

Print 

Banking



Overly aggressive?
Bank Hapoalim

 **click here to
enlarge text**

'Hapoalim Switzerland misled clients'

Zurich lawyer Daniel Fischer claims Hapoalim's Swiss branch persuaded clients to make high-risk investments with US holding giant Lehman Brothers just prior to it filing for bankruptcy. Bank claims allegations groundless

Tani Goldstein

"Bank Hapoalim's Swiss branch misled its clients into failed investment ventures with Lehman Brothers just before it collapsed last year, causing them to lose millions," Zurich lawyer Dr. Daniel Fischer said recently.

Bank Hapoalim's Switzerland is part of Bank Hapoalim International and specializes in private banking. American holdings giant Lehman Brothers [filed for bankruptcy](#) in September 2008.

Fischer, who threatens to take legal action against Hapoalim Switzerland, said that during 2008 dozens of Hapoalim Swiss clients – the majority of whom are Israelis and all of whom are Jewish – invested large amounts of money with Lehman Brothers. They now claim that the bank coaxed them into making the investments using aggressive marketing methods.

The majority of the funds were lost as Lehman Brothers filed for Chapter-11 in late 2008. Some of the clients then turned to Hapoalim Swiss and asked to be reimbursed for their losses. When they were refused, they turned to Fischer for legal remedies.

"All of the other banks in Switzerland which had clients invest with Lehman Brothers reimbursed them. Hapoalim is the only one that refuses to do so," said Fischer. A potential damages suit would amount to millions of dollars.

"Hapoalim Swiss was the only bank to immediately refer client who contacted them to an attorney. Their entire attitude was dismissive. They act as if they know everything and they're infallible and it's the clients who are idiots.

"The majority of banks which had clients involved in such investments, kept them to small amounts of money," continued Fischer. "Hapoalim advised people to invest large amounts of money with Lehman Brothers – they had people risk too much. I have clients who invested \$2-\$3 million. I have people who invested their entire pensions."

When asked if Hapoalim Swiss could really be held responsible for a decision ultimately made by its clients, Fischer said that "Hapoalim was not just the mediator between the clients and Lehman Brothers.

"They actively and aggressively pushed clients to invest with Lehman Brothers, creating the impression that it was a risk-free investment. They gave people unprofessional advice and failed to tell them that the investment was risky."

Fischer also ruled out the possibility that Hapoalim Swiss may not have viewed the investments as risky, since Lehman Brothers did not show any signs of its impending collapse. "The investments were made in April 2008, when the market was already speculating about Lehman Brothers having trouble," he said. "Hapoalim's bankers should have known something was wrong."

Bank Hapoalim's Switzerland offered the following statement:

"The allegations made by Fischer are groundless. The claim that Hapoalim Switzerland recommended its clients invest with Lehman Brothers knowing it was about to go under is unfounded.

"Attorney Fischer sent the two letters offering only generalized claims. We asked for specific details but were never given any."