

Cinven snaps up True Potential in £2.5 billion deal

PRIVATE equity giant [Cinven](#) is close to a £2.5 billion deal to buy True Potential, a wealth manager that is seen as a serious rival to [Hargreaves Lansdown](#) and [AJ Bell](#).

Founded and run by a father and son team, True Potential sells its investment platform to financial advisors across the [UK](#) and direct to the public. It has £20 billion of assets under management, with profits of around £130 million last year.

Chairman David Harrison, 72, and CEO son Daniel Harrison, 40, plan to stay at the helm of the company after selling a majority stake to Cinven.

TP has 350 staff of which around 100 have equity. Another 400 or so financial advisors also have a stake in the business.

The business is relatively low profile, at least until now. David Harrison said in a rare interview four years ago that he kept fit by “running to the pub” and that he disliked “hipsters in skinny jeans”.

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TP would not disclose how much the Harrison family stake is now worth, but it is likely to be hundreds of millions of pounds.

The Newcastle based firm has offices in London and in other cities dotted around the UK.

Last year saw a boom in the number of people buying shares, as newcomers to the stock market spent lockdown savings.

Hargreaves and AJ Bell in particular saw revenues and profits jump as new clients emerged. There have been signs lately that this investment boom is cooling. There was a profits warning from CMC Markets last week.

Cinven, founded in 1977, has bought and sold a host of large UK companies including Spire, formerly known as Bupa.

This deal is just the latest in a string of private equity takeovers. Some in the City say these deals show that a stock market listing has become too expensive for large companies and that remaining private is a better bet.