Ten years after the launch-fest at the turn of the century, Lucian Camp wonders what we've learned.

Morals in our memories of millennial mania

Looking back across a roller-coaster decade it's now very obvious that 2000 was a strange and mad year.

Perhaps there was about it a touch of what Norman Cohen's *In Pursuit of the Millennium* calls 'millennial mania'. A lot of it may have been to do with the seemingly-unending rise of the FTSE. And some of it may have been to do with the gradual cooling of Blair's Cool Britannia.

Anyway, the febrile national mood was reflected almost everywhere you looked in the world of financial services.

In a year of frenzied launching, the most important one was the Financial Services & Markets Act, which spawned the FSA. But, at the time, most of the excitement was more or less connected to the dotcom boom.

A couple of notable launches actually sneaked in just ahead of the new century – Egg in 1998, Smile and moneysupermarket.com in 1999. During 2000, we enthusiastically welcomed Virginmoney, Intelligent Finance and Cahoot. And we offered a more muted and indeed mystified welcome to the joint-venture wealth management business from HSBC and Merrill Lynch, which baffled the hell out of us by maintaining an extraordinarily high profile despite having, as I recall, no brand, no proposition and no marketing communications.

Things were happening among boring old-economy brands, too: the newly-merged RBS NatWest banking giant launched; the inelegantly named CGNU made its debut following the merger of CGU and Norwich Union. And the mania flowed on into 2001, with New Star, and the brand that I was most closely involved with, RSA's MORE TH>N.

Ten years later, what jumps out at you is the way almost all those launches and re-launches are now changed out of all recognition, and mostly not in a good way. One early arrival and one latecomer, moneysupermarket.com and MORE TH>N, are the exceptions, now each with a decade of solid progress under their belts.

But problematic and unforeseen events have shaped the futures of all the others. The first faller was that HSBC/Merrill Lynch mutant which died as early as 2002, almost before it had been born. As a brand (though obviously not as a business), CGNU disappeared that same year, to the misguided fury of shareholders bitterly critical of the trouble and expense involved in the switch to AVIVA.

And, over the next ten years, the financial services industry changed a whole lot less than we thought it was going to. That's a great shame.

Later, New Star was more of a shooting star than a permanent addition to the firmament: rescued by Henderson towards the end of a dramatic decade in which it had soared to become the UK's leading retail funds business and then plunged to the brink of extinction.

The others are all still technically alive, but mostly only just. We don't need to remind ourselves what happened to the biggest, RBS NatWest – we can hardly forget.

Egg's fate has been particularly tragic, bought by Citibank and turned almost instantly into exactly the kind of institution it initially despised. Cahoot is still open for existing customers, but it seems to have no interest in acquiring new ones and you have a strong sense that an endgame involving a Santander toreador and a long sharp sword isn't far away. No-one ever understood Intelligent Finance. And Smile – from all accounts a cracking service – had the misfortune, as part of The Co-operative Group, to be starved of ambition and investment and spent its first ten years looking much closer to a disappointed frown.

As 2000 came to an end, the climate was already changing: the FTSE was plunging, and Equitable Life had gone bust. And it was already becoming apparent that the large majority of the financial services Class of 2000 (strictly speaking, the Class of 1998 – 2001) suffered from life-threatening defects – mostly, though not always, around the business model and specifically around the difference between the cost of acquiring customers versus the amount of income that could be generated from them once acquired.

It was all hugely disappointing. And, over the next ten years, the financial services industry went on to change a whole lot less than we thought it was going to. That's a great shame. On the other hand, those Class-of-2000 businesses that have consistently thrived and grown while staying true to their founding principles, deserve especially warm praise and congratulation.

One good and rare example comes to mind. To hoover up a huge proportion of the praise and congratulation on offer, please step forward The Financial Services Forum.

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