

# HIGH COURT RULING HAS IMPORTANT IMPLICATIONS FOR SHAREHOLDER CLASS ACTIONS IN THE UK

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Firm news

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Responding to news that the High Court has rejected an application to dismiss a shareholder class action against Tesco, Harry Edwards, partner at Herbert Smith Freehills, says that "the decision settles the uncertainty about whether shareholders who hold shares in electronic format can use statutory protections to claim compensation for market disclosure defects."

[Harry Edwards](#), head of Herbert Smith Freehills' UK class actions practice, said: "The importance of this case can be illustrated by considering the impact on the availability of shareholder class actions in the UK, had Tesco been successful. Quite simply, the vast majority of shareholders would have been shut out from bringing such claims."

"Whilst academic commentators have speculated that this was simply the consequence of the statute book failing to keep up with developments in the way that markets operate, this decision firmly rejects that conclusion."

The High Court's full ruling can be viewed [here](#) and our blog on the issue can be viewed [here](#).

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