

## *The Scrip Issue*

# BNY HITS ITS STRIDE

**I**n one of the biggest custody deals so far, Gartmore Investment Management has appointed The Bank of New York as its global custodian. The mandate, which covers about 300 Gartmore clients and GBP25,000 million in assets, comes after a long search and selection process run by Thomas Murray. Bankers Trust was the losing finalist.

BNY inherited part of the Gartmore portfolio as a result of its acquisition of J.P. Morgan's custody business, but this new mandate also includes the substantial UK portfolio, which was handled in-house. The deal consolidates BNY's position in the UK after a difficult period of staff changes and client defections,

and will help to ease the pain of losing the Royal Sun Alliance (RSA) account.

RSA has recently decided to consolidate custody with Chase and Midland, dropping BNY and Morgan Stanley. RSA has been at pains to stress that there was no dissatisfaction at all with The Bank of New York. 'We've experienced no problems with them, and they remain an excellent bank with a real commitment to the custody business,' said a spokesman. Apparently, the consolidation was driven by the merger, and the fact that Chase already had electronic links built with Paladign, RSA's investment accounting system. ■

