

Queen's banker faces mutiny

THE Queen's bankers have been accused of giving disastrous investment advice to their well-heeled customers.

Coutts allegedly told clients to keep their cash with the American insurer AIG even though the stricken group has had to be rescued by the U.S. government.

Angry patrons, who include the Royal Family and Premiership footballers, are threatening to sue the bank over its financial guidance.

It raises the prospect of some of Britain's richest figures suing a Government-guaranteed bank, as the institution is owned by Royal Bank of Scotland.

Coutts clients must have around £500,000 in liquid assets and the bank offers free services only to those always £10,000 in the black.

Sir Keith Mills, the tycoon behind the Nectar loyalty card, yesterday launched a campaign to shame Coutts into compen-

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sating clients who have lost out by investing in the AIG savings bonds.

Sir Keith, a key figure in London's bid for the 2012 Olympics, threatened to sue Coutts if it does not agree to make up the 'several millions of pounds' he has lost.

'Given the advice it gave clients Coutts should guarantee our losses. If it doesn't legal action would be a last resort,' he said.

The entrepreneur made around £160million after selling the Nectar Card business last year, and is believed to have invested a significant portion of the windfall in AIG.

According to Sir Keith, Coutts recommended the AIG Life Premier Bonds as a safe, but more profitable alternative to leaving his cash in the bank.

Wealthy Britons put almost £6billion into the fund, which had a minimum investment of £100,000. But after the dire financial turmoil of recent months, even the

safest AIG investment bonds have plummeted in value.

AIG had to be rescued by a £100billion U.S. government cash injection in September after running up huge losses on credit insurance business.

Investors who have pulled their money out lost 13 per cent of their investment, even though Coutts assured them the products were very low-risk.

A spokesman for Coutts said: 'At the time of sale it was made clear that the investment was low risk, not risk free, and it was explained that the value of the investment could go up as well as down.'

Coutts was set up by Scotsman John Campbell of Lundie in 1692.

It boasts an illustrious history, counting Charles Dickens, Lord Nelson, Jane Austen and generations of royals among its customers.

In recent years it has started advising sportsmen. Customers are thought to include David and Victoria Beckham.