

GLOBAL MONEY MANAGEMENT

PLAYERS SAY U.K. CONSULTANTS MUST IMPROVE.

U.K. consultants should provide a better service for the £25,000 plus they charge for a medium-sized custody search, say industry observers, including some consultants. Until now, conducting custody searches has been a lucrative sideline for many of the traditional consulting firms. But with the rapidly changing global custody landscape, and increasing competition for business, that could soon change.

Robert Ross, director of consulting at the London office of Frank Russell Co., noted that for many investment consultants, custody work is a new area and some have not yet dedicated the necessary level of resources to it. Ross Whitehill, a partner and marketer at London-based Thomas Murray, the specialist securities consulting firm that conducts custody searches, said he questions the ability of some of the large investment consultants to undertake major custody reviews because many lack a custody background.

Custodians, too, are less than happy with the consultants' expertise in the custody area. Terry Pearson, head of external relations at The Royal Bank of Scotland (RBS), said he has fielded questions from consultants that show some have not properly thought through what their clients really need from a custodian. Industry officials commend the custody teams at London-based William M. Mercer, Russell, Thomas Murray, Towers Perrin and Watson Wyatt Worldwide in Reigate, while Stamford Associates and Bacon & Woodrow, both in London, are also well considered.

