

HKMA refers seven Lehman-Brothers-related cases to the SFC for further action

Hong Kong 24 April 2009 (www.biznewsselect.com) The Hong Kong Monetary Authority (HKMA) has today (Friday) referred to the Securities and Futures Commission (SFC) seven cases involving complaints of alleged misconduct in respect of investment products related to Lehman Brothers for it to decide whether to take further action. The seven cases, which are the twenty-sixth batch of Lehman-Brothers-related cases referred in this way, involve alleged misconduct by two licensed banks in Hong Kong.

Since 17 October 2008 the HKMA has referred a total of 440 Lehman-Brothers-related cases, involving 16 banks, to the SFC for further action. These cases have been reviewed by the HKMA, which has determined that there are sufficient grounds for referring them to the SFC.

The HKMA has, up to 23 April 2009, received 20,826 complaints concerning Lehman-Brothers-related products, of which 20,585 complaints have gone through the preliminary assessment process. Apart from the 440 cases referred to the SFC so far, the HKMA has formally opened investigations on 5,526 complaints and is currently seeking further information on 13,868 complaints. Seven hundred and fifty-one complaints have been found to lack sufficient prima facie evidence to support further action (A [table](#) summarising the complaints received so far is attached).

Commenting separately on voluntary settlements between banks and their customers, an HKMA spokesperson said that, according to figures collected by the HKMA from the distributing banks, up to 15 April 2009, a total of 6,093 cases involving Lehman-related investment products have resulted, or will soon result, in voluntary settlement, including compensation either in part or in full, between the customers and the banks concerned. Of these voluntary settlements, 4,361 have already been concluded. Discussions about settlements are in progress in the remaining 1,732 further cases. The spokesperson said that, 2,412 of the settlement cases involve elderly customers. This compares with a total of 3,511 complaints received by the HKMA in relation to elderly customers.

"While the HKMA welcomes settlements between banks and complainants, its investigations into allegations of mis-selling will not be closed simply because of settlements or withdrawals of complaint cases. The HKMA will, regardless of any terms of a settlement, continue its investigation into cases where evidence of mis-selling is revealed." the spokesperson added.

[Annex](#)

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