

SIR JEREMY MORSE (1928-2016)

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Erudite banker and crossword expert who was the inspiration for the fictional Inspector Morse

Sir Jeremy Morse was one of the most intellectually gifted London bankers of the postwar era. He led Lloyds Bank through the challenges of Big Bang, the reorganisation of stock exchange practices and the third world debt crisis, and saw it emerge as one of the strongest of Britain's retail banking groups.

With the air of a don rather than a City banker, he was skilled at crosswords and brain-teaser puzzles and was even acknowledged as the inspiration for Inspector Morse. The detective's creator, Colin Dexter, named the character after him because he said that he had never encountered a finer problem-solving mind.

Knowing he had inspired Inspector Morse gave him great pleasure. He was introduced to Dexter in the 1950s at dinners hosted by The Observer for those who had solved their Ximenes crossword. Unlike his fictional alter-ego, Morse said, "I am distressingly unmelancholy." He drank wine, albeit in moderation, and listened to Bach rather than wallowing in Wagner.

Morse chaired Lloyds Bank, which subsequently merged with TSB, Scottish Widows and HBOS, to become the Lloyds Banking Group, from 1977 to 1993. With Sir Brian Pitman, chief executive from 1983, he was credited with transforming the bank from a small lender with a worrying portfolio of troublesome loans into a company that considered itself to be a modern provider of retail financial services.

While Morse was at the helm, in 1988, Lloyds bought a majority stake in Abbey Life, the insurance and pensions company, taking full ownership in 1996. His plans to lead Lloyds in the takeover of Standard Chartered, however, were thwarted when three tycoons, dubbed the White Squires, bought enough shares in the target to block the deal. Five years later, Lloyds was beaten in the race to take over Midland Bank by the Hongkong and Shanghai Banking Corporation. Morse's reputation, though, was largely untarnished by these setbacks.

Christopher Jeremy Morse was born in London in 1928, the son of a solicitor whose ancestors had owned the biggest brewery in East Anglia, Steward and Patteson. Even at the age of seven, Morse was helping his parents to solve The Times crossword. At Winchester College, he was head boy and marked out as a gifted classicist. His education was interrupted by National Service with the King's Royal Rifle Corps — during which he told senior officers that his main ambition in life was to become a poet. He especially enjoyed TS Eliot. Years later, when the wife of a Japanese colleague painted his portrait, he thanked her by way of a haiku.

As a scholar at New College, Oxford, he won five of the seven major classical prizes

and obtained a double first-class degree in Greats; still he claimed he was merely "good at exams, rather than academic". He went into the City as a cadet with the banking firm of Glyn, Mills & Co (now part of Royal Bank of Scotland).

He met his wife Belinda, daughter of Lieutenant-Colonel RBY Mills, at a ball in Kensington and asked for her telephone number. She was disappointed to see that he was not noting it down. However, deploying his prodigious powers of recall, he was memorising it. When he rang the next day, she was baffled.

After their wedding in 1955, they had five children - three sons and two daughters. Belinda worked as a London tour guide and wrote four historical books. She survives him, together with Richard, a financial adviser; Andrew, a retailer who has his own shop; Samuel, a fund manager; and Isabel, who works for several charities and NGOs. Clarissa died of leukaemia, aged four.

Morse's career advanced swiftly. He was made a director at the age of 35, and the next year became one of the youngest executive directors of the Bank of England. A year after joining the bank, he was nominated as an alternate governor for the UK of the International Monetary Fund (IMF), and in 1972 he became chairman of deputies of the IMF's powerful Committee of Twenty (C20), a group which battled tortuously - and ultimately in vain - to design an acceptable system for controlling the volatile movements in the world's foreign exchange markets.

Many thought Morse would ultimately become head of the IMF or governor of the Bank of England. Yet, in 1975, he reverted to UK domestic banking when he was appointed deputy chairman of Lloyds Bank as a prelude to being made chairman at the age of 48. He explained: "I'm a pure domestic banker by training and background. It's like going home." He had been a longstanding friend of Sir Eric Faulkner, his predecessor at Lloyds and the former chairman of Glyn, Mills.

Morse adapted smoothly from the cerebral atmosphere of international monetary policy to the down-to-earth realities of retail banking. He showed insight into Lloyds' overseas commitments: in 1982 he was already warning of the possibility of a chain reaction of sovereign debt defaulters, and the risk of total collapse of international banking. His astute analysis, however, did not enable him to save Lloyds from making substantial provisions against lending to debtor countries.

At home, he was an outspoken critic of successive governments' policies. He defended the banks' need for large profits and resisted Labour's plans to nationalise them. While he was in favour of a strong pound, he attacked the Thatcher government over unemployment, absence of incomes policy and slavish devotion to controlling money supply. He also opposed the Conservative plan to impose a windfall tax on bank profits in 1981.

These views were thought to have disqualified Morse from succeeding Lord Richardson as governor of the Bank of England in 1983. Characteristically, he bore no ill feeling towards Mrs Thatcher: "If you're a woman in a man's world, you are going to be guided by your own feelings about who you trust or not. She never looked very kindly on me. Probably I would have been a bit too independent for her."

Like other bank chairmen, he was closely involved in preparations for the series of stock market deregulations, known collectively as Big Bang, in 1986. Instead of being dazzled, as many were, by the opportunities for aggrandisement, Morse took a cautious approach. His priority was to establish Lloyds as a bank on a human scale that could provide as wide a range of services as its bigger rivals.

His position as one of the most respected business people of his generation was confirmed with his appointment as a non-executive director of ICI - he was on hand in 1991 when the company was identified as a possible takeover target by Hanson, the conglomerate. Later, when ICI demerged Zeneca, the offshoot which specialised in

drugs, Morse went with the new entity, stepping down in 1999 as it merged to become AstraZeneca.

Other posts included president of the British Bankers' Association, warden of Winchester College and chancellor of Bristol University, as well as being a fellow of All Souls College, Oxford, and an honorary fellow of New College. In 1975, he was appointed KCMG.

Tall and imposing, he dressed conservatively and belonged, he admitted, "to that generation of men who think clothes, or at least changing fashion, are very unimportant". He had a tough commercial streak but was kind, cordial and self-effacing. Driving to work in a Jaguar had no appeal to him: he took the Tube every day.

Although Colin Dexter – who was for a time the British national crossword champion – described Morse as "the most intelligent man I have ever met", Morse was unflinchingly modest about his puzzle-solving ability. In addition to crosswords, he loved word puzzles, contributed to *Word Ways: The Journal of Recreational Linguistics*, and was a skilled clue writer. He was also an accomplished chess player who served as a judge at international competitions and wrote a book called *Chess Problems: Tasks and Records*. Perhaps the only thing he was not exceptionally good at, one friend said, was golf – which he nonetheless played for enjoyment.

He called himself a coarse gardener because he found it kept his hands busy but his mind free – if an idea suddenly came to him he would mull it over by pushing a wheelbarrow about from place to place. "I also get ideas when I'm shaving," he said.

Morse lived in the same house in London throughout his career and kept a country retreat in Gloucestershire. He spoke honestly about having never borrowed money despite heading up a major bank. "For a banker it was a bit contrarian. I didn't need to borrow because my Morse family were commercial."

A devoted churchman, he worked hard but was not a "workaholic" and valued family above all. To his delight, his eldest grandchild was married in September in the same week that he and his wife celebrated their 60th wedding anniversary, which they marked with dinner at the Athenaeum Club. For their first 26 anniversaries, Morse had given her a flower beginning with a different letter of the alphabet, from alstroemeria to zinnia, before turning his attention to gemstones and working his way from amethyst to zircon.

He walked through life keeping a mental bank of his favourite literary quotations, which he would often recite. Among them were the words from Hamlet, "To thine own self be true."

Sir Jeremy Morse, banker, was born on December 10, 1928. He died of cancer on February 4, 2016, aged 87