



محكمة قطر الدولية
ومركز تسوية المنازعات
QATAR INTERNATIONAL COURT
AND DISPUTE RESOLUTION CENTRE

In the name of His Highness Sheikh Tamim bin Hamad Al Thani,
Emir of the State of Qatar

Neutral Citation: [2023] QIC (F) 29

IN THE QATAR FINANCIAL CENTRE
CIVIL AND COMMERCIAL COURT
FIRST INSTANCE CIRCUIT

Date: 12 July 2023

CASE NO: CTFIC0030/2022

AHMED AL-KHATEEB

Claimant

v

NEXUS FINANCIAL SERVICES WLL

Defendant

JUDGMENT

Before:

Justice Her Honour Frances Kirkham CBE

Justice Ali Malek KC

Justice Dr Muna Al-Marzouqi

Order

1. The Claimant's claims are dismissed.
2. The Defendant is entitled to its reasonable costs incurred in defending this claim, such costs to be determined by the Registrar if not agreed.

Judgment

Introduction

1. The Claimant in this case, Mr Al-Khateeb, was at material times a customer of Nexus Financial Services WLL ('Nexus'). In 2017, Mr Al-Khateeb made investments, totalling USD 450,000, through Nexus. He claims that Nexus misrepresented to him the terms of the investments as a consequence of which he has suffered financial and other loss. Mr Al-Khateeb brings this claim against Nexus for sums he claims he should have earned on those investments, namely in a bond in September 2017 whose funds were then invested in a note in November 2017 (we set out below details of the bond and note). Mr Al-Khateeb claims the return of the capital sum of USD 450,000 he invested, further financial compensation and an apology. Nexus denies liability.
2. Mr Al-Khateeb has throughout represented himself in these proceedings. Nexus has throughout been legally represented. Mr Al-Khateeb gave his evidence and presented his arguments with skill and courtesy. However, it is clear that Mr Al-Khateeb considers that Nexus is responsible for the financial difficulties he faces and blames Nexus for problems he has with his family. This makes it important to test his evidence against the contemporaneous documents and the likely probabilities.
3. We heard evidence over a period of four days, from Mr Al-Khateeb himself and from Mr Rudolfs Veiss (a former employee of Nexus, and whom Mr Al-Khateeb called to give evidence on his behalf), and from two witnesses called on behalf of Nexus.

4. During the hearing Mr Al-Khateeb sought permission to amend his claim. The amendment was in effect an updating of the financial sums Mr Al-Khateeb claims. Nexus made no objection. We gave permission for Mr Al-Khateeb to rely on the updated figures.
5. Both parties have provided helpful written opening and closing submissions. Mr Al-Khateeb has further updated the quantum of his claim in his written closing submission.
6. With his closing submission, Mr Al Khateeb sought to introduce documents which had not been provided previously. Nexus objected. We refuse permission to admit these documents as Nexus has not had the opportunity to deal with these and we have not been made aware of any good reason why Mr Al-Khateeb could not have introduced these documents before the hearing. We do, however, permit the parties to make reference in written closing to relevant case law and legislation.

Background

7. Mr Rudolfs Veiss was employed by Nexus as a financial adviser from September 2013 until 25 January 2020. In that role, he was not paid any salary by Nexus, but was entitled to receive commission payable by investment providers on the investments he arranged on behalf of Nexus' clients.
8. Mr Alaa Mustafa was employed by Nexus as Business Development Coordinator from 1 February 2017 to 18 April 2017. It appears that Mr Mustafa did not have any formal qualification in respect of financial investments. His role was to target prospects and introduce clients. Nexus did not permit Mr Mustafa to give any type of financial advice. Mr Veiss and Mr Smith (another Nexus financial adviser) were together responsible for supervising Mr Mustafa. Mr Mustafa was not paid any salary by Nexus. Instead, he was entitled to be paid a share of the commission payable to the relevant financial adviser. As a result, Mr Veiss was to share with Mr Mustafa the commission which would be payable to Mr Veiss.
9. In his witness statement, Mr Al-Khateeb says that he met Mr Mustafa in August 2017, though some of the evidence suggests that his relationship with Mr Mustafa

may have preceded that. Mr Mustafa introduced himself as a Nexus financial adviser (although of course by then he was not employed by Nexus). They met repeatedly during that month. In September 2017, Mr Mustafa introduced Mr Veiss to Mr Al-Khateeb. All three met on a number of occasions in September 2017 at Nexus' offices in Doha and elsewhere. They discussed investment by Mr Al-Khateeb in a structured product called the Generali Professional Portfolio Bond, also referred to as the Utmost Wealth Bond (we refer to it as the '**Bond**').

10. On 14 September 2017, Mr Al-Khateeb invested USD 150,000. At the beginning of October 2017, he added USD 300,000 to the initial investment of USD 150,000. These sums were initially held in cash in the Canaccord Fund and were then transferred to the Bond.
11. On 30 November 2017, the investment in the Bond was transferred to the Natixis Triple Index Income Generator Note (the '**Note**'). The Note was linked to the performance of three international indices, namely the FTSE MIB, Hang Seng China Enterprises Index, and the Taiwan Stock Exchange Index. It had the potential to pay out profit, every six months, dependent upon the performance of the three market-driven indices to which it was linked.
12. Nexus had prepared and Mr Al-Khateeb signed a number of documents in connection with the investments and which we consider in detail below.

Mr Al- Khateeb's case

13. In his statement of claim, Mr Al-Khateeb refers to the investment with Generali/Utmost Wealth for USD 150,000. He said:

The contract and its clauses were explained by Nexus team in accordance with my literal requests and my terms as follows:

Profits of no less than 10% annually, to be paid in two payments each year, due at the end of every six months by 5% + 5%

Investment term is open from 1 year to 6 years.

Nexus does not receive fees, charges, or capital gains.

There are no risks to profits or capital, and the risk ratio is 0%.

The capital is comprehensively insured throughout the investment period until termination of the plan any time after the first year.

The freedom to terminate the investment in any case, provided that after the first year, for example, in the second or third year ... etc.

\$5,000 (five thousand US dollars) will be deducted from the investment amount to run the plan as they explained to me, and it will be returned to my account when I decide to end this plan any time I want after the first year.

The only risks are in the event of a comprehensive global war or disasters that occur on the globe, dividing it into two halves.

After several conversations, confirmation of my terms, and assurances from Nexus representatives, I signed this contract consisting of many papers and many signatures.

14. Mr Al-Khateeb maintains:

I was a victim of falsehood, misrepresentation and deliberate misrepresentation by Nexus representatives ... They have never clarified any risks but they lied about this investment plan and they put me in trouble as a result of their greed for commissions and disregard for people and their financial capabilities.

Nexus guarantees (by fraud and deception) what it claims is its fees, whether from 100% of profit or capital (and this is the only thing guaranteed in this investment plan.)

Nexus has been unable to refute my accusations as is evident from their response to my complaint.

This entire investment process was a deliberate lie with intent and disrespect, which caused me huge material damages and psychological and moral damages that resulted in social damages over the past five years from September 2017 until now....

15. Mr Al-Khateeb claimed:

- i. Loss of profits.

- ii. Full and immediate refund of the capital sum of USD 450,000.
- iii. Compensation of USD 100,000 for the damage Nexus has caused him.
- iv. A letter of apology from Nexus
- v. Action to deter Nexus in future.

16. In his Reply to Nexus' Defence, Mr Al-Khateeb accepts that he signed the investment documents on which Nexus rely (and which we discuss in detail below), but said he did so:

... according to what you explained and offered to me, what was agreed upon between me and the financial adviser, Alaa Mustafa, and what was approved by the other financial adviser, Rudolf Veiss.

17. He said that his signature on the documents did not:

... constitute approval by my side of the written provisions provided therein if they are different from what was explained and offered to me. The product offered by Defendant ... is a product which is offered on lies, fraud and deception; a product that should be offered as per my requirements ... which was confirmed by them. This deception and fraud were practiced on me." [The papers] "are full of financial terms, figures, decimals, markets and money, global stock exchanges and financial experts to be understood.....on what basis does Nexus provide me with financial advisers who will take care of my investment plan (one speaks Arabic, the other speaks English) and who are dedicated to explaining its great features whereby I can triple my returns? That is why Mr Alaa Mustafa told me: 'We are both financial advisers who take care of you, so if one of us commits a mistake, the other will correct it so that you (our client) and your investment are in safe hands.

18. Mr Al-Khateeb also made the following statements in his Reply:

I am an inexperienced retail client representing myself in this case.

... the financial adviser, Mr Alaa Mustafa, misrepresented the deliberate lie about the product and the nature of his work. He never stated that the value of the bond may increase and decrease, or that it is related to global circumstances and fluctuations because I will simply reject buying the product and go back to my home. Rather, what I was

informed of is about the force of the bond, that is 100% guaranteed, that Natixis has been making huge guaranteed returns for more than 20 years, and that it is well known in the world of finance and investment.

... Mr Mustafa literally told me ... the Nexus fee will be collected from the returns that exceed 10% on your investment, meaning that your returns will practically reap figures above the 10%, for example, 12% and that 10% net will be transferred to your account in Generali. Hence you are not entitled to claim more from that, and you are free to cancel this product forthwith after the first year of the effectiveness of this bond (the plan). These returns are complete with a full capital guarantee, as no risks at all, in other words (zero risks + zero fees and charges, and freedom of exit). However this shall be done in the middle or end of the second year. When I confirmed with them that they should return meaning without risk, Mr Alaa told me: 'The only risks that may occur on your investment and your money is if, for example, a meteor from space hits the earth, it may split it in half'.

19. In his Reply, Mr Al-Khateeb confirmed that his claim against Nexus is for misrepresentation, deliberate lying, conspiracy between Nexus and Mr Mustafa (and facilitating Mr Mustafa's "disappearance" from Qatar), and violation of various requirements of the Qatar Financial Centre Regulatory Authority.

20. In the amendment/clarification of his claim provided during the hearing (after the end of the second day), Mr Al-Khateeb put his claim as follows:

- i. Profit of USD 180,000.
- ii. Repayment of capital of USD 450,000.
- iii. Less credit for two payments made by Mr Veiss of QAR 6,000, or USD 3,292.
- iv. Compensation of USD 300,000

21. In his written closing, Mr Al Khateeb claims:

- i. USD 5,000 deducted from capital as Operating Fees.

- ii. USD 23,000 in respect of deductions made during the first four years of the term of the investment.
- iii. USD 45,000 being the total loss said to have been incurred in 2022.
- iv. USD 45,000 being the expected total losses for 2023.
- v. USD 183,478 approximately in respect of capital loss, a sum which may change depending on the state of the market: Mr Al-Khateeb estimates this at USD 450,000 less expected value of investment on expiry of its term.

Total amount claimed **USD 563,000**.

Plus, non-pecuniary damages of **USD 300,000**.

22. Later in his written closing submission, however, Mr Al-Khateeb then put his pecuniary claim at a total of a minimum of USD 593,186.

23. Mr Al-Khateeb has not been clear as to whether his claims relate to investment in the Bond or the Note, or both. We have considered both.

Nexus' case

24. Nexus submits that Mr Al-Khateeb's case claim is meritless and contends as follows. His claim has been brought "*in collusion with Mr Veiss ... with the aim of extracting around USD 595,000 (among other things) from [Nexus] ... apparently on the pretext that [Nexus] has professional indemnity insurance*". That, Nexus submits, is an abuse of the process of the Court.

25. Based on the risk assessment questionnaire which Nexus prepared and which he signed, Mr Al-Khateeb was classified as a medium/high risk investor, i.e. a person who has a "*significant capacity*" for his investments to underperform leading to a failure to reach his goals or actual loss of capital invested without a detrimental effect on his circumstances. He was therefore offered investment in the Canaccord Fund, in which the cash sums of USD 150,000 and USD 300,000 were held.

26. In November 2017, Mr Veiss arranged for Mr Al-Khateeb to invest in the Note. Nexus had no knowledge of this. The Note was not approved by Nexus. Nexus did not know that the Note was being offered or the terms on which that offer was made as no suitability report recommending the Note was ever provided to Nexus. Mr Veiss acted independently of Nexus and outside the governance and compliance processes and protocols required for all products managed and sold by Nexus.
27. Although Nexus used its best endeavours to ensure that all its financial consultants complied with its policies and procedures, there was no way for it to prevent a financial consultant deliberately choosing to flout its governance and compliance requirements.
28. Mr Veiss colluded with Mr Al-Khateeb in making a complaint to Nexus and then to the Customer Dispute Resolution Scheme of the Qatar Financial Centre ('CDRS').
29. Mr Veiss deliberately circumvented Nexus' policies including:
- i. Failing to keep Mr Allderidge (Nexus General Manager at material times) updated as to the transfer from the Canaccord Fund to the Bond.
 - ii. Not obtaining Mr Allderidge's sign off before offering the Note to Mr Al-Khateeb.
 - iii. Engaging in unprofessional communications with Mr Al-Khateeb (by preparing Mr Al-Khateeb's complaint of 21 June 2020).
 - iv. Issuing cheques from his personal bank account to make payments to Mr Al-Khateeb.
 - v. Inappropriately using Nexus' letter head in his communications (that allegation appears to relate to two letters purportedly written by Mr Allderidge of Nexus, to which we refer below.).

30. Nevertheless, the Note was “fruitful” for Mr Al-Khateeb, although like many other investments, it was affected by the Covid-19 Pandemic which depressed the market and affected profit levels.

31. Mr Veiss’ statements are:

... wholly unreliable and should be disregarded given he is (i) a disgruntled former employee ... who colluded with Mr Al Khateeb to present a baseless claim against [Nexus] before the CDRS and (ii) accused by Mr Al Khateeb himself of ‘continually lying and deceiving him.

Chronology

32. Discussions between Mr Al-Khateeb, Mr Veiss, and Mr Mustafa had begun during August 2017. On 7 September 2017, a document was prepared by Mr Veiss headed “Confidential Financial Health Check”. The document contained information about Mr Al-Khateeb’s personal circumstances and his tolerance to risk. It included:

Please read the following

The information you provide in this form will be used to identify and assess your financial planning needs and will assist your Nexus adviser in formulating appropriate solutions. Therefore, your cooperation is required in providing us with accurate and complete information.

33. Mr Al-Khateeb’s salary, expenses and value of assets were recorded. He had no liabilities. His budget was said to be USD 150,000.

34. The document contained a section dealing with “risk tolerance”. Mr Al-Khateeb agreed with the following statements:

(1) I would be willing to risk a % of my income/capital in order to get a good return on an investment.

(2) I would accept potential losses in order to pursue long-term investment growth.

(9) Taking financial risks is important to me.

35. He disagreed with the following statements:

(4) I would rather know that I was getting a guaranteed rate of return than be uncertain about my investments.

(7) I do not feel comfortable with financial uncertainty.

36. Nexus scored Mr Al Khateeb's risk tolerance based on his answers to the 10 questions posed. They summarised this as:

Medium/high: you can afford to take some risks within your level of risk tolerance. You have the significant capacity for your investments to underperform leading to failure in reaching a given goal or actual loss of capital invested without it having a majorly detrimental effect on your circumstances.

37. A meeting was held at Nexus' offices on 14 September 2017. Prior to the meeting, Mr Veiss had arranged for documents to be prepared for signature by Mr Al-Khateeb relevant to the proposed investment into the Canaccord Fund and Bond. Mr Al-Khateeb signed this on 14 September 2017 and Mr Veiss countersigned it on the same date.

38. Mr Al-Khateeb signed a further risk assessment form on 14 September 2017. It included the following:

I have no fixed investment time frame.

If the investment performed below his expectation this would have "little affect (sic) as I have alternative investments to support my lifestyle".

If capital were lost this "would cause me to review my standard of living or may affect other goals."

39. He agreed (with a score of 4 out of 5) with the following statements:

- i. I would be willing to risk a percentage of my income/capital in order to achieve good returns.*
- ii. To achieve high returns, you must choose high-risk investments.*
- iii. Taking financial risks is important to me.*

40. In that document some of his answers to risk tolerance questions are different from the answers given in the previous document. His risk tolerance score is shown as "Medium". The document states that Mr Al-Khateeb "is looking for capital protected investment that would generate him quarterly income/semi-annual income." Mr Al-Khateeb signed to confirm that he wanted Nexus to proceed.

41. A Confidential Financial Health Check document was signed by Mr Al-Khateeb and countersigned by Mr Veiss on 14 September 2017. This document contained the following information about Mr Al Khateeb's previous investment experience: "*Local stock exchange in past only*". At the end of that document was a client declaration, by which the client was warned to read documents and to confirm that he had received and/or read documents listed, namely:

- i. Terms of business agreement.
- ii. Confidential fact find.
- iii. Product disclosure document(s).
- iv. Illustration(s).
- v. Fund key fact sheet(s).
- vi. Attitude to risk assessment
- vii. Currency risk

Mr Al-Khateeb signed that declaration.

42. Mr Veiss prepared a Suitability Report for Mr Al-Khateeb. This lengthy document records the information which Mr Al-Khateeb gave to Mr Veiss during their discussions in August/September 2017 and the investment recommended. It includes the following:

You have existing savings that are providing very little return and you wish to consider investment options to attempt to offset the effects of inflation and achieve better returns for some of this amount. You would like a vehicle that enables you to access various international markets.

You have a negative experience with Qatar Stock Exchange market where you have accumulated losses over QAR 3m in past.

I have recommended an investment solution with a Medium High level of risk. This is based in a full assessment of your overall risk profile. Risk Tolerance – you have a psychological willingness to accept a medium high exposure to risk.

You view “Risk” as Opportunity, focussing on potential gains rather than losses. Your aim tends to be for more significant growth and you are comfortable taking on a significant level of risk in order to achieve greater gains. You have significant investment experience or knowledge and are prepared for the volatility in your investments and accept the possibility of getting back less than you paid in, adapting fairly easily when you encounter poor results.. While you do suffer regret you accept that that is the nature of investing. You are willing to expose a significant portion of your assets to risk for making financial decisions with confidence, having an optimistic view of investment.

Capacity for Risk – you can afford to take some risks within your level of risk tolerance. You have the significant capacity for your investments to underperform leading to failure in reaching a given goal or actual loss of capital invested without it having a majorly detrimental effect on your circumstances.

In reality you are financial (sic) able to take on medium high exposure to risk as discussed in your risk questionnaire. My recommendation will reflect this need.”

43. The document set out the financial charges payable in relation to the Bond, including nil establishment charge, an administration charge of 1.25% per annum, and a service charge of USD 187.50 per quarter; Generali would pay Nexus commission of USD 10,500:

Appendix 1 Important Information

Charges

| | |
|----------------------|--|
| Premium Charge | Regular Premiums: before 24 months – nil allocation Years 3-10 – 6% charge (94% allocation) Year 11+ – 2% charge (98% allocation) Single Premiums: 7% charge (93% allocation) |
| Maintenance Fee | \$7.50 per month The policy fee will increase in line with Isle of Man retail price index |
| Policy Charge | 0.25% p.a. deducted quarterly in arrears |
| External Fund Charge | All funds deal at NAV with no Bid offer spreads. Fund AMCs are reflected in the Fund Price |

For complete details please see the Plan Details Guide and Investment Guide.

44. Mr Al-Khateeb signed that document on 7 February 2017.

45. The Generali application booklet describes Mr Veiss as the financial adviser. It confirmed the investment into the Personal Plan Investment Fund in the sum of USD 150,000. The document includes a statement that Mr Veiss had met Mr Al-Khateeb for the first time in August 2017. The booklet contained the following information:

- i. Charges: no initial charge or establishment charge would apply; the service charge was USD 187.50 to be deducted in each quarter while the plan was in force.
- ii. Early Discontinuance Charge: an early discontinuance charge would be applied on full surrender or termination of the Plan, whenever this occurred within 32 quarterly charge dates following the allocation of a Premium initial or additional.
- iii. Risk warning: the value of your Plan is not guaranteed and may fall as well as rise in line with the performance of Investment Instruments. There followed detailed warnings about the applicable risks.

46. An application to invest was signed by Mr Al-Khateeb and countersigned by Mr Veiss on 14 September 2017.

47. Mr Al-Khateeb signed to confirm his understanding of the following:

All documentation received from Nexus should be checked to ensure that it is in accordance with your instructions. Should this not be the case or if you require any clarification of the content, you should contact Nexus immediately.

Nexus is committed to providing you with the information necessary to enable you to make an informed decision about the product you are purchasing. A list of the documents you should receive can be found in the Suitability Report. It is your responsibility to ensure that you read and fully understand the information provided to you by Nexus. If any information is unclear to you then you must ask for clarification from Nexus and ensure that you are satisfied with the answer(s).

Cancellation Rights – Pure Protection and General Insurance

Under the QFCRA guidelines, you have the right to cancel your policy without loss. For pure protection Life insurance policies you may cancel your policy up to 30 days from the receipt of your policy documents. For other General Insurance contracts, you may cancel your policy up to 14 days from the receipt of your policy documents.

Cancellation Rights – Long term, Life Insurance (Savings and Investments plans

Please refer to your Suitability Report for specific cancellation rights.

48. On 17 September 2017, Mr Veiss completed an internal New Business File Check, in which he confirmed the steps taken as regards discussions with Mr Al-Khateeb. This was approved by Mr Allderidge who, at that time, was the General Manager of Nexus' Bahrain operation and senior to Mr Veiss in the organisation (Nexus in Qatar was at that time a branch of the Bahrain entity).
49. On 16 October 2017, Mr Al-Khateeb made a further investment into the Canaccord Fund in the sum of USD 300,000, bringing the total investment to USD 450,000. On that date he signed, and Mr Veiss countersigned, a further Confidential Financial Health Check. Mr Allderidge also countersigned this on 19 October 2017.
50. Mr Al-Khateeb's investment of USD 300,000 was credited to the Bond on 6 November 2017.
51. The next development was a transfer from the Bond to the Note.
52. There is a lack of documentary evidence concerning the investment in the Note. In connection with these proceedings, Mr Al-Khateeb has provided a one-page document dated 28 November 2017 addressed to him. He confirmed in his evidence that he had received this document. It was printed on plain paper, not on Nexus headed notepaper. It is not signed, so the author is not apparent on the face of the document, but Mr Veiss confirmed that he had sent it. Nexus has no record of this document on their files. This document included the following relevant information.

It recorded that Mr Al-Khateeb and Mr Veiss had discussed various investment strategies, and stated:

You would like to change the originally discussed investment strategy from investing into mutual funds into more structured investment ensuring the certainty of regular income from your investment portfolio.

The key importance to this point is that you no longer have a regular income from your employment.

Based on our discussions you are considering to opt to Natixis Tripple (sic) Index Income Generator Note that would ensure income generation at the level of 5% on a semi-annual basis on the invested capital if the underlying conditions are met. The investment would be £445,000 leaving \$5,000 aside in cash account to cover the investment account ongoing fees during Year 1. You are satisfied to have one holding within your investment portfolio only.

The investment would be based on the following markets: China, Taiwan and Italy.

There is potential for early maturity from the end of the first year and semi-annually thereafter. This is a medium/long term investment that may last up to six years. Please see various scenarios on page 4 of the attached brochure. This is in line with your planning needs

In terms of key risks if the issuer defaults all initial capital may be lost, but it is highly unlikely situation, but still technically possible. Please see other risks and warnings in the product fact sheet. ..

You understand that it is your responsibility to read the product brochure provided and understand the information you have been given. You must be satisfied that the solution discussed meet your retirement planning requirements and by signing and returning the provided dealing form you accept the investment placement you are confirming information has been fully disclosed.

Thank you for entrusting Nexus Financial Services and do not hesitate to contact us if you have any further questions.”

53. On 30 November 2017, Mr Veiss and Mr Al-Khateeb signed a document by which USD 445,000 was to be transferred into the Note (the sum transferred was ultimately USD 450,000).

54. A document which appears to date from December 2017 about the Note includes the following information:

Potential return of 5% for each six month period the Note runs (10%). Linked to the performance of the FTSE MIB, Hang Seng China Enterprises Index and Taiwan Stock Exchange indices. Potential for Early Maturity from the end of the first year and semi-annually thereafter. Available in USD. This is a capital at risk investment. This information sheet is for professional advisers only. ...

Term: 6 years with Early Maturity possible on a semi-annual basis from the first 6 monthly observation.

Income of 5% semi-annually (10% p.a.) Income is not paid for a six-month period if the closing price of any one of the Underlyings [ie the FTSE, Hang Seng and Taiwan SE indices] is below the Income Trigger Level for that period. In the event that the income criteria is not fulfilled on an Observation Dates the income for that six month period is permanently lost.

Income Trigger Level: Income will be paid if the closing price of all the Underlyings is at or above 70% of the Strike Level on the semi-annual Observation date.

Strike Date: 15 December 2017, the date on which the Strike Level is set.

Key risks: In the event that the Issuer defaults all Initial Capital may be lost and no further income paid. If the Final Valuation Level of any one of the Underlyings is below 70% of the Strike Level on the Final Valuation Date, there will be a significant loss of capital. The terms detailed in this document apply only if the Note is held until maturity (or Early Maturity if applicable) and opting to exit early may mean Initial Capital is substantially reduced.”

55. That showed that investment in the Note carried significant risk.
56. Mr Veiss did not follow Nexus’ internal procedures in relation to the investment in the Note. The transaction was not brought to Mr Allderidge’s attention. Nexus did not know about the transfer from the Bond to the Note.
57. By emails dated 10 and 12 June 2019, Mr Al-Khateeb corresponded with Utmost Wealth expressing the concerns he then appeared to have. He stated that his investment of USD 450,000 included/provided for annual profit of 10% in 2 semi-

annual coupons; and fees and commission to Nexus would not be taken from his capital or profits but would be met by Generali because the full profit would exceed 12% (“*That was the Deal*”). He would be free to take out 90% of the investment in the first year:

That was the offer mentioned by my financial adviser and upon which I agreed the process. Today morning discussing my Plan with adviser he was talking fully different story ignoring the previous one.

58. By WhatsApp message on 11 June 2019, Mr Veiss wrote to Mr Al-Khateeb: “*we’ll give you a cheque worth USD 2,000. It will be ready later this week.*” In his reply, Mr Al-Khateeb said, “*I want all my gains the %10 fully untouched, and the other USD 5,000 taken from my capital account...*” He later wrote “*... I think this is a kind of fraud .. you were selling me a bunch of empty balloons.*”
59. This refers to the payments which Mr Veiss personally made to Mr Al-Khateeb while he was still employed by Nexus. Mr Veiss made two payments to Mr Al-Khateeb of QAR 6,000, amounting to USD 3,292. He did this after Mr Al-Khateeb had told him of his unhappiness that, from January 2018, the profit payments were less than the 5% + 5% which Mr Al-Khateeb had expected. Mr Veiss told us that he had, at that time, a running account with Mr Mustafa, and had deducted these two sums of QAR 6,000 from money to which Mr Mustafa would otherwise have been entitled (so it appears that Mr Veiss did not, himself, suffer that payment). He told us that once he had left Nexus, he could not afford to keep making those payments to Mr Al-Khateeb.
60. We do not accept Mr Veiss’ explanation that he made these two payments for altruistic reasons. It is clear that this was contrary to Nexus’ policies. We accept that Nexus knew nothing of these payments.
61. In a lengthy WhatsApp message to both Mr Veiss and Mr Mustafa dated 30 June 2019, Mr Al-Khateeb accused Mr Veiss of lying to him; he said that Mr Veiss and Mr Mustafa had misled him “*with false information and false facts which are literally the opposite of what I asked you*”. He claimed to have no money, no work and no income. In his response, Mr Veiss noted that Mr Al-Khateeb had had a similar structured product with the bank prior to moving to the Generali Bond. He

also said that he acknowledged that he learned later that Mr Mustafa “*has not been 100% straight with you.*” He did not accept that he had “*facilitated Mr Mustafa’s misconduct toward*” Mr Al-Khateeb. He went on to say that it was only in 2018 that he learned that Mr Al-Khateeb had expected 10% net returns: “*This important matter was not even clearly stated to me.*”

62. It appears that Mr Mustafa left Qatar on 22 July 2019. He and Mr Al-Khateeb exchanged insulting emails until the end of 2019 reflecting Mr Al-Khateeb’s allegations that he had been misled and referring to difficulties in his private life for which he blamed Nexus. He alleged that Mr Mustafa and Mr Veiss had lied to him concerning the investment.
63. On 25 August 2019, Mr Veiss wrote to Mr Al-Khateeb warning that if he asked for early encashment of his funds, Generali would impose a financial penalty “*as per the original policy documents*”.
64. On 25 January 2020, Mr Veiss resigned from Nexus. He then managed, and was a majority shareholder in and ultimate beneficial owner of, a company called International Financial Services (Qatar) LLC (‘**IFSQ**’), a company engaged in offering financial advice. In his resignation letter of that date Mr Veiss referred to the principal reasons for his resignation, including criticism of Nexus’ management. It is clear that Mr Veiss’ departure from Nexus was not amicable.
65. After Mr Veiss’ departure from Nexus, he and Mr Al-Khateeb were in contact. It appears that Mr Al-Khateeb sought advice from Mr Veiss.
66. In June 2020, Mr Veiss drafted a complaint for Mr Al-Khateeb to send to Nexus, the wording of which Mr Al-Khateeb adopted in full. In that first complaint, dated 21 June 2020, Mr Al-Khateeb said that he was not satisfied with Nexus’ service as no one had told him that Mr Veiss had left the company earlier that year. Nexus had left his investment “*unattended*”. He said:

So far I have received QAR 7,300 every six months from Nexus as I was not told a true story by your representatives about this investment in

full upon opening the account back in 2017. This is in addition to semi-annual coupons by the product provider. ... Therefore either I receive the same amount again and in future as long as this income based product remains in place or you return the whole investment capital (USD 450,000) in full back to me.

67. A subsequent email message from Mr Al-Khateeb to Nexus states that Mr Veiss recommended that he begin the complaints procedure with Nexus because he was sure that Mr Al-Khateeb would “get his money back as quick as possible”. Mr Al-Khateeb went on to say:

Now his motives as I realised eventually were (1) scattering my attention away from him and Alaa [ie Mr Mustafa] for they were both the financial advisers who have manipulated my capital money by misguided me to the proper goal that meets my requirements.. (2) to cover on their untrue stories about the 10% profit and freedom of ending my investment plan at any time I decide after the first year (3) They both have realised that I discovered everything and I will make my complaint at any time, my complaint would've taken place like 1 year ago if it weren't to Rudolf who told me to give a chance until end of June 2020 for he claimed that he knew that my investment plan will end automatically and Utmost will send my capital money quickly to my bank account. He also has started to pay differences to supplement my 10% by paying 7,300 QAR as initial covering at every coupon receive from Utmost. But even though it is more surprising my coupon value is decreasing every time by USD500 – it is like he deducts from my coupon from Utmost to give me in cash to make me feel that he is really covering the actual differences of my 10%. (4) He tries to scatter my attention again when he confessed his mistakes along with Alaa about my investment plan, that is my 10% has decreased to nearly 7% in addition to extra charges being taken from my capital and the Plan itself is so vague, no shape no date no life time to know, no information to understand and build on.

68. Mr Al-Khateeb's complaint was dealt with by Mr Gary Hines, General Manager of Nexus' Doha office. He had some discussion with Mr Al-Khateeb in June 2020 concerning the complaint.

69. On 12 July 2020, Mr Al-Khateeb sent a further complaint to Nexus. This time he said that both Mr Veiss and Mr Mustafa had advised him to accept the Generali Plan. He said that the advice included that the capital sum would be:

... charges free under any circumstances that might occur even in case of planets wars, earth disasters that might split universe in two, 100% of my capital amount will be guaranteed in addition to full profits ... This was mentioned by both Rudolf and Alaa as financial advisers ... according to their recommendations and guidance I signed several papers. The papers have numbers, figures and financial expressions, even some of the papers I made several signatures on. I mentioned to them, all these papers type of language I don't understand, they said: 'everything in these papers is what we have explained to you'. Continuous incorrect and misleading information to distract my attention all first year time by both financial advisers especially Alaa who was backed up by Rudolf to make me not worry or be concerned, Alaa was even urging me to sell out my real estate to increase my investment in Generali, I was following him and having coffee with him nearly every day,. Both were lying to me all the time, Alaa was playing the role of misleading and distraction, Rudolf knows everything until I discovered him and discovered everything. ...[Mr Veiss] apologised and explained that the whole case was mixed by mistake with another customer and he would make up for me by certifying a quick cheque amount of USD 2,000 in time and another QAR 6,000 end of year 2019 to help make up for the year 2018 and 2019 coupons. ... On 28 November 2019 I met Rudolf ... suddenly he confessed again it was a misguidance he and Alaa have done to me, and it was all Alaa's mistake and Nexus office has issued a letter of warning to Alaa to discipline him. ... Both have cheated, lied to me and kept their mouth shut.

70. On 22 July 2020, Mr Al-Khateeb transferred management of his investment portfolio to Mr Veiss at IFSQ.

71. Mr Hines dealt with that second complaint. Nexus asked Mr Veiss to make himself available to discuss the complaint and to provide any information that he might have to assist Nexus in its investigation and ability to address and resolve the complaint. Mr Veiss' response was defensive, asking whether Nexus was seeking genuine assistance "*or making some indirect threats to me.*"

72. Mr Veiss spoke to Nexus in August 2020. Mr Alderidge's report of what Mr Veiss had told him included the following:

- i. Mr Al-Khateeb complained on a regular basis.
- ii. Mr Al-Khateeb transferred to IFSQ as Mr Veiss had left Nexus.

- iii. Mr Al-Khateeb was unhappy that his income was effectively reduced by the Bond charges, but this had been fully explained at the outset and was noted in the suitability report.
- iv. Mr Veiss stood by the advice he had given in 2017 and believed it was in Mr Al-Khateeb's best interests.
- v. Mr Veiss would speak to Mr Al-Khateeb and reiterate the original advice given and why it remained valid.

73. On 2 September 2020, Mr Hines emailed Mr Al-Khateeb to tell him that Nexus rejected his complaint, and set out the reasons, including that:

- i. As a client of Mr Veiss, Mr Al-Khateeb had provided all necessary documents.
- ii. The investment into the Note had been completed "*without any advice from Nexus*".
- iii. Mr Al-Khateeb had received all information again from the provider in 2019.
- iv. Mr Al Khateeb had "*confirmed that all misconceptions [had been] addressed and that you were happy with the level of service you received from Mr Veiss*"

74. That email also noted that Mr Al-Khateeb's letter of complaint had been drafted by Mr Veiss, which gave the impression that the two were "*collaborating*" by making the complaint.

75. In August 2022, Mr Al-Khateeb asked to be taken back as a client by Nexus; they refused.

76. On 22 September 2020, Mr Al-Khateeb referred his complaint to the CDRS. By letter of 3 January 2021, the Qatar Financial Centre Regulatory Authority wrote to Mr Al-Khateeb to report that the CDRS had determined that the matter was outside its jurisdiction, because of the value of the subject of the complaint.

77. Thereafter Mr Al-Khateeb issued these proceedings against Nexus.

The discussions between Mr Al-Khateeb, Mr Veiss and Mr Mustafa in 2017

78. In issue in this case is what was discussed between Mr Al-Khateeb, Mr Mustafa and Mr Veiss between August and November 2017. We have evidence from Mr Al-Khateeb and Mr Veiss. Mr Mustafa has not given evidence.

79. In his first witness statement Mr Al-Khateeb said:

... after the very tempting assurances from Mr Mustafa on the strength of the investments and their related guarantees and the percentage of profits, I tripled the amount, so that the amount of investment in Generali/Atmost (sic) became \$450,000, provided that it would be according to my conditions that I requested and which they shared with me as well, namely:

Profits shall be not less than 10% per annum, disbursed in two instalments each year, each instalment to be paid at the end of every six months, at the rate of 5% + 5%.

The investment period shall be open from 1 year to 6 years. This means that I can withdraw at any time during these six years ... Both advisors said that.

Nexus shall not receive any charges or fees, neither from the profits nor from the capital.

No risk to profits or capital and the risk ratio is zero%. And that Nexus fees and charges will be paid from the profits after the 10%, exactly as explained above.

The capital is comprehensively secured throughout the investment period until the termination of the plan at any time after the first year. This was confirmed by the financial advisors which made me more reassured that my money is safe.

Freedom to terminate the investment at any time after the first year, for example, in the second or third year ... etc.

\$5,000 would be deducted from the investment amount to put the plan into operation as they explained to me, and it would be returned to my account when I decide to terminate this plan at any time I wish after the first year...

The only risks are in the event of a devastating world war or catastrophes that divide the globe into two halves. (This was literally said by Mr Mustafa.)

80. In his second statement, Mr Al-Khateeb did not provide any further evidence as to the nature and content of the discussions in August – November 2017 regarding his investments (Mr Al-Khateeb does, however, express – in excitable and at times offensive language – his anger at the content of statements made by Mr Allderidge and Mr Hines in their statements. He refers to the puzzling features of some of the documents produced in this case, for example as regards the relationship between Mr Mustafa and Mr Veiss until 2019, the letters purportedly written by Mr Allderidge regarding Mr Mustafa and the puzzling fact that Mr Veiss personally made two payments to Mr Al-Khateeb. We discuss these matters below).

81. At the hearing, Mr Al-Khateeb was asked about the discussion he had at Nexus' offices in 2017. He said that he was concerned about the annual profit which would be payable. He said he was told the profit was 10% guaranteed, "*indeed 300%*". There was no risk at all of any loss; he would be able to withdraw his capital at any time "*at my behest*"; the capital could be repaid one day after he withdrew. Mr Al-Khateeb was asked questions about the risk profile document which he had signed. He said this: "*was a satirical farce, I regret to say.*" He said he was given "*a package of documents with labels*" and asked to "*sign here, sign there*". He agreed that he signed a number of documents, "*but was not explained what is each item*". He just signed where post-it notes indicated his signature was needed. Mr Mustafa explained to him in Arabic where he should sign.

82. Mr Al-Khateeb said that, although he had previously said he could not recall, now he could recall exactly the circumstances regarding his signature on the documents. He said that the information on the risk profile, which demonstrated that he had

significant investment knowledge and understood the volatility of investments, “was never explained to me, neither of the two advisers had the audacity to explain the risks”.

83. Mr Al-Khateeb described his discussions with Mr Mustafa and Mr Veiss as “simplified explanations according to my understanding by Mr Mustafa”.

84. Mr Veiss’ statement contains nothing about discussions with Mr Al-Khateeb in August and September 2017. As regards the transfer of the investment into the Note, Mr Veiss made the following statements:

I as Nexus representative provided amended document to Mr Al Khateeb in November 2017 that captured basic revised investment product features and information of the Natixis Note in presence of Mr Mustafa in Nexus offices in ... Doha. It can be argued if the explanation and provided information was sufficient, but there were limited guidelines from the firm at the relevant time.

I have no recollection of any repeat discussions of Utmost policy charges implication on the stated Natixis investment product in 2017 post issuance of the Utmost Bond and before investment placement with Natixis. I personally believe that there are multiple misleading facts that Mr Mustafa shared with Mr Al Khateeb verbally that undermines both Utmost Wealth bond and investment product, Natixis, suitability to the customer including stated timelines for the bond and the investment.

85. In his statement Mr Veiss said that Mr Al-Khateeb and Mr Mustafa:

... appeared to have a very close personal relationship in 2017. Mr Mustafa participated in all face-to-face meetings with Mr Al Khateeb with my presence with customer in the Nexus offices at the relevant times.

He said that there were different business transactions between Mr Al-Khateeb and Mr Mustafa besides the investment in the Note.

86. Mr Veiss was asked why he had agreed to give evidence on behalf of Mr Al-Khateeb. He said that he “firmly believed that the central issue is Mr Mustafa’s conduct” and that he wanted to help Mr Al-Khateeb and to maintain faith in the financial system.

87. He confirmed that Mr Mustafa and Mr Al-Khateeb had many dealings outside Nexus. Mr Veiss maintained a close relationship with Mr Mustafa during 2017, 2018 and 2019, during which Mr Mustafa introduced a number of clients to Nexus. He did not tell Mr Al-Khateeb that Mr Mustafa was not employed by Nexus. Mr Veis said that Mr Mustafa “*had some sort of ongoing relationship with Nexus*”, but was unable to explain what that might be.
88. Mr Veiss believed that he advised Mr Al-Khateeb correctly as regards his investments. He said that the documentation was in order. They “*went through all the key points but amendments and implications were not fully explained or other parties interfered*”. He mentioned “*misunderstanding*”, but without explanation. He said he did not “*intentionally*” misinterpret the terms of the Bond or Note; he had seen the paperwork, and “*there are some discrepancies, there’s an underlying problem.*”
89. Based on his discussions with Mr Al-Khateeb, Mr Veiss completed the risk profile and agreed with Mr Al-Khateeb that his risk profile was medium to high.
90. Based on Mr Al-Khateeb’s requirements and in consultation with Mr Mustafa, Mr Veiss believed that the Bond and Note were in Mr Al-Khateeb’s best interests.
91. Mr Veiss said of some of the paperwork: “*I needed to go through the key information, complete the gaps, confirm his understanding of the fees*”.
92. Mr Veiss said they discussed the Note and confirmed the transfer to the Note in November 2017. At the time he believed that Mr Al-Khateeb was satisfied with the Bond and later with the Note; he learned about 6 months later that Mr Al-Khateeb was not happy with the investments.
93. Mr Veiss was asked whether all the information provided to Mr Al-Khateeb was accurate and valid. He said that it was “*in terms of the paperwork for taking out the Bond and the Note*”. At the time the paperwork was accurate but there were

“problems with the paperwork”. But Mr Veiss did not explain what these problems were.

94. It was put to Mr Veiss that he was not involved in any incorrect advice to Mr Al-Khateeb. He replied, *“I must admit I was part of the misconduct which is why I am putting it right today”*. His motive he said was so that faith in financial services could be maintained. He did not, however, explain the nature of that *“misconduct”*. Significantly, Mr Veiss was asked: *“You never misrepresented the terms of the Bond or Note to Mr Al-Khateeb?”* Mr Veiss replied:

Not intentionally no and that’s where the compliance still checks the paperwork. I have seen the paperwork. I know there are various some discrepancies but I think that’s from what paperwork says and what was verbally said between the firm representatives and Mr Al-Khateeb...

95. Nexus’ policies required senior managers to sign off transactions. Mr Veiss accepted that he did not refer the paperwork concerning the investment in the Note to senior management for approval. He claimed that that step was not necessary.

96. In answer to a question from Mr Al-Khateeb, Mr Veiss said that they had discussed the investment strategy for the Note in detail in November 2017.

97. Mr Veiss wrote the 28 November 2017 document summarising the investment into the Note. He claimed that at the time there was no requirement that such a document be on Nexus’ headed notepaper. That is plainly an implausible excuse. We have been given no good reason why Mr Veiss did not deal properly with the formality required for a document summarising the Note. As was put to Mr Veiss, he had no concern about failing to comply with Nexus’ requirements if it suited him to ignore these.

98. Mr Veiss confirmed that he had drafted Mr Al-Khateeb’s complaint to Nexus in June 2020. He did not disclose this to Nexus at the time, so Nexus did not know that Mr Veiss was both advising Mr Al-Khateeb and assisting Nexus answer the complaint.

99. Mr Veiss accepted that there is no financial instrument without risk. He agreed that the 2017 investments were “*full of risk*”. He suggested that the advice he would give today would be different from the advice given in 2017, as requirements and policies had changed, but did not explain what those differences might be.

100. Mr Veiss explained that he had made the two payments personally to Mr Al-Khateeb because “*that was pretty much the difference between this net figure coupon and after policy charges so that was to when it was when I could put my hand up and say right we need to correct this with the customer.*”

Mr Al Khateeb’s experience as an investor and his appetite for risk.

101. Mr Al-Khateeb portrays himself as a naïve and inexperienced investor. We do not accept that. It is clear that, prior to his involvement with Nexus in the summer of 2017, Mr Al-Khateeb had made risky investments. He had experience of the volatility of financial markets before September 2017. Mr Al-Khateeb had invested in the Qatari market and had suffered “*huge losses and all my financial assets in the country less USD 700K*”.

102. The Nexus Suitability Report dated 14 September 2017 recorded that Mr Al-Khateeb had had “*negative experience with Qatar Stock Exchange market where you have accumulated losses over QR 3m*”.

103. It is clear from WhatsApp messages between Mr Al-Khateeb and Mr Mustafa that he had been willing to consider investing in cryptocurrency. Mr Al-Khateeb wrote in an email dated 12 July 2020, “*the previous time when Alaa has cheated me twice, in cryptocurrencies and property of his in Egypt.*”

104. Further, the detailed documents prepared by Nexus in 2017, and which Mr Al-Khateeb signed as an accurate record of his financial circumstances and appetite for risk, indicate that he was willing to invest in funds which would expose him to risk.

105. We are not persuaded that Mr Al-Khateeb was an inexperienced investor as he suggests. He plainly had investment experience at the time he decided to invest in

the Bond and then the Note. He was able to understand the risks associated with such investments. We reject his evidence that he believed that there was no risk in these structured products. Clearly that was not the case and the documentation he signed shows that he accepted and understood the risks involved.

106. It is not entirely clear from the papers whether Mr Al-Khateeb made a claim against Nexus for mis-selling in addition to misrepresentation. However, we consider that any duties on the part of Nexus to advise on the products were satisfied by the documentation that was signed by Mr Al-Khateeb.

Roles of Mr Veiss and Mr Mustafa.

107. Mr Al-Khateeb chose to call Mr Veiss as a witness to support his claim. We approach his evidence with care and have little confidence in it for the reasons explained below.

108. Mr Veiss was employed by Nexus as a financial adviser from September 2013 until 25 January 2020. As Nexus submits, Mr Veiss was subject to Nexus' compliance procedures and protocols regarding the conduct of financial consultants, including the following:

- i. A due diligence process was to be followed by all financial advisers regarding client investment advice; appropriate documentation and prior written approval had to be provided for any surrender and replacement of a client policy (such as when Mr Al-Khateeb moved funds into the Note from the Bond).
- ii. A financial adviser had to be involved in signing off any suitability and fund report before advice as to the transfer of funds from one financial instrument to another is presented to the client, and thus before the client invests on the basis of any such advice.
- iii. Investment recommendations in all financial instruments (including for example the Canaccord Fund and the Note) were to be submitted for review by the compliance department.

- iv. There was a general practice whereby more senior personnel would sign off documentation in relation to a new client; this would usually involve discussion as to the suitability of the investment.
- v. A requirement to act with honesty, integrity, fairness, due diligence and skill and to conduct oneself in such a manner so as not to adversely affect the business, good standing or reputation of Nexus.
- vi. Informing a client of disadvantages and risks of financial solutions.

109. It is clear that Mr Veiss sometimes ignored Nexus' protocols and procedures.

110. Mr Veiss recommended that Nexus engage Mr Mustafa because of his contacts in Qatar. Although Mr Mustafa had been dismissed by Nexus on 18 April 2017, it is clear that he remained in contact with Mr Veiss after that date – for example, he attended meetings at Nexus' offices with Mr Al-Khateeb and Mr Veiss in September and November 2017. Other evidence demonstrates that Mr Mustafa introduced other clients to Mr Veiss after Mr Mustafa's employment by Nexus had terminated. We have referred above to Mr Veiss having maintained a running financial account with Mr Mustafa after the latter's employment by Nexus had terminated.

111. Mr Veiss assisted Mr Al-Khateeb to make his complaint to Nexus – indeed, Mr Veiss wrote this, and Mr Al-Khateeb simply used Mr Veiss' draft and sent this to Nexus in his own name. When Nexus invited Mr Veiss to assist Nexus deal with Mr Al-Khateeb's complaint, Mr Veiss did not disclose to Nexus the relationship he then had with Mr Al-Khateeb or that he had drafted the complaint. Nexus learned this later from Mr Al-Khateeb.

112. It was Mr Veiss who advised Mr Al-Khateeb to make reference in the complaint to Nexus' professional indemnity insurance. It may be that he and Mr Al-Khateeb considered that a claim could thereby be easily and quickly resolved in Mr Al-Khateeb's favour.

113. Mr Al-Khateeb has produced two letters which, he says, Mr Veiss gave him. These are letters purportedly written by Mr Allderidge. Both appear to be on Nexus' headed notepaper. One is dated 6 February 2019 and is addressed to the Immigration Department, Doha. That letter states that Nexus would have no objection to Mr Mustafa transferring his employment to Nexus, "*to work as Marketing [sic] and draw a salary of QAR 6,000 per month plus commission*". The other is dated 23 September 2019 and is addressed to "*Commonwealth of Dominica – Ministry of Finance*". It purports to confirm that Mr Mustafa "*is presently working for this company as a Business Relationship Manager and has been since 1 March 2017*". The content of the two letters suggests that Mr Mustafa was still involved in some way with Nexus as late as September 2019.
114. Mr Al-Khateeb's case is that Mr Allderidge had given these two letters to Mr Veiss to hand to Mr Mustafa in order to assist Mr Mustafa resolve some personal issues.
115. Nexus' case as to these two letters is wholly unsatisfactory. It has changed over time. Mr Allderidge signed an affidavit dated 24 October 2022 in which he declared that he was "*neither the author, nor the signatory*" of the 23 September 2019 letter. In their Response to Mr Al-Khateeb's Reply, Nexus stated, "*Mr Allderidge did not prepare, sign or issue*" these letters. Mr Allderidge said in his first witness statement that he was not aware of any relationship between Mr Veiss and Mr Mustafa beyond what was in Mr Mustafa's contract of employment. He recalled that, at some point between 2018 and 2019, Mr Mustafa unexpectedly reached out to him for help regarding his visa and residence permit as Mr Mustafa wanted to return home to Egypt; Mr Allderidge did not recall writing the letter of 6 February 2019, but, if he did write it, the purpose of the letter would have been only to assist Mr Mustafa obtain a new residence permit so that he could visit his family in Egypt.
116. The evidence concerning these two letters remains unclear. We reach no conclusion as to who wrote them. If Nexus had indeed given these letters to Mr Veiss, there is no satisfactory explanation why he, in turn, should have handed them to Mr Al-Khateeb.

117. But in any event, the letters add little to the issues we must decide. It is clear from other evidence that Mr Mustafa visited Nexus' offices and had meetings there with clients long after his employment had been terminated. His presence was at the least tolerated by Nexus.

118. We are not persuaded by Mr Veiss' evidence that his motives for assisting Mr Al-Khateeb with this case were selfless. Although he denied this, it is clear that he and Nexus parted on bad terms. We consider that it is likely that his motivation for helping Mr Al-Khateeb was pursuit of a grudge or grievance directed towards against former employer.

119. Mr Veiss places all of the blame for any misconduct on Mr Mustafa but does not explain the nature of what he described as misconduct. He made rather veiled comments about the advice given to Mr Al-Khateeb but has not explained in any detail the respect in which he says any advice was incorrect or might have been misleading. Mr Veiss' evidence that he lacked knowledge about Mr Mustafa's actions is implausible: he was present at the relevant meetings with Mr Al-Khateeb and Mr Mustafa, and indeed was Mr Mustafa's supervisor when he was employed there.

Whether Mr Mustafa or Mr Veiss misrepresented to Mr Al Khateeb the terms of the Bond or Note.

120. Mr Al-Khateeb's case has changed. He initially alleged that Mr Veiss had been guilty of continually lying and deceiving him. Now, however, Mr Al-Khateeb says that it was Mr Mustafa who deceived him as to the investments.

121. It appears that, at the relevant meetings in September and November 2017, Mr Veiss spoke in English and Mr Al-Khateeb and Mr Mustafa conversed in Arabic. Mr Al-Khateeb's first language is not English. During the hearing he asked for a translator to assist. However, it was clear to us that Mr Al-Khateeb's English language skills are reasonably good; he frequently spoke in English during the hearing, including putting some of his questions to witnesses in English rather than

Arabic and we are confident that he understood what Mr Veiss told him at the time and which led to completion of the documentation referred to above.

122. The evidence as to discussions and advice in November 2017 as regards the Note is unclear. Mr Al-Khateeb alleges that Mr Mustafa told him that the proposed investment was totally safe. Mr Veiss said that he had heard Mr Mustafa on other occasions make statements such as that the only risk to an investment would be if “a meteor from space hits the earth, it may split in half”. We accept that it is possible that Mr Mustafa said this at some stage to Mr Al-Khateeb. However, given Mr Al-Khateeb’s experience of financial investments and the documentation he was provided with, we consider it inherently unlikely that he would have believed any such statement by Mr Mustafa to mean that the investment would be risk free or profits guaranteed at a particular level. Only the most naïve and inexperienced investor would have believed such an absurd puff. As explained above, Mr Al-Khateeb was not a naïve or inexperienced investor when he chose to make the investment in the Bond in September 2017 and the Note in November 2017.

123. The unsigned document dated 28 November 2017 summarises the terms of the Note. We conclude that it is likely that the content of that document reflected the explanation which Mr Veiss had given orally. We also conclude that it is probable that Mr Al-Khateeb understood what Mr Veiss was saying. Mr Al-Khateeb had that document before he invested in the Note.

124. Further, the Generali Bond Application Booklet, which Mr Al-Khateeb signed, contained a warning; it stated: “[the] Plan is not guaranteed and may fall as well as rise in line with the performance of the investment instruments ... the value of the entire Plan may be at risk”.

125. The Dealing Instruction regarding the Note stated that the instrument was higher risk and could provide a return or loss, including of “capital”.

Conclusion

126. We conclude that Mr Al Khateeb’s claims are not credible. We find that he:

- i. was an experienced investor who was aware that it was possible to suffer losses as well as make gains;
- ii. had been made aware of the key terms, including the risks, of the investments;
- iii. has not proved that either Mr Veiss or Mr Mustafa made the representations to him or gave him explanations as to the terms of either the Bond or the Note as he alleges;
- iv. has not proved that he was the victim of falsehood or misrepresentation by Nexus representatives;
- v. was not induced by any representation made by Mr Veiss or Mr Mustafa to enter into either of the Bond or the Note; and
- vi. has not demonstrated any breach of contract or of duty of care by Nexus that has caused him loss or damage.

127. Mr Al-Khateeb's claims therefore fail.

128. Even if we had concluded that Mr Al-Khateeb's claim had merit, it would have been necessary to take a detailed and critical examination of the sums he claims as damages. Mr Al-Khateeb plainly would not have been entitled to all the sums he claims because (apart from other considerations) (i) he has failed to give credit for the sums paid personally by Mr Veiss (though Mr Al-Khateeb did acknowledge, in his closing, that he must give credit for those payments) and the sums he has himself withdrawn from the Note, and (ii) he has failed to take into account that the Note will have a capital value when it matures in December 2023.

129. As Mr Al-Khateeb's claims fail and Nexus has been successful, Nexus is entitled to be paid by Mr Al-Khateeb its reasonable costs of these proceedings. If these are not agreed, they are to be the subject of an assessment by the Registrar.

By the Court,



[signed]

Justice Her Honour Frances Kirkham CBE

A signed copy of this Judgment has been filed with the Registry.

Representation

The Claimant was self-represented.

The Defendant was represented by Ms Natasha Zahid of Clyde and Co (Dubai, UAE).