Jonathan Sorrell outlines Rathbones' strategy to stem outflows

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Rathbones chief executive Jonathan Sorrell has set out a new strategy to stem outflows and become "the best wealth manager in the UK by far" by embracing AI and paying more for performance.

Sorrell, who joined the group last year, said on Friday that his initiatives included "increasing financial planning" to "deepen relationships" and "reduce outflows" of customer money.

"I want to be able to tell a friend or a loved one 'you've got to go to Rathbones'," Sorrell told the FT.

The "existential angst" in the industry around the potential of AI to replace advisers was not a threat "if you've got a proposition that's killer", he added.

Sorrell said he wanted to attract more "talent" to the business by introducing a new pay scheme for investment managers and financial planners, which would include more stock awards for reaching growth targets.

"The point of the scheme is that it aligns with keeping clients over a long period of time," Sorrell said.

As part of the strategy, Rathbones will use AI to improve "efficiency, insight and the quality of interactions across the business".

AI will also play a role in assisting the group's 120 financial advisers by helping to run customer suitability reviews and freeing up adviser time.

"We need to add financial planning capacity and AI is clearly going to help us in that regard," Sorrell said.

Sorrell took on the permanent chief executive role in September. He previously held roles at Goldman Sachs and listed hedge fund firm Man Group. He is the son of Sir Martin Sorrell, former chief executive of advertising group WPP.

Sorrell's new strategy announcement came as Rathbones reported a 54 per cent increase in profit before tax of £153mn for 2025, in part driven by cost reductions. Shares in Rathbones were up more than 5 per cent at midday.

However, the asset manager reported net outflows of £2.1bn, with customers withdrawing money across both wealth and asset management divisions.

Rathbones struck a deal in early 2023 to acquire rival Investec Wealth & Investment UK for £839mn, creating a group that oversaw more than £100bn.

Rae Maile, analyst at Panmure Liberum, said: "Our longstanding frustration with Rathbones has been that in a sector displaying secular growth its own organic growth had been consistently poor.

"What [Rathbones] lacked was clarity of purpose and a corporate drive to win. It is this which is going to be addressed, according to the CEO's strategic update today."