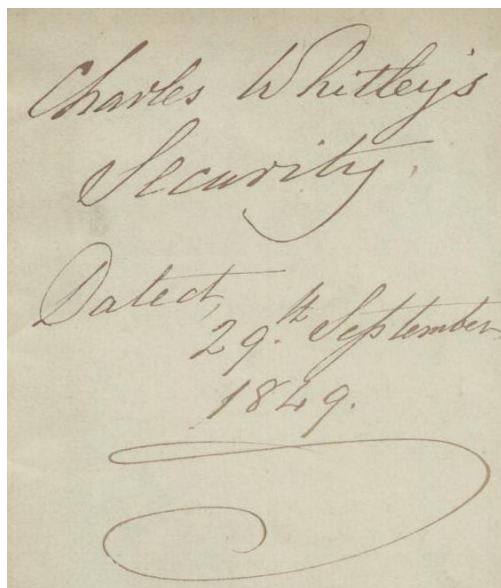


Manuscript of the Month
February 2012

Charles Whitley's Fidelity Bond, 29 Sept 1849



In August 1849, the partners' memoranda book recorded that: *Mr Whitley having applied to Messrs Hoare for their kind Consideration of his Son's Admission into their Service and a New Clerk being desirable if not quite necessary on the Increase of our Business as well as the advanced Age of some of ye Senior clerks, coupled with Mr Whitley's assiduous attention & constant Devotion to our Interest for many [25] years...the Senior Partner is very glad to serve Mr Whitley & engage his son.* The boy, Charles, duly entered Hoare's Bank as the most junior of its seventeen clerks, but only after the partners had assured themselves that *his Manners & Disposition have a promising appearance*, references from his previous employer had been carefully scrutinized and Mr Whitley snr had arranged for two good securities to be entered on his son's Fidelity Bond.

When recruiting a new clerk, the Hoares looked for several things. Firstly, applicants generally had to be over 21 and have spent several years in another London banking house. *Your Raw & untried are not pleasant*, wrote one of the partners in 1802, as *they lack the knowledge & habit of business*. Equally important, though, were character and background. Those accepted onto the staff in the mid-nineteenth century, for example, included Felix Knyvett, son of the Archbishop of Canterbury's secretary, and Charles Henry Erskine, nephew of the Earl of Mar. Unsurprisingly, therefore, prospective candidates' references abounded with assurances of irreproachable respectability: *he is a highly respectable and trustworthy young man, [with] correct and gentlemanly habits*, one referee assured the Hoares about his nominee, while another wrote: *Of his family, which in these cases is always a great consideration, I can give you a satisfactory account, being born a gentleman and brought up in the society and the ideas of a gentleman...I know an Eton man [Mr Hoare] will appreciate the gentleman in all positions in life.* As banks traded on their reputations, the respectability and steadiness of their clerks was critical, although not everyone quite appreciated this. One man, applying (unsuccessfully) in 1822 on behalf of his nephew, merely stated that the young man was *very desirous of being initiated into the art of money-making, having already though young found out the way of spending it.*

Many of those who applied for clerkships were the sons, nephews or brothers of bank clerks, a point illustrated by Jesse Nye's application letter, written in 1863: *Permit me to say that I have been seven years at Messrs Halletts' with my father and elder brother, and have another brother at Messrs Coutts' and a third in the Bank of England.* Others were recommended by business contacts, such as the Hoares' lawyers, or by customers. But the safest option was to take on someone whose relative already worked at Hoare's. Charles Whitley, it seems, was just one of several sons or nephews of serving clerks taken into the bank during the course of the nineteenth century.

As well as supplying impeccable references, each candidate was *desired to write a Letter to the House, by which will be seen his Handwriting & Epistolary Qualifications.* Good handwriting was

essential, for there could be no ambiguity within the ledgers, and all clerks, regardless of status, were expected to practise their penmanship on a regular basis. The phrase *writes a good clear hand* frequently appeared in the partners' notes on potential clerks, alongside comments on composition and other desirable skills such as languages.

Once accepted onto the staff, each clerk had to provide a surety of £1,000 (ten times a junior clerk's annual salary). At first this took the form of a handwritten Fidelity Bond, similar to the one shown here, signed by two or three guarantors, usually relatives. In signing the Bond, the guarantors became security for the clerk's *Fidelity and good behaviour in manner*, while the clerk himself agreed to: *faithfully and diligently serve them [partners] according to the best and utmost of his power skill and knowledge...And...not...any way lose embezzle purloin consume misspend or unlawfully make away with detain or keep any Money...or other things whatsoever that shall be entrusted to him...nor...make any false or fraudulent entry or entries in any Book or Books of Accounts or do or commit or willingly permit or suffer to be done or committed or aid or assist or connive at or conceal any fraud deceit act matter or thing whereby any loss detriment or damage may happen or arise...[to the partners] or any of their Lands Tenements Goods Chattels or Effects Fame Reputation Credit or otherwise howsoever*. Sureties reduced the risk of embezzlement, although the main concern behind such an event was the unwelcome publicity it would generate, rather than any financial loss.

To safeguard the bank's good reputation still further, the clerks' day to day lives were governed by a series of rules and regulations. A dress code of white neck handkerchiefs and black coats and waistcoats was strictly enforced, beards were forbidden and clerks reminded that they *conducted no business outside the bank except in top hats*. Additionally, the rules stipulated that *No Clerk is to get into debt, or overdraw his accounts* and that *Juniors living in the house are required to be in the Bank by half past eleven at night*. Even marriage without permission was frowned upon. But despite these restrictions Hoare's was regarded as a desirable place to work. Wages were good, the hours not too onerous and the annual holiday entitlement of four weeks twice that offered by most other banks. A steady stream of unsolicited applications therefore made its way to Fleet Street and any vacancies that arose were keenly contested.

With such numerous precautions in place, the Hoares seldom found themselves in the position of having to claim a surety. The most famous instance was that of Mr Christmas – the son of a Bank of England clerk who, in 1825, after fourteen years faithful service at Hoare's, was convicted of embezzling £1,000 in Exchequer Bills and transported to Van Dieman's Land. Ironically, Christmas had initially been dismissed for his lifestyle: *it is highly improper & I may say disgraceful to us to have our Names mentioned as having in our House a Clerk connected with an Actress* noted the partners in their memoranda book. The embezzlement only came to light a month later, at which time Christmas's father was called upon to honour the £1,000 surety.

During the latter part of the nineteenth century, Fidelity Bonds were supplanted by assurance bonds. Under the terms of an assurance bond, taken out by a clerk when he started a new job, the assurance company agreed to pay up to £1,000 of any losses that might result from the said clerk's dishonesty, providing the bank submitted its claim within three months. William Albert Dodd, who joined Hoare's Bank in 1903, typified this new system, lodging his security with The Bankers' Guarantee & Trust Fund and subscribing £10 in monthly instalments of £2, plus a fee of 10s per instalment. Just a decade or so later, however, the chaos of World War One and the profound changes that followed it, had combined to bring about the end of the assurance bond.