

Banking Letters

by Roger Outing

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Introduction. Banking letters were the daily lifeblood of banking. These banking letters were the principle means by which banks conducted their affairs. They were private communications dealing with the everyday but essential details of financial and business life. As applies to all monetary records they were of real importance to the parties concerned. Banking letters allow us a fascinating insight into business life during the formative years of modern banking.

Every banking letter is virtually a unique piece. There is little prospect of systematic cataloguing being possible. However, we can say that every bank will have both sent and received letters. It is still a reasonable prospect to obtain representative examples of letters from a great many banks – although both patience and perseverance will sometimes be required.

Some of the major features and categories of banking letters are discussed below.

LETTER + COVER indicates that the item usually consists of a double page with text on the front of the first page and the recipient's address on the back of the second page. The whole was then folded, sealed with an impressed wax seal and then dispatched (envelopes not being invented yet). Early examples have post marks for point of dispatch and point of receipt. Later examples bear the first postage stamps when these were initially introduced.

"Covers" are widely collected in the philatelic market with the market value largely being determined by the type of post mark or stamp. It should be noted that banking history collectors have to compete with the philatelic market in order to acquire such examples of banking letters.

Banking letters are important largely for their banking content with the postmark and stamp being of secondary interest. Sorry for any offence caused to philatelists!

COVER ONLY is an addressed sheet of paper folded for use as an envelope but with no letter, which was presumably a separate sheet of paper. The interest is mainly in the postmarks and the stamps so much loved by philatelists.

LETTER ONLY indicates an item that was intended to be used with an envelope + postage stamp as and when these were introduced during the later Victorian period.

There is not the same level of competition from the philatelic market for LETTER ONLY items as they have no post marks or stamps.

As a general rule a LETTER + COVER will be more desirable than a LETTER ONLY. The former go back to a much earlier period and, as previously stated, there is competition for them from the philatelic market. A COVER ONLY will generally go to the philatelic market.

Four Categories. It is useful to identify four broad categories of banking letters that can be found:

1. from one bank to another bank;
2. from a bank to account holder;
3. from account holder to a bank.
4. between Bank and Security Printers.

Other miscellaneous types can be found but the above four categories account for about 90% of available material.

Category 1 letters, from one bank to another, are perhaps the most sought after. With two bank titles there is potential interest from two different groups of banking history collectors. Also the discourse between one bank and another is potentially very informative and revealing of contemporaneous banking practice.

A sub-category of this one bank to another type is where one branch corresponds with another branch of the same Bank. This correspondence can be from Head Office to a branch and vice versa.

These bank to bank letters are usually quite businesslike in their content and waste few words. They are typical examples of contemporary business correspondence. These letters can give direct evidence of internal banking procedures and are very collectable.

Category 2 letters, from a bank to an account holder, can be slightly different in the nature of their content. They most commonly confirm credits and debits and occasionally contain 'statement of accounts' – the latter being unusual and highly desirable. They often give advice and guidance to the customer on some point of banking procedure and these are always more interesting. Even when drawing attention to lapses or discrepancies their tone is always respectful, even when firm and direct.

Category 3 letters, from account holder to Bank, have a wider range of style and content – as you would reasonably expect. Some are as businesslike as any letter from a bank. Others are more informal and discuss the more personal concerns and priorities of the customer. They do reveal how the account holder viewed their relationship with the bank and are valuable for this perspective.

Category 4 letters, between the bank and the security industry, are often quite fascinating. Discussion of the printing of notes or cheques, often with estimates of costs, timescales and delivery details, all provide an unequalled insight into a very private and unknown aspect of banking. Much sought after and very desirable, though infrequently found..

Handwritten, printed or typed. Earlier letters, before 1850's, tend to be handwritten, sometimes with a printed letterhead. After 1860's letters will tend towards a printed pro-forma format with perhaps a space for personalised content to be added.

It is apparent that Banks began to produce the pro-forma style letter to deal with matters that were repeatedly addressed. No doubt most banks will have developed a range of standard letter types. However, some banks persevered with hand written letters for quite some time and between 1850 and 1880 hand written letters co-existed with the printed pro-forma types.

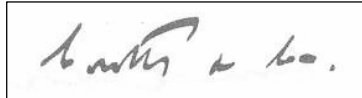
From the 1890 typed letters, with printed letterheads, can be found and these become the norm by the early 1900's.

Signatures. An important difference should be recognised between a personal signature and a company signature.

The company signature is where the person signs with the bank title or name, e.g. "Coutts & Co". A personal signature is where the person signs their actual name, sometimes followed or preceded by "for the Bank".

The personal signature is very much preferred as it identifies a named individual whose background and credentials can be researched. As always a well known "name" will attract more interest.

The company signature is not a concealment nor is it anonymous. Where persons signed with the bank title or name, e.g. "Coutts & Co", the bank would maintain a signature register so that the individual person signing could still be identified. For example the B of E signatory, K. O. Peppiatt, became a Director at Coutts and his "Coutts & Co" signature is as follows.

A rectangular box containing a handwritten signature in cursive script. The signature appears to read "Coutts & Co." with a stylized flourish at the end.

This version of Peppiatt's signature is a great deal rarer than his Bank of England example!

This issue of company signatures is not generally recognised and represents a fascinating collecting area.

Title Changes. Changes in Bank titles, because of amalgamations, can be found on printed letterheads in just the same way as cheques. Occasionally printed letterheads with overprints of the new title can also be found.

The historical development of the banking structure can be charted in letters just the same as in cheques and banknotes.

How To Collect? Using the general categories and types described above it is possible to acquire examples of letters that will support your own collecting theme.

An early handwritten example of Letter + Cover with a legible personal signature and sent by one bank to another bank would perhaps be the most desirable single item. A later handwritten example, but with a printed letterhead, would mark the increase in business volume to justify the cost of pre-printing required.

Can you find a letter between the bank and their security printer? Or perhaps one with a personal signature of a significant individual? Not always that easy to find but examples of these would enhance any collection.

The Letter Only types currently represent good value for money (because of less competition from the philatelic market). These largely printed letters provide good coverage of changes in bank titles during the amalgamations of 1880 – 1900's.

Almost totally unrecognised at the moment are post-1900 typed letters. These can currently be acquired for quite modest amounts. A general lack of awareness means that only a well informed minority currently seek them out.

It will be found that banking letters fit very well with any collection of banking history memorabilia. They allow a very distinctive and individual insight into the internal functioning of a particular bank at a specific time. Banking letters tell the story from the inside and were never intended for public consumption. Collectors are becoming increasingly aware of the opportunity that letters represent to enhance their collections.