

Conservative Donors Flirt With Farage as Fight for UK Election Money Heats Up

The Conservative Party is losing support from some in the business and finance communities. Several say they will back Reform UK.



Nigel Farage during his general election campaign launch in Clacton-on-Sea, UK, on June 4. Photographer: Chris J. Ratcliffe/Bloomberg

By Katherine Griffiths, Eamon Farhat, Sabah Meddings, Nishant Kumar, and Damian Shepherd 7 June 2024 at 20:17 GMT+5:30

At a fundraising dinner for big Conservative Party donors on May 21, UK Foreign Secretary David Cameron gave an upbeat speech. The economy was improving and the government's plans were working he told the gathering. The party's chief strategist Isaac Levido reinforced the message while party grandees such as Andrew Feldman and Stanley Fink – both with fundraising track records – were also present. The indication was that an Autumn election was on the cards.

It turned out Rishi Sunak had a different plan. Within 24 hours the prime minister had taken the country, and some members of his own cabinet, party and donor list by surprise, calling a snap general election for July 4. To some donors, Conservative Party strategy seemed at best confused.



Rishi Sunak greets attendees at a Conservative Party election campaign event in London, after calling a surprise general election, on May 22. Photographer: Jose Sarmiento Matos/Bloomberg

Since then, the party has been trying to convince and cajole loyal wealthy backers to once again give money, despite Labour's 22-point lead in the polls, one person said. Others said tables for the Conservative summer party on June 20 at London's Hurlingham Club are selling well. Similar events have provided large injections of cash to the party in the past.

But according to multiple people who spoke to Bloomberg, some traditional Tory donors from business and finance will not support it this time round and could even back Reform UK, the party now led by Nigel Farage who had previously said he would stay out of the UK race to concentrate on helping Donald Trump's US presidential campaign.

Deep-pocketed members of the hedge fund world are among those sitting out including Alan Howard, the co-founder of Brevan Howard Asset Management who gave £1 million to the Conservatives last year, but is not donating this time round, according to a person familiar with the matter. Chris Rokos, of Rokos Capital Management, who gave £1.9 million to the party between 2009 and 2018, will not help fund the 2024 election, a person familiar said.

Political Donations Have Soared in Recent Years



Trevor Abrahmsohn, managing director of real estate firm Glentree, has given about £25,000 to the Conservative Party in the past. He will no longer be donating. "Sunak has put off international investors and he is not building enough houses," Abrahmsohn said.

While some of that money will shift to Labour there is concern among within the Conservative Party – in power since 2010 – that even more of it will flow to Farage, who has sparked the Reform UK campaign into life since he announced on Monday that he would stand in the election. The Conservative Party didn't immediately respond to a request for comment about the impact Reform might have on its election fundraising.

One potential switcher could be property developer Nick Candy, according to a person familiar with the matter. Candy, who has previously donated hundreds of thousands of pounds to the Conservatives, was present for Farage's announcement that he would stand as an MP. Charlie Mullins, founder of Pimlico Plumbers Ltd who sold his business to private equity for £140 million, was also at the Farage event and told Bloomberg he plans to give at least £100,000 to support the party. While Rocco Forte, the hotelier and former Conservative donor, said he might support Reform UK now that Farage is leader.



Charlie Mullins, left, at the Reform UK press conference, in London, on June 3. Photographer: Yui Mok - PA Images/Getty Images

Jon Wood, who established the hedge fund SRM Global and gave over £1 million to the Conservatives ahead of the 2019 election, when the party was led by Boris Johnson, said that he has yet to be approached, but that if he backed any party this time it would be Farage and Reform UK.

"I'm not surprised the Tories are struggling to raise money," said Wood. "They have behaved appallingly for the past 14 years. They are not Tories. Rishi Sunak is duplicitous. The way they got rid of Boris was undemocratic. It is desperate that Keir Starmer is going to get the majority he is going to get. It will not be good for the country."

Will Spending Cap Backfire?

Senior Conservative Party officials insist there is no issue with fundraising. The party attracted £48.2 million in 2023 – the second highest ever – and has raised £71 million over the last two years. But those figures were boosted by two mega donors: a £10 million one-off gift from the estate of the late John Sainsbury of the supermarket dynasty. And another £10 million in 2023 from Frank Hester and his IT healthcare company, the Phoenix Partnership. The party came under pressure to return the Hester money earlier this year after The Guardian reported racist comments he allegedly made about Labour MP Diane Abbott in 2019.

Hester's business gave another £5 million in the first quarter of 2024, according to Electoral Commission data released Thursday. Between January and March, only four of the largest 20 party political donations in the UK went to the Conservatives. And three of those were from Phoenix. That reliance on Hester has led some Conservatives to ask why they need his money if they are able to raise cash elsewhere, according to people familiar with the situation.



Nick Candy at the launch of Popular Conservatism, in London, on Feb. 6. Photographer: Hollie Adams/Bloomberg

Others on the Conservative side say the first quarter figures underplay the enthusiasm they are seeing for the party to remain in power as virtually no one at the start of the year expected a summer election. The thinking was it would be November, giving more time to raise cash, several people said.

Charles McDowell, a broker whose property firm advises rich clients on purchasing London homes, says he'll continue to add to the thousands of pounds he's donated to the Conservatives over the past decade. A member of the party's treasurers team, McDowell said people are worried about the Conservatives' record, but insisted that the wealthy are more concerned about the potential for tougher taxes under a Labour government.

"Our donors are very worried about tax," McDowell said. "Those that haven't given over the past few years are coming back with donations again."

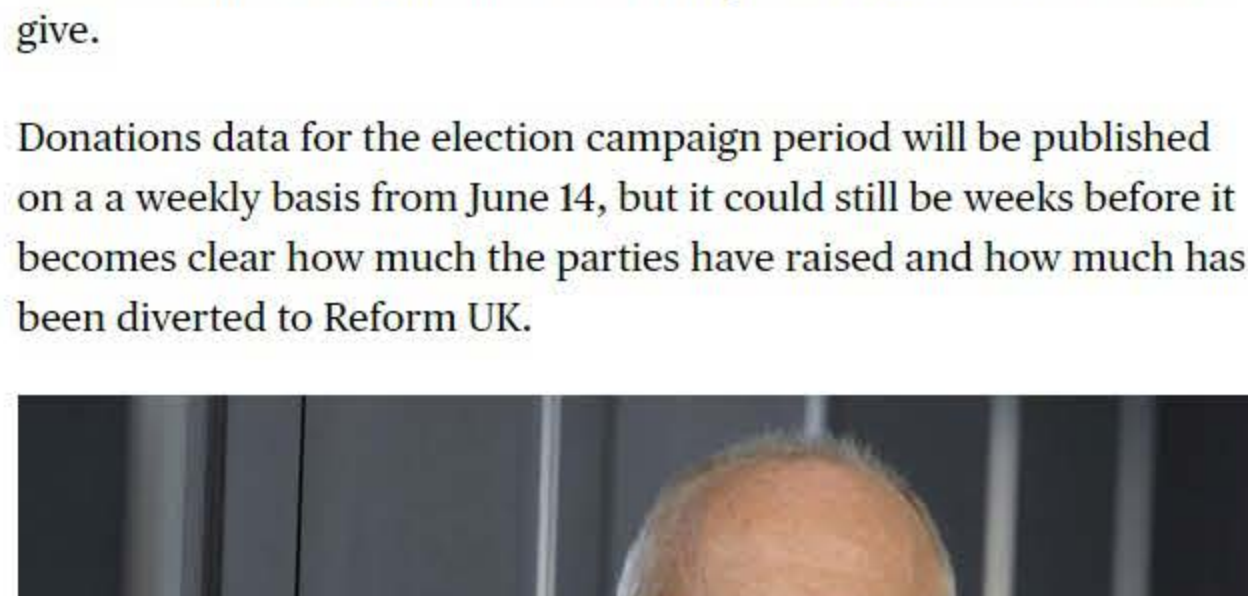
According to one person involved in raising money for the party, it will spend close to the £35 million national election cap the Sunak government set last November. That is almost double the previous spending limit of £19 million. The increase was explained by inflation over the last two decades, but was seen by some as a ploy by a party traditionally strong at tapping wealthy donors to out-gun Labour – which has raised £56 million in donations over the last two years – in the 2024 campaign. The spending is calculated over the 365 days prior to election day.



Keir Starmer following a tour of a residential construction site during a general election campaign event in London, on June 7. Photographer: Chris J. Ratcliffe/Bloomberg

Yet in the first three months of 2024 Labour received more money from individual donors than the Conservatives, for the first time since 2008. Overall, Labour drew slightly ahead of the Conservatives over that period, taking in £9.5 million, compared to £9 million for Sunak's party. Among the key donors for Labour were Dale Vince, founder of clean energy company Ecotricity, hedge fund manager Martin Taylor, and Gary Lubner, the former boss of glass repair company Autoglass.

Wealthy Individuals Gave More To Labour Than the Tories



Many donors are not giving at all, due to disenchantment with the Conservatives, gloom about their prospects, or a lack of clarity about what the major parties plan. Some donors Bloomberg spoke to are waiting to see how they will be impacted by Labour's policies should the party win on July 4, on a range of issues from tax to non-dom status, and could then either give to them, the Conservatives or Reform UK, people said.

Others are biding their time to see what the Conservative Party looks like after the election and who will lead it if the party loses and Sunak steps aside. They might then back it or steer clear altogether if the party looks like going through a period of turmoil.

No Corbyn Factor This Time

The Conservatives have their party faithful. Bobby Arora, of B&M Trading, organized an event for big donors at The Stafford Hotel last week. Bassim Haidar, a long-time Conservative supporter who recently spoke out against Labour's plan to scrap non-dom tax status, is still supportive, one person said, having given £420,000 to the Conservative Party and smaller sums to individual MPs since last year.

Michael Spencer, the billionaire businessman and a former Conservative party treasurer, has given £250,000 since the election was called. Others donating from the finance world include Michael Hintze, the hedge fund billionaire founder of CQS, who gave almost £70,000 in the first three months of 2024. Graham Edwards, the businessman and Conservative party treasurer, donated more than £4 million last year.

Former Labour Party leader Jeremy Corbyn was used as a fundraising motivation for Conservative donors in the 2019 election campaign. Photographer: Dan Kitwood/Getty Images

Some money only comes at the last minute and even on election day itself, requiring parties to spend in advance and hope the money will come in, one person who used to be involved, said. The removal of Jeremy Corbyn, Labour's left-wing leader at the last election, has made life a little more difficult for Conservative fundraising efforts the person added. It removed a significant fear factor from wealthy donors. In parallel Labour has also attempted to woo the City. Some hedge fund money that backed the Conservatives in the run up to Brexit has also fallen away, while the change of Conservative leaders from Cameron to Boris Johnson to Liz Truss and Sunak has also had an impact on who has wanted to give.

Donations data for the election campaign period will be published on a weekly basis from June 14, but it could still be weeks before it becomes clear how much the parties have raised and how much has been diverted to Reform UK.

John Caudwell Photographer: Luke MacGregor/Bloomberg

Telecoms billionaire John Caudwell donated £500,000 to the Conservatives on the eve of the 2019 election due to being "terrified" of Corbyn getting into power – a move he still considers "money well spent." Since then, Caudwell has become disenchanted with the Tories, particularly over ethical standards and rolling back on net zero commitments.

Caudwell says he will not be donating to the Conservatives in the run up to the election and may give to Labour instead.

"Given it looks highly unlikely Sunak can turn the party's political fortunes around, it would not be money well spent," Caudwell said. "As for Labour, I would never say never if they can prove that they have the UK's best long-term interests at heart, they have a viable plan to improve the state of the nation, and most crucially, they are able to execute that plan well."

– With assistance from Alex Wickham, Benjamin Stupples, Jack Sidders, Charlotte Hughes-Morgan, Harry Wilson, and Deirdre Hipwell