

# Suspension of bank transactions due to sanctions against Russia

Topic: **Payment transactions** Case number: **2022/10**

The lawyer of a Swiss public limited company came to the Ombudsman because the bank refused to carry out further transactions for the company, citing the sanctions against Russia. Shortly before, he had lodged an identical complaint with the bank, which had remained unanswered until then. The Ombudsman asked the bank to reply to the complaint. After clarifying the facts, the bank allowed the client to settle the business relationship.

In the course of the measures taken by the Confederation in connection with the situation in Ukraine and the sanctions against Russia, which were adopted by the EU, a number of clients came to the Ombudsman with complaints. These mainly concerned account blockings or the refusal of banks to accept payments from Russia.

Unfortunately, the Ombudsman's possibilities to provide support in these cases were very limited, as he can neither conduct extensive investigations nor make binding decisions vis-à-vis the parties. In addition, the core of the cases concerned risk assessments by the banks, which are fundamentally of a business policy nature and are beyond the competence of the Ombudsman due to his rules of procedure.

Some cases could be clarified quickly because the measures taken by the banks concerned persons who were clearly not affected by the sanctions. However, many cases concerned situations that were unclear and had to be clarified by the bank's specialist units in cooperation with the authorities, i.e. primarily SECO.

In view of the heavy workload on the specialist departments of the banks and the authorities, these clarifications often took a long time. This was understandably very inconvenient for the clients concerned and sometimes also for their employees, who received wages late or not at all. Most of the cases submitted to the Ombudsman resolved themselves after the exact circumstances were clarified in the sense that the blocks were lifted. In some of these cases, however, the banks were no longer willing to continue the business relationship. There was also the situation where the authorities explicitly extended the sanctions to the complainants and the relevant banking relationships thus remained blocked on a clear basis.

In the present case, the problem arose that the Swiss public limited company was indirectly held by a company listed on a European stock exchange. A person who was subject to both the Swiss sanctions and those of the country in which the company was listed held a significant minority share in the listed company. According to the complainant's lawyer, however, SECO had confirmed in writing that the Swiss public limited company was not subject to the sanctions imposed by Switzerland. The lawyer had already lodged a complaint with the bank and submitted to it all his arguments against being subject to the sanctions and thus against the bank's refusal to carry out further transactions for the client. The Ombudsman therefore limited himself to asking the bank to reply to the pending complaint. Unfortunately, it was not possible for him to influence the prioritisation of the pending cases at the bank's specialist departments, which were responsible for sanctions. After an extensive

examination of the circumstances, the bank finally allowed the business relationship to be balanced.