

High Court extends employer's duty of care to Dubai whistleblower

Employers with global networks which include a base in the UK should be aware that they can face expensive and damaging negligence claims from employees who are based overseas regardless of the whistleblowing regime.

29 April 2020

Mr Rihan was a partner at Ernst and Young (EY) in Dubai. He disclosed serious irregularities that might involve money laundering to the local regulator and escalated within EY but received no material support. While in the UK, Mr Rihan refused to return to Dubai for safety reasons and finally resigned.

Being based outside Great Britain Mr Rihan could not claim the protections afforded to whistleblowers. However, he succeeded in his claim for negligence in the High Court.

The High Court found EY to be in breach of a duty to take reasonable steps to prevent Mr Rihan from suffering financial loss by reason of the failure to perform an audit ethically and without professional misconduct ("the audit duty"). Mr Rihan was awarded almost US\$11 million in damages for past and future loss of earnings. (Rihan v Ernst and Young Global Ltd [2020] EWHC 901 (QB) (Kerr J).)

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