



Mount Street: building on the foundations of growth and success from our first decade

As Mount Street approaches its 10th anniversary; every one of those years has been a growth year – we have added clients, services, colleagues and, of course AUM, which is something that we are immensely proud of.

Mount Street's success is testament to its ability to constantly evolve and stay ahead of the issues and trends impacting our clients and the sectors in which they operate. Our agile approach is baked into the business' DNA and the entrepreneurial spirit that we nurture and encourage. This approach has seen the business named as one of the FT's 1,000 fastest growing companies, to win the REC Servicer of the Year award for most years of our existence, to develop a Global footprint with offices across the UK, Europe, US and Australia, and to have a staggering €130bn in assets under management, delivering 72% growth in the last year alone.

Mount Street was founded in 2013 with a simple aim: to create the best-in-class servicer, with indisputably superior market experience and knowledge versus any alternative providers. This approach has allowed Mount Street to grow into a much broader business, with business lines including servicing, portfolio management, asset surveillance, loan administration, special servicing, debt advisory, due diligence, ESG and brokerage. Despite this diversification, our 2013 mission statement remains unchanged and we have earned a best-in-class reputation in each of our service areas.

A relentless client focus has been the key to our success. From the outset, we work with a client to determine the details of a scope that matches their needs, provide a dedicated team and monitor, measure and adjust. This is how we ensure that new clients, whether large or small, are provided with the best service in the industry, and that we have never lost any of our valuable retained clients either.

Reflecting on the decade gone past

Paul Lloyd created Mount Street in 2013 in response to clearly deteriorating service levels in the Third Party Servicer world. This deficit of quality service provision created an opportunity to address the problem, giving confidence back to bond holders and lenders alike.

Having already set up and run two successful servicing companies, Paul decided that the time was right to create a servicer with an alternative outlook, one that was focussed on addressing the true needs of clients and providing an outstanding service level: “Competitors at the time were being sleepy and focused on generating high fee income from their legacy portfolios. They were not fulfilling the basic requirement of communicating clearly and transparently.”

This created an opportunity to push industry standards higher by creating a company with better communication, more transparency and higher service levels. This is a simple formula for happier clients and one that Mount Street still upholds.

Mount Street never aimed to be the biggest, that was not our intention – we were just focused on being the best. Providing the skills, relationship management and, most of all, the ability to understand our clients’ needs was, and still is, paramount: the thinking person’s servicer.

Paul has ensured that during our development and growth we have stayed focussed on what matters: “We could not have accomplished everything that we have today without the dedicated teams within Mount Street plus our external advisors and the strong relationships we have built up over many years with our clients. Ultimately, we would be nowhere without the trust and loyalty of our client base; they have all helped us in one way or another. Whether it be the first client, the repeat client, the more complex client, the NPL client... each has asked different things of us and each one has pushed us in a new direction whereby we have tested ourselves to ensure we can, and do, deliver on our promises.

“We were incredibly lucky to secure the belief and commitment of several clients in the early days, giving us a platform to build upon, and grow to where we are today.”

Taking stock of where we are today

While difficult to articulate the present, it should act as a point where we reflect, review and monitor our evolution to ensure that we remain on the right track. We are decisively forward looking in nature - acting now to achieve future benefits, ensuring that Mount Street maintains and enhances its leading position in the markets that we service.

Our recent focus has been on the development of our technology solutions and the large number of new mandates that we have secured, the largest being with Aviva, which has seen us gain a new office alongside 28 new talented colleagues in Norwich.

The breadth and depth of our services is a constant focus – as a result Mount Street offers lots of solutions that you may not be aware of, detailed [here](#).

Looking forward

While partially restrained by confidentiality (and also conscious not to wake up those sleepy competitors by revealing our precise strategies!), we firmly believe that the next decade will herald major changes in the market and the way we do business.

Indeed, it is hard to recall any other point in recent history when so many different trends and impacts collided as we are currently seeing – Global debt levels, soaring inflation, elevated interest rates, changes in real estate demand, accelerating technology development, blockchain acceptance, AI, climate change and decarbonisation, to name just a few – buckle up for the rollercoaster and enjoy the ride!

The biggest drivers for change, all of which we are constantly monitoring, include:

Climate and ESG

- Climate change and Government targets on carbon neutrality will apply sustained pressure on the market. Real Estate is responsible for roughly 40% of carbon output – this will be addressed either voluntarily or via legislation; there is no choice. This will affect CAPEX and it will affect valuations. Our thoughts are that much of this impact will be seen between now and 2030 and that the costs will run north of £100bn.

- ESG assessment will likely become commonplace. This will identify shortfalls in some assets, asset classes and jurisdictions. The big risk for investors is “stranded assets” that require large CAPEX spend and that are already on their books, or that they fail to spot in due diligence.
- Physical climate change impacts are occurring; the last decade broke many records. The next decade is likely to see more of the same – flooding, wildfires, hurricanes, water shortage, and extreme weather events will become more frequent and more intense.

Financial

- Insolvency, delinquency, NPLs - we have not seen the full impact of this yet, but it seems very likely that we will, with the potential to magnify wider issues.
- Currencies and inflation/deflation/stagflation... there are a lot of overleveraged individuals, companies and governments. The combination of rising inflation and interest rates will flush them out.

Technology

- De-fi: This has the potential to be a major disruptor. Tokenisation of real estate assets and smart contracts on Blockchain platforms will potentially revolutionise the investment landscape.
- Data, machine learning and AI – this will become key to asset screening and modelling.

Our vision is to provide a complete ecosystem of outsourced solutions for the credit investment sector – to retain our leadership position, we cannot be complacent, and must extend our track record for innovation and delivering an unparalleled client service. A reputation such as Mount Street’s is earned, and the quality of our work will remain our best defence over the next decade and beyond.