

‘If someone says you’ll never make it work, you sort of think — why not?’

Taking charge of Aviva three years ago brought out Amanda Blanc’s competitive streak, she tells **Emma Powell**

Suggest to Amanda Blanc that she may have needed a push from a certain Swedish activist to overhaul Aviva and you should expect short shrift. “I think that does me a disservice and it does the management team here a disservice, because we’re always agitating for change.”

It is just weeks since Cevian Capital sold its entire stake in Aviva, after the insurance giant surpassed the £5 billion in shareholder returns called for by the hedge fund, which began building a position just months into Blanc’s tenure as chief executive.

If she is relieved to have the hedge fund off her back it is not immediately apparent. Its presence on the shareholder register was neither anxiety-inducing nor even annoying, the industry veteran insists. “If somebody shows an interest in your organisation and they genuinely want the organisation to do better than it does today, that’s not a bad thing.”

The 55-year-old has scarcely wasted time since taking up the job in July 2020. Eight businesses have been sold, including operations in France, Italy and Poland, raising £7.5 billion. Cash that was not handed back to shareholders via buybacks or dividends has been used to pay down debt. The FTSE 100 group has retrenched to the home market, plus Ireland and Canada, where it has dominant positions in insurance, pensions and wealth management.

The straight-talking South Walian was asked to apply for the job during a stint as a plural non-executive, which included the Aviva board. It is the company where she began her career as a trainee, in the Luton branch of what was then Commercial Union.

She has succeeded a string of leaders who failed to impress the market. It was clear what the problem was: a muddled strategy and lack of performance management, which filtered down from the board to staff on the ground. “In the absence of clear objectives, you do what you think is right. Now, sometimes that’s right, and sometimes that’s not right.”

A shot at reviving the beleaguered insurer played to Blanc’s competitive streak. “You’ve got to look at it logically,” she says. “Somebody says, ‘Well, you’ll never make it work.’ You sort of think, ‘Why not?’ Because it’s a brilliant brand, it has 16 million customers in the UK, it’s got strong market positions.”

Often it is about leadership and culture, she says. Twelve of the present 14-strong executive team have been appointed since her arrival.

Yet for all the heavy lifting, the share price is still lower than it was a decade ago. That needs to be seen in the context of a smaller footprint, but a troubled past has also played a part, she admits. “Aviva of the last ten years has been an inconsistent performer. I think there’s a little bit of that that still sits in investors’ memories ... ‘Can we trust Aviva?’”

How does Blanc push things



TIMES PHOTOGRAPHER RICHARD POHLE

Amanda Blanc grew up in South Wales and witnessed the coalmine closures: “You do see the consequences, even today”

There are a lot of clever ideas being talked about concerning pensions, Blanc observes. “I genuinely think there’s not a lot of understanding.” Among who? Politicians, or dare she say it, journalists.

What about the long-awaited Solvency II reforms at the centre of the post-Brexit push to deregulate Britain’s financial services industry? Is she happy with the pace at which the regulator and government are moving? Actually, yes.

The rules should free up billions for insurers to invest in long-term infrastructure projects, which for Aviva alone will amount to £10 billion over the next decade. “If we can allocate that investment to things that not only help individuals within the UK to retire well, but also contribute towards the UK’s success, clearly that’s a win-win situation,” she says.

The importance of investment and job creation beyond London and the southeast is something Blanc knows about first hand. Born and brought up in Treherbert, a former coalmining village at the head of the Rhondda Fawr valley, she was a teenager when Margaret Thatcher moved to shutter the collieries.

Even if in hindsight, the move away from coal was right from an environmental perspective, she says, it is the lack of thought about what happens to the communities left behind that is the issue.

“I go back there and you do see the consequences of that even today, 40 years on, it’s really significant. So [it is important to] think very carefully about how to allocate an investment to those communities where people work hard ... but have not been just given perhaps the same choices as other communities.”

Blanc’s position as one of only a handful of female chief executives in the FTSE 100 is rarely left unmentioned. Is it ever frustrating? “I don’t feel it’s a distraction. I do want to be judged by my performance as a CEO, without the word female in front of it,” she says. “But I do also think it’s a responsibility.”

She is partly referring to one of a few interests she has outside Aviva, as the Treasury’s women in finance champion. At one stage those interests also included chairing Wales’s Professional Rugby Board, a voluntary position from which she resigned at the end of 2021, before allegations of bullying, sexism and misogyny emerged. The Welsh Rugby Union has since launched a review looking into the allegations and the “organisational culture and behaviours of leadership”.

Blanc won’t comment on the specifics today. “If you believe you can influence something, it’s worth doing, even if it’s hard. When you believe that it’s hard, but actually what you’re doing isn’t making any difference at all, you have to walk away, and I had tried for two years to make changes to governance, to the way that they thought about representation and women, and I wasn’t really achieving that.”

When will the job be done at Aviva? “Job is never done,” she shoots back, “because the environment always moves, doesn’t it? I will never be complacent because there’s always room for opportunity.” Now it’s up to Blanc to show she has the stamina to build on her early wins.

Q&A

Who is your mentor? My role is too complex to have just one. George Culmer, Aviva chairman, for strategic issues; Andrew Sibbald, chairman at Evercore’s European investment banking business; and David Pullan, a storytelling consultant, if I’m thinking about communication. **Does money motivate you?** To a certain extent, until you’re comfortable of course, money motivates you. I can honestly say it does not motivate me [now], the success of the organisation does. **What was the most**

important event of your working life? When I chose to leave Zurich, I had nothing to go to. But I’d recognised that the culture of an organisation was really important to me. **Who do you most admire?** My sister, who is head teacher of a school in Leicester. You have to have true resilience to do that job. **What is your favourite TV programme?** *The West Wing*. **What does leadership mean to you?** It means accountability. But for me, it also means that people want to be led by you. **How do you relax?** I used to do a lot of road cycling but since a fall earlier this year, now I stick to indoor cycling.

CV

Age 55 **Education:** Treorchy Comprehensive; history degree at Liverpool University; MBA, Leeds **Career: 1989** Commercial Union; **1998 EY; 1999** Axa; **2003** Groupama; **2006** Towergate Insurance Brokers; **2011-18** senior roles at Axa, including group CEO at Axa UK, PPP & Ireland; **2018** Zurich CEO for Europe, Middle East, Africa & global banking; **2020-** Aviva non-executive then CEO **Family:** Married to Ken with two daughters **Lives:** Buckinghamshire and a flat in the City

forward from here? That’s going to be a more gradual process, a question of delivering “quarter by quarter”, she says. Proving the security of the meaty dividend, sacrosanct for many investors, is high on the list.

Shortly after her arrival Blanc made the painful decision to cut the dividend by almost a third to a more

sustainable level. Since then, returns have progressed steadily and in March investors welcomed more clarity when the insurer pledged to increase the cash cost of the dividend by low-to-mid single digits after the £915 million due to be paid in respect of this year.

She rebuffs suggestions that the

group might be better off taking its lead from other UK insurers and splitting its life and general insurance businesses, pointing to the ups and downs of the two arms at different points during the pandemic. “I think we’ve moved from monoline being the be-all and end-all, and we’ve seen it with the performance of some of the other stocks in the market, right?”

Our interview takes place in Blanc’s glass-walled office at Aviva’s HQ in the heart of the City, at a moment when London is facing questions over whether it is a true contender for global capital. One suggestion that has started to gain traction is mandating defined contribution pension schemes to allocate a portion to early-stage companies, which may allow capital-starved start-ups to thrive and eventually float in London rather than the US.

What does Blanc think of the idea? First of all, she doesn’t agree “with forcing anything”, particularly in the defined contribution market where the decision to invest is on individuals. But there are also second-order effects, she says. “Those sorts of investments you describe are way more complex to manage.”

What does that mean in practice? “For those investments, you need to give the fund manager more fees to be able to manage that to get a good result. Force everybody to invest and you get low capability and poor investments, and as a consequence of that you get poor outcomes.”