

# [Barclays dark pool](https://assignbuster.com/barclays-dark-pool/)

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Barclays Dark Pool Case There are a number of lessons to learn from the ‘ Barclays Dark Pool’ case. The first lesson is that it is important to investigate a company thoroughly before investing. Messages from a company’s directors or news releases from the company are not reliable sources of information upon which investment decisions can be made. The fact that Barclays was able to deceive fraudulently its clients and investors concerning involvement with high frequency players is a clear indication that investors did not investigate the company prior to investing (McCrank and Slater 1).
Another lesson that can be learned is the importance of transparency and accountability in a company. Fraudulent activities can last for a while but in the long run they always get detected. Failure of an organization to be transparent can be costly in terms of finances and reputation. The case for instance discouraged retail investors from investing in the company due to the tainted reputation. Broker dealers such as Royal Bank of Canada, Deutsche Bank and Investment Technology Group cut ties with the company’s dark pool system (McCrank and Slater 1). This already is an indication that the company will incur significant losses.
Having the best interests of customers at heart is very important for a company. This is yet another lesson to learn. According to the case, Barclays deceived its customers that they would be protected against high-frequency traders while in a real sense the traders were being favoured (McCrank and Slater 1). Breach of trust is a costly endeavour as witnessed in the case. Ethical breaches are also costly based on the fact that some employees were fired after the case implicated some individuals.
Works Cited
McCrank, John and Steve Slater. “ New York attorney general accuses Barclays of dark pool fraud.” Reuters. com. Web 17 April 2015. < http://www. reuters. com/article/2014/06/26/us-barclays-lawsuit-idUSKBN0F02MT20140626>.