

It's both good and bad that activist investors are swarming into London

Talk to any M&A banker and they'll tell you three things: private equity will keep buying up FTSE-250s, IPOs won't be back till autumn and we ain't seen nothing yet from [activist investors](#).

We've had ups and downs in the first two before, but the recent surge of activism in the UK is something new and astonishing.

Aviva, GSK, Pru, Anglo American, BT (arguably) – the biggest companies in Britain have come under fire.

Consultant Alvarez & Marsal has just identified 59 UK firms as vulnerable to attack.

It's arguably good for shareholders.

All CEOs are now scrutinising every part of their business to ensure they're providing decent returns.

But there are downsides, too.

Activists vary, but most aren't interested in holding the target's shares for long periods.

They like quick changes that return cash to shareholders so they can move on to the next target.

That's not always in the longer-term interests of the company.

Barclays would have missed last year's corporate fundraising bonanza if it had buckled under Edward Bramson's demands to ditch investment banking.

Also, the rules of debate aren't equal between company and activist.

Activists can claim whatever they like as they campaign against their targets.

PLCs are heavily regulated and can't.

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So, Cevian can glibly state that if Aviva ups its cost-cutting it could double the dividend and share price.

That may be, but Aviva can't easily counter the argument and explain its own strategy for fear of breaching City laws.

CEO Amanda Blanc is certainly not allowed to start making share price projections.

I'm sure part of the reason activists make bold, headline grabbing statements is to advertise their funds to potential new investors, but that's by the by.

As they become permanent players in [London](#), UK regulators should equalise the rules of the game and make activists more accountable for their claims.

Their unruly niche in the fund management world is maturing. It's time to make them behave like the grown-ups.