



'I'm not motivated by money,' says £87m advice expert Martin

MoneySavingExpert Martin Lewis is set to pocket a fortune after selling his financial advice website to Moneysupermarket. He speaks to **Adam Jupp** about what lies ahead

If proof were needed of Martin Lewis's qualifications for dispensing sound financial advice, the website he set up for just £100 nine years ago has just netted him an £87m fortune.

MoneySavingExpert.com - which started as a spin-off from a digital television show he presented - has grown to become one of the UK's most popular web pages, with 39m unique visitors a year.

Having set up the site in February 2003, it posted underlying pre-tax profits of £12.6m on revenues of £15.8m last year.

The deal Manchester-born Lewis struck with Moneysupermarket, based in Ewloe, near Chester, will see him remain editor-in-chief of the site, which offers advice on anything from loans to loyalty cards and mortgages to motor insurance.

During the negotiations, he insisted on an editorial code, which means he will have the final say on all content that appears on the site, without any intrusion from its new owners.

Lewis will receive an initial £60m in cash and shares, followed by a further £27m based on performance.

Crucially, however, that will not be measured by the site's financial success but by the number of people visiting it and levels of trust in the advice it provides, gauged by a series of satisfaction surveys.

"I didn't want to sign up to be motivated by whether I make money for a plc," he tells Business Week as we meet him at Manchester's Lowry hotel.

"What we have agreed is something that completely disincentivises me from doing anything that loses the trust of the public.

"I have always been ethical and self-policing in the advice I provide
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but now I have got this additional motivation to make sure people know what I am doing is for the right reasons."

Anyone who has ever seen Lewis, 40, on television or heard him on the radio will be familiar with his unfaltering commitment to sniffing out the best deals for the public and campaigning on their behalf when he feels financial institutions have taken advantage.

It is this dedication to his chosen specialist subject, rather than business acumen, he feels has been the secret to the success of his website and, ultimately, the mega-bucks deal he has just signed.

And, ironically for a man whose website claims to advise one-in-four of the UK population about their money matters, Lewis admits to keeping barely one eye on the financial management of his own operation.

"I have never considered myself an entrepreneur," he says. "For me, that's someone who sets up a business and serially does so. I am a campaigning journalist who set up a website which needed to find a way of financing itself and, as a byproduct, has made money.

"It is a glorious byproduct, don't get me wrong, but I am not a businessman and I don't like it when people say I am.

"The bit that turns me on is how many people read our emails or visit the site. Bothering with the numbers was never the big thing.

"Even now, I don't look after that. We have two commercial people working internally in their own

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separate office and they know to flag something up if there is a problem.

"Then, I have the book-keeping and finance side of it based in Manchester and that is done by my uncle, who is also my accountant.

"I have a Chinese wall to that side of things and that is why it is useful to have family involved because I have someone I trust implicitly. I know the macro numbers and trust they would tell me anything else they felt I needed to know."

Lewis was born in Withington Hospital but grew up near to Delamere Forest, Cheshire, before studying government and law at The London School of Economics, where he got into political cam-

paigining. His first job was with financial PR firm Brunswick, where he was soon tipped for the top but realised it wasn't the career for him.

"I said to my girlfriend at the time, I need to get out now before I'm too well paid to be able to," he recalls.

Lewis took a postgraduate course in broadcast journalism in Cardiff, before netting a job with the BBC, including a stint as one of a team of business editors on the Today Programme.

On New Year's Eve 1999, he left to join newly-formed digital TV channel Simply Money, fronted by Angela Rippon and Jan Harvey, and found himself presenting slots about personal finance.

"The others had TV experience but I was the only one who knew my ISA from my elbow," he says.

The name MoneySavingExpert was born and Lewis's online deals of the day became a hit with the public but his then employers weren't keen to develop the concept further.

He left the channel in 2001 and was then approached to write a column for a national newspaper, which raised his profile further, and in 2003 Lewis decided to launch his own website, which coincided with his first stint as a guest expert on TV show This Morning.

"It exploded very quickly from that point," remembers Lewis. "I started sending out the Martin's Money Tips email and I would go to parties and friends of friends would say 'I love your money tips'.

"We started sending about 600 emails and now we send 7.6m!"

As Lewis's operation grew in popularity, he needed to find a revenue stream to finance it that did not compromise its editorial integrity.

"I was a jobbing freelance journalist at the time and once the server bills were more than £1,000 a month, it wasn't easy," he says.

"I wanted a way for the site to make money but I wouldn't take adverts and I still don't. You cannot pay for your say on my site and you will never be able to. Even Moneysupermarket will not be able to have an advert on there."

What he came up with was a system whereby he and his colleagues research the best deals out there, which they write about on the site. They then post links to make it easy for customers to access the offers.

Through partnerships with the likes of Moneysupermarket, MoneySavingExpert gets a share of the proceeds when a visitor follows one of the links and signs up.

"I have worked a very simple busi-

ness model from the start and that is, if I'm going to buy or hire anything, I need to be able to cover the cost several times over," adds Lewis.

"I am lucky because the business cost £100 to set up and I have never borrowed any money.

"Since then, it has always covered itself and more but it has never been about the money for me.

"My job is to provide the right information and I know if the site does that, it will make money.

"I have always said if a member of my team has a good idea for the site, which will be useful, we will do it.

"Some of the biggest tools we have developed, such as a Premium Bond calculator and a benefits calculator, have been monumental commercial flops but I take the holistic view.

"If there are good things and I can afford them, let's do them because, from a business perspective, if we provide unique content nobody else has got, people will come to the site and while they are there they might see something else."

Lewis says he was aware for some time there was a deal to be done with Moneysupermarket but was determined to pick the right time.

"Whenever we have had chats, I have known there was the possibility they would be interested," he says.

"I have huge respect for Simon Nixon, the original founder, and I have personally got on very well with him for some time. I always said I wanted to sell while I still loved it. I didn't want to be tied into something as editor-in-chief that I didn't like, so it got to the point where I decided it was the right time to do it.

"I lead an incredibly stressful and pressured life. I could be giving evidence at Parliament or campaigning about Personal Protection Insurance, which are the things that drive me, but I also run one of the UK's top 50 websites, so hopefully this deal will provide me with some relief.

"In three years' time, I certainly don't want to stop being involved with MoneySavingExpert but I might be more 'editor-at-large' than 'editor-in-chief'.

"I have people within the company that have MoneySavingExpert in their blood, who I trust completely to run it. In three to four years they will be ready to run it as a website, with me still coming in and offering ideas and stirring the pot, then leaving them to it.

"I hope I am still involved in 20 years time but I don't want to be coming in every day.

"One of the best things money can give you is the ability to get up each day and do what you're doing because it's the right thing to do, not because you're getting paid to do it."