

CS Victims

www.csvictims.com <mailto:info@csvictims.com>

Open letter to Tidjane Thiam

Dear Mr Thiam

It has been four years since Credit Suisse admitted that a Relationship Manager in its Wealth Management Division had been defrauding clients and mismanaging their investments of more than USD 1 billion since at least 2007¹.

Since then, affected clients have sought to discover the true facts behind the failures of systems and controls at the Bank which led to these crimes being committed, along with proper compensation for what has happened, including the return in full of monies stolen from them. Despite undertaking an internal investigation (the results of which the clients have never seen)² and having been censured by FINMA³ (whose report the Bank refuses to disclose or answer questions about, despite it being published over a year ago), Credit Suisse has continued to work against the affected clients.

During this time, you have implemented a restructuring programme at Credit Suisse which has focused on developing the Private Banking and Wealth Management operations as central to the future of the Bank. For these reasons, we assume that you now wish to put client interests first-and-foremost. We therefore appeal directly to you to resolve the unacceptable situation in which clients of the Wealth Management division have been defrauded.

In the absence of such resolution, no client – past, present or future – could ever reasonably have trust in Credit Suisse.

The following issues remain outstanding:

Stolen funds

We urge you to return the full amount of the funds stolen from client accounts and, given the

¹ <https://seekingalpha.com/instablog/48792892-loan2me/5321022-what-is-going-on-credit-suisse-cs-victims-of-fraud-launch-website>

² <https://finance.yahoo.com/news/credit-suisse-patrice-lescaudron-fraud-130345221.html?guccounter=1>

³ <https://www.finma.ch/en/news/2018/09/20180917-mm-gwg-cs/>

length of time since those thefts took place, to make proper proposals for payment of interest. The Bank recognised its obligation to repay affected clients during the criminal trial of the Relationship Manager, and as a result of that promise, certain confiscated funds were allocated to the Bank by the Court.⁴ Notwithstanding that recognition, Credit Suisse has still not made good on its obligations to its clients or its promise to the Court. In addition, the Bank stated that affected clients would be repaid once an appeal was over; now that it is, repayment in full has yet to be made. This delay is entirely without justification and serves as another example of the unacceptable treatment of clients by Credit Suisse.

Profiting from illegal activities

Lawyers for clients have written to the Bank's lawyers, Walder Weiss, to demand the return of fees which were generated for Credit Suisse by illegal activities.⁵ We cannot understand any basis on which the Bank might claim to be entitled to retain such fees. During recent court hearings, it was alleged that these fees, including management fees and commissions generated from investments on accounts on which criminal conduct took place, could exceed USD 150 million.⁶ Credit Suisse have not disputed these allegations and it is simply unacceptable for Credit Suisse to have profited from the illegal actions of its employees.

Failure of systems and controls

This situation raises obvious questions about how the Bank's employees were able to bypass systems and controls which should have prevented this fraud, failings which we understand have since been highlighted by FINMA.⁷ The fact that the fraud took place for at least seven years makes it highly unlikely that the Relationship Manager acted alone.⁸ In addition, there are serious questions about Credit Suisse's investment processes, particularly around the fees and commissions paid by clients on the purchase and sale of Credit Suisse own products which were sold notwithstanding an obvious conflict of interest.⁹ Relevant information was never made available to clients, whether before the fraud or after its discovery, despite numerous requests. These matters do not only affect these particular clients; they concern all clients of Credit Suisse and go to the heart of how the Bank conducts its business.

As the Chief Executive of Credit Suisse, you are ultimately responsible for how the Bank treats its clients.

⁴ <https://www.businesstimes.com.sg/banking-finance/ex-credit-suisse-banker-found-guilty-as-fraud-tops-143m-swiss-francs>

⁵ <https://finance.yahoo.com/news/cs-victims-announces-defrauded-clients-120000980.html>

⁶ <https://finance.yahoo.com/news/cs-victims-announces-defrauded-clients-120000980.html>

⁷ <https://www.finma.ch/en/news/2018/09/20180917-mm-gwg-cs/>

⁸ <https://www.bloomberg.com/news/articles/2019-11-20/credit-suisse-cheat-couldn-t-have-acted-alone-billionaire-says>

⁹ <https://finance.yahoo.com/news/cs-victims-announces-defrauded-clients-120000980.html>

There cannot be any doubt that the treatment of these victims has fallen short of what any clients might reasonably expect and is nothing less than a gross betrayal of the confidence and trust they placed in Credit Suisse.

We urge you to now work with – and not against – the Bank's clients by repaying the stolen funds plus interest, providing information requested by the victims in respect of the internal investigations and FINMA report and arranging a meeting to set out what immediate steps the Bank is taking to address the serious issues set out in this letter.

Yours sincerely

Representatives for the Victims

Please note that this letter is written on an open, not a without prejudice, basis. Accordingly, our clients reserve the right to refer or to publish it in full as they wish and without any reference to you.