

Compliance & Risk

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Credit Suisse removes Chief Risk and Compliance Officer over losses

In the wake of the collapse of the Archegos investment fund, which landed Credit Suisse with £3.4bn in losses, the Swiss bank has cancelled directors bonuses, drastically cut its dividend, and jettisoned two senior executives.

A number of banks are suffering after heavy exposure to losses from two unrelated financial disasters, that of Archegos, a little known US hedge fund, and of the Australian business bank Greensill. Greensill, also embroiled in political scandal, is in liquidation, and Archegos was forced

into a fire sale of around £14bn of assets in March 2021 which caused ructions across global markets.

On 6 April 2021, Credit Suisse reported losses of 4.4bn Swiss francs (£3.4bn) from its involvement with Archegos, and said it would shortly also report on its Greensill losses.

Chief Executive of the Zürich-based bank, Thomas Gottstein, said that the recent losses had caused “significant concern” at the bank. Describing the Archegos loss as “unacceptable”,

Credit Suisse announced that Brian Chin, the Chief Executive of Credit Suisse’s investment bank, and Lara Warner, the Chief Risk and Compliance Officer, had both been removed from their posts.

Under Mr Chin, the investment bank acted as prime broker to Archegos funds, lending it large sums of money to allow it to build up substantial positions in the shareholdings of quoted companies, in particular hedging on the increase in share price of certain Chinese

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IKEA on trial in France for unlawful staff surveillance system

IKEA France, as a corporate entity, has gone on trial in a court in Versailles, in company with several of its former executives who could face serious penalties including potential prison terms.

IKEA’s French subsidiary is accused of putting in place an elaborate surveillance system, involving private detectives and police officers, enabling the company to spy on its existing staff and persons

applying for jobs with the organisation.

Prosecutors allege that the “spying system” extended across the whole of IKEA’s French operations, allowing the organisation to collect data about the private lives of hundreds of its existing and prospective staff.

The information collected using the surveillance network is said to have included confidential in-

formation about criminal records.

The charges against IKEA France include illegal gathering of personal information, receiving illegally-gathered personal information, and violating professional confidentiality – serious offences, some of which carry a maximum prison term of 10 years.

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