

FINANCIAL SERVICES

Harrods Bank sale likely after losses

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Harrods storefront

By STAFF REPORTS

London-based Harrods Group is considering the sale of the retailer's banking services unit after the division posted consecutive losses for two years.

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Despite Harrods' efforts to maintain a presence in the British banking landscape, Harrods Bank has accumulated pre-tax losses of more than 13 million pounds, or \$16 million at current exchange, over the last two fiscal years. Harrods is said to be in talks with advisors as to the best course of action to sell of its banking division.

Banking blues

Harrods Bank, as its been called since the 1980s, was established in 1893 under a different name, but has worked alongside the famed Knightsbridge retailer since its founding.

The bank provides clients with savings accounts, mortgages and gold bullion services geared toward the wealthy. The department store itself operates a safety deposit box room, dating back to the Victorian period and can be rented at a yearly rate ([see story](#)).

Harrods Group has yet to comment on the matter, but sources explained to the United Kingdom's Sky News that Harrods Bank would be difficult to value due to its recent financial track records.



Harrods' branded gold bullion bar

The retailer's last accounts to be filed at Companies House, recording the fiscal year until Jan. 31, 2016, posted a loss of 8.4 million pounds or \$10.7 million, up from 4.9 million, or \$6.2 million, the year prior.

Harrods said the loss was "driven by the emphasis in 2015 on both enhancement of operational capabilities as well as building and maintaining a stable liquidity base to support future lending activities."

If a sale occurs, there is also uncertainty if Harrods' parent organization, Qatar Investment Authority, will allow the Harrods name to be used under a new ownership.

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