

**PRESS RELEASE**

## **BETTER FINANCE congratulates the Norwegian Consumer Council (Forbrukerrådet) on its historic collective redress victory in the name of individual fund investors in Europe.**

**Brussels, 3 March 2019** - BETTER FINANCE congratulates the Norwegian Consumer Council (NCC) on its historic collective redress victory in the name of individual fund investors in Europe.

On Friday 28 February, the Supreme Court of Norway unanimously upheld the 2019 decision of the Oslo Court of Appeals obliging DNB ASA, Norway's largest financial services group, to pay back the equivalent of € 34 million to nearly 180,000 individual savers

In a landmark case for European savers, the Norwegian banking group's asset management arm was found guilty of closet indexing, referring to the practice of fund managers claiming to manage portfolios actively when in reality the fund is managed passively and stays close to a benchmark. Managers of such falsely active funds charge fees for active management whilst in reality they merely track their mainstream benchmarks, a much cheaper service to provide.

Apart from the Financial Conduct Authority (FCA) - the financial regulatory body in the United Kingdom - National Supervisors of the main EU fund domiciles where [BETTER FINANCE found most evidence of suspicious funds](#) have so far failed to take any meaningful action to protect investors against this practice.

BETTER FINANCE is particularly pleased with this result in light of its ongoing [uphill campaign advocating for an effective EU-wide collective redress mechanism](#) for all financial services users such as savers, retail investors, life insurance policy holders, pension fund participants, small and individual shareholders or employee shareholders, that would ensure that all EU citizens as savers and investors have access to recourse.

The case also sets a record, considering the vast number of participants, and precedent, in that the practice of closet indexing, due to a lack of a legal and measurable definition, is particularly difficult to demonstrate.

BETTER FINANCE also feels encouraged by the statement from the NCC stating that the case has implications beyond the specific claim against DNB, giving *"reason to expect that other banks and fund management companies [also in other countries], that have made similar mistakes now will clean up on their own initiative"*.

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