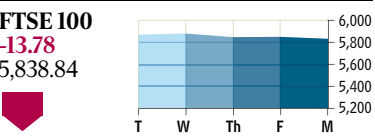


Business Dashboard

The markets



Dow Jones
-20.55
13,558.92

Nikkei
-40.71
9,069.29

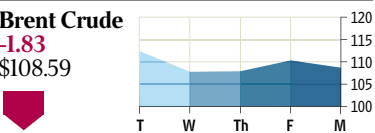
Nasdaq
-19.18
3,160.78

Eurofirst 80
-25.88
3,366.23

DAX
-38.46
7,413.16

S&P
-3.26
1,456.89

Commodities



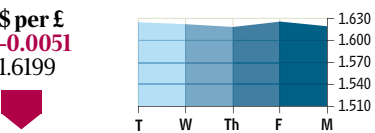
Gold London
-11.15
\$1,763.50

Platinum
-9.00
\$1,630.00

Copper
-126.50
\$8,155.25

Carbon Eua (Dec 12)
-0.16
€7.27

Currencies



€ per £
+0.0037
1.2545

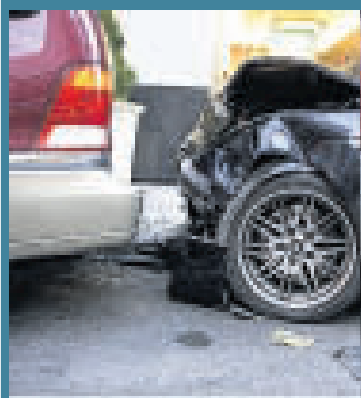
¥ per £
-0.81
126.20

\$ per €
-0.0076
1.2912

¥ per \$
-0.27
77.90

Exclusive to subscribers

Insurance Relief for motorists as premiums fall



Employment Tips to beat the student jobs scramble

Call to end 'computer says no' banking

Alex Ralph

Small businesses called for a return to traditional banking yesterday as the parliamentary commission set up after the Libor scandal took to the regions for the first time.

Companies in Birmingham told a cross-party panel of MPs at the commission's first roadshow that the economy would not recover unless banks ended the "computer says no culture" when determining whether to lend money.

In an informal discussion at Birmingham Chamber of Commerce with about 20 small and medium-sized enterprises, the Parliamentary Commission on Banking Standards was told that the relationship between bank managers and businesses had been replaced by a "matrix" and "tick-box system".

Pat McFadden, the former shadow business secretary and lead member for the commission's panel on the consumer and SME experience of banks, said businesses "are not calling for lending conditions that existed before the financial crisis. They want a more personal relationship in banking. More understanding of their business. More explanation of decisions."

"A lot of them feel the decision not to lend is arbitrary. A 'computer says no' culture."

John Thurso, the Liberal Democrat

● **Royal Bank of Scotland is to cut an additional 300 jobs in its investment banking division** (Patrick Hosking writes). The state-controlled bank said that it aimed to reduce staffing levels in its markets division by 3,800 by the end of 2013. Previously, it had set a target figure of 3,500. The unit has already pulled back from some equities and mergers and acquisitions activity.

MP for Caithness, Sutherland and Easter Ross and a member of the panel, said: "The human element seems to have vanished. It's become a matrix and, if you don't tick the boxes of the matrix, you don't get the money."

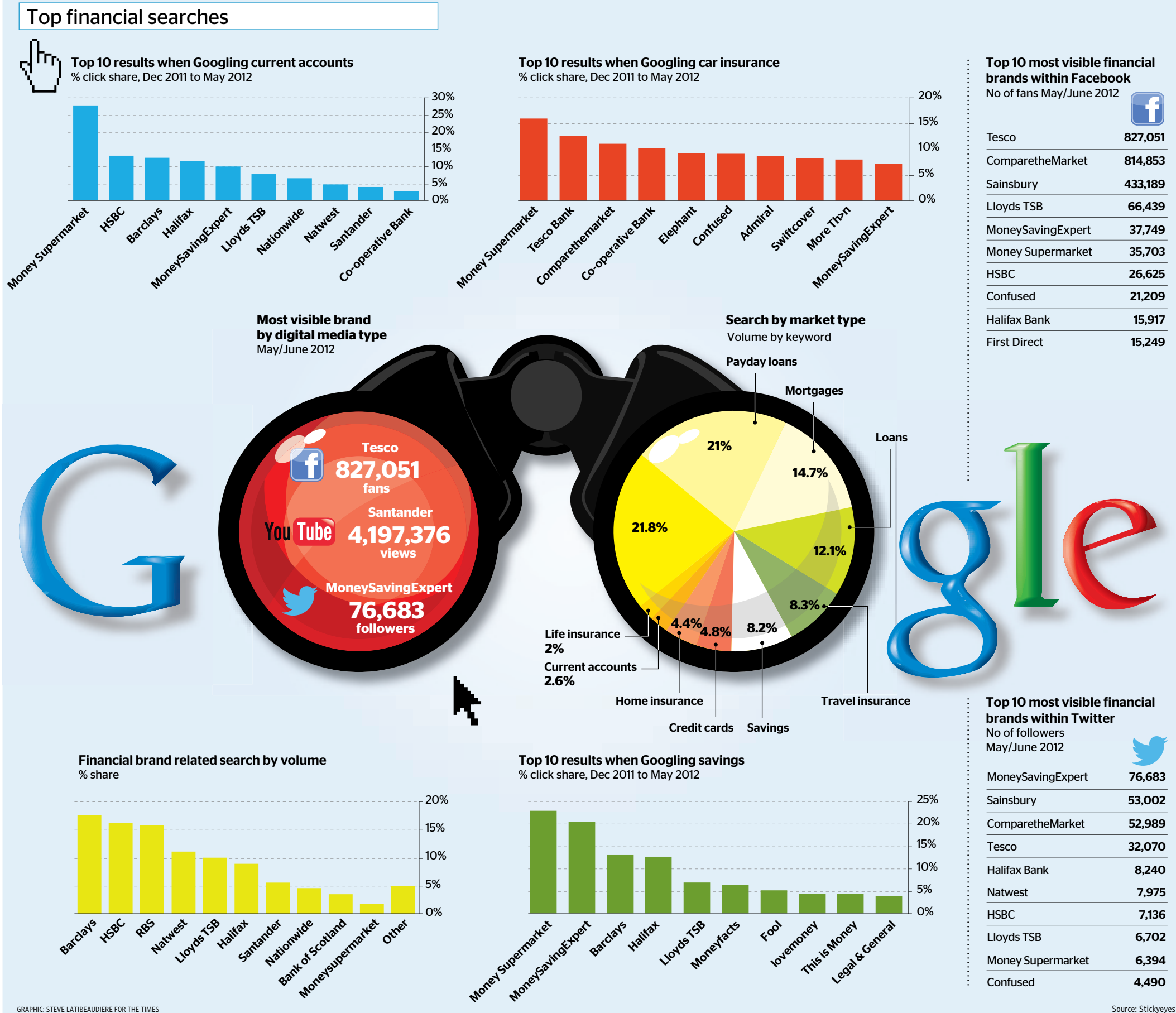
John Mason, who runs three hotels in the West Midlands, said that businesses needed access to "relationship managers" at banks who understood the business. He said there was "no one to talk to" and that "IT has taken over".

Steve Brittan, the managing director of BSA, which makes systems for the defence, aerospace and automotive industries, said that the long-standing relationship between bank manager and small businesses was finished. "Over the last five years or so, you've lost the relationship manager, the man who knew your business. We were getting young kids coming in, taking notes back to the credit team saying 'no'."

Wade Lyn, the managing director of Cleone Foods, which supplies Jamaican patties to supermarkets, said that Barclays had turned down a £50,000 loan but the business had been saved from collapse by a £150,000 loan from family and friends. He said that the company had moved to Lloyds.

The commission will gather evidence on corporate governance, the regulatory and supervisory approach and competition and make recommendations on legislative changes by December 18.

Business briefing



Supermarket sweep makes comparison with rivals more difficult

Patrick Hosking Financial Editor

The acquisition of the advice website MoneySavingExpert has put MoneySupermarket on course to increase its dominance of online financial search, according to new research.

The popularity of the price comparison website has been laid bare by a study of which banks and financial institutions appear at the top of the rankings when consumers search for financial terms in Google.

It also shows how mainstream banks

and insurers are competing for visibility, with Barclays emerging as the most searched-for brand in finance, followed closely by HSBC and Royal Bank of Scotland.

When computer users search for specific financial categories, such as "current account" or "car insurance", MoneySupermarket dominates most areas, with MoneySavingExpert also high up in many rankings.

MoneySupermarket, which completed the £87 million acquisition of its rival last Friday, leads the way in both "organic search" and in "paid-for"

advertising. Organic search produces results based on a complex, constantly refined algorithm devised by Google and aimed at producing the most useful, comprehensive information to computer users. Paid-for entries, which sit alongside organic search results, are determined by auction, with the most prominent results given to bidders offering the most money to Google per click.

"Collectively, as an organisation, MoneySupermarket will have a significantly increased market share," said Phil McGuin, head of market

research at Stickyeys, the online marketing agency behind the research. In the savings area, for example, MoneySupermarket already has a click share of 27 per cent. MoneySavingExpert has a further 16 per cent.

The deal was cleared by the Office of Fair Trading. MoneySupermarket says that it is committed to maintaining MoneySavingExpert's standing as being free from commercial considerations.

Banks employ search optimisation consultants to tweak their websites in an attempt to climb the Google organic

search rankings. Marketing products online has become a crucial part of the advertising mix and the dominant way of selling some products, such as car insurance.

The research also shows the success of the supermarket groups in boosting their online presence. Tesco and J Sainsbury were first and third for Facebook fans.

Santander was the most-viewed financial keyword on YouTube, ahead of CompareTheMarket, the price comparison website known for its meerkat advertising campaign.

Ian King The facts are even stranger than fiction

Business Editor's Commentary

Life imitated art yesterday when, hours after the BBC Two satire *The Thick of It* showed a clueless Lib Dem minister hatching the idea of a small business bank, up popped Vince Cable to announce the real thing. Unfortunately, the Bank of Cable is as poorly conceived as the "We Bank" planned by the fictional junior minister Fergus Williams.

For a start, the new bank appears to be dependent on existing lenders, as with the failed Project Merlin. The new bank will need to offer genuinely new lending channels.

Second, what makes ministers think their creation will be any good at meeting demand for credit? The Government's own Regional Growth Fund has managed to invest only £60 million of a possible £1.4 billion. Even if its £1 billion seed capital is leveraged to the power of ten, it is hard to see the new bank doing better.

Third, the risk to taxpayers is huge. The new bank, it seems, will buy books of SME loans made by existing commercial lenders. That looks like a golden opportunity for the latter to get some rubbish off their books and into a state-owned "bad bank".

Moreover, the loan applications made to the new bank may well prove dubious. RBS currently approves 90 per cent of SME loan applications and Barclays, HSBC and Lloyds about 80 per cent. Imagine the quality of the proposals they reject. Why should taxpayers bear the risk of loans the big banks decline to make?

Lastly, this bank will take 18 months to set up, which is too long. By then it runs the risk of being, as *The Thick of It* might put it, the last VHS in Oxfam.

Famous names share the pain

Incredible as it may seem, some good may yet come out of the scandal at Bumi plc, whose ability to shock never ceases to amaze.

That will not console those who invested in this diseased company at £10 a share at its IPO, in July 2010, and have lost 85 per cent of their money. It will be no consolation to Nat

Rothschild, who brought Bumi to the London market and who, via an 11.94 per cent stake, shares their pain.

Neither will it console Sir Julian

Horn-Smith, Lord Renwick of Clifton, Sir Graham Heame and the other non-executive directors of this wretched business, nor their advisers, as they try to explain governance scandal after governance scandal.

Yet the saga has ensured that, when next a company with Indonesian assets seeks to list in London, it will be subjected to rather more scrutiny and tough questioning than was Bumi.

It is perhaps asking too much of the Indonesian regulators that they investigate these allegations robustly and, if necessary, bring prosecutions.

If they do, though, it will do Indonesia no end of good as it seeks to shed its unwanted image as one of the world's most corrupt countries and attract more foreign direct investment.

Whether Bumi Resources would survive such a process is another matter.

This time BAE has no plan B

It's worth recalling, as arguments fly back and forth on the proposed merger between BAE Systems and EADS, how differently things might have turned out for Britain's premier defence contractor.

The story of BAE's aborted merger with Germany's DaimlerChrysler Aerospace in late 1998 is well known, as is the fact that, before the mooted EADS deal, BAE spoke to Rolls-Royce, only to be rebuffed by its chairman Sir Simon Robertson.

Less well known is just how close, a decade ago or so, BAE came to pulling off a remarkable deal in the United States. Under its former chairman and chief executive Phil Condit, Boeing mulled hiving off its civil aviation division, for which there would have been no shortage of private equity buyers. The game plan then, it seems, would have been to pursue a merger with BAE that would have created a transatlantic defence powerhouse.

Unfortunately, the boards of both companies could not agree on whether this was an appropriate strategy, with BAE's ownership of a 20 per cent stake in Airbus, Boeing's arch-rival, seen as a stumbling block.

BAE was in a happier place then than now. Back then, it enjoyed plenty of alternatives. There is no plan B to the EADS tie-up today.

BAE was in a happier place then than now. Back then, it enjoyed plenty of alternatives. There is no plan B to the EADS tie-up today.

BAE was in a happier place then than now. Back then, it enjoyed plenty of alternatives. There is no plan B to the EADS tie-up today.

BAE was in a happier place then than now. Back then, it enjoyed plenty of alternatives. There is no plan B to the EADS tie-up today.

BAE was in a happier place then than now. Back then, it enjoyed plenty of alternatives. There is no plan B to the EADS tie-up today.

BAE was in a happier place then than now. Back then, it enjoyed plenty of alternatives. There is no plan B to the EADS tie-up today.

BAE was in a happier place then than now. Back then, it enjoyed plenty of alternatives. There is no plan B to the EADS tie-up today.

BAE was in a happier place then than now. Back then, it enjoyed plenty of alternatives. There is no plan B to the EADS tie-up today.

BAE was in a happier place then than now. Back then, it enjoyed plenty of alternatives. There is no plan B to the EADS tie-up today.

Give credit where it's due

Why is it most people have bought the idea that the collapse of JJB Sports began with Chris Ronnie's appointment as its chief executive in 2007?

Yes, much of the blame should go to the hapless Mr Ronnie. But it was not he who incurred the wrath of JJB's rival Mike Ashley by telling him: "There is a club in the north, son, and you're not part of it." That, of course, was JJB's founder Dave Whelan, with the upshot that Mr Ashley reported JJB to the Office of Fair Trading. It went on to impose a £8.373 million fine, a huge blow at the time.

Nor was it Mr Ronnie who, in 2004, turned down a £600 million offer for JJB from Cinven because it was not enough. That was Mr Whelan, too.

And nor was it Mr Ronnie who failed to respond rapidly enough to Mr Ashley's aggressive price cuts. That was Mr Whelan and former chief executives, such as Tom Knight.

The late, great retail analyst Richard Ratner said in January 2006: "JJB has woken up to what Ashley has been doing and is trying to respond. It will get killed. Ashley is a better buyer."

As ever, "Ratty" was on the money.

For services to industry ...

The rise of Barclays Capital has rather killed the "Wimbledon Effect" — the notion that, while Britain had no investment banking champions of its own, it was still the most agreeable place for the rest of the world's top players to compete.

Now the City is betting we do not have long to wait before a domestic winner at the Championships itself.

Keith Prowse, the UK's leading corporate hospitality provider, says that since Andy Murray's victory at the US Open, enquiries for next year's Wimbledon are up by 125 per cent.

If the Scot does not make the New Year's Honours for his heroics in New York, not to mention the Olympics, perhaps he could be honoured for services to corporate hospitality.

BAE was in a happier place then than now. Back then, it enjoyed plenty of alternatives. There is no plan B to the EADS tie-up today.

BAE was in a happier place then than now. Back then, it enjoyed plenty of alternatives. There is no plan B to the EADS tie-up today.

BAE was in a happier place then than now. Back then, it enjoyed plenty of alternatives. There is no plan B to the EADS tie-up today.

BAE was in a happier place then than now. Back then, it enjoyed plenty of alternatives. There is no plan B to the EADS tie-up today.

BAE was in a happier place then than now. Back then, it enjoyed plenty of alternatives. There is no plan B to the EADS tie-up today.

BAE was in a happier place then than now. Back then, it enjoyed plenty of alternatives. There is no plan B to the EADS tie-up today.

BAE was in a happier place then than now. Back then, it enjoyed plenty of alternatives. There is no plan B to the EADS tie-up today.

BAE was in a happier place then than now. Back then, it enjoyed plenty of alternatives. There is no plan B to the EADS tie-up today.

with a £3 million pay-off. Before that he headed the private bank Coutts from 1997 to 2000. Direct Line said that he had no financial links with RBS, which once owned Gartmore and still owns Coutts.

He worked for six years at Standard Chartered in Hong Kong and before that he was a consultant with Coopers & Lybrand and Deloitte Haskins & Sells, where he mainly advised financial services clients. He has also been chairman of Hermes, the pension fund manager, and Towry Holdings, the independent financial advice firm.

Direct Line also Mark Catton, head of corporate and institutional banking at RBS, as another non-executive director. (Patrick Hosking)

