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‘Noble Intentions’ No Excuse for Breach of SOP

Mior Najib Meor Zaimi & Ors v Malaysia Building Society Berhad
(Industrial Court Award Nos 1314 of 2020 & 1315 of 2020)

The Industrial Court recently dismissed five employees’ claims for unfair dismissal, following its finding that they had mishandled 150 Cheeky Savings accounts promoted at schools under the Bank’s sponsorship programme over a four-month period.

Through an audit investigation, it was discovered that the employees had breached the Bank’s Anti-Money Laundering & Counter Financing of Terrorism Framework and Know Your Customer (KYC) Policy where they had failed to, among others, meet the customers face to face and sight the original supporting documents for the opening of the Cheeky Savings accounts and consequently conducted withdrawals from those accounts without the presence of the customers at the Bank.

In their defence, the employees claimed, among others, that they had only good intentions in creating the Cheeky Savings accounts for underprivileged students and no complaints were ever lodged against the Bank in respect of the transactions. The employees also feigned ignorance of the applicable policies in the Bank at the material time.

In dismissing their claims for unfair dismissal, the Industrial Court held that:

- (a) There is unchallenged evidence that the employees had conducted the transactions in breach of banking practices and procedures;
- (b) The employees’ efforts may appear noble but when it involves the banking sector, special attention must be paid to ensure that public confidence is not eroded;

- (c) A slight aberration from established banking practices can trigger severe and grave consequences; and
- (d) The employees' actions, although devoid of ignoble motives, could not be justified in any circumstances.

The Bank was represented by partner Shariffullah Majeed, and associate Nurul Aisyah Hassan, of [Lee Hishammuddin Allen & Gledhill](#).

The Industrial Court awards may be viewed [here](#) and [here](#).

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