a new two-year contract with the Premiership club to run until 2022. Former New Zealand international Pattinson’s commitment to Bristol, 28, follows the signing of Fiji back Seme Radradra on a three-year deal from next season. “Charlie is an outstanding team man and a world-class talent,” said Bristol rugby director Pat Lam said.

SPENDING ON AGENTS GOES PAST £500M FOR FIRST TIME

The money football clubs spend on agent fees worldwide has risen to over £500m for the first time this year. Data from world governing body Fila showed that £503.9m (€552m) has been spent on commissions to agents and intermediaries in 2019 so far – an increase of 33.3 per cent on the previous year. Fila said 80 per cent of that total was paid by clubs from Italy, England, Germany, Portugal, Spain and France combined, although England’s outlay dropped by a third.

SPRINT DIGEST

made as part of governing body Uefa’s desire to double the reach and value tournament. The top six countries by ranking will all receive three qualification spots, meaning England’s allocation will increase from two. “The game is growing,” said director of competitions Gergio Marchett. “So we think the time is right to do it for women what we did for men many years ago.”

GATLAND: ALTITUDE WON’T BE AN ISSUE FOR THE LIONS
Warren Gatland believes the British and Irish Lions will be able to cope with playing against South Africa at high altitude in 2021. The Lions will play the world champions in Soweto and Cape Town before finishing the eight-game tour in Johannesburg. “I am absolutely thrilled with how this schedule looks,” said Gatland “It falls in a way that allows us to start at sea level before building up and acclimatising to the unique environment of playing at altitude.”

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WOMEN’S CHAMPIONS LEAGUE REVAMPED BY UEFA

The Women’s Champions League will feature a group stage for the last 16 from 2021-22 season, it has been announced. So 2018-19 European competition has used a two-legged, knockout format from the last 32 onwards, but the change has been

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