

Nerine Trust

Independence – Avoiding Conflicts

The responsibilities of a trustee have been well defined in statutory form, but also as a result of well established case law.

Our primary duty of care when we carry out our duties as trustees is to the beneficiaries of a Trust. Some of the perceived advantages of “one stop shopping” offered by financial institutions, whereby the service of acting as a trustee might be performed by a company which is a member company of the same institution as provides other services such as banking, investment, insurance or other financial services to clients, can prove to be considerable disadvantages.

A trustee employing the services of a bank or investment adviser is in the position of employing them as their agent. Trustees are not only responsible for the appointment of appropriate agents having the capability to perform the services for which they are contracted, but also for monitoring the ongoing provision of those services.

In the event of an agent, such as a bank or investment manager, failing to provide the required level of service, for example, uncompetitive interest rates or sub standard investment performance, a trustee should remedy the situation, whether by taking steps to improve performance or through the appointment of new agents.

Nerine regards its business independence, as a company specialising exclusively in professional trustee and corporate administration, as an essential principal in being able to make arms length and informed decisions on the employment of professional agents.