

Companies & Markets

Cheviot offers to take over UK clients for UBS

BANKS

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Cheviot Asset Management, the wealth management firm set up by former UBS staff, has approached the Swiss bank about taking over some of its British clients after recent defections risked leaving a division short-staffed.

Sir George Mathewson, the former Royal Bank of Scotland chief executive who is Cheviot's chairman, recently approached

Marcel Rohner, UBS's chief executive, to discuss a deal whereby Cheviot would take over some of UBS's clients in return for a share of the revenues.

The approach follows heavy defections from UBS's UK subsidiary, which offers investment services to wealthy clients. The division is largely built on Laing & Cruickshank, the private client stockbroker that UBS bought in 2004.

The business, since renamed UBS Wealth Management (UK) Ltd, has been in upheaval since about 50 staff resigned in 2006 to set up Cheviot. Last month,

a further 52 employees - about half of whom are client advisers - resigned to join Vestra, a new start-up wealth management group.

Although the staff who have resigned are being forced to work out their notice, the exodus has raised questions about whether UBS has sufficient staff to handle the remaining clients. UBS Wealth Management (UK) manages assets of about £4bn - equivalent to about one tenth of the total private banking assets managed by UBS in the UK.

UBS bank's executives are expected to reject Cheviot's offer

in favour of moving staff from other parts of the business to handle clients, people close to the bank said. UBS has more than 300 private bankers in the UK.

John Pottage, chief executive of UBS Wealth Management (UK), said: "UBS remains fully committed to offering UK clients a discretionary investment management capability as this is an integral part of our wealth management offering."

But UBS is expected to face a fight with Cheviot and Vestra, which are likely to mount a concerted effort to woo the bank's clients.