



Disclaimer:

This paper is based on the facts surrounding the Credit Suisse spying scandal as known up to spring 2021. Developments after that date have not been taken into consideration.

Investigator scandal at Credit Suisse: a review of the communication

A crisis? No, a scandal!

In autumn 2019, Zurich was the site of a thriller for several months. Its aftermath can be felt even today. The story is set in the heart of the financial world, Paradeplatz Zurich, and featured Tidjane Thiam, then CEO at Credit Suisse, and Iqbal Khan, also a CS executive. The gentlemen's relationship had already been tense. Why? Their rivalry, and a heated quarrel at a party on Thiam's estate. At the time, the two men were neighbours in Zurich-Herrliberg, their two properties next to each other.

Part one of the thriller: One manager had the other shadowed, followed, harassed – and that came to light.

That was the start of part two, a communication whodunit as well as a lesson.

New protagonists joined the story: journalists and commentators, researching and speculating. The Paradeplatz turned into an arena: People love stories, and the wilder they are, the better. The Paradeplatz story was a truly wild one, but it spiraled out of CS' control.

What happened in terms of communication? And what went wrong?

Part one: Thiam vs. Khan. The story of a scandal.

Late summer 2019. Credit Suisse manager Iqbal Khan wants to jump ship to UBS, moving from one major bank's management to the other's, joining the competition.

CS employee Pierre-Olivier Bouée wants to have Khan spied upon. Just to be safe. Bouée is Credit Suisse's COO and a confidant of CEO Thiam. Via a middleman, Bouée's order reaches an investigation firm, fittingly going by the name of Investigo.

17 September 2019. Investigo did not quite live up to its name. While on a shopping tour with his wife, Khan discovers three men on his tail, among them – according to newspapers – a “tattooed bruiser”. A wild chase through Zurich's inner city follows, culminating in a brawl. Iqbal Khan pressed charges.



20 September 2019. Online news site [«Inside Paradeplatz»](#) leaks the story to the public. While Credit Suisse is wrapping itself in silence, the financial centre is trembling. CS' stock price drops by five percent, a loss of 1.5 billion francs. Sad news follows just a few days after: The middleman between CS and the investigation firm has committed suicide.

1 October 2019. CS informs the public that COO Bouée is stepping down. The bank also accepts the resignation of the Head of Global Security Services. CEO Tidjane Thiam and Urs Rohner, Chairman of the Board of Directors, repeatedly state that the shadowing had been an “isolated incident”.

5 October 2019. “Neue Zürcher Zeitung”, a leading title in the Swiss media landscape, had been accompanying the scandal with articles. On this Monday in October, NZZ published a résumé of the events, titled “The Khan affair leaves only losers.” After that, NZZ goes silent. For two and a half months.

At the end of 2019, the “Neue Zürcher Zeitung” bursts back onto the scene. The three long articles published on three December days hit hard. While remaining quiet, NZZ kept on investigating in the case, researching for its grand exposé.

17 December 2019. The most important piece of the series is published. “Explosive turn of events in the Iqbal Khan affair”. According to the newspaper, another CS top executive had been shadowed in 2019: the Head of HR, also a member of management. NZZ publishes a photo of the stake-out and leaks the cost of the three-day-operation: 12,000 francs. The Khan case wasn’t an “isolated incident” after all, commented the newspaper. NZZ draws the conclusion that CS has been rather economical with the truth. Or Rhoner and Thiam don’t have knowledge of what is happening in management. “Both should be reason for concern”.

7 February 2020. The series of articles in “Neue Zürcher Zeitung” has consequences. The headline says, “Thiam is stepping down”.

Early 2021. Tidjane Thiam’s estate is for sale, at the price of 16 million francs. In April 2021, Chairman of the Board Urs Rohner follows suit and jumps ship. In the eyes of the NZZ journalists, Rohner had been a “hapless president”.



Part 2: Crisis communication at CS. An analysis.

Communication at Credit Suisse has gone terribly wrong in the Khan debacle, making for a second scandal.

Already in late September 2019, the communication department at CS had been under pressure due to Iqbal Khan's criminal complaint. Pressure had also been coming from journalists and certainly its own management's guidelines. Being subject to this kind of pressure, the department admitted to having shadowed Khan, and shared the investigation firm's name.

Our review:

- By sharing this piece of information, the bank left one stakeholder high and dry: CS disclosed the name of the investigation firm, of a supplier. CS also betrayed its employee Iqbal Khan, and with him all other employees.
- A bank's largest capital is trust. When trust erodes, so does the reputation.

On 20 September 2019, the news portal "Inside Paradeplatz" asks the press office of CS for a call back regarding Khan and the charges he pressed. However, the press office remains silent. Two days later, a statement is issued after all – not to "Inside Paradeplatz", but the "Sonntagszeitung".

Our review:

- Playing dead is a no-go. Especially for a department named "communication" and for a company in crisis.
- Selective disclosure, depending on who asks? Not a good idea either. All media wish for the same treatment.



On 24 September 2019, the middleman between CS and Investigo died. However, only another seven days later, on 1 October, Credit Suisse invited for a press conference on the affair. Urs Rohner, Chairman of the Board of Directors, apologises to staff, clients, Iqbal Khan, and shareholders. Shadowing Khan was wrong and inappropriate, he said. However, CEO Tidjane Thiam only learned of the shadowing operation through media, Rohner added.

Our review:

- Silence is golden – but not in case of a scandal involving your own company.
- The Chairman of the Board of Directors apologised. After the inappropriate behaviour inhouse, that was the right thing to do. However, an apology should not be such a long time in the coming – days, even weeks.

On 2 October 2019, chief executive Tidjane Thiam informed all Credit Suisse employees in writing that COO Pierre-Olivier Bouée took full responsibility by stepping down. The events are regretful, mistakes have been made, reputation has been tarnished, he added.

Our review:

- Who takes “full responsibility” for happenings within management of a company? The COO? Certainly not.
- Thiam claims to only have learned of the scandal through media. How credibly does a CEO communicate that isn't aware of such severe misconduct inside his own company?

The “Neue Zürcher Zeitung” is only 1100 meters away from the Credit Suisse offices in Zurich, twelve minutes on foot, passing by the lake. Geographically, the two offices are close. But after 5 October 2019, NZZ stops covering the Khan affair extensively, for ten long weeks. Does that set off the alarm at CS? Or is Credit Suisse lulled into a sense of security, believing that journalists have lost interest?

Our review:

- When quality media abruptly go silent after a scandal, that is by no means an all-clear signal for a company. If anything, it can be presumed that journalists are digging deeper. And they will certainly unearth something previously unknown.
- The Credit Suisse press office should have sought talks with NZZ in early October 2019. Such offers create confidence, and journalists are partners, not enemies. They only become enemies when being treated as they were.

7 tips for efficient PR in crises

The next crisis is bound to come about, not just in the financial industry. According to a PwC study, 95 percent of all top executives worldwide believe so. We have a few recommendations on how to overcome the next PR emergency without major damages.

1. Be prepared!

A crisis is hectic. Whatever you need must be ready, prepared.

This preparation should rest on three pillars:

- a. *External consulting, both strategic and tactical.* The outsider's view prevents organisational blindness.
- b. *A contemporary digital solution for crisis management and crisis communication.* Processes, tasks, and responsibilities can of course be shown on flipcharts and in written documents. But this is slow, inconvenient and becomes a risk itself. With a digital solution, you have an eye on all processes and events at all times.
- c. *Leadership coaching and training for all those that are responsible in an emergency.* In order to avert a crisis, structured processes and clear allocation of tasks are necessary. Who plays which role? These processes must be practised regularly.

2. Speak with only one voice!

In case of crisis, your company should speak with just one voice. Being well-prepared makes this possible even in case of many media inquiries. Distribute tasks! Coordinate information and statements with all involved positions!

3. Be fast, and be even faster!

Go public, and go public quickly – before an event turns into a scandal. Otherwise, other people are the main speaker, experts of employees. By the time the inevitable whistleblower comes around, the company has become a puppet of the media.

4. Inform regularly!

Facts, facts, facts! Nip rumours and speculations in the bud. In the crucial phase of a crisis, you should go public several times a day. Inform your stakeholders and all other interested parties even when there is no news.

5. Stick to the process!

All stakeholders would prefer to be informed of a crisis at the same time. However, your employees come first, and (in case of a stock company) with your shareholders. Only then do media and the public follow.

6. The boss leads the way!

Show your colours, demonstrate a sense of responsibility and a clear-cut course! This is vital in order to maintain a good reputation during crises. When the situation calls for the CEO as the face of the company, he or she takes the lead. However, in case the CEO himself or herself is involved in the affair, the Chairman of the Board takes the helm of communication. The CEO should step out of the line of fire immediately.

7. Get help!

In times of crisis, a company needs external support. Good experts coach and train professionally, employ modern crisis tools, and are available at all times, especially in an emergency. Management and communication can leave their worries to them: the pros offer security.

The effects of good communication in crises

- All stakeholders feel heard: employees, clients, shareholders, media, and the public.
- Speculations are nipped in the bud.
- Damages to reputation is kept in check: The crisis may turn into a chance and the company emerges stronger from turbulence.
- A company radiates security and strength. Management stays in control.
- Media are not motivated to go looking for interview partners on their own.
- “Crisis communication” must be an attitude, a task, not just a word. This truly readies a company for any possible case.