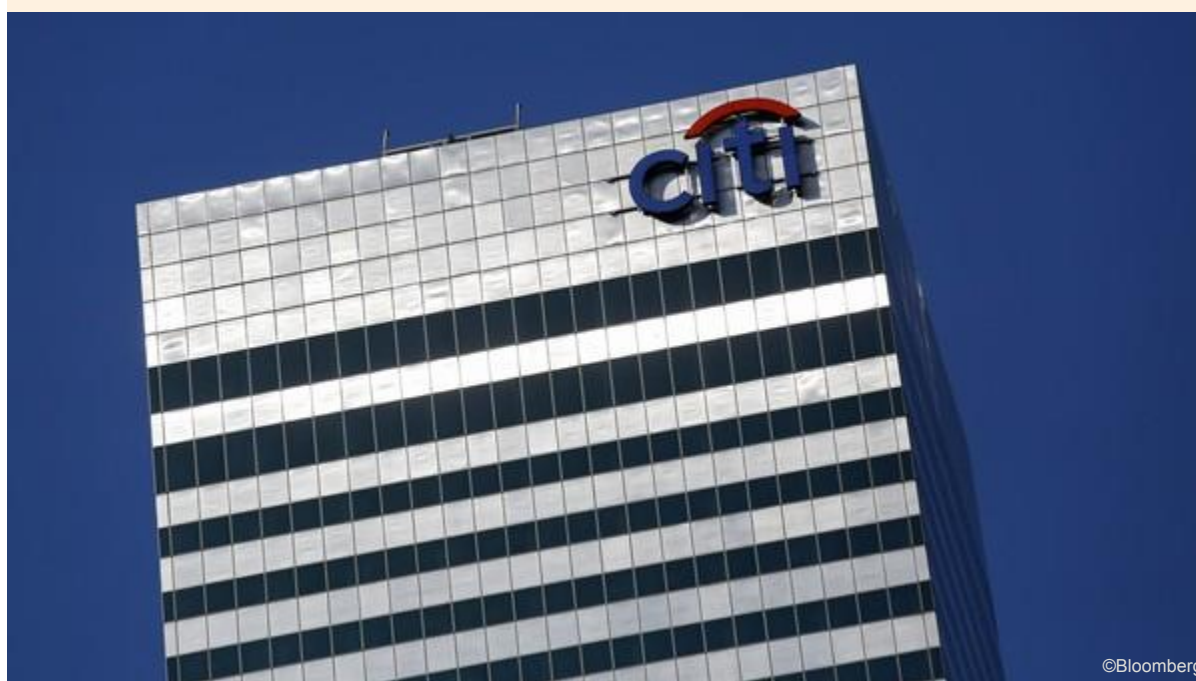


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# Citigroup FX trader seeks ‘truth’ in wrongful firing case

By Katie Martin and Jane Croft

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A former Citigroup trader told a London employment tribunal on Tuesday that he was “not here to mud-sling” but to ensure “truth about foreign exchange at Citi is heard once and for all”, at the start of a wrongful dismissal case focused on the bank’s handling of the currencies-trading scandal.

Perry Stimpson was one of several traders fired by Citi in 2014 when the bank found itself at the centre of controversy over how dealers handled transactions in the multi-trillion-dollar a day market. The bank has so far paid \$2.29bn in fines around the world.

Mr Stimpson is representing himself in the case and objected to an application by Citi to keep the names of senior managers confidential. “My dismissal was a public

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As in all unfair dismissal cases, the onus will be on Citi to demonstrate that it acted fairly. The bank declined to comment.

The stakes for the bank are high. If Mr Stimpson were to prevail, the case could create the impression that Citi fired staff first and asked questions later.

Mr Stimpson was dismissed by the bank for gross misconduct in November 2014. The bank also dismissed several traders on similar grounds as the scandal over alleged efforts at market manipulation and inappropriate sharing of client information snowballed.

Citi was not the only one to act quickly. Already under fire for the Libor fixing scandal, several banks moved quickly to take disciplinary action against their staff when the glare settled on currencies trading. The large currencies-dealing banks also fired dozens of staff members, clearing out almost an entire generation of senior traders.

“It all shows how the goalposts have changed. Whether it’s Libor or FX or anything else, what was once normal practice has now changed, and people are being dismissed,” said Ronnie Fox, principal at the Fox law firm.

Mr Stimpson’s case could also strengthen the hand of other traders who are bringing actions against the bank, including Carly McWilliams, who was suspended while on maternity leave, according to several people familiar with the matter, as well as David Madaras and Robert Hoodless.

The case could also bring to light the inner workings of Citi’s currencies-trading business. Chief executive Michael Corbat has described the scandal in the past as “an embarrassment to our firm”.

Jo Keddie, an employment lawyer at Winckworth Sherwood, said that the tribunal will “certainly set some very useful precedents in terms of whether there was due process and whether the decision by the bank to fire him was within the range of reasonable responses”.

Ms Keddie added that it is “very important for employers to act consistently. It’s very likely that senior managers knew about the trading activities, and the claimant may have evidence about what those senior managers knew”.

Citi’s written arguments to the tribunal state that it used external lawyers to conduct a review into its spot FX trading business. That review found at least 12 instances of Mr Stimpson using Bloomberg’s multi-trader chat facility “in which he appeared to share client confidential information with traders at other banks, including code names to identify clients’ identities and

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Jerome Kemp, Citi's global head of futures business and the OTC clearing business, testified to the tribunal on Tuesday that the basic principles of client confidentiality at the bank applied whether traders were using the phone or chat rooms.

In his written witness statement, Mr Kemp said there was a “clear difference” between sharing “market colour” in chats with other traders and “disclosing confidential information about clients and trades..”

“I was also concerned about the disrespectful and inappropriate language used to apparently refer to [Citi's] clients,” he added in the statement. Upholding client confidentiality is made “extremely clear” to all Citi employees and is “sacrosanct and not to be violated”, Mr Kemp added.

The case continues on Wednesday when Mr Kemp is due to finish his evidence.

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