

BANKING IN BATH IN THE REIGN OF GEORGE III

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When George III came to the throne banking in Bath was in its infancy. Sixty years later when the old King died, banking institutions were well established with the list of practitioners including some of the most influential and respected members of the local community. The earlier development of banks in Bath coincided with the great physical expansion of the city in the later eighteenth century. At a national level it also coincided with the industrial revolution and an enormous growth of banking partnerships throughout the country. Hardly a provincial bank existed in Britain in 1750, but by 1820 the Bath directory was able to publish a list of 700 country banks and a further sixty in London.

There are occasional references to banking activity in Bath before the reign of George III, an example of which is a record of a money transfer recorded in the letterbooks of John Hervey.¹ In June 1723 Lady Bristol wrote to her husband telling him that she had to draw two notes on a Mr Fowler for 50 guineas each, to discharge her expenses at Bath, and have some in hand for Richmond. Lady Bristol had received no money before leaving London for Bath, and this was the method that her husband had recommended. The earliest clear reference to banking activity in Bath through a formal banking house is contained in an advertisement in the *Bath Journal* of 19 March 1753, which tells of the opening of a bank near North Parade by Isaac de Vic, a wine merchant. This was an expansion of commercial interests for de Vic, who had come to Bath in 1738 from Southampton where his father was also a wine merchant and importer. Early banking often went hand in hand with other activities and was a secondary activity for the businessman concerned. De Vic's advertisement is revealing as to the nature of the business opportunity he perceived:

Mr. Isaac de Vic, wine merchant, of this City, desires to inform all persons, who have an Occasion to remit Money from London to Bath, or from thence to London, that he has open'd a Bank for that purpose on a premium of Ten Shillings for a Hundred Pounds, and in the same

proportion for any Sums more or less: and that constant attendance is given at his house, near the North Parade. Also, that Mr. John Stephens, Banker in Princess Street, near the Bank in London, will furnish Gentlemen and Ladies with Bills of Credit on Mr. De Vic, at Bath, for any sums of money that shall be paid into Mr. Stephen's Hands, in London, which will be an absolute security against the dangers of the roads, as well as a great convenience to the Company resorting to this place.

The "Company" was of course the growing throng resorting to Bath for the season. To meet the expenses of such a visit might involve carrying a large amount of cash, and a facility to top up from reserves at home could be very welcome in the event of an incorrect estimate of living costs in Bath or an unexpected expense. De Vic's reference to the dangers of the roads may well have touched a sensitive nerve amongst his prospective clients. Readers of the *Bath Journal* no doubt read the weekly crime column with interest, and a quick perusal always yielded stories of a range of heinous crimes around the country. The open roads were clearly potentially dangerous places.

De Vic died in 1766 and it is likely that the banking business died with him. In 1750, three years before de Vic advertised the opening of his bank, the Clement brothers from Perth set up in business as linen-drapers in Wade's Passage, a row of houses built on the north side of the Abbey. By 1760 they had ventured into commercial activities akin to banking, for one advertisement² stated "We buy light guineas or Portugal gold." Tickets and shares in the state lottery could also be purchased. Another advertisement³ declared: "all kinds of Government securities, India bonds, etc., Bought and Sold and dividends received on their several annuities." The Clement brothers were offering a significantly wider service than de Vic, and different in type. The breadth of their services suggests that they had been developing an interest in banking-related activities alongside their drapery business for some time. The particular subject of "light gold" was a symptom of the malaise that afflicted the national currency in the eighteenth century. Neglect of the coinage by national government meant that by 1760 many guineas in circulation had a bullion value out of alignment with their face value. This was due to practices such as sweating and clipping, but also to simple wear of coinage that was not provided in sufficient quantity to meet national needs. As a result coin was viewed with distrust and often weighed to check its value. "Light" coin was refused, while "heavy" coin quickly

disappeared from circulation to be melted down for export. The situation became so serious that in 1774 an Act of Parliament required that light gold be cut or broken. In offering to purchase light gold the Clement brothers at least offered a vendor the prospect of recovering the bullion value of a coin.

The Clement brothers clearly made a success of their quasi-banking activities. William Clement died in the mid 1780s and his brother Robert opened banking premises at no. 17 High Street in 1787, named unassumingly enough as the High Street Bank. Thereafter we find no further references to the drapery business. Robert was joined in partnership by his son, also called Robert. Following the death of Robert senior in 1796 a new partner, George Tugwell, subsequently twice Mayor of Bath joined Robert junior. A third partner, James Mackenzie, had joined the firm by 1815. Following a series of mergers and name changes the bank survives today in the form of the Bath Old Bank branch of the National Westminster group and is still at no. 17 High Street.

Not all banking ventures in Bath were to enjoy the stability and success of the High Street Bank. In fact, of the eleven firms for which there is some documentary evidence prior to 1820 three were destined for bankruptcy. Their stories tell us something of the circumstances that could overwhelm a country banking partnership in the late eighteenth century. To understand this situation it is useful to consider the legal framework within which banks operated. With the exception of the Bank of England all banking concerns in England were either individual businesses or partnerships. The partners were restricted to six in number by the Bank of England Act of 1708. The purpose of this legislation was to ensure a secure monopoly for the Bank of England as a central joint stock bank. The consequence for other banks was that their capitalization was necessarily restricted to the resources of, at most, six partners. This restriction was a brake on the development of country banks into large enterprises and created a banking scene in which it was within the bounds of possibility for traders and small businessmen to develop banking activities on a small scale side-by-side with their normal businesses. Partners therefore often regarded their banking interests as secondary to their main activity and this level of interest could be reflected in their level of expertise.

A second aspect of the legal framework within which banks operated related to their accounts. They were under no obligation to publish or otherwise disclose them. Hence a poorly managed bank might suffer a decline in its financial position without its creditors having the slightest



Fig. 1 Note of the Milsom Bank of Scott & Schrader – the only surviving note of this bank. (Courtesy Roman Baths Museum)

indication, or means of finding out, that their assets were at risk. It might also mean that a less active or less alert partner was equally unaware of a developing difficulty. A third aspect was that there was no regulation, at least until 1808 when licensing was introduced, of the issue of paper money. A fourth aspect related to capital. There was no minimum sum that the partners were obliged to maintain in reserve in relation to the size of their liabilities. Finally, the personal liability of partners was unlimited. It was not only a partner's invested capital but also his entire personal wealth that was at risk in the event of a firm succumbing to financial difficulties.

The first Bath banker to experience bankruptcy was George Davis in July 1792. He was described as an attorney and banker and had premises in Bridge Street.⁴ Although it is not clear when Davis began banking, his occupation was one which produced many bankers in later eighteenth century England. This arose from the fact that attorneys were regularly involved in the conveyancing of land and preparing agreements for mortgages. The nature of their business gave them good intelligence of land-related investment opportunities, and it was a relatively short step for an attorney to slip into the business of locating funds to facilitate land development on behalf of a client and then investing in a

development himself. Davis's demise coincided with the slowing down of a great building boom in Bath; a misplaced investment or two, or a bad debt, may have been sufficient to topple him into bankruptcy.

As the building boom continued to slow down, two other altogether more significant banking partnerships followed Davis into bankruptcy; namely the Bath City Bank and the Bath & Somersetshire Bank. The Bath City Bank had opened in 1776 with premises in the Abbey Churchyard.⁵ The partners at the outset were Peach, Kington, Loscombe, Cross & Virgin, but changes occurred in the partnership and by 1789 they were Cross, Bayly, Sons, Gutch & Cross. The bank had a second branch at Wells and its activities included lending to builders in Bath. For instance, a loan of £700 on mortgage was made to the architect John Eveleigh in 1792 for building in the Bathwick estate development. In the same year they loaned him £894 on two months' bills through his financial adviser James Cogswell.⁶ These investments were not exceptional as other banks in Bath were making similar loans. Towards the end of 1792 the bank also advertised the availability of loans of up to £40,000 at 4% on the security of freehold land.⁷ As the building boom ended, however, too much investment in property and development would prove to be undesirable.



Fig. 2 A five-guinea promissory note of the Bath City Bank signed by Zachary Bayly, dated 1792. (Courtesy Roman Baths Museum)

The end of the property boom in Bath was precipitated by the outbreak of war with France in January 1793. This was accompanied by a general rise in interest rates, for it opened up the prospect of either increased taxation, or increased government borrowing, or both. This would inevitably mop up any funds which might be available for investment. War itself threatened trade and markets, and the value of land on which mortgages were held fell into decline.

In this context the Bath City Bank's position was unfortunate, not simply for its involvement in building but for another reason. In September 1791 James Cross had entered into partnership with James Rogers, a Bristol cotton merchant, to invest a total of £38,700 in Liverpool cotton.⁸ This was a speculation. Cross sold out his share to Rogers in March 1792 but this was not the end of the matter. The war with France was bad news for the cotton trade which depended on exporting many of its finished products. Although Cross had sold his personal share, Rogers owed the Bath City Bank about £30,000. In effect Cross seems to have converted his own interest into an interest of the Bank. In the end it made little difference, for both Rogers and the bank, including Cross as a partner, all went bankrupt on the same day in March 1793.⁹ Thirty thousand pounds was a very large sum of money in the late eighteenth century. Although the Commissioners in Bankruptcy, in carrying out their examination of the bankrupts at the Guildhall on 11 July, were unanimous in their opinion that "no fraud or speculation was discoverable in the transactions of the unfortunate bankrupts", they were minded to observe that "their misfortunes proceeded from too great a confidence in others..."¹⁰

There is less information relating to the bankruptcy of the Bath & Somersetshire Bank. This opened in March 1775, with premises later in Thomas Baldwin's Somersetshire Buildings on the east side of Milsom Street¹¹ which are occupied today by Stuckeys Branch of the National Westminster Group. The founding partnership was Isaac Webb Horlock, Joseph Mortimer, Thomas Warr Atwood, William Anderdon, Samuel Goldney and William Street. By the time of the bankruptcy in March 1793 the partners were Caleb Jones, Isaac Horlock, and William Anderdon, of whom Caleb Jones was described as the active partner with his signature appearing on the notes. The issue of the *Bath Chronicle* for 21 March 1793 that reported the closing of the bank's doors also reported a "rise in stocks of 3%. The ostensible and most immediate reason for this great rise was the Declaration of War by France against Spain". As with the Bath City Bank, involvement in financing land development would be

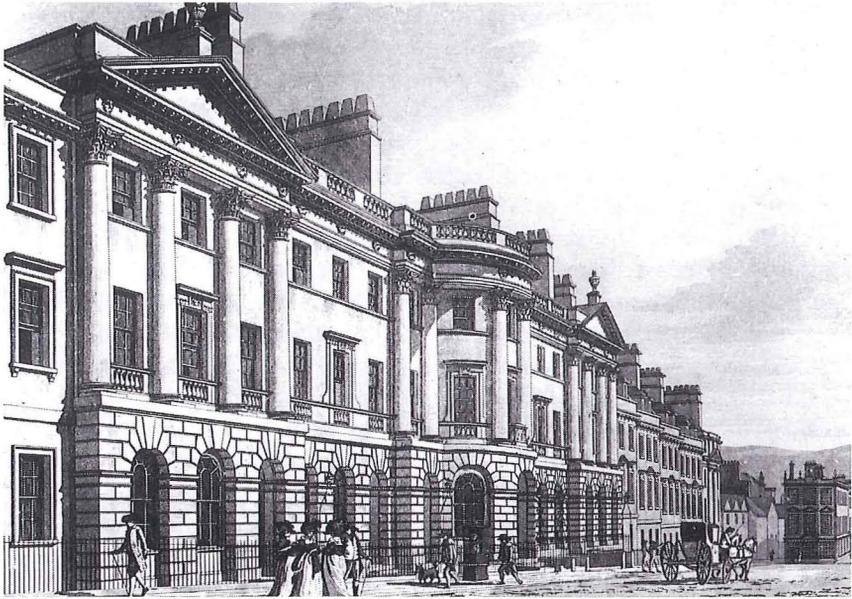


Fig. 3 Somersetshire Buildings, Milsom Street, home of the Bath & Somersetshire Bank from c.1783 to 1793: Thomas Malton, 1788 (Courtesy Victoria Art Gallery)

consistent with a closure in these circumstances. In fact, the bank did not so much crash as slither into bankruptcy. There was a determined attempt to avoid a formal bankruptcy and initially the bank's problem was presented to its creditors as being a lack of liquidity rather than an excess of liabilities over assets. It was proposed that Messrs Horlock and Anderdon should receive £500 and £300 p.a. respectively until the liquidity problem had been resolved.¹² Not surprisingly the creditors threw out this proposal and a formal bankruptcy ensued. Eventually a reasonable dividend was paid and this was consistent with a large portion of the bank's assets being tied up in mortgages on real estate which took some time to realise.

Bankruptcy was a serious matter in the eighteenth century. Debtors could languish in gaol for years for seemingly trivial sums. The bankers of Bath seem to have escaped commitment to the county gaol at Ilchester, although Caleb Jones sailed close to the wind when he was imprisoned briefly in Bath by the Bankruptcy Commissioners.¹³ In a ten-hour examination at the Guildhall in July he failed to answer their questions

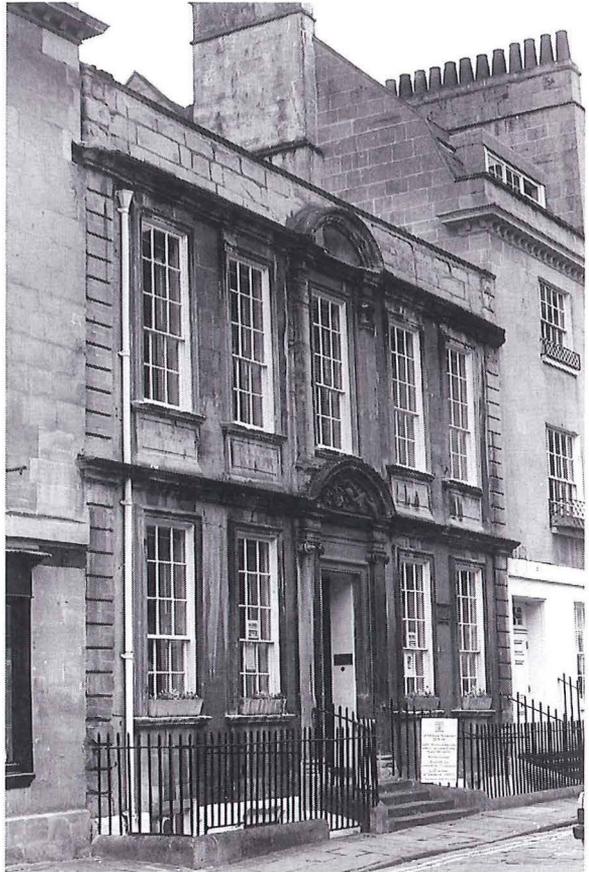


Fig. 4 A promissory note of the Union Bank for ten pounds, dated 1797. (Courtesy Roman Baths Museum)

satisfactorily. His release followed a more satisfactory response a few weeks later.

Apart from the risk of gaol, bankruptcy involved public humiliation. There was hardly an issue of the *Bath Chronicle* in 1793 which did not contain some reference to the bankruptcies of the Bath City and Bath & Somersetshire banks. The whole sad business was exposed to view, even down to the auction of the bankrupt's bed-linen (apparently of superfine quality!). For those bankers accustomed to considerable personal wealth, such as Isaac Horlock, a founder and at sixty five the senior partner in the Bath & Somersetshire, the experience must have been totally devastating. Horlock's demise involved the sale of his manor house and all the associated farm stock at Ashwick near Marshfield. Also auctioned were parcels of land at Kyneton and Blandford in Dorset; at Trowbridge, Wiltshire; Henstridge, Somerset; the banking house itself in Milsom Street; and his share in the New Assembly Rooms.¹⁴ Much of this was investment land held on mortgage. Similar but altogether more modest holdings were held by Anderdon at Bridgwater together with his house at Newton St Loe.¹⁵ Zachary Bayly the younger's assets included his marriage settlement of £1,450 stock at 4% in consolidated funds, his house, and interest on a mortgaged property, a leasehold property and reversionary

Fig. 5 General Wolfe's house, Trim Street, where the Bath Bank of Cam & Co. was established in 1768.



interest on a copyhold estate.¹⁶ Clearly, despite the developing industrialization of Britain, the traditional expression of wealth through land still influenced the social aspirations of these bankrupt bankers.

Despite the risks banking continued to attract businessmen and slowly became established as a recognised profession. To do this it had to deliver services its customers wanted and in later eighteenth- and early nineteenth-century Bath the principal services were loans, security in investment, convenience and interest. We have already seen how Isaac de Vic offered the visiting company a convenient and secure way of sending remittances between London and Bath. This became a standard service of all the local banks, which they were able to deliver through the use of a London agent. In de Vic's case the agent was a Mr Stephens. In 1819 the

High Street bank used Barnard, Dimsdale & Dimsdale.¹⁷ The Union Bank of Crowe, Littleton, Holt & Co which made a brief appearance on the banking scene in Bath in 1797 used Pybus, Call, Grant & Co.¹⁸ The Bath Bank, which was established in Trim Street 1768 as Cam, Clutterbuck, Whitehead, Danvers & Phillott, was using James Loyd & Co. in 1819.¹⁹ The Bath City Bank appears to have been using Messrs Langston Pothill & Co in 1780, but following extensive changes to the partnership in 1789 moved to Dorset, Johnson, Wilkinson & Berners in 1792.²⁰

The London agent was a key figure in a local banking business. It was through this agent that sums could be transmitted to other parts of the country or even overseas. It was the London agent who actually negotiated bonds and purchased stocks on behalf of local banks' customers. The London agent could also provide an expert recommendation on the suitability or otherwise of a certain stock for investment, and could channel funds from the money market to provide resources for a local bank to make loans when local deposits were inadequate to meet the demand. The London agent was a professional, and if he went bankrupt the partners of a local bank could easily find themselves following in his footsteps to Carey Street where the Bankruptcy Court sat. No Bath bank suffered in this way, although the bankruptcy of Cavenagh, Browne, Bayly & Browne in 1825 was precipitated by a general panic following the suspension of payment by Sir Peter Pole & Co., the London agent for no fewer than 44 country banks.

In Bath the Union Bank may well have been particularly dependent on its agent's services. A notice in the *Bath Chronicle* of 21 August 1797 advised that the principals had correspondences with "the first houses in Ireland and on the continents of Europe and America. Such nobility, merchants etc therefore who have either Irish or Foreign connections may have their rents received and various Agency business transacted so as to suit their convenience". Even the design of their bank notes was carried out by a London engraver – Varley of Fleet Street, a contact most likely to have been provided by the London agent.

We have seen that banks referred in advertising to suiting the convenience of their customers. In a purely practical sense this convenience, at least after 1800, was confined to the opening hours of 10.00 a.m. to 3.00 p.m.²¹ This may represent a shortening of opening hours over the reign of George III as banks grew into businesses in their own right rather than as adjuncts to other activities. De Vic, for instance, had offered attendance at his office throughout the day, and it is difficult to imagine the Clement brothers running their drapery business for only five hours a day.

At Bristol there is evidence that banking hours were influenced by the arrival and departure times of the mail coach, following its introduction in 1784.²² In Bath the mail coach from London arrived at 9.00 a.m. with the evening departure at 5.00 p.m.²³ Public opening times of 10.00 a.m. to 3.00 p.m. in Bath therefore allowed bankers plenty of time to deal with correspondence both before and after opening.

Having arrived at the right time a customer had access to a number of services. The purchase and sale of stocks and bonds was one such service illustrated by a surviving receipt of 1811 from the Bladud Bank (named after its original home in Bladud Buildings before it transferred to [Old] Bond Street in 1794). This records an exchequer bill for £500 presented by John Bradshaw, the proceeds from the sale of which were to be credited to him.²⁴ Another receipt from 1816 records a deposit of £40 by a Mr Mumford for the purchase of stock on his behalf.²⁵

Another service was the negotiation of notes. Many banks produced their own promissory notes for general circulation and while these notes were usually confined to the locality some could stray farther afield. In 1810 a Mrs Brown presented a £1 note of the Bank of Ireland to the Bladud Bank. This was accepted, to be credited to Mrs Brown's account when negotiated.²⁶ The negotiation would have taken place in London using the bank's agent. Indeed London agents had established a clearing house for notes and bills in 1773 to facilitate this process. In Bath no clear evidence for inter-bank clearing has survived, but it may be that no formal record was kept of an exchange of notes of similar value. One possible indication of local clearing, however, may be a receipt for £300 issued to Clement & Tugwell of the High Street Bank by the Bladud Bank,²⁷ which may relate to the transfer of an outstanding balance on a note exchange.

Another type of note that might be presented by a customer was a bill of exchange, and again the bank might negotiate this, or accept the bill as a security for a loan. Such bills were essentially agreements to pay a specified sum after a certain date. The party who was owed the money could sell the bill which would then be presented by the purchaser when it became due. Bills such as this had origins in commerce where merchants and manufacturers used them to formalize agreements for commercial credit. They had the advantage of allowing sometimes large transactions to take place without the need to transfer specie. Interest was often payable, with the result that the value and so the price of a bill could increase as it neared its payment date. Bill-broking developed as a specialized financial service to which local banks had access through

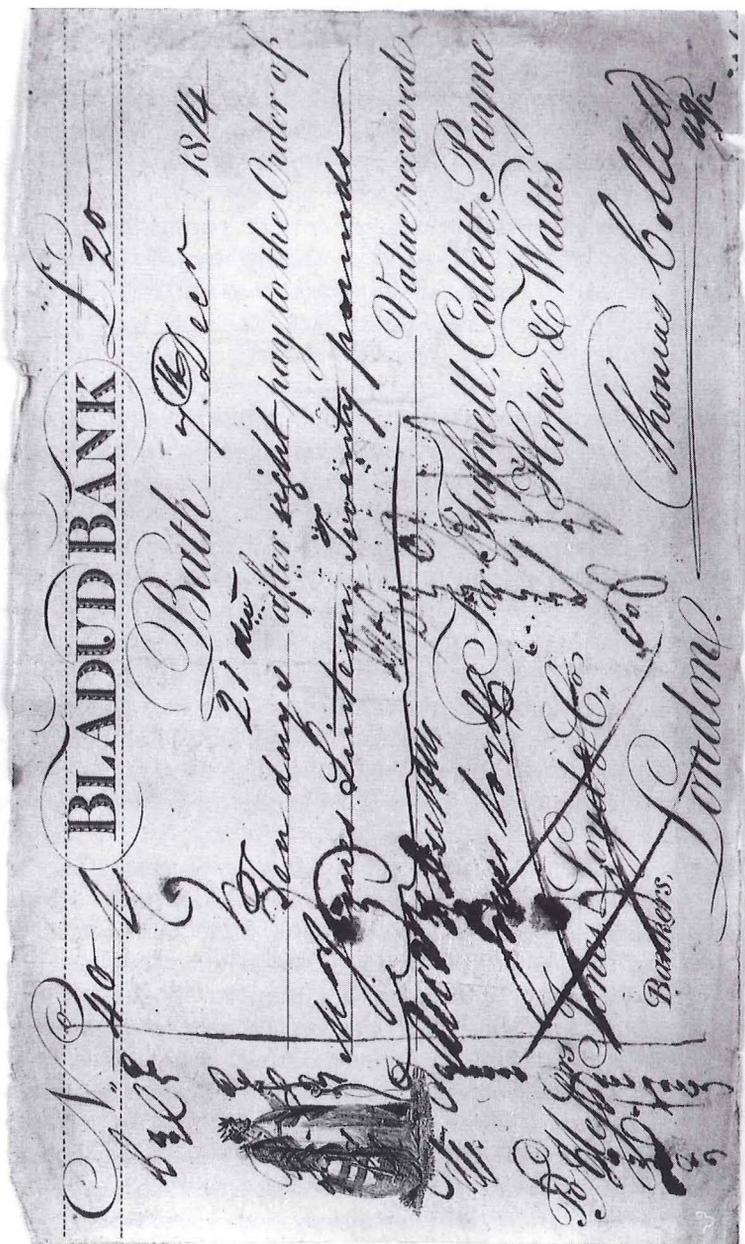


Fig. 6 A note of the Bladud Bank for twenty pounds payable ten days after sight and dated 1814. (Courtesy Roman Baths Museum)

their London agent. Although bills and promissory notes were legally negotiable, their worth was only as good as the credit of their payee. Every bill or note accepted therefore was a calculated risk on the part of the bank. James Rogers, who as we have seen borrowed around £30,000 from the Bath City Bank in 1791 and 1792 to speculate in cotton, did so on the security of 27 promissory notes.²⁸ His failure rendered the notes worthless.

Customers wanting to make an investment, but perhaps reluctant to venture directly into the world of stocks and bonds, could do so through the local bank. In 1819 Robert Graham, a private in the 55th Regiment, bought an interest note from the Bladud Bank. The note was "payable twenty one days after sight with interest at the rate of 3% per annum to the day of acceptance if the principal shall have been in our hands 63 days".²⁹ In other words, three weeks' notice of withdrawal was needed and no interest was payable if withdrawal took place within two months. Three per cent was not a very profitable rate of interest, but it was a steady predictable yield.

An important customer for a local bank was a government agent. Collectors of taxes used local banks to transmit their revenues to London, and John Veal, a local tax collector in Bath for Customs and Excise, sent several thousand pounds at a time via the Bladud Bank. The largest surviving note from these transactions is for £7,349-19s-4¼d.³⁰ An even better arrangement for a local bank was for it to become a government agent itself. This was achieved by the Bladud Bank which became a place to purchase licences to use hair powder following the introduction of Pitt's tax.³¹ Today a service like this might be provided through a post office rather than a bank.

In a general sense, security (and hence peace of mind) was perhaps the most important service offered to its depositors by a bank. In an everyday practical sense this was provided by the bank vault. In October 1810 General Morrison left two chests at the Bladud Bank to be deposited in its Milsom Street vault, and a month later a Mr Plumpton left a tin box.³² The contents of these chests and boxes are not recorded but then as now such boxes might include securities, documents and other valuables. Banks appear to have fulfilled depositors' expectations in respect of security as there are no records of robberies or burglaries at Bath banks in George III's reign.

Despite this, security was a matter of constant concern to banks, and the greatest threat to a bank came when money was in transit. In the mid-eighteenth century the roads were notoriously insecure. Until the coming

of the mail coach in 1784 banks were obliged to depend on either post boys, passenger coach services or even carriers' carts to transfer money for them. Post boys were allowed to carry bank notes in their mail bags but not specie. Coaches and carts could carry specie but might take two or three days to complete the London journey.

One ploy which might be adopted for post boy carriage was to cut bank notes in half, sending the second half only when news of the safe arrival of the first half had been received. Another less conventional method, which nevertheless indicates the level of public confidence in the security of the roads, appeared in a report in the *Public Advertiser* for May 1766:

Among the passengers that were going in the stage from Bath to London, were two supposed females. As they were climbing to their seats it was observed that one of them had men's shoes and stockings on and upon further search, breeches were discovered also. This consequently alarming the company, the person thus disguised was taken into custody and locked up for the night. The next day he was brought before a magistrate, and upon a strict examination into matters, it appeared that he was a respectable tradesman who, having cash and bills to a large amount on him, thus disguised himself to escape the too urgent notice of the Travelling Collectors.

The mail coach when introduced was not only swifter than other services, it was also protected by an armed guard and driver. Security, however, had its price. In 1793 the general run on banks which brought down the Bath City and Bath & Somersetshire created an urgent demand for specie. This came from London, supplied by the London agent, who sent it to Bath on the mail coach. The *Bath Herald* followed the lead of businessmen and bankers anxious to calm the run and reported that "A supply of cash arrived this morning to one of our Banks by the Mail Coach, the very carriage of which amounted to fifty pounds."³³

Apart from the safety of money in transit, the security of their note issue was of major concern to banks – as in a general sense was the security of the ever-increasing supply of paper money with which they dealt. The forger was a constant threat and to counter forgery bank notes became increasingly sophisticated. On the earliest notes an engraver was sometimes employed to design an emblem to distinguish the note; subsequently water-marked papers were used. Eventually, coloured and double-sided notes were introduced with increasingly elaborate designs.

Local engravers in Bath were to be found on both sides of the law. Mr Gingell was an engraver who appears to have designed notes for Hobhouse, Phillott & Lowder, partners in the Bath Bank. His obituary notice in the *Bath Chronicle* made reference to his particular skill: "Died Mr Gingell Senior many years an eminent engraver of this City: he was equally esteemed for integrity as a man, for the discharge of social and relative duties of life, and for his great ability as an artist, in his peculiar line."³⁴ Others were less honest. A report in the *Chronicle* for 11 February 1813 refers to an attempt to forge the notes of Hobhouse & Co.

We are desired by Messrs. Hobhouse & Co., Bankers of this City, to Caution the Public, against a fraud which has been put in practice, by the substitution of the word Ten in the room of the German-Text word One, both in the body and at the side of a few of their notes. The fraud will be easily detected by holding the Note to the light, or by looking at the reverse side of the Note where the word One appears very plain.

Charles Hibbert was another Bath engraver. In 1819 he was found guilty of forging bank notes and hanged.³⁵ In the same year William Kemp, a bankrupt grocer and banker, was also tried for forgery of a £500 bill.³⁶ Kemp was a banker in his own right in 1809 and then a partner in the banking firm of Cavenagh, Browne & Co until he became a personal bankrupt in 1814. He was found not guilty.

Forgery and counterfeiting were regarded as serious crimes but both were commonplace. The late eighteenth and early nineteenth centuries witnessed an enormous circulation of counterfeit coins as well as tradesmen's tokens prompted by the shortage of official coin. Despite an attempt in 1797 to improve the state of the copper coinage, the situation was not remedied until 1817 when a thorough reform of the silver coinage was carried through. Bath played a significant part in the story of tradesmen's tokens, ranking third to London and Birmingham in the variety of tokens issued in the first token period of 1787–97. Tradesmen's tokens, which were effectively metal promissory notes, usually of a halfpenny or penny, were widely and readily accepted. Their quality in fact was often better than the few genuine copper coins still in circulation. Bath banks do not seem to have become involved in either the production or distribution of the copper tokens. This lack of involvement held true for the second phase of tradesmen's tokens in 1811 – 1814, when many silver tokens were issued. The bullion value of official silver was greater than its face value, so it had virtually disappeared from circulation. While the lack of

local bank involvement in token issues is a little surprising, it probably reflects the fact that as a business a bank had modest needs for small change compared with other businesses in the city. Bath banks did play a part in the distribution of silver coin from the mint when official attempts were made to improve the coin supply. In both 1811 and 1817, when quantities of silver were released by the mint, it was circulated via the local banks and in 1817 Bath banks exchanged the old silver for the new.³⁷

Although bankers were not tempted to deal in tokens, at least one trader may have been encouraged into banking by the coin shortage. James Evill was a jeweller and silversmith with premises at 21 Market-place. In 1813 he produced paper checks on which he promised "to pay the bearer a one pound note for two of these ten shilling checks".³⁸ These small-denomination paper notes or checks served exactly the same purpose as metal tokens, filling the vacuum created by the shortage of official change. Evill also produced £1 and £5 notes. If his grandson's recollections of family history are reliable he became well established as a banker in Bath,³⁹ although he was always described in local directories as a jeweller and silversmith and does not appear in the section listing professional bankers. James Evill provides a good example of the social and economic background from which many bankers came at this time. He was a well-to-do trader with a jewellers' shop in the Marketplace for over half-a-century. Like de Vic and the Clement brothers he illustrates one thread that found its way into the social fabric of banking in Bath in the reign of George III. Other bankers to grow from local trading roots were the tea-dealing William Kemp; Euclid Shaw, a coal-merchant with interests in barge transport on the Kennett and Avon canal; and Francis Collett, a wine merchant.

Not all bankers in Bath were local men and none were women, although women were present in the local trading community from which bankers emerged. Examples of bankers from outside Bath were Samuel Cam, who had an interest in a clothier's business in Bradford-on-Avon, and Daniel Clutterbuck, an attorney at Bradford.⁴⁰ Samuel Peach was a landowner from Tockington, Glos., and Benjamin Loscombe was the Sheriff of Bristol in 1778. Both were partners in the Bristol bank of Peach, Fowler & Co.⁴¹ In fact, several Bath bankers had interests in banks in other towns. Horlock and Anderdon were both partners in a Warminster bank and Messrs. Cross, Bayly and Gutch were all partners in the Bridgwater-based Somersetshire Bank.⁴² It would be interesting to know whether the Clement in Westcott, Darch, Clement & Bowden of Frome in 1790 came from Bath.

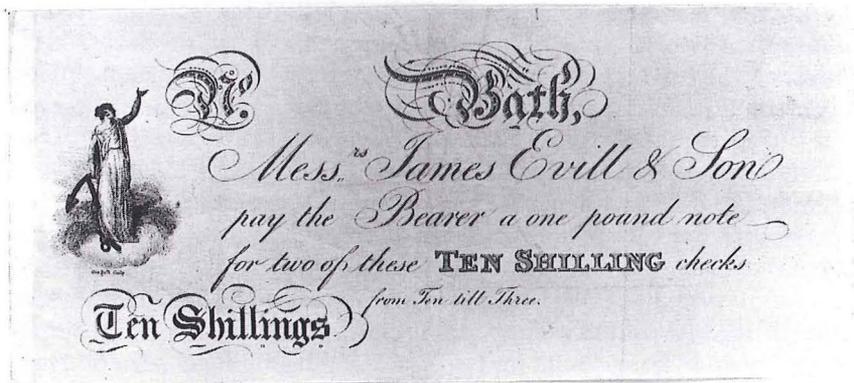


Fig. 7 An unissued ten-shilling check of William Evill. This paper check might be used in the same way as a metal token. (Courtesy Bath Central Library)

Links between bankers were sometimes reinforced by marriage. Samuel Peach founded a dynasty of bankers in Bristol through the marriages of his daughters Sarah and Ellen.⁴³ Miss Clement, the draper-banker's daughter from Bath, married Joseph Harris, a Bristol linen draper who became a partner in the banking firm of Harris & Savery of Bristol in 1790.⁴⁴ This may be the same Harris who became a founding partner of the Bladud Bank in the same year.

Some banking partnerships operated in more than one town. The Bath City Bank was known as the Bath & Wells Bank at its branch in Wells and issued notes specific to that branch. Thomas Gutch signed the Wells notes and, as he lived in Wells, probably ran the branch single-handed. The Bath Bank of Cavenagh, Browne, Bayly & Browne was operated by the same partnership that founded the Bullion Bank in Bristol in 1811. Henry Browne is the only signatory to appear on the Bristol notes and may have been the partner in charge of that branch while the others were active in Bath.⁴⁵

The web of commercial and dynastic links forged amongst local banks probably served the useful purpose of risk sharing and provided a supportive culture in which local banks could operate. This made occasional bankruptcies all the more serious as the whole banking community experienced the fall-out. "All here is ruin and misery. Two banks broken at Bath, at Bristol things are worse...", wrote Hannah More to Horace Walpole in March 1793.⁴⁶



Fig. 8 A one-pound note of the Bath Bank of Cavenagh, Browne, Bayly & Browne. The stamps mark the payments of dividends on the note following bankruptcy in 1825. (Courtesy Roman Baths Museum)

As local banking grew, more and more customers were drawn in. The process was assisted by the Bank Restriction Act of 1797 which absolved the Bank of England from the obligation to give specie in exchange for its notes. Although it was only intended as a short-term measure the Act remained in force for many years, giving support and credibility to the general use of paper money in which banks dealt.

As the customer base expanded, the subject of deposits by “the poorer sort” of person arose. This resulted in the appearance of a new kind of banking organisation in Bath when, in January 1815, the Provident Institution or Bank for Savings opened its doors in Trim Street. The Institution was supervised by a Committee and Trustees and invested deposits in Government 5% stocks which were held in the names of the individual depositors. Dividends were payable six-monthly.⁴⁷ The Institution grew out of the success of a Servants Fund established in 1808. That fund was limited in size to £2000 and was consistently over-subscribed. The Bath Provident Institution had no limit to the size of its deposits and was one of the first such establishments in the country. A similar organisation, the Bristol Savings Bank, was founded in the same year having grown out of the success of the Prudent Man’s Friend Society.⁴⁸

From the outset there was a link between the Provident Institution and the established banks. As the Institution was only open from noon until three an account was held with the Bladud Bank where deposits in excess of £20 could be made. Over £9000 was received in deposits in the first eighteen months of operation.⁴⁹ Above all else the Provident Institution offered a small investor safety and stability. As the Institution was managed by Trustees with an appointed manager, the investor was not dependent on the individual abilities of a few banking partners. With money invested only in Government securities the investor knew where it was.

The inherent instability of country banks was addressed within a few years of George III's death. Following a major panic and string of bankruptcies in 1825, which swept away Cavenagh, Browne, Bayly & Browne of Bath, a new Act of Parliament allowed the formation of joint stock banks. With this the pattern of banking described in this article began to disappear in a quickening trend of mergers and takeovers that eventually produced the four principal national banks we have today.

BATH BANKS AND THEIR FOUNDING PARTNERS, 1750–1825

Partners underlined had interests in banks elsewhere.

<i>Date</i>	<i>Bank & Partners</i>
1753–1766	Isaac de Vic
1768–1841	Bath Bank: <u>Cam</u> , Clutterbuck, Whitehead, Danvers & Phillott
1775–1793	Bath & Somersetshire: <u>Horlock</u> , Mortimer, Atwood, <u>Anderdon</u> , <u>Goldney & Street</u>
1776–1793	Bath City Bank: <u>Peach</u> , <u>Kington</u> , <u>Loscombe</u> , <u>Cross & James</u>
1787–present	High Street Bank: Robert Clement
1790–present	Bladud Bank: Atwood, Abraham, Collett, Salmon & Harris
1792	George Davis
1797–1798	Union Bank: Crowe, Littleton, Holt & Co.
1801	Thomas James
1806–1810	Sturges, Gould, Tucker & Ford
1809	William Kemp
1809–1810	Euclid Shaw
1810	Milsom Street Bank: Scott & Schrader
1811–1825	Bath Bank: <u>Cavenagh</u> , <u>Browne</u> , <u>Bayly & Browne</u>
1813–1820s	James Evill
1813–1815	Garrett, Watts & Co
1819–1891	Smith, Moger & Evans

Notes

- 1 *Letterbooks of John Hervey, First Earl of Bristol*, 3 vols (Wells, 1894), no. 754 Lady Bristol to Lord Bristol, Bath 12 June 1723.
- 2 *The Old Bath Bank* (National Provincial Bank, 1960), p.2.
- 3 *Ibid.*
- 4 *Bath Herald* 4 Aug 1792.
- 5 *Bath Chronicle* 7 Nov 1776.
- 6 R.S. Neale, *Bath, 1680-1850: a Social History* (London, 1981), p.246.
- 7 *Bath Herald* 8 Sep 1792.
- 8 L.S. Pressnell, *Country Banking in the Industrial Revolution* (London, 1956), p.337.
- 9 *Ibid.*
- 10 *Bath Chronicle* 11 Jul 1793.
- 11 *Ibid.*, 30 Mar 1775.
- 12 *Bath Herald* 27 Apr 1793.
- 13 *Bath Chronicle* 11 Jul 1793.
- 14 *Ibid.*, 10 Oct 1793.
- 15 *Ibid.*
- 16 *Ibid.*, 18 Dec 1793.
- 17 *Gye's Bath Directory* (Bath, 1819).
- 18 Original banknote held at Roman Baths Museum.
- 19 *Gye's Bath Directory* (Bath, 1819).
- 20 Original banknote held at Roman Baths Museum.
- 21 Various Bath Directories, 1800-1820.
- 22 C.H. Cave, *A History of Banking in Bristol* (Bristol, 1899), p.13.
- 23 D. Harris, *The Great Road to Bath* (Newbury, 1983), p.98.
- 24 Original receipt in Sydenham Collection, Bath Central Library.
- 25 *Ibid.*
- 26 *Ibid.*
- 27 *Ibid.*
- 28 L.S. Pressnell, *op.cit.*, p.299, quoting Public Record Office B1/88/Fol 114.
- 29 Original banknote in Sydenham Collection, Bath Central Library.
- 30 *Ibid.*
- 31 *Bath Chronicle* 26 Mar 1796.
- 32 Original receipt in Sydenham Collection, Bath Central Library.
- 33 *Bath Herald* 23 Mar 1793.
- 34 *Bath Chronicle* 19 Sep 1819.
- 35 J. Lees-Milne & D. Ford, *Images of Bath* (Richmond-upon-Thames, 1982), p.324, Cat no. 665.
- 36 *Bath Chronicle* 1 Apr 1819.
- 37 *Ibid.* 25 Jul 1811, and Sydenham Collection, p.895, Bath Central Library (quoting Mainwaring, *Annals of Bath*, for 1816).
- 38 Original check in Sydenham Collection, Bath Central Library.
- 39 W. Evill, *Rambling Records* (privately printed, 1904), transcript in Sydenham Collection, Bath Central Library.
- 40 A.G.E. Jones, "The Banks of Bath", *Notes & Queries* (Jul 1958), pp.277-83.

- 41 C.H. Cave, *op. cit.*, pp.100–101.
- 42 H. Symonds, "West Country Bankers", *Dorset Natural History & Antiquarian Field Club* Vol 48. (1927), pp.1–17.
- 43 C.H. Cave, *op.cit.*, pp.100–102.
- 44 *Ibid.*, p.119.
- 45 *Ibid.*, p.163.
- 46 *The Yale Edition of Horace Walpole's Correspondence*, ed. W.S. Lewis (New Haven, Conn.), Vol. 31 pp.380–2.
- 47 J. Haygarth, *An Explanation of the Principles and Proceedings of the Provident Institution at Bath, for Savings* (Bath, 1816).
- 48 C.H. Cave, *op.cit.*, p.23.
- 49 J. Haygarth, *op.cit.*

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