



Press Summary

24 November 2025

**Credit Suisse Life (Bermuda) Ltd (Appellant) v Bidzina Ivanishvili and 6 others (Respondents) (Bermuda);
Credit Suisse Life (Bermuda) Ltd (Respondent) v Bidzina Ivanishvili and 2 others (Appellants) No 2 (Bermuda)**

[2025] UKPC 53

On appeal from: [2023] CA (Bda) 13 Civ

Justices: Lord Hodge, Lord Briggs, Lord Leggatt, Lord Richards and Lady Simler

Background to the Appeal

The appellant, Credit Suisse Life (Bermuda) Ltd (“CS Life”), a Bermuda insurance company, was a wholly owned subsidiary of Credit Suisse AG (“the Bank”). Mr Bidzina Ivanishvili, the first respondent to the appeal, is a businessman and former Prime Minister of Georgia.

On the Bank’s advice, Mr Ivanishvili transferred cash and other assets amounting to some US\$750 million, held on trust, to CS Life in 2011 and 2012 as premiums for two life insurance policies. The policy assets were to be held in a separate account. Mr Ivanishvili had a choice whether they were to be invested on a discretionary or non-discretionary basis.

In 2015, Mr Ivanishvili discovered that his relationship manager at Credit Suisse, Mr Patrice Lescaudron, an employee of the Bank, had been dealing fraudulently with the policy assets. Mr Lescaudron was prosecuted in Switzerland and convicted of criminal offences in February 2018. He later committed suicide.

In 2017, Mr Ivanishvili, members of his family and two companies which are the named policyholders brought proceedings against CS Life in Bermuda, alleging breach of contract and breach of fiduciary duty. In 2020 they also claimed damages for fraudulent misrepresentation. These claims succeeded at a trial before the Chief Justice of Bermuda. The Court of Appeal dismissed CS Life’s appeal against the award of damages for breach of contract and breach of fiduciary duty but allowed the appeal in relation to the misrepresentation claim. [1]-[8]

From that decision CS Life now appeals to the Privy Council. The plaintiffs have cross-appealed against the dismissal of their misrepresentation claim. [29], [112]

Judgment

The Privy Council unanimously dismisses CS Life's appeal on all issues save for the correct start date for the assessment of damages. The Board also dismisses the cross-appeal. Lord Leggatt gives the Board's advice.

Reasons for the Judgment

(i) Breach of contract

The Board affirms the findings of the courts below that, on the correct interpretation of the policies, CS Life owed contractual obligations to invest the policy assets in accordance with the chosen investment alternative, and that in each case Mr Ivanishvili had (orally) chosen the option of discretionary management of the assets by the Bank. [31]-[49] That choice was not overridden by his signature of a document signifying his acceptance of the risks associated with any investments chosen by him. [50]-[58] The Board also affirms the rejection as an abuse of process of CS Life's attempt to advance a new argument, first raised during the hearing in the Court of Appeal, that the policy assets had not been diminished by Mr Lescaudron's fraud because CS Life had a claim against the Bank for the sums lost which itself was a policy asset. [60]-[68]

The Board upholds the measure of damages applied by the Chief Justice, awarding the difference between the returns actually achieved and the returns which would have been achieved if all the policy assets had been invested in a medium risk portfolio managed by a reputable European Bank. [71]-[77] The courts below were, however, wrong to hold that damages should run from when assets were transferred to CS Life, before the policies commenced. The correct start date for the assessment of damages was the date at which the policy, and so the contractual obligation to invest the premium, commenced. [78]-[84]

Damages were properly awarded up to the date of judgment, as the policies had not been terminated and CS Life remained under an obligation to invest the policy assets in accordance with the chosen discretionary mandates (although it was not in fact doing so). The burden was on CS Life to prove that losses suffered after August 2017 (its suggested date) were caused by Mr Ivanishvili's voluntary choice to leave policy assets with CS Life rather than moving them to another fund manager when he knew that no discretionary management of the assets was being provided. This is both an issue of mitigation and causation. CS Life had failed to prove that Mr Ivanishvili had, in August 2017, acquired such knowledge. [85]-[110]

(ii) Breach of fiduciary duty

The Board reserves its opinion on the question whether CS Life owed fiduciary duties, as well as contractual obligations, in relation to the policy assets, of which it was in breach. This question does not need to be decided, as it does not make any difference to the damages awarded or otherwise affect the result of the appeal. [69]-[70]

(iii) Misrepresentation

The Chief Justice found that, by recommending investment in the policies, Mr Lescaudron (on behalf of CS Life) impliedly represented to Mr Ivanishvili that the Bank (including Mr Lescaudron himself) did not intend to manage the policy assets fraudulently. These representations were false and known to be so by Mr Lescaudron and were intended to, and did, induce the plaintiffs to enter into the policies. On this appeal there is no challenge to these findings. [115]-[116]

At common law, a claim in tort arising from an act done in a foreign country is generally “actionable” only if the act gives rise to liability under both (1) the law of the forum where the claim is brought and (2) the law of the foreign country where the act was done. This is known as the “double actionability rule”. While this rule has been abolished in other jurisdictions, neither party to this appeal argued that it no longer applies in Bermuda.

Here the fraudulent misrepresentations giving rise to the alleged tort were made in Georgia and it is common ground that the misrepresentation claim will succeed only if the misrepresentations are actionable under both the law of Bermuda and the law of Georgia. [117]-[123]

Bermudian law

With regard to Bermudian law, the only issue still in dispute is whether the claim should fail because there is no finding that Mr Ivanishvili was aware of and understood Mr Lescaudron to be making the representations on which the claim is based. It is agreed that the relevant Bermudian law is the same as the law of England and Wales. [125]-[126]

The tort of deceit / fraudulent misrepresentation is based on the principle that a person who causes another person to suffer loss by deceiving them is liable to compensate that person for the loss. Deceiving someone means (1) making a representation of fact (or law) by words or actions which (2) is false, (3) the maker does not believe to be true, (4) is intended to be believed by the representee, and (5) causes the representee to believe that the representation is true. [127]-[130]

Although it has been suggested in several recent cases - and the Court of Appeal held here - that there is a legal requirement that the claimant was aware of the representation and understood it to have been made ([138]-[150]), the Board has concluded that under the law of England and Wales and of Bermuda there is no such requirement. [179] There are many examples of cases where it is clear that the claimant was deceived and suffered loss as a result of acting on that false belief without having any conscious awareness or understanding of the representation being made, and in some cases without even being aware of the conduct which gave rise to the representation. A classic case of the latter kind is one where the seller of a property deliberately covered up dry rot so that the buyer would not see it. [133]-[135], [137]

The suggestion that there is a requirement of awareness seem to stem from misconceptions that: (i) reliance on a representation is impossible without awareness; (ii) acting on an assumption and in reliance on a representation are mutually exclusive; and/or (iii) requiring

awareness of a representation is necessary to preserve the distinction between misrepresentation and non-disclosure. [158]-[178]

It was therefore unnecessary for the plaintiffs to show that Mr Ivanishvili had a conscious awareness of the representations made to him, and the Court of Appeal was wrong so to hold. [179]

Georgian law

The Court of Appeal held that the claim is not actionable under the law of Georgia because it was brought after the Georgian limitation period had expired. [181]-[185]

The Board upholds that conclusion and rejects all the ways in which the plaintiffs have tried to argue that the claim is not time barred.

First, the Chief Justice was wrong to apply the “flexible exception” to the double actionability rule on the basis that all or almost all the significant connecting factors point to the direction of Bermuda. That was inconsistent with his (clearly correct) finding that the substance of the tort did not take place in Bermuda. [186]-[190]

Second, the doctrine of renvoi (which looks to the choice of law rules, rather than the domestic law, of the foreign country) has no role to play in tort cases. [191]-[221]

Next, it is not contrary to public policy to apply a three year limitation period in accordance with Georgian law. [222]-[225]

Finally, the Chief Justice did not have power to allow the misrepresentation claim to be added after the limitation period had expired on the basis that it arose out of the same facts or substantially the same facts as the claim for breach of contract which had been brought in time. The relevant comparison is between the essential factual elements of the claim already pleaded (here for breach of contract) and the essential factual elements of the new claim (here for deceit). In this case the two are completely different. [226]-[246]

The Court of Appeal was therefore correct to decide that the misrepresentation claim failed because it was time-barred under Georgian law. [247]

References in square brackets are to paragraphs in the judgment.

NOTE:

This summary is provided to assist in understanding the Court’s decision. It does not form part of the reasons for the decision. The full judgment of the Court is the only authoritative document. Judgments are public documents and are available at: [Cases - JCPC](#)