

Mutual loathing as LV= pulls out of Royal London merger talks

LV= has revealed that it has pulled out of merger talks with mutual life rival Royal London amid the bitter fallout from LV's failed takeover by US private equity last year.

Royal London, which had been accused by LV of trying to "destabilise" its £530m deal with Bain Capital through a rival offer before the Bain deal was rejected by a members' vote, had approached LV about a fresh merger.

However, LV said on Wednesday that it had "become clear to LV= that our different mutual models mean such a merger would not be in the best interests of LV= members".

[Why there is bad blood between Royal London and LV=](#)



Image:

Seamus Creedon was appointed interim chair this week after Alan Cook paid the price for the failed Bain takeover

The firm added: “As a result, talks between the two companies have now ceased.”

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It stressed that it was now focused on a standalone future.

Interim chair Seamus Creedon said: “We thank Royal London for its engagement and we look forward to operating alongside it as part of a vibrant mutual sector.

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“The strength of LV=’s business performance over the past 18 months combined with its operational progress has strengthened the board’s belief in, and commitment to, the continuation of our status as an independent mutual.

“We have heard what our members have said about the importance of mutuality and the continuation of the LV= brand.

“We continue to maintain our strong capital position, are trading well and building a successful future for LV=, its members, employees and wider communities.”

Royal London’s bitterness over the deal LV= agreed with Bain stemmed from an assertion that it had offered £10m more.

Its chief executive, Barry O’Dwyer, said on Wednesday: “Our offer to preserve LV=’s mutuality through a merger with Royal London was based on an understanding that LV= did not have a viable future as an independent company.”

“For Royal London’s customers and members, nothing changes.

“We remain committed to delivering great value products, backed up by market-leading customer service. We look forward to sharing a substantial level of profits with our eligible customers in April, as we normally do,” he shot back.