Financial Services Litigation

Contributing editors
Damien Byrne Hill and Ceri Morgan

2018

GETTING THE DEAL THROUGH

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Financial Services Litigation 2018

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Herbert Smith Freehills LLP

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For further information please contact editorial@gettingthedealthrough.com

Publisher
Tom Barnes
tom.barnes@lbresearch.com

Subscriptions
James Spearing
subscriptions@gettingthedealthrough.com

Senior business development managers
Adam Sargent
adam.sargent@gettingthedealthrough.com

Dan White
dan.white@gettingthedealthrough.com

Law Business Research

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Third edition

Getting the Deal Through is delighted to publish the third edition of *Financial Services Litigation*, which is available in print, as an e-book and online at www.gettingthedealthrough.com.

Getting the Deal Through provides international expert analysis in key areas of law, practice and regulation for corporate counsel, cross-border legal practitioners, and company directors and officers.

Throughout this edition, and following the unique **Getting the Deal Through** format, the same key questions are answered by leading practitioners in each of the jurisdictions featured. Our coverage this year includes new chapters on Austria and Ireland.

Getting the Deal Through titles are published annually in print. Please ensure you are referring to the latest edition or to the online version at www.gettingthedealthrough.com.

Every effort has been made to cover all matters of concern to readers. However, specific legal advice should always be sought from experienced local advisers.

Getting the Deal Through gratefully acknowledges the efforts of all the contributors to this volume, who were chosen for their recognised expertise. We also extend special thanks to contributing editors, Damien Byrne Hill and Ceri Morgan of Herbert Smith Freehills LLP, for their continued assistance with this volume.

GETTING THE DEAL THROUGH

London
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Greece

Michael Tsibris and Giannis Koumettis
Souriadakis Tsibris

Nature of claims

1 What are the most common causes of action brought against banks and other financial services providers by their customers?

Greek law recognises two main causes of liability: tort and contractual. Contractual liability arises from breach of contract, whereas tort liability arises from a breach of statute obligations. The existence of an agreement between two parties does not exclude the possible parallel existence of tort liability of the one party to that agreement towards the other. Supreme Court Decision No. 1028/2015 has found that the criterion for tort liability to apply despite the existence of a contract, is whether the behaviour of one party towards the other would also establish tort liability even if there was no agreement between them. In such a case, the plaintiff may select between the two legal bases in order to bring an action against his or her counterparty, but he or she can be indemnified only once for the damage suffered.

The most common cause of action brought against banks and other financial services providers is tort (ie, the alleged breach of a statute). The typical scenario is the filing of a civil action by an investor against a bank or other financial institution (eg, an investment firm or fund manager), seeking compensation for damages suffered as a result of selling to that client, one or more financial instruments (usually debt instruments such as bonds or notes, but also shares or units of collective investment schemes in some instances) that subsequently lost value or whose issuer became insolvent or that suffered a write-off for any reason whatsoever. The most common allegation by a client is that the bank or financial institution either provided untrue statements to that client while advising, promoting or selling the product to that client, or omitted to provide the necessary risk warnings or disclose product-related and issuer-related information that was crucial to the client for assessing the prospects and risks related to the particular investment.

Other sources of action involve claims against investment firms or banks for defective provision of investment services, mainly arising from the execution of on-exchange trades for the purchase of transferable securities without proper instruction by the investor or despite those in existence. Often, these disputes may also relate to the handling of the margin account of the client and the due application of the margin lending rules in the relationship between an investor and his or her broker or the lending bank.

Less frequently, actions against financial institutions and other market participants have a more technical or 'sophisticated' background, such as the activity of a market participant (ie, an issuer or its director, main shareholder or financial adviser) in a market abuse situation, a takeover bid or squeeze-out procedure in relation to a listed stock, the effectiveness and enforceability of financial collateral arrangements, matters related to the settlement of derivative contracts, etc. It should be noted that professional counterparties are more likely to claim on the basis of contractual liability.

2 In claims for the misselling of financial products, what types of non-contractual duties have been recognised by the court? In particular is there scope to plead that duties owed by financial institutions to the relevant regulator in your jurisdiction are also owed directly by a financial institution to its customers?

In Supreme Court Decision No. 1738/2013, the Court decided that the violation of regulatory provisions governing the operation of a financial institution (bank, investment firm, fund manager or insurance company), to the extent these rules are laid down to protect the interests of clients (such as the conduct of business rules provided by the Markets in Financial Instruments Directive (MiFID I and MiFID II), can give rise to a tort claim action filed by a client, provided that there is at least some degree of negligence by the financial institution as well as a causal connection between that violation and the damage suffered by the client. This means that no such liability applies in relation to regulatory provisions that do not directly affect the legal relationship between a financial institution and its client, such as the main organisational rules of banks and investment firms (eg, the obligation to have an internal audit or compliance operation).

In practice, it is common for clients to raise claims against financial institutions for the sale of one or more financial products, alleging that the financial institution has violated certain obligations or prohibitions arising from the MiFID (or the pre-existing ISD) conduct of business rules, such as the obligation to 'act fairly, honestly and professionally', to 'provide marketing information that is fair, clear and not misleading', to 'obtain the necessary information regarding the client's or potential client's knowledge and experience in the investment field relevant to the specific type of product or service' when providing investment services such as investment advice or discretionary portfolio management. The client has the burden to prove that as a result of such violation or omission by the financial institution, he or she was enticed into the wrong investment decision as well as suffering specific financial damage from the investment.

Therefore, based on the general principle of article 914 of the Greek Civil Code, which states that 'whoever acting unlawfully and in fault causes a pecuniary damage to another party, is obliged to compensate same', a client may seek compensation from a bank or other financial institution for damages suffered as a result of the violation of regulatory provisions in the course of rendering financial services to such a client. Additionally, the competent supervisory authority (the Hellenic Capital Market Commission (HCMC) for investment firms and fund managers or the Bank of Greece for banks and insurers) is also entitled to impose administrative sanctions for the same alleged violations, but this does not prejudice the right of a client to seek damages from such institution via a civil lawsuit.

Even in the event no particular legal or regulatory provision has been violated, the client may still seek compensation for damages suffered if he or she proves that a particular behaviour of a financial institution was contrary to the general civil law principle of 'acting in good faith' (article 288 of the Greek Civil Code) and that he or she suffered specific economic damage because of this behaviour.

MiFID II was implemented by Law No. 4514/2018 on markets in financial instruments and other provisions, which came into force in January 2018. Up until now, we are not aware of any natural or legal person having raised any claim against any financial institution based

on the new MiFID II regime; therefore, there is no new case law rebutting the above analysis, which we estimate the provisions of Law No. 4514/2018 will not radically affect.

3 In claims for untrue or misleading statements or omissions in prospectuses, listing particulars and periodic financial disclosures, is there a statutory liability regime?

Article 25 of the Greek Prospectus Directive implementing Law No. 3401/2005 states that the persons responsible for a prospectus have a civil liability towards all investors who acquired the respective transferable securities within the first 12 months from the publication of such a prospectus. As a result, an investor who has suffered damage from his or her investment in a particular financial instrument can seek compensation for such a damage if the investor proves that he or she became owner of the respective financial instruments within the first 12 months of publication of the prospectus. Liable persons may include the issuer, its directors and the issue adviser, among others. The plaintiff has the burden of proving that the prospectus includes untrue, misleading or incorrect information, but the burden of proof regarding the absence of negligence or cause, is on the defendant, according to paragraph 3, article 25 of Law No. 3401/2005.

4 Is there an implied duty of good faith in contracts concluded between financial institutions and their customers? What is the effect of this duty on financial services litigation?

The general good faith principle of article 288 of the Greek Civil Code is applicable on top of contractual arrangements or specific statutory obligations. Even in circumstances where a financial institution is compliant with the 'letter' of its statutory obligations, it can still be liable towards the client for failing to meet the 'spirit' of the protective regime by application of the aforementioned 'good faith' principle.

5 In what circumstances will a financial institution owe fiduciary duties to its customers? What is the effect of such duties on financial services litigation?

According to dominant legal theory and case law in Supreme Court Decision No. 244/2016, because the customer approaches a bank or other financial institution, a general banking relationship is established, regardless of whether the contact culminates in the execution of a written contract or not. As a result of the establishment of this legal relationship, the bank or financial institution has a 'fiduciary duty' towards such clients; namely, a general obligation to take care and protect their interests in accordance with the 'good faith' principle. This means that the bank, regardless of whether there is a specific financial services agreement or not, has the obligation to act for the benefit of the client and provide him or her with the appropriate advice, guidance and enlightenment in respect of the purported financial activity. Furthermore, upon the establishment of this relationship, the bank or financial institution shall identify important factors of the investment profile of the client, such as the personal characteristics (eg, age and health), personal needs and objectives, risk tolerance, financial ability, knowledge and experience of the client in the financial area and assess the client's capability to understand the risks the client takes by proceeding to a particular financial activity. Having determined and weighed all of this, the bank or financial institution must provide the client with sufficient advice and guidance in the area of financial products to allow him or her to make a well-informed investment decision, regardless of whether the initiative for the particular investment activity was of the client or whether he or she was solicited by that financial institution. From a technical perspective, the breach of this duty does not constitute a breach of contract but rather establishes tort liability.

6 How are standard form master agreements for particular financial transactions treated?

There is no court precedent in connection with the application, interpretation and enforcement of standard form master agreements such as the International Swaps and Derivatives Association Master Agreement because, typically, these master agreements are governed by foreign (usually English) law, and on top of that the respective disputes are mostly referred to foreign courts or arbitrators.

7 Can a financial institution limit or exclude its liability? What statutory protections exist to protect the interests of consumers and private parties?

The contractual exclusion of liability is generally permitted; however, such exclusion is not effective to the extent it covers wilful misconduct and gross negligence, pursuant to article 332 of the Greek Civil Code. This protective law provision applies equally in favour of both professional and retail clients. As a result, financial institutions may successfully limit only their liability for minor negligence.

Apart from the above, additional restrictions apply to preformulated contracts that include general terms and conditions to be executed or accepted by persons qualifying as 'consumers' for the purposes of Greek Consumer Protection Law No. 2251/1994. The aforementioned Law protects the consumer, who is unable to personally negotiate the terms in these types of contracts. Therefore, when the counterparty of a financial institution is a person who can be classified as a 'consumer' (ie, a person acting not in the context of any professional capacity), the bank or financial institution is not allowed to exclude its liability even for minor negligence, again on penalty of nullity.

8 What other restrictions apply to the freedom of financial institutions to contract?

Consumer Law No. 2251/1994 also includes an indicative list of clauses that are considered per se unfair and abusive and consequently could be deemed ineffective by a court in the context of a dispute between the services provider and a consumer. Inter alia, the following clauses are considered abusive per se:

- those that give the service provider, without reasonable cause, an overly long deadline for accepting the consumer's proposal to sign a contract;
- those that restrict the contractual duties and responsibilities of the service provider;
- those that provide for a contract termination notice period that is too short for the consumer or too long for the service provider;
- those that entail the prolongation or renewal of a contract for too long a time period, if the consumer does not terminate it within a certain period;
- those that allow the service provider to amend or terminate a contract unilaterally without providing any specific, special and significant reason; or
- those that allow a service provider to terminate a contract of indefinite duration without a reasonable notice period and so forth.

It must further be mentioned that the capacity of a 'consumer', is not automatically awarded for all purposes to all investors who trade outside of their professional activities. Consistent with case law established by the Court of Justice of the European Union, Greek Supreme Court Decision No. 1738/2009 has ruled that a person who used to be involved in risky, speculative or leveraged trade activity does not qualify as a 'consumer' and therefore is not entitled to the protection and benefits provided to consumers under the Lugano Convention 1988. Lower courts tend to accept that the same differentiation must be made in order to determine whether a person deserves protection under the local Consumer Protection Law No. 2251/1994. As a general rule, the status of 'consumer' will be deemed on a case-by-case basis and taking into consideration all personal characteristics of a particular investor.

9 What remedies are available in financial services litigation?

The remedies available in financial services litigation include compensation for damages, restitution of moral damage and rescission of a particular transaction. The latter is not so common because often the challenged transaction in financial services litigation is not between the plaintiff (client) and the defendant (bank or financial institution); the typical structure is that the bank or financial institution has only acted as intermediary or investment adviser while the client has purchased a financial product from a third party directly or with the intermediation of the financial institution. Such a third party is often unknown and, in any event, not liable to a rescission of the particular transaction.

Injunctive relief is also possible in the Greek judicial system and because of delays in the issuance of a final judgment, filing of a petition for injunctive relief is quite usual and advisable. The issuance of a court order for injunctive relief requires the plaintiff to invoke the existence of an imminent danger to his or her claim (eg, consisting of the

forthcoming insolvency of a defendant or possible loss or destruction of evidence). Injunctive measures may take several forms, including a provisional seizure of the defendant's assets, a charge on the defendant's real property or the issuance of an order against the defendant to provide sufficient guarantee to the plaintiff.

10 Have any particular issues arisen in financial services cases in your jurisdiction in relation to limitation defences?

The general rule in respect of civil claims is that for tort liability there is a five-year limitation period and for contractual liability there is a general limitation period of 20 years; whereas in respect of particular contracts (eg, commercial sales, professionals' fees, etc), the limitation period is five years.

The pre-MiFID regime governing stock exchange trades of Law No. 3632/1928 provided that disputes between brokers and their clients from on-exchange transactions were subject to a very short limitation period of one year from the date of the respective trade. Legal disputes ensued in respect of that provision and specifically as to whether it included all financial obligations arising from an on-exchange trade – which the courts tended to deny. However, since November 2007, when MiFID was first transposed into Greek law, this provision was abolished and the matter is no longer of any practical interest.

Consequently, there are no particular issues in respect of limitation defences and, as a result, lawsuits must be filed and served to the defendant within five or 20 years from the alleged harmful incidents, depending on their legal basis (tort or contract respectively).

Procedure

11 Do you have a specialist court or other arrangements for the hearing of financial services disputes in your jurisdiction? Are there specialist judges for financial cases?

Greek civil procedure does not provide for any special court or jurisdiction for the hearing of financial disputes. Unofficially, as a matter of internal organisation and in order to optimise the operation of the courts, care is usually taken for complex financial cases to be assigned to judges with sufficient knowledge and experience.

From an administrative law perspective, pursuant to article 25 of Law No. 3371/2005, the decisions of the HCMC imposing administrative sanctions (eg, monetary fines, revocation of licences, etc) for violations of the financial regulatory regime, are brought before the Athens Administrative Court of Appeal.

12 Do any specific procedural rules apply to financial services litigation?

Greek law does not provide for any specific procedural rules applicable to financial litigation. The general provisions of the Greek civil procedural law will apply.

13 May parties agree to submit financial services disputes to arbitration?

Greek law generally recognises the right of the parties to submit any type of dispute (including financial disputes) for arbitration. The primary and general source of law for domestic arbitration are articles 867 to 903 of the Greek Civil Procedure Code.

14 Must parties initially seek to settle out of court or refer financial services disputes for alternative dispute resolution?

No specific alternative dispute resolution provisions exist in relation to financial disputes. However, article 210 of the Civil Procedure Code instructs judges to explore the possibilities for an amicable solution and encourage litigants in that direction before adjudging a case. Furthermore, Law No. 4512/2018 introduced a mediation procedure in civil and commercial cases. Pursuant to article 182 of that Law, disputes arising from stock market contracts are subject to compulsory affiliation in this mediation procedure.

15 Are there any pre-action considerations specific to financial services litigation that the parties should take into account in your jurisdiction?

Greek procedural law does not provide for any specific pre-action procedure and as a result there are no such considerations that parties must take into account. As a general rule, judicial notices are not legally required and are not prerequisites for the main litigation unless special circumstances (eg, an agreement between the parties) require so. The parties must only adhere to the Civil Procedure Rules regarding the prior service of the summons for the court hearing, as well as the notification regarding the witnesses or testifiers in respect of a particular case.

As far as the post-action procedure is concerned, based on the recently enacted Civil Procedure Rules, when a lawsuit is filed, the plaintiff must serve that lawsuit to the defendant within 30 days of filing and both parties (plaintiff and defendant) are obliged to file their pleadings to the court within 100 days of filing. If the defendant resides outside Greece or is of unknown address, the 30-day deadline is extended to 60 days.

16 Does your jurisdiction recognise unilateral jurisdiction clauses?

Under Greek law the parties are allowed to agree to the territorial competence of the court in respect of all their future disputes arising out of a particular legal relationship. Once executed, such a jurisdiction clause is binding for all contracting parties.

The execution of unilateral jurisdiction clauses whereby the one party can bring proceedings in one specified jurisdiction only while the other may choose to bring concurrent proceedings in an unlimited number of jurisdictions is not prohibited in Greek law.

17 What are the general disclosure obligations for litigants in your jurisdiction? Are banking secrecy, blocking statute or similar regimes applied in your jurisdiction? How does this affect financial services litigation?

The principle of banking secrecy provides a wide spectrum of general disclosure restrictions. However, it also provides specific exemptions, according to which the disclosure of information is permitted in certain circumstances. One of these circumstances is the use of client information to the extent necessary to support or refute a lawsuit during the court hearing. Greek Personal Data Protection Law No. 2472/1997 provides that such use is permitted to the extent necessary.

18 Must financial institutions disclose confidential client documents during court proceedings? What procedural devices can be used to protect such documents?

Three issues need examining: (i) whether a financial institution is (or may be) obliged to provide certain information despite its will; (ii) whether and to what extent, a financial institution is able to provide client information to the court in order to effectively support its allegations; and (iii) whether there are other circumstances where a financial institution can be obliged to provide client information to courts and authorities other than civil courts (eg, administrative or criminal proceedings or investigations).

More specifically:

(i) Subject to the general duty of all litigant parties laid down by the Civil Procedure Rules (article 116 of the Greek Civil Procedure Code) to present the truth as they know it without unclear or ambiguous expressions, there are generally no rules obliging parties to disclose certain information, unless such a disclosure is specifically ordered by the court. Therefore, a financial institution may only disclose such amount of information as is deemed appropriate in order to effectively support its allegations during a particular trial. However, this does not mean that any litigant is permitted to knowingly present untrue allegations to the court (eg, a financial institution stating that an event never took place while the files of that financial institution show that such event has actually taken place). Under some conditions (knowledge of the falsehood, purpose of obtaining profit) such behaviour could be criminally punishable as fraud. On the other hand, a financial institution could legitimately deny providing information or furnish documents that include personal data of third parties (ie, not the opposing party and not the financial institution itself) because such third parties are covered by the banking secrecy obligation.

(ii) A financial institution, despite the existence of the banking secrecy duty, may disclose to the court all documents that include confidential information concerning the opposing party in order to effectively support its allegations, but it cannot disclose

personal data of third parties without the prior written consent of such third parties.

(iii) A financial institution is obliged to disclose client information in the context of an administrative or criminal court proceeding or investigation (eg, for money laundering, terrorism or other financial crimes), if requested by the Bank of Greece, the district attorney or the tax authorities.

19 May private parties request disclosure of personal data held by financial services institutions?

As a general rule, disclosure of personal data is not permitted without the prior consent of the subject of this data. However, article 902 of the Greek Civil Code and article 450 of the Civil Procedure Code provide the possibility for a person or entity to apply for the issuance of a court order by which another person or entity (including a financial institution) is ordered to disclose certain documents and the information included therein. To the extent this document includes personal data of third parties, the court may reject the request to issue the aforementioned order if it deems that the interest of the subject of the personal data is more important than the interest of the applicant for the disclosure of the aforementioned documents and information.

20 What data governance issues are of particular importance to financial disputes in your jurisdiction? What case management techniques have evolved to deal with data issues?

The Greek Civil Procedure Rules do not provide for a 'disclosure or discovery' process. Parties are expected to provide all evidence that they rely on. The only means by which a party may request disclosure from the opposing party, is the one described in question 19. As a result, there are no data governance issues that could be considered of importance in Greece.

Interaction with regulatory regime

21 What powers do regulatory authorities have to bring court proceedings in your jurisdiction? In particular, what remedies may they seek?

The competent authorities that are responsible for supervising the exercise of investment and banking activities in Greece, namely the HCMC and the Bank of Greece respectively, may impose immediately enforceable administrative sanctions (eg, reprimand, monetary fine, revocation of licence, issuance of an order to cease or not repeat certain behaviour or activity, a public announcement regarding the illegal activity, etc) in case they deem that a supervised entity has violated the applicable regulatory provisions. However, they are not entitled to bring court proceedings against those entities. In fact, the regulators may issue enforceable administrative legal acts by which they impose sanctions or take measures against supervised persons or entities with immediate legal effect, and the affected persons or entities may challenge these enforceable decisions by filing an appeal before the administrative courts. In other words, disputes between regulators and supervised persons or entities are always brought before the administrative courts with the initiative of the latter.

22 Are communications between financial institutions and regulators and other regulatory materials subject to any disclosure restrictions or claims of privilege?

As a general rule, all communications between regulators and the supervised entities (including financial institutions) are confidential and cannot be disclosed to any third party. However, certain exemptions apply, such as:

- disclosure of information in the context of a criminal investigation;
- upon request of the Ministry of Finance;
- when this information is included in a decision of the board of directors of the HCMC; or
- in the context of exchange of information with a foreign regulator, etc.

23 May private parties bring court proceedings against financial institutions directly for breaches of regulations?

Private parties may only seek compensation before civil courts against financial institutions for damages they suffered as a result of the breach of the applicable rules or contractual arrangements by such financial institutions. Such actions are initiated and generally proceed in the manner described in questions 2 and 3. It is not possible for private parties to initiate civil or administrative court proceedings against such financial institutions for alleged violations of the applicable rules without the existence of personal damage suffered by such parties. From an administrative law perspective, if a private party (eg, a client or an investor) believes that a financial institution has violated the applicable regulatory regime, it may file a complaint to the respective supervisory authority and that authority is obliged to further investigate the case and impose a sanction on that institution if it deems that a violation has indeed taken place. However, such a sanction does not automatically provide any benefit to the person or entity that filed the complaint. On the other hand, if that violation also constitutes a criminal violation (eg, in the event the alleged violation is market manipulation or the use of inside information, which under some conditions also constitute criminal violations), the above private party may file a criminal complaint to the district attorney to further investigate the case and proceed to a criminal trial, again, the party that filed the complaint cannot be a party in that trial and it is not granted any benefit from the potential outcome of the trial, unless it proves that it has personally suffered a specific damage as a result of the behaviour of the financial institution (and through a civil case against the defendant).

24 In a claim by a private party against a financial institution, must the institution disclose complaints made against it by other private parties?

Greek law does not provide for the obligation of financial institutions to disclose complaints made against it by other private parties, therefore, a financial institution is not obliged to act likewise, unless specifically requested by the court, the district attorney or the supervisory authority.

25 Where a financial institution has agreed with a regulator to conduct a business review or redress exercise, may private parties directly enforce the terms of that review or exercise?

No. The Greek regulatory regime does not provide for the possibility of regulators to impose such measures nor are they part of any local practice.

26 Have changes to the regulatory landscape following the financial crisis impacted financial services litigation?

Financial litigation has not been significantly affected by the changes to the regulatory landscape following the global financial crisis of 2008. However, events related to the Greek debt crisis caused an increase in the number of financial litigation cases within Greece. One such case was the private sector involvement (PSI) plan of 2012, by which a write-off of 53.5 per cent of the face value of Greek government bonds was applied. The PSI led to a large number of actions being filed by private as well as professional investors as plaintiffs against the Greek state. In some cases, investors also turned against the financial institutions (mainly banks) that sold them the respective products. In a similar high-profile case, a large number of people who invested in securities issued or guaranteed by Lehman Brothers filed actions against a major international bank that had sold these products in great quantities to retail clients in Greece.

In the banking services sector, new disputes between credit institution and borrowers arose as a result of the financial crisis, with the majority of them relating to the existence of a large number of bank loans to retail clients in foreign currency, such as the Swiss franc. Many borrowers suffered significant damage (eg, increased repayable amount) as a result of the increase in the value of the Swiss franc against the euro, which led them to seek protection from the courts by challenging the respective terms of their loan agreement. It must also be noted that certain statutes for the protection of distressed borrowers came into effect after 2010 as a response to the Greek financial crisis. Many borrowers obtained court protection by resorting to these statutes.

27 Is there an independent complaints procedure that customers can use to complain about financial services firms without bringing court claims?

There is no independent complaints procedure that can replace the filing of claims to the court by a client or counterparty of a Greek financial institution.

However, certain channels exist that can facilitate a client seeking to discuss a possible grievance or dissatisfaction from the products and services of a financial institution, either with the financial institution itself, or with the authorities. More specifically, as stated in question 23, a private party can file a complaint with the competent supervisory authority or the district attorney to have the case investigated from a regulatory or criminal perspective.

Furthermore, a private party may seek to discuss the matter directly with the financial institution itself. This can be achieved in two ways: either directly with the financial institution, or with the mediation of the Ombudsman on Banking and Investment Services, which is a special authority attached to the Ministry of Commerce (General Secretariat of Consumer Protection), competent to intermediate, following a complaint filed by a client, a particular dispute between a financial institution and a client, with the purpose of attaining an amicable solution, if possible.

This does not affect the right of a private party to directly address its complaint to the financial institution itself. Greek law sets forth sufficient procedures in order to facilitate this route. More specifically, banks and other financial institutions operating in Greece are obliged to duly incorporate and maintain a special department that is responsible for handling customers' complaints or grievances concerning the products and financial services they provide. One could, therefore, consider this as not being an independent procedure, however, it is supervised by regulatory authorities. Banks and other financial institutions must notify to their clients in a clear and comprehensive manner, the procedure for the application and examination of the complaints. The outcome of the internal investigation of the financial institution that was initiated following the said complaint must also be disclosed to the involved clients within 45 days of its receipt. Furthermore, banks and other financial institutions must inform the Bank of Greece, on an annual basis, of the number of complaints received, the progress of cases under examination and the average time to respond to complaints. The Bank of Greece provides, on its official website, a list of the options available for making a complaint, for the benefit of investors.

28 Is there an extrajudicial process for private individuals to recover lost assets from insolvent financial services firms? What is the limit of compensation that can be awarded without bringing court claims?

Yes. In respect of investment firms, after the revocation of their licence, a special liquidation procedure commences, during which all clients and counterparties of such investment firm must declare their claims against that firm to the special liquidator. These claims will be satisfied out of the assets of the insolvent firm and if these assets do not suffice, the Investment Services Guarantee Fund will compensate all claims that arise from the provision of investment services, up to the amount of €30,000, which is the maximum compensation amount per client.

In case of insolvency of a Greek credit institution, there is a similar procedure. In such a case, the Deposit Guarantee Fund will provide compensation up to the amount of €100,000, which is the maximum compensation amount per depositor, and €30,000 per investor, for services other than deposit taking.

SOURIADAKIS TSIBRIS

Michael Tsibris **mtsibris@souriadakistsibris.gr**
Giannis Koumettis **gkoumettis@souriadakistsibris.gr**

6 Kriezotou Str
10671 Athens
Greece

Tel: +30 210 3626888
Fax: +30 210 3631631
www.souriadakistsibris.gr

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