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PETER OLUWAFEMI ATOYEBI, SAN v. BARCLAYS BANK PLC & ANOR.

SUPREME COURT OF NIGERIA

(GARBA; ABUBAKAR; NWOSU-IHEME; TSAMMANI; ABIRU, JJ.SC)

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Background Facts

Peter Oluwafemi Atoyebi, SAN *("the Appellant")*, a private legal practitioner in Nigeria and Ghana and Pastor in charge of Province 2 of the Redeemed Christian Church of God, maintained a bank account with Barclays Bank Plc *("the 1st Respondent")* through Barclays Groups Representative Office (Nigeria) Limited *("the 2nd Respondent")*. The account was, however, domiciled with the International Branch of Barclays Bank Plc in England. At the time he opened the account, the Appellant alleged that he was not informed, either verbally or in writing, that any cheque issued on the account would require his prior written confirmation before it could be honoured.

Between 2006 and 2009, the Appellant alleged that several cheques issued by him were dishonoured by the 1st Respondent notwithstanding the availability of sufficient funds in his account and, in some instances, despite his written and personal confirmation of the transactions. He further alleged that transfer instructions personally initiated by him at branches of the 1st Respondent in London were not effected until after he lodged formal complaints. He also claimed that, although he opened a savings account on the advice that it would be linked to his current account to cover any shortfall, a cheque issued on 15 October 2009 for £10,000 was dishonoured and endorsed "Refer to Drawer" instead of funds being drawn from the savings account. The Appellant consequently commenced an action before the High Court of Lagos State, alleging negligence and seeking reliefs against both Respondents. The Respondents however, maintained that the High Court of Lagos State does not have jurisdiction to hear the matter and that the 2nd Respondent was not a proper or necessary party to the suit.

In its ruling, the High Court held that the 2nd Respondent was a proper and necessary party to the suit and that the action did not constitute an abuse of court process. However, it held that, since the 1st Respondent carried on business in the United Kingdom and the alleged wrongful acts occurred there, the proper forum for the claims against the 1st Respondent was the United Kingdom. The Court further held that the High Court of Lagos State lacked jurisdiction over the claims against the 1st Respondent and consequently set aside the service of the originating process on the 1st Respondent.

Dissatisfied with the ruling of the trial court, the Appellant appealed to the Court of Appeal. The Court of Appeal dismissed the appeal and affirmed the decision of the High Court. Still dissatisfied and maintaining that the Nigerian courts had jurisdiction over the dispute and that the 2nd Respondent was a proper and necessary party, the Appellant further appealed to the Supreme Court.

One of the issues raised for determination was: *Whether or not the Court of Appeal was correct when it upheld the decision of the trial High Court that it had no* *jurisdiction to hear and determine the claim of the Appellant against the first Respondent, and the consequential setting aside of the service of the writ of summons on the first Respondent.*

Arguments

Learned Counsel for the Appellant argued that the 1st Respondent incorporated the 2nd Respondent in Nigeria solely for the purpose of carrying on international banking operations for its customers living in, working in, or travelling to Nigeria. Counsel contended that the 2nd Respondent held itself out as capable of opening savings, current, and other accounts, receiving deposits on such accounts, and paying or collecting cheques drawn by, or paid in by, customers of the 1st Respondent.

Counsel submitted that the Appellant opened his account with the 1st Respondent at the office of the 2nd Respondent in Ikoyi, Lagos, and that the 2nd Respondent was not a mere post-box, but an extension of the 1st Respondent and its business in Nigeria. Counsel further submitted that the Appellant's claim was founded on the negligent breach of the banker/customer contractual relationship between him and the Respondents, and that the contractual relationship was entered into in Lagos through the 2nd Respondent when he opened the account and as such, the Appellant's suit was rightly brought against the 2nd Defendant.

Learned Counsel for the Respondents argued that the 2nd Respondent was merely a liaison office and acted only as a post-box for the 1st Respondent, principally for purposes of confidentiality and ease of communication. Counsel maintained that none of the acts complained of, particularly the alleged dishonouring of cheques, related to or was carried out by the 2nd Respondent.

Counsel maintained that the alleged acts of dishonouring cheques were done by the 1st Respondent at its branches in the United Kingdom and in respect of bank accounts domiciled outside the shores of Nigeria. He argued that no aspect of the Appellant's claim was connected with Nigeria and that the continuation of the case before the High Court of Lagos State would embarrass the 1st Respondent and subject it to unnecessary expense and inconvenience, since all the evidence and witnesses required for its defence were in the United Kingdom, which they contended was the proper forum for the dispute.

DECISION OF THE COURT

In resolving the issue, the Supreme Court held that:

An office maintained by a business entity, such as a bank, in another jurisdiction as an outpost for soliciting customers, preserving confidentiality, facilitating communication and the exchange of documents, and serving as a point of contact for customers constitutes an established place of business.

The Supreme Court explained that, even where a bank does not conduct the recognized banking activities of accepting deposits and granting loans at an office established in another jurisdiction, it may still be deemed to have an established place of business there if it occupies premises, maintains staff, conducts external relations with other banks, makes necessary enquiries, publicizes the bank, and promotes the bank's business within that jurisdiction.

In the instant case, the Supreme Court found that the 1st Respondent need not have received deposits from customers or operated customers' accounts from the office of the 2nd Respondent before that office could be regarded as its established place of business. It was sufficient that the 1st Respondent used the 2nd Respondent's office as an outpost for soliciting customers, maintaining confidentiality, facilitating communication and the exchange of documents, and serving as a point of contact for its customers.

Issue resolved in favour of the Appellant.

Victoria Alonge with John Ojelabi, Chinelo Obiekwe, Chukwuebuka Chukwukelu and Ugochukwu Onyeyiri for the Appellant.

Olujoke Aliu with Elizabeth Tijani for the Respondents.

This summary is fully reported at (2026) 7 CLRN in association with ALP NG & Co.

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