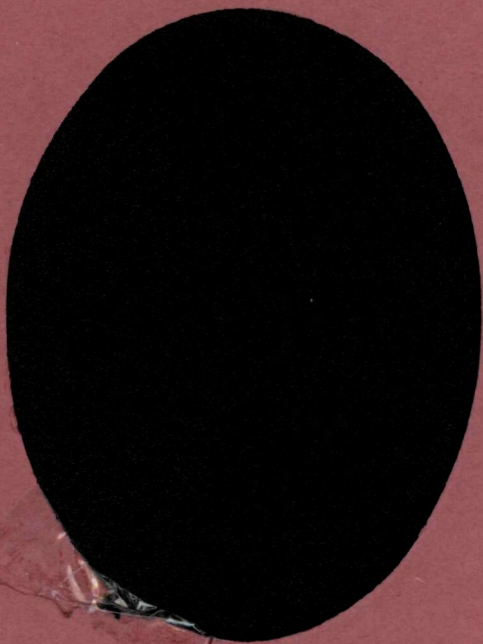


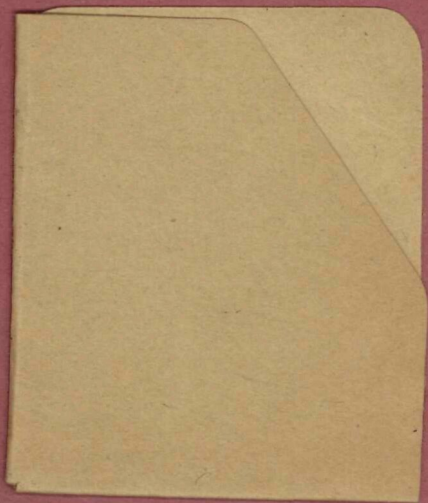
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# THE LLOYDS of Lloyds Bank

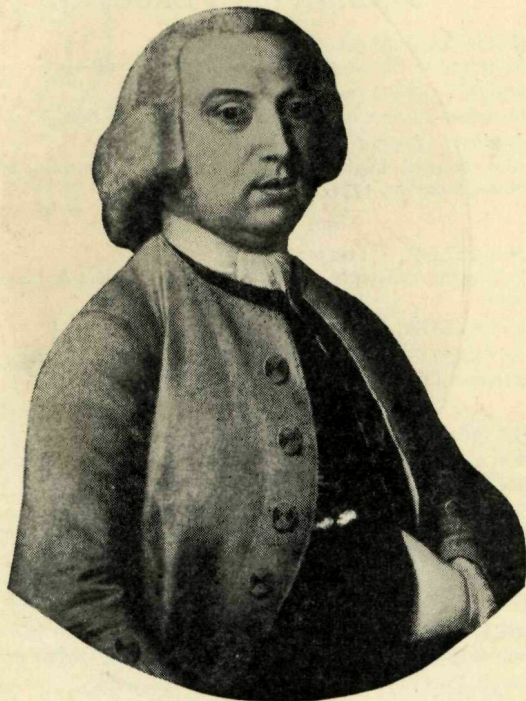
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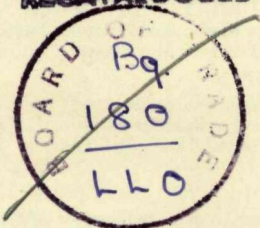
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*The Founder:* Sampson Lloyd the Second



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REGATALOGUED

*An Excursion into Family History*

## DRAMATIS PERSONÆ

SAMPSON LLOYD (the First), 1664-1724.

Migrated to Birmingham in 1698. Father of—

SAMPSON LLOYD (the Second), 1699-1779.

Founded Taylors & Lloyds in 1765, with his Son—

SAMPSON LLOYD (the Third), 1728-1807.

Also founded Taylor, Lloyd, Hanbury & Bowman, in Lombard Street, London, 1771.

\* \* \*

JOHN TAYLOR, 1711-1775.

Button manufacturer. Joint founder of Taylors & Lloyds, and his Son—

JOHN TAYLOR, Junior (d. 1814).

JAMES TAYLOR, Son of John Taylor, Junior (d. 1852, when the interest of the Taylor family in the Bank ceased).

\* \* \*

CHARLES LLOYD ("the Banker"), 1748-1828.

Son of Sampson Lloyd the Second, half-brother to Sampson Lloyd the Third. Partner in Taylors & Lloyds.

JAMES LLOYD, 1776-1854.

Son of Charles Lloyd. Partner in Taylors & Lloyds.

CHARLES LLOYD ("the Poet"), 1775-1839.

Son of Charles Lloyd "the Banker". Abandoned banking for poetry.

SAMUEL LLOYD, 1768-1849.

Son of Sampson Lloyd the Third. Partner in Taylors & Lloyds.

GEORGE BRAITHWAITE LLOYD, 1794-1857.

Son of Samuel Lloyd. Partner in Taylors & Lloyds (later Lloyds & Co.).

SAMPSON SAMUEL LLOYD, 1820-1899.

Son of George Braithwaite Lloyd. Partner in Lloyds & Co. First Managing Director and later Chairman of Lloyds Banking Company Limited.

HOWARD LLOYD, 1837-1920.

Nephew of George Braithwaite Lloyd. Secretary of Lloyds Banking Company Limited, and first General Manager of Lloyds Bank Limited.

CYRIL EDWARD LLOYD.

Son of Howard Lloyd. A Director of the Bank since 1925.

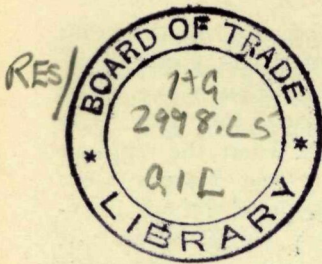
\* \* \*

DAVID BARCLAY.

Married Rachel, daughter of Sampson Lloyd the Second, in 1767.

OSGOOD HANBURY.

Married Mary, sister of Sampson Lloyd the Third, in 1757, and was joint founder of Taylor, Lloyd, Hanbury & Bowman in 1771.

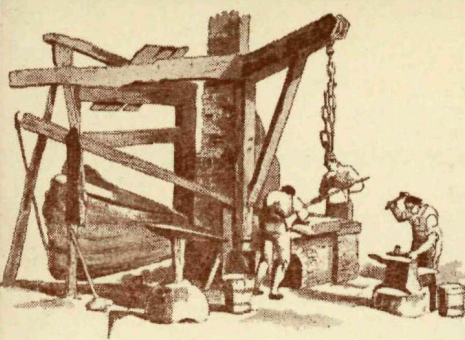


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**W**HEN a man is halfway through his sixties after a vigorous and successful life it is usual for him to contemplate the attractions of retirement and leisure. There must have been something far from usual about Sampson Lloyd of Birmingham; well-known in the city as a prosperous iron merchant he decided to venture into banking in his sixty-sixth year when, in 1765, in partnership with an equally prosperous maker of buttons and japanned ware, John Taylor, he launched Birmingham's first bank, under the title of Taylors & Lloyds, at No. 7, Dale End. Each man brought a son into partnership; the capital was £6,000 in four equal shares; six years later, when the first division of profits took place, a sum of £10,000 was found to be available for that purpose.

The Lloyds, whose name, fame and numbers were to spread wonderfully in the years to come (Sampson's son, another Sampson, had seventeen children, and his half-brother, Charles, fourteen), were a Quaker family of Welsh origin; among their distant ancestors had been kings of Wales; but Sampson's father had been born in prison, where his parents had been confined because of their refusal to swear allegiance to Charles II, since it was against the principles of Friends to take oaths of any kind. And although Quakers were released from gaol by the 1672 Declaration of Indulgence they were still, in most places, persecuted and despised.



It was because of this that Sampson's father had forsaken the uncharitableness of his native Wales for the tolerance of the "free" city of Birmingham, where the religious observances of the Friends were allowed to continue without interference, and where, no doubt another factor, his brother-in-law, John Pemberton, lived. There he had made a considerable career for himself as an ironmaster and owner of a slitting-mill, where sheet iron was made into nails, the machinery being turned by the only known motive power of those days, that of running water; the mill was at the bottom of Bradford Street, its wheels driven by the flow of the River Rea.

(It may perhaps be mentioned as a digression, but a not uninteresting one, that early in the seventeenth century English nail-makers were much disturbed by competition from the Swedish, who were marketing the product at a figure mysteriously cheap. Determined to discover how this was done, a young "naylor" named Foley set out for Sweden on a mission of what might be called commercial espionage. His funds failing halfway and his sole assets being from then onwards a fiddle and a bow, he fiddled his way to the Dannemora Mines, near Upsala, where he so ingratiated himself with the iron-workers that he was able to return confident that he had captured their secret. His jubilation was premature; for although he was able to beguile backers into putting up the money for a factory on the Swedish pattern it steadfastly refused, on completion, to produce a single nail. At this point many would have confessed defeat. Not Master Foley. He returned to Dannemora, fiddle and all, and was welcomed as an old and entertaining friend by the iron-workers, who saw in him nothing more than a wandering musician of high spirits and irresistible charm and lodged him in the heart of the factory. When he had located the errors made during his previous observations he fiddled a gay farewell and returned to put in hand the necessary mechanical adjustments at home. This time the mill made nails—and Foley's fortune.)

Birmingham later reaped its reward for showing hospitality to Sampson Lloyd the Second (there were three Sampsons, though only two really concern us; the prison-born father of the bank's founder was Sampson the First), for it has been said, though

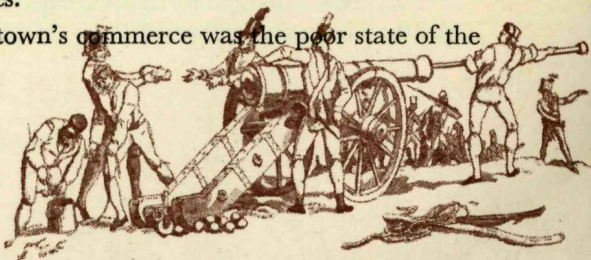
possibly with some slight extravagance, that at one time half its inhabitants were indebted to Taylors & Lloyds. Certainly the bank stood fast and immovable when during the economic storms of the next century others crumbled, collapsed and were washed away.

The chief active partner was Sampson Lloyd's son, and the staff at the bank's opening consisted of two clerks, at a salary of £80 a year. Old John Taylor, we learn with quiet amusement, was the inventor of a curious and novel form of ornamentation which appeared on his snuff-boxes, a whorled pattern which his competitors tried vainly to imitate. The secret was simple. Taylor used to have the boxes brought to him with the enamel still damp; in the privacy of his locked room he impressed the mysterious decoration with his thumb. . . . But the Taylors disappeared from the business on the death of James Taylor, in 1852, and for the last few years before transformation into a joint-stock company (in 1865) it was known simply as Lloyds & Co.

But we are leaping over the years too eagerly.

Taylors & Lloyds was not only the first bank in Birmingham, but one of the earliest country banks anywhere; it was certainly one of the first to establish themselves soundly, to endure and to prosper. Some account should perhaps be taken, in this, of the prosperity of Birmingham itself at that time: there was, indeed, an air of expansion about the whole kingdom, with the Seven Years' War ended, Canada and other great territories added to our possessions, our American colonies freed at last from the threat of French aggression, the foundations of the Indian Empire but newly laid; and therefore markets, markets opening up everywhere. Birmingham's population had reached 25,000 in 1765, and in fifteen years was to double itself; in peace or war its fortunes seemed assured; in the one it acted, in Burke's phrase, as "the toy-shop of Europe", producing in vast quantities all manner of steel ornaments, toys and trinkets; in the other, it became a huge arsenal with a prodigious output of guns and swords. It has been estimated that in the last quarter of the eighteenth century the city made more than three-quarters of a million consignments of arms—and it may seem somewhat illogical that the fortunes of the pacific, Quaker family must in part have resulted from these periodic destruction drives.

One obstacle to the town's commerce was the poor state of the





*Sampson Lloyd the Third*

roads leading to it. Trade was interfered with, and the place was almost ruled out as a coaching centre. A coach service was begun in 1731, but the passengers had to resign themselves to a two and a half day journey to London, with an excellent chance of being held up and robbed by highwaymen before they ever saw the Red Lion in Aldersgate Street. The long procession of wagons carrying coal from the Staffordshire collieries also floundered along the rutted roads, making the going still harder for other traffic. It was due to the initiative of Sampson Lloyd and his son that at least a partial remedy was found. As if they had not enough to occupy their attention with the founding of a bank, they began a vigorous agitation for the cutting of a canal to connect Birmingham with the coalfields of South Staffordshire, and after support for the scheme had been successfully canvassed among other prominent men of business an Act of Parliament was sought authorizing the work to be undertaken. This received the royal assent in 1768, and Sampson and his son were among the Commissioners appointed to carry the project through. No time was lost: what came to be called the Silent Highway was quickly completed, and apart from its value as a commercial thoroughfare was very soon paying a dividend of twenty per cent.

It is so easy, in considering people long dead, to see mere names and dates, to record the deeds but forget that the doers were once warm and alive, with the same ambitions, disappointments, passions, sorrows and delights that we know so keenly ourselves. We can write down here, bluntly, that Sampson Lloyd the Third became the leading Lloyd in Taylors & Lloyds when his father died in 1779 (though he had been in that position, to all intents and purposes, for some time)—but what sort of a man was he? He was fifty-one at this time, and his own son, Charles, was with him in partnership. Charles no doubt knew his father as a good Quaker and a good banker, but what did he know of the emotional and spiritual conflicts through which he had come?

For, despite his Quaker upbringing, Sampson the Third had been a gay young fellow—rather disturb-







Betsy Fidoe

ingly gay, his parents felt. Remarkably handsome and full of zest for life, he loved to dress in the height of fashion, to move in the best society and, in fact, to exploit his gift of worldly charm to the full. "No one", he wrote to a young friend when he himself was seventy, "could take more pleasure in outward objects and delights than I did when I was a boy; all that was beautiful or gay, pleasurable or pathetic, alike transported me. In vain did my pious parents, venerated though they were, endeavour to moderate my course; it seemed impossible to resist the intoxication to which I was subject. There are chambers in my past life I never re-open. . . ."

It was his tragic love affair with his cousin, the beautiful Betsy Fidoe, that changed him from a lighthearted young man about town to a devout person; Betsy, alas, died of a fever before Sampson could ask her to be his wife. But he never forgot her. "She passed before my eyes", he said, "like a splendid vision, and thenceforth I had no light but in seeking the light of her countenance; all that I had hitherto called enjoyment ceased to be such, and I sought those higher pleasures which refine the heart and the imagination. . . ." So, when she died, he abandoned his bright silks and fine linens for ever and ordered his tailor—much to his surprise, no doubt—to make him a suit of dark Quaker apparel. It was not until ten years after the death of his beloved Betsy that he at last married, and began to rear that magnificently numerous family.

(Sampson was not the only Lloyd to rebel against the restricting bonds of a Quaker upbringing. His own nephew, Robert, friend of many literary and bohemian characters of the time, wrote to his friend Charles Lamb, the essayist, complaining of the intolerable annoyance of having to waste his time at meetings of the Friends to the extent of six hours every week. Lamb's reply, it must have seemed to Robert, took the wrong side altogether: "I know that if my parents were to live again I would do more to please them than merely sitting still six hours in a week." But, who knows? perhaps the boy was driven to rebellion by simple reaction against parental narrowness, as he probably regarded it. His mother once wrote: "I was grieved to hear of thy appearing in those *fantastical* trousers



in London. Canst thou love thy father and yet do things that sink him as well as thyself in the opinion of our best Friends?" And his father enjoined him: "Do not let the customs of the world influence thee. Thou wilt please me by observing simplicity in thy dress and manner.")

Robert's father was Charles Lloyd of Bingley, sometimes called by family historians Charles the Banker, to distinguish him from his son, Charles the Poet; he was half-brother to Sampson Lloyd the Third, and one of the partners at No. 7, Dale End from 1779 onwards. But long before this, when still a lad of eighteen, he had at his half-brother's suggestion been dispatched to London for training with Messrs. Freame, Barclay, Freame & Co., of 56, Lombard Street. It may seem strange to us to-day to hear of the staff of one bank being obligingly tutored by another, but the David Barclay of this firm was in fact young Charles's brother-in-law, having married his youngest sister, Rachel, as his second wife. Both families were Quakers—and the Barclays were connected with yet another Quaker banking family, the Gurneys of Norfolk. So we see that there is a loose yet sinewy thread linking many apparently unrelated figures and events.\* To-day, of course, No. 56, Lombard Street, is incorporated in the Head Office of Barclays Bank Limited, at No. 54.

As Taylors & Lloyds had only been in existence for five years when Charles went to London we can see how healthily the expansionist urge, the desire for fresh achievements, was already showing itself; for the apprenticeship of Charles was the first step in a plan to spread the family name to London; after his training he was to return to Birmingham as a partner there, leaving his brother, Sampson the Third, free to set up and develop the business of Hanbury, Taylor, Lloyd & Bowman at 14, Lombard Street. (Once more we see the strength of the family ties, for Osgood Hanbury had married Sampson's sister, Mary.) This was opened in 1771, and moved to No. 60 in that traditional bankers' street in 1779, the year in which the old founder died.

It can only be rarely that the dreamer and the man of business are to be found combined in a single personality (though it may be

\*It was David Barclay who bought Thrale's Brewery, and afterwards carried it on as Barclay, Perkins & Co. It will be remembered that Mr. Thrale had, with his wife, been a great friend of Dr. Johnson, who, present at the brewery sale in his capacity as an executor, loosed off one of his characteristic, highly-coloured observations: "We are not here to sell a parcel of boilers and vats, but the potentiality of growing rich beyond the dreams of avarice!"



From the Lord Mayor's Mansion House, 1765.

- |                        |                          |
|------------------------|--------------------------|
| 1. Cornhill.           | 4. St. Michael's Church. |
| 2. The Royal Exchange. | 5. Lombard Street.       |
| 3. St. Peter's Church. | 6. St. Edmund's Church.  |

thought that the two characteristics are not less consonant than the austere Quaker faith and the profession of banking), but Charles Lloyd, though never dubbed poet like his son, nevertheless found great delight in the company of Wordsworth, Lamb, Coleridge and others, was a rapt student and admirer of their works, and could produce a sonnet on his own account of which no professional writer need have been ashamed. He was even poet and scholar enough to achieve an ambitious translation of Homer, which Lamb pronounced to be in some particulars superior to that of Alexander Pope—and this is unlikely to have been flattery, for Lamb, as we have seen, was apt to say what he thought. Even his son Robert could not withhold his admiration. “My father”, he wrote, “smokes, repeats Homer in Greek, and Virgil, and is learning, when from business, with all the vigour of a young man, Italian. He is really a wonderful man. He mixes public and private business, the intricacies of disordering life, with his religion and devotion . . . and, though surrounded with an ocean of affairs, the very neatness of his most obscure cupboard in the house passes not unnoticed.”

Charles was surrounded by an ocean of affairs indeed. He interested himself with immense energy in the shameful problem of the Slave Trade, and, as *The Gentleman's Magazine* recorded, “was an unwearied and able member of that body of philanthropists to



Charles Lloyd (from a bust in the Birmingham General Hospital).

whose persevering efforts Great Britain is indebted for the removal of that foulest stain upon her annals." A memorial to him in the Birmingham General Hospital marks the recognition of a lifetime's work for the welfare and prosperity of that institution. And, influenced perhaps by the entrancing descriptions of pastoral life which he loved to read and translate (to the end of his life he knew the "Georgics" and the "Bucolics" by heart), he took one of his estates under his own control and for thirty years successfully farmed about two hundred acres of land.

And—let us not forget—he was first of all a banker. Times were not easy. Any notion that the private banker of those days sat at ease with limitless funds at his personal disposal whenever he cared to dip his hand in the till must be thoughtfully revised. During the years at the end of the eighteenth and the beginning of the nineteenth century, when the country's finances were dislocated as a result, both direct and indirect, of the crippling war against Napoleon, a banker who was to weather the storm needed swift, shrewd and farsighted initiative. Plans and policies had constantly to be readjusted to meet new situations and new perils. In 1797, for instance, the Government's huge drawings from the Bank of England, together with the hoarding of money by people fearing imminent invasion by the French, caused the Bank to suspend cash payments entirely—a ban which in fact lasted for twenty-four years. Charles Lloyd wrote to his wife at the time: "The Bank of England, whose notes are always reckoned as cash, *has entirely stopped payment of cash*, so that no money can be had from them, the consequence of which is that all payment, except for a little change, must be made in paper. What will be the result of this desperate measure is uncertain . . . [but] . . . a good degree of calmness and decision covers my mind, so that I hope we shall be favoured to stem the torrent, as far as relates to ourselves." His comments were commendably restrained. Richard Brinsley Sheridan, playwright and politician, was a good deal more scathing in his remarks about "a bank whose promise to pay on demand was paid by another promise to pay at some undefined period".

Fifty years old, Charles was at this time in his prime, but it

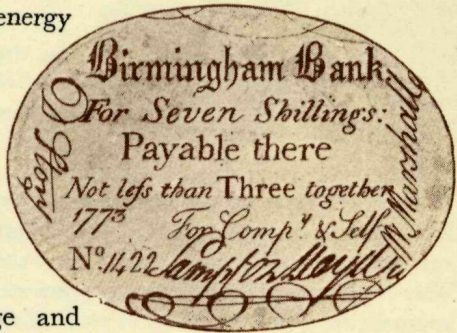
must have taken all his energy and resourcefulness to survive the next three decades. Resourcefulness, at any rate, was hereditary: some years earlier notes had been issued for 7s. (three to a guinea) and 5s. 3d. (four to a guinea), with the double object of countering the small change shortage and meeting, in some measure, a situation in which many gold and silver coins had been reduced much below their Mint value by the illicit practice of shaving and clipping them. A few lines of epigrammatic doggerel appeared in a Birmingham paper:

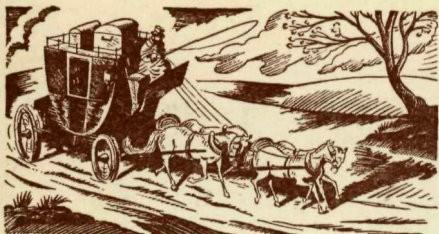
Light gold is the Devil, good silver is scarce,  
 The *Ports* were rejected to keep up the Farce,  
 But the Bank has relieved us in being replete  
 With pieces the **LIGHTEST**, yet quite the full weight.

A sovereign which still had a sovereign's worth of gold in it had, in fact, become a rarity, but a promise by a reputable banker to pay, say, five shillings and threepence, was sure to be honoured in full. The reference in the second line of the verse is not entirely clear, but it plainly refers to the action of Birmingham merchants, at one period of these difficulties, in permitting the circulation of Portuguese coins in the town, an official scale having been drawn up to appoint their values.

Taylors & Lloyds had, of course, like other private banks, their own issue of notes of higher denomination, and it is recorded that during this time of national financial instability many customers preferred to receive a Taylors & Lloyds note rather than a Bank of England.

The long-suffered disorders of the country's monetary affairs reached their disastrous culmination in 1825, when the inordinate issue of paper money led to a positive hysteria of speculation, much of it in the stocks of the new and swiftly multiplying railway companies. There was panic. In the winter of that year more than sixty banks stopped payment; but Taylors & Lloyds, with Charles at its head, now aged seventy-seven, and his nephew Samuel at his





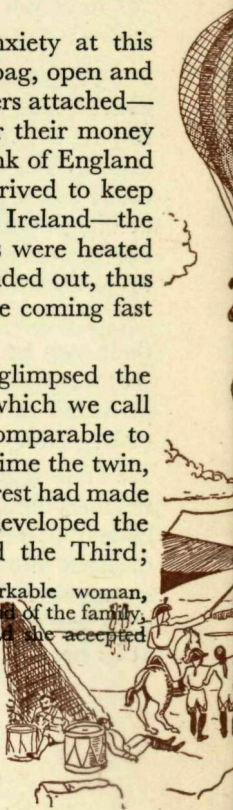
right hand, was not one of them. All threats were met somehow. In the prevailing nervous state of the public the slightest item of gossip was enough to send customers to the bank demanding their

money; one such run on Taylors & Lloyds was inspired by an unfounded rumour, and in the ensuing rush to draw funds before the bank should close its doors (as was fearfully expected) the physical resources of notes and coin came dangerously near exhaustion. The explanation that resources were excellent but could not for the moment be given material expression was unlikely to receive much favour with the perturbed depositors, and the outlook seemed dark indeed until Charles decided on the drastic step of hiring a post chaise to bring a consignment of notes and specie from London. It was a courageous move. And the journey must have been a dramatic adventure. The roads were better now than they had once been, but a journey between London and Birmingham still took nearly twelve hours in the ordinary way. The Lloyds "special" did it in less than eight.

Another stratagem designed to allay public anxiety at this time was the display in the bank's window of a large bag, open and spilling guineas, with the names of the various customers attached—who, by implication, had only to walk in and ask for their money in order to receive it. And so, at a time when the Bank of England itself was not paying in gold, Taylors & Lloyds contrived to keep on doing so. (Of an unnamed bank—some say in Ireland—the tale is told of how the dwindling stocks of sovereigns were heated on the stove at the back of the office before being handed out, thus impressing the customers with the idea that they were coming fast and hot from manufacture.)

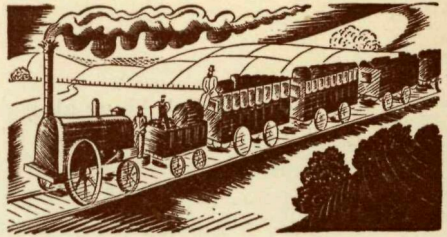
Charles Lloyd died in 1828.\* He had just glimpsed the beginning of that long era of peace and prosperity which we call the Victorian era and think of as a Golden Age comparable to those of Pericles or Louis XIV, though in his own lifetime the twin, competing forces of industrial progress and political unrest had made the years troubled and uncomfortable. Watt had developed the steam engine (liberally financed by Sampson Lloyd the Third;

\*Among other celebrated figures at his funeral was that remarkable woman, Elizabeth Fry, the Quaker prison reformer. She was a great friend of the family, and might indeed have become a member of it by marriage had she accepted the suit of Charles's son James.



Watt was by adoption a Birmingham man, and but for this assistance when it was most needed he and his partner Boulton must have seen many of their inventions perish (of malnutrition), Arkwright the spinning mill, Stephenson the first locomotive; and the Montgolfier brothers, beginning that onslaught on the air which has since advanced so alarmingly, constructed their famous air-balloon. Abroad there had been wars and assassinations, invasions and executions; the French Revolution had frightened and horrified the world, as Bonaparte had terrorised and menaced it. There had been outbreaks of savage unrest among the ordinary people of our own country, and during the Priestley riots of 1791 Birmingham had been at the mercy of an angry and hysterical mob for four days, when the house of John Taylor was ravaged and burnt, and that of Sampson the Third (Charles's father) only spared a similar fate owing to the old gentleman's courage in confronting the rioters, seizing their attention and placating them, we are told, with "wise words and refreshments".

Yet Charles, in labouring to keep the name of Taylors & Lloyds inviolate through the repercussions of all these changes and disorders, managed somehow to maintain a lively interest in less material things as well. At his house were held the monthly meetings of the celebrated Lunar Society, where he met with many of the most cultivated men of the time to discuss art, science, literature and other matters far removed from the upheavals of the world around them. The Society took its possibly misleading title from the fact that its meetings were held on the evening when the moon was full: certainly there was nothing but the most unassailable level-headedness to be found among its members—Southey, Coleridge, Wordsworth and Lamb; Josiah Wedgwood; Sir William Herschel, astronomer, mathematician and musician; Dr. Erasmus Darwin, poet, scientist, and grandfather of the more widely-known author of *Origin of Species*; Sir Joseph Banks, the celebrated naturalist who spent enormous sums on botanical research, even fitting out a ship to accompany Captain Cook on his three-year expedition to the Pacific; and Dr. Joseph Priestley, scientist and thinker, whose remarks in favour of the French revolutionists (though no doubt made in a spirit of academic detachment) provoked the Priestley riots which have been mentioned. These were not ordinary men, and the Society was no ordinary pseudo-intellectual debating club.



(At Charles's house also, though this was some years after his death, an event took place which we may, if a trifle obliquely, relate to another more widely publicized event in progress at the time of this writing. In the grounds of Bingley House was staged, in 1849, a magnificent Exposition of Arts and Manufactures, at which the Prince Consort was a greatly interested visitor; it is not beyond probability that the experience put into his mind the idea of an even larger venture of the same kind, and resulted perhaps in the Great Exhibition of 1851, of which this year's Festival of Britain is a resounding if nostalgic echo.)

Since the firm first came into being in 1765 there have been Lloyds almost countless, certainly in numbers large enough to confuse and bewilder the historian; but it is probably because of Charles Lloyd's own particular genius that the bank survived to its present eminence. He was at the helm during those tempestuous times when the ship, a mere cockle-shell comparatively, was in constant danger of capsizing in the fierce and unpredictable currents which raged around it.

Charles's son James followed him into partnership, with his half-brother, Samuel, Sampson the Third's son. Robert, that rebellious wearer of fantastical trousers, had died quite young, after making only a moderate career for himself in the bookselling business; and Charles the Poet, although he tried—was no doubt made to try—his hand at banking, gave it up after a very few years and made a show of studying medicine. But the poet in him was too strong for any other vocation to subdue it, and he spent much of his time writing to his literary friends in verse; it was just by one of those vagaries of heredity that he was bequeathed only one of his versatile father's gifts.

On the death of Samuel, in 1849, the leading partner became George Braithwaite Lloyd, his son; of whom we read, "the safe and prosperous conditions of the bank, when it was successfully

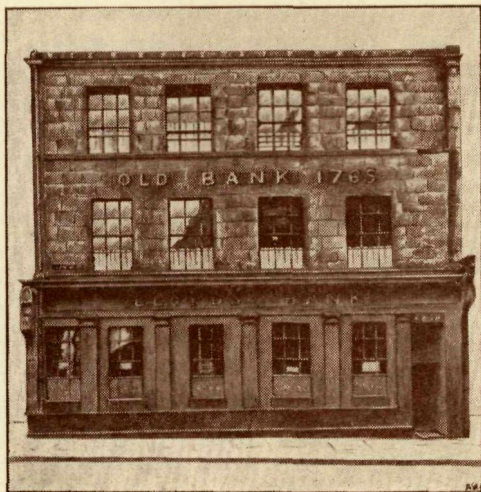
*George Braithwaite Lloyd*



converted into a public company in 1865 and any measure of prosperity which (under God's blessing) has resulted to members of the Lloyd family from that conversion are attributable mainly to the self-denying daily attendance and watchful care which G. B. Lloyd devoted to the bank for nearly half a century," and three years later, when James Taylor died (the third generation



from John, he of the secret snuff-box process), the business became purely Lloyd, and continued to prosper under the new title of Lloyds & Co. And yet, with that astuteness which must become second nature to a family of bankers, it was perceived during the next few years that an important change must be made. The time was approaching when the private bank, which had now existed for nearly a



*High Street, Birmingham.*

hundred years and had never seen the necessity to draw up so much as a written deed of partnership, must follow the new and fast-developing trend and become a joint-stock company. Such competitors as the Birmingham Joint-stock Bank were tempting customers with offers of shares in the concern, and more and more people of substance were becoming anxious to invest their capital in their bankers' own business; it was becoming a general and disturbing experience with the private banker to find himself accumulating a great many small accounts while the larger ones failed to come his way. The conversion of Lloyds & Co. into a public company was therefore decided upon.

That the operation was successfully carried through, and the shares (at a premium of £3) adequately, even eagerly, subscribed for, was in the nature of a triumph. For, just when all preparations for the change were made, and the prospectus was ready to be issued, a highly reputable Birmingham bank, Attwood, Spooner, Marshall & Co., failed disastrously, the liabilities amounting to over £1,000,000. Attwoods had been considered one of the safest banks in the kingdom, and the effect on the banking public may be imagined. Somehow their quivering apprehensions had to be stilled, and the only means of restoring confidence seemed to

be the publication of an accountant's report on Lloyds & Co.'s affairs. This may seem a very obvious solution now, but at the time it was almost revolutionary. It was not the practice in those days to make public the affairs of private companies (though private banks began to do so a few years afterwards, chiefly as an assertion of their fitness to offer service and security in competition with the rising joint-stock companies, who were obliged to publish their balance sheets by law); and in taking such a step Lloyds & Co. almost made virtue of necessity: for it seems probable that although the people of Birmingham had always held the bank in confident esteem they had never realised, until presented with this piece of certified evidence, how reassuringly solid were its foundations.

An interesting feature of the prospectus announcing the proposed conversion (the capital of the new company was £2,000,000 in 40,000 shares of £50 each) was a provision that the aggregate amount of calls should not exceed £12 10s. a share, the remaining £37 10s. to be available only for the ultimate liabilities of the bank. Thus was laid down the important principle of Reserved Liability—fifteen years before it was formulated by Act of Parliament.



*A Difference, 1902.*

Lloyds Banking Company was registered on May 1st, 1865, and the surviving partners of the old Lloyds & Co. were among the directors, with Mr. Howard Lloyd as the first secretary, acting also as a sub-manager. (He became General Manager in 1871, a position which he held until 1902.) Howard, we may perhaps mention in order to aid the reader's perspective, possibly a little misty by this time, was the great-great-grandson of Sampson the Second, founder of the bank. He lived from 1837 to 1920, and was father of Mr. Cyril Edward Lloyd, a director of Lloyds Bank Limited to-day.

On the formation of the joint-stock company a situation arose which may now seem amusing but at the time must have been disconcerting. It had seemed as well to the directors and management to make a fresh start in more ways than one, and it was decided that the book-keeping system should be brought up to date. The long-prevailing method under which the ledgers were kept in columns Dr. and Cr. and the interest columns worked in

THE FIRST BALANCE-SHEET OF THE BANK.

STATEMENT OF LIABILITIES AND ASSETS,

ON 31ST DECEMBER, 1865.

LIABILITIES.

Amount of Capital paid up	...	...	...	...	143,415	0	0
Amount due on Deposit, Current and other Accounts					1,166,160	6	7
Reserved Fund	...	...	...	...	18,415	0	0
Profit and Loss	...	...	...	...	18,323	2	9
					<u>£1,346,313</u>	<u>9</u>	<u>4</u>

ASSETS.

Cash in Hand and at Agents	...	...	...	...	126,170	16	7
Bills of Exchange	...	...	...	...	655,435	19	2
Advances on Current Accounts, Loans on Stock, Purchase Account, and other Securities	...			...	556,115	17	4
Bank Premises, Furniture, Fittings &c.	...	...			8,054	18	0
Preliminary Expenses (less amount written off)	...				535	18	3
					<u>£1,346,313</u>	<u>9</u>	<u>4</u>

HOWARD LLOYD, *Secretary.*

I hereby certify that I have Audited the Accounts of the Company and that the above Statement correctly sets forth the position of its affairs on 31st December, 1865.

EDWIN LAUNDY, PUBLIC ACCOUNTANT,

*Auditor.*

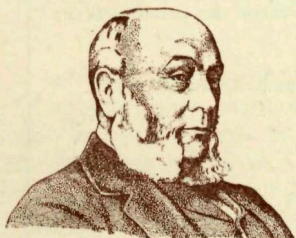
At this time the number of Offices was 13; the Staff consisted of 50 and there were 865 Shareholders.

sterling from a well-thumbed copy of *King's Interest Tables* for each separate entry had for some time been recognised as obsolescent, and the system used in the Scottish banks, of calculating interest products and daily progressive balances, now suggested itself favourably for adoption.

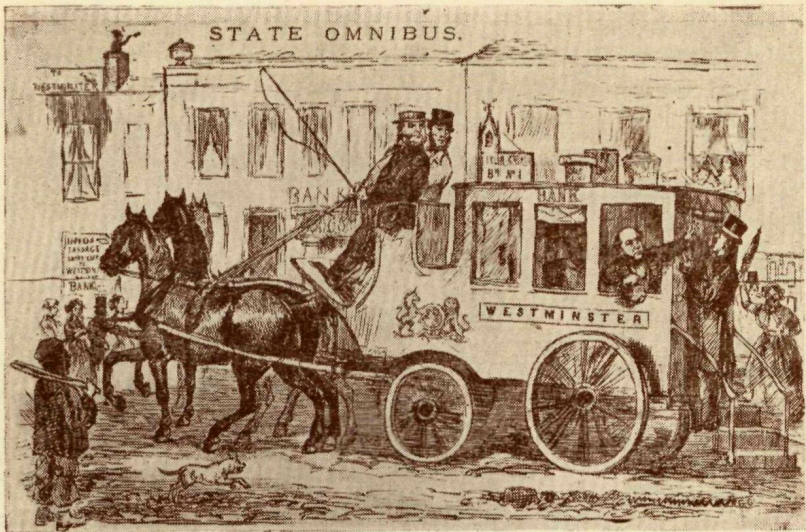
Accordingly, a gleaming new set of books, suitable to the new procedure, was ordered and delivered. It was only then that the alarming realisation dawned, that there was no one in the bank's employ, from the managing director down, knew the least thing about the system, or even what figures to transfer from the old books to make an opening entry on the bland, blank and bewildering pages. Even the hereditary foresight and shrewdness of whole generations of banking Lloyds had overlooked the point completely. Customers flocked in, the two-way traffic across the counters proceeded briskly, and the cashiers presented bravely unruffled exteriors to the unsuspecting public, but on the desks at the rear the pages of the new books continued to stare white and empty. Even after Sampson Samuel Lloyd had hurried off to Liverpool with his other sub-manager, Mr. Hickling, to seek instruction from the Manager of the Liverpool Union Bank—a proud exponent of the new method—the pair only returned thoroughly bemused over such strange modernistic innovations as a book-keeping distinction between bills and cash.

At last, moved by that happy freemasonry which makes bankers brothers even in competition, the Liverpool Union agreed to allow one of their own clerks, a Mr. Andrew Crosbie, to be seconded to the becalmed Birmingham rival; at the same time a firm of accountants was called in, and still another specialist, a Mr. Allured, a customer knowledgeable in these dark affairs, was recruited to the forces of light. They stayed three weeks, striving to unfold the mysteries to the staff. Perhaps by this time there was

*Sampson Samuel Lloyd*



altogether too much skilled assistance on hand, and there may even have been strife among the experts; in any event, it is recorded that a formless pandemonium prevailed for upwards of a fortnight, during which time no daily balance was once achieved, neither the ledgers nor the London agency account could be proved, and the staff, convinced that they were living in a nightmare, floun-



*Conductor to Bright (driver): "Drop Lloyd at the Bank?" Lloyd: "Oh dear, no!!! You're mistaken; I'm for Westminster." September 12, 1868.*

dered despondently in a maelstrom of irreconcilable statistics. Just when all hope was about to be abandoned, one or two of the keener minds suddenly grasped the principles of the system, and the machine at last began to run. (The Liverpool Union Bank, incidentally, was amalgamated with ourselves in 1900, though before this the redoubtable Mr. Crosbie had forsaken his old employers to become one of our own bank's first inspectors. He felt an irresistible call, no doubt. An undertaking with two millions of capital, but no one on the staff capable of conducting a system of elementary accountancy, desperately needed the services of an inspector.)

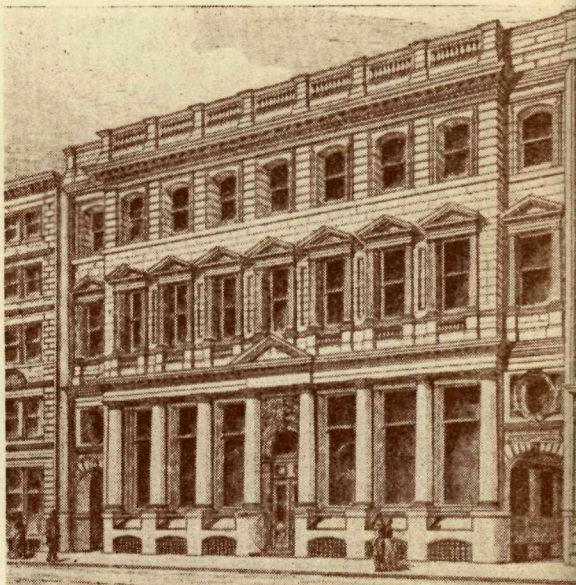
At the year's end another crisis of the same kind almost seemed to threaten; it was discovered that no one had the smallest notion how to draw up a proper liabilities and assets statement for the whole bank; but luckily (before the team of experts could once more descend) Howard Lloyd found in a book in the private room a form of balance sheet as employed by the London & Westminster Bank, and upon that model was able to construct the first statement of accounts of Lloyds Banking Company: a statement which showed, moreover, that whatever difficulties had been presented by the book-keeping, the larger operation of successful banking had been carried on in the true Lloyds tradition: after eight

months' working the new joint-stock company showed a profit of £18,000.

The Managing Director was Sampson Samuel Lloyd, who combined with his talents as a banker certain political gifts, a silvery and effortless eloquence among them; unfortunately he chose to contend for a Parliamentary seat as a Conservative, when Birmingham, as John Bright put it, was "as Liberal as the sea was salt", and he was twice unsuccessful.

Later he became a Member for Plymouth, however, and afterwards for South Warwickshire. From 1862 to 1880 he was President of the Association of Chambers of Commerce of the United Kingdom, and many of his vivid and stirring speeches in that capacity are on record. In his address at the opening of the new Exchange Buildings in Stephenson Place, Birmingham, in 1865, the power and allusiveness of his oratory was well able to hold its own against that of Bright, then junior borough Member.

In the hundred years from 1765 other banks had, of course, sprung up in Birmingham, among them the unlucky Attwood, Spooner, Marshall & Co. (the Attwood, by the way, was Thomas Attwood of Reform Bill fame). At the time of the 1825 panic there were six in the town, only one of which (Smith's, in Union Street) collapsed under the pressure of events. Coales, Woolley & Gordon were taken over by Moilliets, which in turn was absorbed in Lloyds Banking Company at the time of its formation under that name. (There was also Freer, Rotton & Co., which at one period of its career was graced by the title of Rotton, Onions & Co.; it is to be



*The first Head Office of Lloyds Bank Limited, in Lombard Street, 1887.*

presumed that the more sensitive of its employees were relieved when amalgamation transferred their allegiance to the National Provincial, and their reply to the question "Where do you work?" no longer had to be the shamefaced mumble "Rotton Onions".)

Our own bank was beginning to put out shoots. Some of the branches sprang into being automatically with the formation of Lloyds Banking Company. To the Moilliet office in Cherry Street and one in Oldbury were added, in 1865, the Wednesbury Old Bank and, the following year, Stevenson, Salt & Co., with branches at Stafford and Lichfield. We had a branch, too, at Tamworth, and agencies ("conducted", we are told, "by respected local tradesmen") at Sutton Coldfield and Coleshill; and there were sub-branches at Eccleshall, Halesowen, Penkridge and Rugeley.

The London operations of the bank were still, of course, of secondary importance and magnitude. As late as 1907, in his book, *The Lloyds of Birmingham*, Samuel Lloyd notes almost with surprise that the bank had then no fewer than twelve branches in London, but in Birmingham thirty; to-day the Birmingham offices have

doubled—but London's have grown to more than 120, with a staff of over 5,000.

From 1865 onwards amalgamations and absorptions took place rapidly; such major coalitions as those with the Wilts & Dorset, the Capital & Counties, the Devon & Cornwall and the Bucks & Oxon (so euphoniously suggestive of a lusty agricultural connection) are probably familiar to most of us—to say nothing of such honourable and prized associations as Messrs. Cox & Co. or



*The Lombard Street entrance of the Bank to-day.*



*The old sign . . .*

Messrs. Herries, Farquhar—but what of that multitude of small, half-forgotten concerns which from time to time have poured their tributaries into the main stream: Cobb & Co., of Margate; Paget & Co., of Leicester; Wilkins & Co., of Brecon; Curteis, Pomfret & Co., of Rye; David Jones & Co., of Llandoverly. All had their histories, some as long as, some longer than our own. Garfit, Claypons had existed since 1754; Stevenson, Salt since 1737; Willis, Percival since 1670. With the acquisition, in 1891, of Praeds & Co., Fleet Street (now represented by our Law Courts branch), came an echo nearly three centuries old from the West Country; for a firm of Praeds were established as bankers at Truro in 1600, becoming in turn Tweedy, Williams, then the Cornish Bank—which joined forces with the Capital & Counties and so, ultimately, with ourselves.

It is sometimes suggested that great organisations like our own have achieved greatness through an octopus-like acquisitiveness, reaching out greedy tentacles to gather in their feebler competitors. In contradiction of this view it is interesting to read, once more in Samuel Lloyd's book, that: "in nearly every case of amalgamation with Lloyds, the offer to join forces has come to, not from, the company; and no offer has been accepted without the fullest consideration and investigation by Lloyds. In three-fourths of the cases the amalgamations have been with private firms—a distinguishing feature of the amalgamation policy having been to take over businesses which, though comparatively small, offer, by their connection and local conditions, opportunities of larger development through the advantages afforded, in the way of security and otherwise, by joint-stock trading."

Until 1884, then, Lloyds remained virtually a Birmingham bank. But in that year a most momentous step was taken—perhaps the most important in the bank's history—in the absorption of Messrs. Bosanquet, Salt & Co., of 73, Lombard Street, and Messrs. Barnett, Hoare, Hanbury & Lloyd, of 60 and 62, Lombard Street. (Barnett, Hoare & Co. and Hanbury, Lloyds & Co. were amalgamated in 1864.) It will be remembered that more than a hundred years earlier Sampson Lloyd the Third

*. . . And the new.*





had been instrumental in the founding of Hanbury & Lloyd, though it had ever since retained its separate identity, merely acting, with other London banks, as agent for the family firm in Birmingham. Now at last the two ventures were to become one; and under the somewhat unwieldy title of Lloyds, Barnetts & Bosanquets Bank, our first London office, whose need had so long been felt, came into being. It was four years later that the bank as we now know it may be said to have taken form, for in 1889, upon two further large amalgamations, with the Worcester City & County and the Birmingham Joint-stock—once such a formidable rival of Lloyds Banking Company—the title became Lloyds Bank Limited.

It will have been noted by the alert reader that in this confusion of dates there is an ancient one, familiar to all who know the Bank's crest, which is missing. The year 1677 does not appear. How then does it earn its place on the sign which hangs outside No. 71, Lombard Street, to-day?

The thread is tenuous, but it is there for the discerning. In the year 1677 there was published a small book called "Collections of Names of Merchants Living In and About the City of London"; it was, in effect, the first London Directory; in the section devoted to "Keepers of Running Cashes" (goldsmiths, with whom cash could be deposited and withdrawn as required) appeared the name of Humphrey Stocks, carrying on his business at the sign of the Black Horse in Lombard Street. (Every tradesman had his sign in those days; streets were not numbered until 1762.) We know that Robert Stocks, very probably Humphrey's son, was trading under the same sign in 1700, at what is now No. 53, Lombard Street, and that from 1728 to 1749, one, John Bland, banker, was established at the same address, later moving to No. 62. This was the Bland of Bland, Barnett & Co. (1761), and of Bland, Barnett & Hoare (1772) which—as we have seen, became Barnett, Hoare, Hanbury & Lloyd in 1864—was amalgamated with Lloyds Banking Company and Bosanquet, Salt & Co. twenty years later under the title of Lloyds, Barnetts & Bosanquets Bank Limited—which in 1889 became the Lloyds Bank Limited of to-day. When Bosanquets were absorbed, their premises at No. 73, Lombard Street, became our own Head Office, and, premises at Nos. 71 and 72 having been acquired to meet the demands of a speedily expanding business, the sign of Humphrey Stocks' Black Horse was displayed there, brought from the old Bland, Barnett address at No. 62.

The task of putting up a spacious modern building over the

whole site surrounding the original Head Office at No. 73 was begun after the first world war, and completed, a handsome and extensive edifice, in 1930.

The building goes right through to Cornhill, where there was once, at No. 15 (now part of our Cornhill facade), a celebrated confectioner's shop kept by Mr. Samuel Birch, poet, playwright, Colonel of the City Militia—and Lord Mayor of London. He was known as "Mr. Pattypan", and it was said of him, rather unkindly, that "his pastry was, after all, the best thing he ever did". When our plans for the new building were carried out Mr. Pattypan's old shop front, left untouched by the Cornhill alterations of 1844, had at last to be removed. But it was removed to the Victoria & Albert Museum, where it remains to-day, a delightful reminder of a past age.

Thus, whether or not we feel able to claim that ancient date of 1677 as a mark of our beginnings, we can at any rate justly look back over nearly two centuries of recorded banking history, from that day in 1765, when the iron-merchant and the button-maker put their heads together and resolved to turn bankers with one small office, two clerks and a capital of £6,000, to this Festival Year of 1951, when their small acorn has become a mighty oak, and Lloyds Bank Limited, with a capital of £15,000,000, has 70,000 shareholders and 17,000 staff.

A history of Lloyds Bank must be above all a history of the Lloyds, and a record of that remarkable family's own special genius and single-mindedness. It is a record not without a flavour of romance, as even the most habitual apologist for the "dullness" of banking must, if he is fair-minded, admit. E. V. Lucas wrote: "Too much attention has been paid to the growth of kingdoms: the growth of a bank is equally interesting. Both are equally the story of human ambition and address—the difference is purely one of glamour. Custom has decided that the affairs of a throne shall be considered romantic, and the affairs of a bank prosaic. But one thing is certain: that a king may be an accident yet reign for half a century; whereas a banker can never be so. A banker has got to be a banker or go."

*Devised and written by T. R. Gilbert and J. B. Boothroyd  
as a supplement to "The Dark Horse",  
Lloyds Bank Staff Magazine,  
June, 1951.*



