

Tory peer Cruddas to toast £20m CMC Markets windfall

The Conservative peer Lord Cruddas is to bank another £20m in dividends from the financial markets group he founded three decades ago.

Sky News can reveal that the CMC Markets chief executive and his family, who between them own just over 60% of the company, will receive the payout following its full-year results on Thursday.

A City source said the £20m bonanza would take Lord Cruddas's aggregate payout from share sales and dividends since CMC's 2016 flotation to close to £350m.

The figure would imply that he and his family will have paid more than £100m in tax on that income during that period.

Lord Cruddas, who was among more than 20 Tory donors who backed Boris Johnson's continued leadership of the party ahead of Monday's confidence vote, was ennobled in controversial circumstances last year.

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Investors in CMC will be watching Thursday's earnings announcement closely for progress on a potential break-up of the group, as well as news of its plans to challenge the likes of AJ Bell and Hargreaves Lansdown with a new retail investment platform.

The proposed break-up of CMC – first reported by Sky News last year – would create a leveraged trading business housing CMC's spread-betting operations, and a non-leveraged business containing its technology and new investment products platforms.

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CMC, which is debt-free and has £400m of cash on its balance sheet, began as a player in the financial spread-betting sector, allowing clients to borrow funds to place wagers on financial markets using contracts for difference (CFDs).

It competes with the likes of IG Group and Plus500.

Last September, the company issued a profit warning, citing

“subdued” market activity in the preceding months which had resulted in lower client trading volumes.

At Wednesday’s close, CMC shares were valued at 302.5p, giving it a market capitalisation of £890m.

Lord Cruddas and his family continue to hold a stake worth more than £550m.

A prolific donor who has given more than £3.5m to the Tories, Lord Cruddas was one of the founders of Vote Leave and gave the campaign group £1.5m ahead of the 2016 Brexit referendum.

As well as being one of the City’s most successful self-made businesspeople, Lord Cruddas is also a major philanthropist, having donated more than £20m to charity through his personal foundation.

In his letter to the House of Lords Appointments Commission, Mr Johnson said Lord Cruddas’s charitable giving was one of the reasons for his decision to overrule the Commission’s objection to the ennoblement.

Lord Cruddas served as Tory treasurer until 2012, when his term was brought to an abrupt end by a cash-for-access investigation by The Sunday Times.

The businessman successfully sued the newspaper for libel, although his financial award was later reduced on appeal.

CMC could not be reached for comment.