This chapter discusses the legal duty of confidentiality (or secrecy) that banks owe their customers. The real problems in the application of the doctrine in practice are two-fold. First, confidentiality has a habit of getting in the way of commercially acceptable practices. There is the potential for breaches of confidentiality where a bank performs different functions. For instance, banks may like to distribute information throughout the corporate group so that a range of financial, insurance, and other services can be marketed to customers. Secondly, confidentiality can act as a cloak for wrongdoing, often on a massive scale. Political leaders who have exploited their people, drug barons, and criminals have used the banking system to spirit away their ill-gotten gains. Bank confidentiality has then acted as an obstacle to bringing the culprits to justice and recovering the booty. Confidentiality also provides
9. The Duty of Confidentiality

one of the explanations of how international terrorists have transferred financing round the world without detection.

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