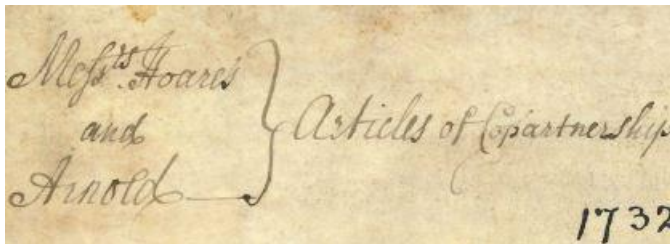


Manuscript of the Month
February 2014

Articles of Partnership re Messrs Hoare and Arnold, 1732



For nearly all of its 340+ years, Hoare's Bank has been owned entirely by members of the Hoare family. Nearly all. For between 1725 and 1758 the business traded as Messrs Hoare and Arnold. But just who was Arnold? And how did he come to have a share in this fiercely independent family firm?

According to the Goldsmiths' Company, John Arnold, son of a Salisbury gentleman, was apprenticed to John Ward in 1669 and made free in 1677. The first definite mention of him at Hoare's occurred almost ten years later, in August 1686, when he was paid £7-16-0 for engraving a set of teaspoons and fashioning rings, a porringer, candlesticks and snuffers for several of Richard Hoare's customers. Sometime during the next twelve months, however, John was taken on as a clerk. And by the early 1700s he had attained a degree of authority. In 1702 Richard Hoare was able to assure Madam Culpeper: *...your stock is transferred to Mr Arnold who has lived w'th me near Twenty years, & has executed a declaration of trust*, while a year later diarist and bank customer Samuel Pepys bequeathed mourning rings to both Richard Hoare and *his Foreman, Mr Arnold*. (Memoirs of Samuel Pepys Esq, Vol 5, ed Lord Braybrooke, 1828, pg 479)

By the 1680s John Arnold was married and raising a family in Castle Street, Whitechapel. Of his three surviving sons, two would follow in his footsteps by training as goldsmiths. The eldest, John Roy Arnold, was apprenticed in 1697 to Benjamin Rhodes, who undertook much of Richard Hoare's engraving work, and later worked as an engraver in St Bride's, a mere stone's throw from Hoare's Bank. John Arnold's youngest son, meanwhile, was destined to work alongside his father for nearly twenty years.

Christopher Arnold was formally apprenticed to Richard Hoare's son Henry on 23 October 1705 at the age of 15. The bank's records indicate that he had joined Hoare's a little earlier, however, for his signature appears with those of his father and another clerk, Thomas Cooke, as a witness to the annual statement of assets and liabilities in September 1705. They also suggest his early career was not all plain sailing. For in July 1706 Richard Hoare found himself offering profuse apologies to one of his more prominent customers, Lord Ashburnham: *I heartily beg your Lordship's pardon for the mistake that has hap[p]ened by the carelessness of my servant Christo: Arnold, my son Harry writ a not[e] for ten pounds payable to Mr Edw'd White and gave it to inclose in his Letter after it was copyd but [Arnold] very carlessly neglected to doe [so] I have now inclosed the said note, and have [not] anything more to add but that I am My Lord yo'r Lordships most Faithfull Humble Servant*. Henry Hoare was equally contrite: *...I take this opportunity myself likewise to begg your Lordships pardon for that heigh neglect & carlessness my servant was guilty of but I doe assure yo'r Lordship that I [shall] take care to prevent any thing of that nature for the Future*.

There are few sightings of Christopher Arnold during the next twenty years: witnessing the execution of a deed poll in 1712, investing in a scheme to produce oil from a wholesome seed in 1715 and issuing the occasional note: *Lost yesterday...2 Notes of Sir Richard Hoare, payable to Mr Orlebar Fletcher, one for 300l, dated Nov 3, 1718, under the Hand of Chr: Arnold...If offer'd in Payment, Discount, or otherwise, pray stop them. And whoever brings them to Sir Richard Hoare*

and Company, Goldsmiths, in Fleet street, shall have 3 Guineas Reward, and no Questions ask'd. (BL, Burney Collection, Daily Courant, 15 Nov 1718) By 1720, Christopher was one of four or five clerks employed at Hoare's, on a salary of £30 p.a. (c.£3,800 today), as well as an 'Extraordinary Sallary' (bonus) of £20 p.a. By this time too he was living in Fetter Lane with a growing family, having married Mary Bragg, daughter of bank customer Ralph Bragg, at Lincoln's Inn Chapel in 1716. Mary, though, proved to be a shrewd choice. Her father's death shortly before the marriage had left her in possession of several properties in and around Datchet, near Eton.

These changes in Christopher Arnold's personal life presaged a period of change at Hoare's Bank. Richard Hoare's death in 1719 was followed three years later by that of his faithful lieutenant John Arnold. Then in March 1725 Henry Hoare died suddenly at the age of 46. After decades of stability the bank's three mainstays, who between them had invested 110 years in the business, were gone, leaving Henry's brother, 31 year old Benjamin, as the sole surviving partner.

Within weeks of Henry's death a new partnership was formed between three men: Benjamin Hoare, Henry's 19 year old son, also called Henry, and the vastly experienced Christopher Arnold. At the same time Henry's younger son Richard, who had just turned 15, joined the business, Henry having requested in his will that Benjamin take the boy on as his apprentice: *and if he continues to behave himself well until he attains his age of one and twenty years...take him in a partner.* The exact terms settled on by the three men are unknown. But in September 1727 Christopher Arnold opened an account to record the buying and selling of Stocks on behalf of the partnership, the holding of customer Stocks (as nominee) and the lending of money against such Stocks, suggesting that he had assumed responsibility for those aspects of the business.

As his father had hoped, Richard Hoare was admitted into the partnership in 1731. Again the exact terms are unknown, but a division of the profits in June 1732 reveals the share each man held in the business. Benjamin and Henry Hoare received £6,509-7-9 (c.£946K today) apiece, Christopher Arnold £2,066-9-5 (c.£300K today) and Richard Hoare £1,446-10-7 (c.£210K today). Just three weeks later, however, revised articles of partnership (pictured) were drawn up which significantly altered the balance of power. Henry Hoare's share increased to one half, his uncle Benjamin's decreased to a quarter, while Christopher Arnold and Richard Hoare were apportioned an eighth share each. At the same time the four men agreed to raise a joint stock of £10,000 (c.£1.5M today), resulting in contributions of £5,000 by Henry Hoare, £2,500 by Benjamin Hoare and £1,250 apiece from Richard Hoare and Christopher Arnold. Finally, the articles of partnership stipulated that Henry Hoare be allowed £120 p.a. from the Joint Stock: *for the Rent of the...House and Shop. And that the said Richard Hoare and his Family shall dwell and reside therein and there shall be allowed to the said Richard Hoare [£230 p.a.] out of the said Joint Stock for Boarding and Lodging the Clerks and Accomptants belonging to the Shop and for the Wages and Board of a Cook and of a Man Servant and Maid Servant to attend them.*

Once a partner Arnold's bank-derived income increased dramatically, from a combined salary and bonus of c.£50 p.a. to an annual share of the profits that was never less than £800 and sometimes in excess of £2,000. The most enduring legacy of this new-found prosperity and status would be his house at Hampstead. Hampstead's iron-rich spring waters, promoted as being the equal of those at Tunbridge Wells, had attracted a steady stream of invalids and hypochondriacs during the early 1700s, while the Flask Tavern had enjoyed a brisk trade supplying bottled water (3d per flask) to selected London retailers, including the Eagle & Child on Fleet Street and Nando's Coffee House near Temple Bar. As the fashion for Hampstead's waters receded, the village became increasingly popular with City men eager to exchange London's smog-soaked streets for a rus in urbe lifestyle amidst what local resident John Soame described as Hampstead's *dry, clear and balsamick Air.*

(Hampstead-Wells, by John Soame MD, 1734, pg 26) And by the time Christopher Arnold took up residence Hampstead boasted all the trappings of genteel life: inns and tea rooms, concerts and Assemblies, bowling greens, walks and horseracing on the heath. Among his neighbours too Arnold would have encountered some familiar faces, not least Fleet Street woollen draper John Turner and merchant Charles Dingley, whose niece would later marry Benjamin Hoare's son Richard.

In June 1744, Christopher Arnold paid £143-15-0 (c.£21K today) for a house and three small parcels of land near some old gravel pits on the summit of Hampstead Heath. Without doubt the property's main attraction was its spectacular view. Soame, who had been acquainted with a previous occupant, recalled: *I have seen out of Mr Brookes's Parlour...with his Telescope, the Ships lying at Anchor before Gravesend, and even a good way beyond it. Here you may divert your Eyes, either by seeing the Ships sailing up and down the River, or with the View of several fine Palaces, which you may see with your naked Eye.* (Ibid, pps 26-27) Arnold was no stranger to Hampstead, however, having stayed or rented there periodically since at least 1735. And he wasted no time remodelling his new home. Over the next two and a half years large sums were paid out to various local and London tradesmen, including bricklayer George Blaney, carpenter John Hall, plumber Jelliff Phillips, painter William Goulding and upholsterer Richard Marshall (husband to Mary Arnold's sister). The result was a modern elegant villa, complete with stables, coach house, pleasure grounds and garden, a villa so admired it was later claimed: *his Majesty wished to have [the villa] for the Queen, on her coming to England, as a breakfasting house, provided Mr A would part with it.* (Gentleman's Magazine, Jan 1791)

By the time he died in 1758 Christopher Arnold was a wealthy man, with an income derived not only from banking, but also from substantial investments in Stocks, Annuities and Lottery Tickets, from private lending and from rents on various properties, including those belonging to his wife Mary. And because he had outlived every one of his children, it was to Mary that the bulk of Arnold's fortune passed. Mary would remain at Hampstead for another twelve years, along with three servants, a cook, a coachman, a gardener and a lady companion. An inventory taken soon after her death in 1770 offers a glimpse of the style she chose to live in: Chinese wallpaper and Chelsea china shepherds in the drawing room, a wrought work four poster bed and gilt framed portrait of Sir Richard Hoare in the back bed chamber and a profusion of gilded chairs, mahogany tables and japanned clocks throughout. And Mary's will betrays an anxious desire to safeguard the house's future, for she left both it and its contents in trust to her nephew and his heirs on condition that they resided in it and kept it in good repair. But just six years later her surviving trustee, Richard Hoare (Boreham), obtained a private Act of Parliament enabling him to sell up, having argued that the house and its extensive garden were too costly to maintain. Within weeks the press was advertising: *An Elegant Copyhold Villa...late in the possession of Mrs Arnold, deceased. The premises are most delightfully situate happily crowning the summit of the hill on Hampstead Heath, exhibiting prospects extensive and uncommonly rich; the house and grounds most eligibly disposed, and in perfect repair; abound with conveniences, and well supplied with excellent water. To be viewed with Tickets, which may be had of [auctioneer] Mr Christie...The furniture, which is adapted to the premises, may be had at a fair valuation.* (BL, Burney Collection, Morning Post & Daily Advertiser, 1 April 1776) Soon afterwards the house was sold to William Woodroffe Guidott of Berners Street, Marylebone, and the money reinvested on behalf of Mary's heirs.

Today Heath House, as it is now known, faces an uncertain future. Empty and nearly derelict, its once spectacular views are obscured by scaffolding and tarpaulin while its position, between two busy roads, means that the peace and *balsamick air* enjoyed by the Arnolds are lost forever.