

 THE EQUALITY TRUST

Billionaire Britain

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New analysis by The Equality Trust, using the wealth estimates of Forbes and Credit Suisse, reveals a shocking level of wealth inequality in the UK, and shows how this inequality has increased since 2010:

- In the UK, the five richest families own more wealth than 13.2 million people.
- Over the last ten years the number of billionaires in the UK has almost doubled and the wealth of the UK's billionaires has more than doubled.
- The richest 1% of people in the UK owns the same wealth as 80% of the population, or 53 million people.
- 14 million people, a fifth of the population, live in poverty. Four million of these are more than 50% below the poverty line, and 1.5 million are destitute, unable to afford basic essentials.

The five richest families¹

The five richest families in the UK, according to Forbes, have a combined wealth of £39.4 billion.

Name	Total Wealth
Hinduja Brothers	12.8
James Ratcliff	9.2
Michael Platt	6.1
David Reuben	5.7
Simon Reuben	5.7
Total	39.4

¹ Exchange rate \$1.32 to £1 as of 1.3.19. All figures from Forbes billionaire list March 2019. <https://www.forbes.com/billionaires/#56dc1768251c>

	Total Wealth Billions USD (Forbes)	Total Wealth (Billions GBP)
Hinduja Brothers	16.9	12.8
James Ratcliff	12.1	9.2
Michael Platt	8	6.1
David Reuben	7.5	5.7
Simon Reuben	7.5	5.7
Total	52	39.4

Who are the five richest families?

Each year Forbes publishes a list of the world's billionaires: a publicly available snapshot of wealth using stock prices and exchange rates. The following are, according to Forbes, the five richest families in the UK:

1. The Hinduja brothers (total wealth £13.1 billion)

The four "close-knit" siblings – Srichand, Gopichand, Prakash and Ashok – command the Hinduja Group, which works around the world with interests spanning from oil and gas, banking and finance to property and media.^{2 3 4} The family has in its own words "always adapted to free-market reforms" and makes "significant social and charitable contributions".⁵ The family owns four connected London homes in Carlton House Terrace, described by Forbes as "The Hinduja's' New \$500 Million Real Estate Masterpiece".⁶

2. James Arthur Ratcliffe (total wealth £9.4 billion)

Knighthood in 2018, Sir Jim Ratcliffe is founder of the chemicals firm Ineos, which produces everything from "synthetic oils and plastics to solvents used to make insulin".^{7 8} It is also the UK's biggest fracking firm.⁹ The Scottish Environmental Protection Agency reportedly found that Sir Ratcliffe's companies are responsible for almost a third of industrial greenhouse gas emissions in Scotland.¹⁰ The Times reported in February 2019 that Sir Ratcliffe was planning to save up to £4 billion in tax after relocating to Monaco.¹¹

² Forbes Profiles – Hinduja Brothers <https://www.forbes.com/profile/hinduja>

³ The Times, Rich List 2019: Hinduja brothers become the richest men in the UK <https://www.thetimes.co.uk/article/sunday-times-rich-list-sri-gopi-hinduja-uk-richest-men-bldkxqhgx>

⁴ Hinduja Group, Our Group <http://www.hindujagroup.com/our-group.html>

⁵ Ibid

⁶ Forbes – Carlton House Terrace: The Hinduja's' New \$500 Million Real Estate Masterpiece <https://www.forbes.com/sites/naazneenkarmali/2013/10/08/the-hindujas-new-masterpiece>

⁷ Forbes Profiles – James Ratcliffe <https://www.forbes.com/profile/james-ratcliffe>

⁸ Queen's Honours List, 2018 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/723750/Queens_List_BD18.pdf

⁹ Guardian, Fracking mogul Jim Ratcliffe becomes UK's richest person (13 May 2018) <https://www.theguardian.com/uk-news/2018/may/13/fracking-mogul-jim-ratcliffe-uk-richest-person-ineos-sunday-times-rich-list>

¹⁰ Daily Record, Almost third of Scotland's carbon footprint down to firms owned by Ineos boss (10 June 2019) <https://www.dailyrecord.co.uk/news/scottish-news/almost-third-scotlands-carbon-footprint-16491436>

¹¹ Sir Jim Ratcliffe, the UK's richest man, quits country to save billions (February 17 2019) <https://www.thetimes.co.uk/article/sir-jim-ratcliffe-the-uks-richest-man-quits-country-to-save-billions-35x6jphxn>

3. Michael Platt (total wealth £6.2 billion)

Michael Platt is the co-founder and CEO of one of the world's largest hedge fund firms, BlueCrest Capital.¹² Forbes describes Platt as "the tax-averse trader and avid skier" who "now operates on the island of Jersey".¹³ In 2010 he moved to Geneva from London, Bloomberg reported, "avoiding the top British tax rate and increased regulation".¹⁴

4. David Reuben (total wealth £5.8 billion)

5. Simon Reuben (total wealth £5.8 billion)

Brothers David and Simon Reuben together lead in the sectors of private equity, real estate investment and debt financing¹⁵. The Times, in its Tax Haven Rich List investigation, reports that the brothers "are British citizens but are believed to have non-domicile status".¹⁶ The brothers also established the Reuben Foundation, a UK charity that makes grants to improve advance healthcare and education worldwide.¹⁷

This means that the five richest families in the UK have significantly more wealth more than 13.2 million people¹⁸ or the bottom 20% of the UK population.¹⁹

Billionaire wealth has more than doubled since 2010

Since 2010, the number of billionaires in the UK has nearly doubled, from 29 billionaires in 2010 to 54 billionaires in 2019. Over the same period the amount of wealth owned by billionaires in the UK has more than doubled, from 58.1 billion pounds in 2010 to 123 billion pounds in 2019.

¹² Forbes Profiles – Michael Platt <https://www.forbes.com/profile/michael-platt/>

¹³ Forbes, Top Earning Hedge Fund Managers 2015, <https://www.forbes.com/pictures/ghmf45hgkd/15-michael-platt/>

¹⁴ Bloomberg, BlueCrest's Founder Platt Said to Move to Jersey From Geneva (December 10, 2014) <https://www.bloomberg.com/news/articles/2014-12-10/bluecrests-founder-platt-said-to-move-to-jersey-from-geneva>

¹⁵ Reuben Brothers, <https://www.reubenbrothers.com/>

¹⁶ The Times, Tax haven rich list: Elite swap Britain for sunshine and superyachts (March 6 2019) <https://www.thetimes.co.uk/article/tax-haven-rich-list-elite-swap-britain-for-sunshine-and-superyachts-sw2xkqg23>

¹⁷ Reuben Foundation, <https://www.reubenfoundation.com/home/>

¹⁸ Population of the UK 66.44 million people, 20% equals 13.28 million people.

¹⁹ Credit Suisse Global Wealth Report 2019 <https://www.credit-suisse.com/about-us/en/reports-research/global-wealth-report.html>

	2010	2011	2012	2013	2014	2015	2016	2017
Wealth \$ billion	76.7	93.7	98.6	121.1	153.9	171.2	161.8	162.5
Wealth £ billion	58.1	71.0	74.7	91.7	116.6	129.7	122.6	123.1
Number of Billionaires	29	32	36	37	47	53	50	54

Source: Forbes <https://www.forbes.com/billionaires/#5b99c010251c>

The richest 1% in the UK

According to the Credit Suisse World Wealth Report, the richest 1% in the UK owns the same wealth that the bottom 80%, or 53.2 million people.

In the UK the top 1% owns almost a quarter of all wealth (24.5%), almost the same as the bottom 80% (24.6%).

Meanwhile poverty has increased

There are 4.1 million children living in poverty, 70% of whom are in working families and this figure is set to rise to 5.2 million by 2022.²⁰ According to the UN Special Rapporteur on

Human Rights and Extreme Poverty, "14 million people, a fifth of the population, live in poverty. Four million of these are more than 50% below the poverty line, and 1.5 million are destitute, unable to afford basic essentials."²¹ At the same time as Forbes calculated the billionaire's list in March 2019, The Trussell Trust reported that its "food bank network distributed 1.6 million three-day emergency food supplies to people in crisis, a 19% increase on the previous year. More than half a million of these went to children."²²

Conclusion

This report clearly shows that wealth inequality is dangerously high in the UK, and it has worsened since 2010. This is against a backdrop of increased poverty, child poverty and reliance on food banks, even by those who are working. Levels of income and wealth (which often produces income) inequality in the UK, the fifth largest economy, are some of the highest amongst rich countries. The International Monetary Fund (IMF) has shown that income inequality undermines economic growth. Research has shown that in countries with high levels of income inequality, there are also higher levels of mental and physical ill health, violent crime, imprisonment, drug and alcohol addiction and lower levels of educational attainment, social mobility, and trust.

The UK Government, along with governments across the world, has committed to reducing inequality as UN Sustainable Development Goal number 10.

²⁰ <https://cpag.org.uk/>

²¹ <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23881&LangID=E>

²² <https://www.trusselltrust.org/news-and-blog/latest-stats/end-year-stats/>

Annex: Methodology

1. Wealth of five families

Name	Total Wealth Billions USD (Forbes)	Total Wealth (Billions GBP)
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Taken from Forbes Billionaire List <https://www.forbes.com/billionaires/#56dc1768251c>. The annual Forbes list is released in March each year, so we used the dollar/ pound exchange rate for 1st March 2019.

2. Wealth of bottom 20% of UK Population/ 13.2 million people

According to the Credit Suisse Global Wealth databook, <https://www.credit-suisse.com/media/assets/corporate/docs/about-us/research/publications/global-wealth-databook-2019.pdf>, the wealth of the bottom 20% of the UK population is 13.28. The bottom 10% has negative wealth of \$109 billion and the second decile has a positive net wealth of \$21 billion. This gives a total figure of \$-88 billion.

We have taken the UK population as 66.4 million, figures from the ONS <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/overviewoftheukpopulation/august2019>, so 20% of the UK population is therefore 13.28 million people.

3. Wealth of the top 1% and the bottom 80%

Figures are taken from the Credit Suisse Global Wealth databook, <https://www.credit-suisse.com/media/assets/corporate/docs/about-us/research/publications/global-wealth-databook-2019.pdf>. This shows that the richest 1% in the UK owns the same wealth as the bottom 80%, or 53.2 million people. In the UK the top 1% own almost a quarter of all wealth (24.5%), almost exactly the same as the bottom 80% (24.6%).

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