



Financial Services Disputes





What are financial services disputes?

Financial services disputes typically arise out of the business of financial institutions, including investment and retail banks, brokers, and funds.

The most common financial services disputes relate to the misselling of financial products and the mismanagement of investment funds. Other common causes of action include breach of contract, breach of fiduciary duties and negligence. These disputes can be brought by individual claimants, or by groups of claimants who have suffered similar loss.

Is funding right for your claim?

We need to understand the details of your claim to ascertain whether it could be funded. It is also important for us to know we can rely on your support in bringing the claim to a successful resolution. Answers to the following questions will help us to quickly assess your claim.

Recoverability	<ul style="list-style-type: none">• Does the defendant have the means to satisfy a judgment made against them?
Economics	<ul style="list-style-type: none">• What amount of funding do you require?• Is any payment likely to be required for security for costs?• What is the exposure to adverse costs likely to be?• Is the claim against more than one party, and if so do you expect them to have separate or joint legal representation?• How long do you expect the case will take?
Experience	<ul style="list-style-type: none">• Who is in the legal team that is representing you, and what is their track record in bringing claims of this type to a successful conclusion?
Merits	<ul style="list-style-type: none">• Are there good grounds for bringing the claim?• What is the value of your financial loss, and how has that been assessed?



What sets us apart?

Harbour is amongst the largest and most experienced funders in the world, having supported cases in 14 jurisdictions and 6 arbitral forums since 2007. Our experience of reviewing over 4,000 claims means we can quickly review the responses to the questions above and provide an indicative view on pricing, before guiding you through our due diligence process.

Our pricing

Harbour provides a flexible and tailored solution to suit your needs. We can cover all or part of your legal fees and disbursements, including potential adverse costs and funding for security for costs.

The pricing of our funding is bespoke and is informed by our view on the specific risks involved. We consider factors such as the claim value, how many claims are to be pursued, the budget required (for IPs, lawyers, and financial investigators), the merits, the jurisdiction of your claim, and any potential difficulties with enforcement.

A number of pricing options are available, with non-recourse funding being the most popular, where Harbour only receives a return when proceeds are recovered. Should the claim be unsuccessful, the risk is entirely ours, and you owe Harbour nothing. Pricing is generally structured as a return of capital plus the greater of a percentage of proceeds and a multiple of our capital.

Recourse funding is also available, which allows a claimant to maximise their return and free up capital. This financing is repayable at the end of the process, regardless of the outcome of the case.

We can also acquire interests in claims and judgments, providing immediate cash payments of an agreed percentage of the claim or judgment value, potentially with more to follow upon successful recoveries if the claimant wishes to remain involved.

We seek to agree pricing which fairly rewards the risk you and we are taking.

Pricing is agreed with our investment team at an early stage in our discussions, and before the case is presented to our investment committee you will know what the pricing is and how an agreement will be structured. More information on pricing and our processes is available on our website.



Financial services disputes case study

Case Study 1

Even in a case where limitation was approaching and where the defendant was a financial institution, Harbour's funding and introduction of a leading law firm led to a successful outcome for the claimants.

The claimant property developers had banking arrangements with the defendant bank which required two signatories on any payment instructions made in relation to their bank account. Despite this, the bank permitted monies to leave the account with just one signature, causing significant losses to the claimants (the funds were fraudulently funnelled away from the business to a dishonest partner). These losses ultimately led to the insolvency of the property development companies, which as a result could not afford to pursue the bank for breach of mandate.

In addition to funding, at the claimant's request Harbour assisted with the introduction of a first class legal team which undoubtedly had a beneficial impact on the prosecution of the claim.

Just 12 months after Harbour commenced funding, the case was successfully mediated to a settlement to the satisfaction of the legal team, the liquidator and the original directors of the company.

Case Study 2

This case demonstrates how even claimants with sufficient capital like to call upon Harbour.

The claimant, a successful SME, introduced an investment opportunity to the defendant bank. In breach of the various confidential agreements made between them, the bank decided instead to take the investment opportunity for itself and acquired the target company using the SME's proprietary information.

Whilst the SME could afford to litigate the claim itself, it decided that it wanted to benefit from Harbour's experience of funding large commercial disputes. Harbour has committed a multi-million pound budget to take the matter through to trial and, as requested by the claimant, Harbour has assisted with the selection of the legal team and provided input on the case strategy.



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