

Subject matter of the application

All the information concerning the facts, complaints and compliance with the requirements of exhaustion of domestic remedies and the four-month time-limit laid down in Article 35 § 1 of the Convention must be set out in this part of the application form (sections E, F and G). It is not acceptable to leave these sections blank or simply to refer to attached sheets. See Rule 47 § 2 and the Practice Direction on the Institution of proceedings as well as the "Notes for filling in the application form".

E. Statement of the facts

58.

I. INTRODUCTION

1. Daniel Edencrona (the "Applicant") is a Swedish citizen, born in 1975, residing in Stockholm, Sweden. He is one of 7,000 victims who lost their premium pension savings in the "Falcon Funds affair", in which criminals exploited security weaknesses in the state-run pension scheme and siphoned off SEK 1.1 billion into their own pockets (about EUR 100 million). After being denied redress in the domestic courts, the Applicant now turns to the Strasbourg Court. The case raises the following two issues.

2. Under Article 1 of Protocol No. 1 ("A1P1"), the State must take reasonable measures to protect individuals' property. Here, the Applicant's premium pension was held in a mandatory pension platform owned, controlled, and operated by the Pensions Agency. Yet that platform lacked basic safeguards against fraudulent fund transfers. Criminals were therefore able to forge the Applicant's signature on a form, induce the Pensions Agency to transfer his premium pension into a fund under their control, and then drain the fund of its assets. Once the fraud had occurred, the State also failed to provide effective means of recovering the losses. Has Sweden therefore violated A1P1?

3. Under Article 13 of the Convention, the State must provide an effective remedy for arguable Convention claims. To be effective, such a remedy must address the substance of the complaint. In the present case, by affording the State a "wide margin of appreciation", the domestic courts confused their role with that of the Strasbourg Court and declined to conduct a full examination of whether the State had struck a fair balance between the competing interests at stake. Has Sweden therefore violated Article 13?

4. In the following sections the Applicant will set out the facts of his case, his complaints, and his compliance with the admissibility criteria.

II. SWEDEN REFORMS ITS PENSION SYSTEM

5. In the late 1990s, Sweden reformed its public pension system. The new system consists of income pension, guarantee pension, and premium pension. Of an individual's total pension contributions, a defined component of 13.5 per cent goes into funds invested by the Pensions Agency on their behalf. That funded component – the so-called premium pension – lies at the heart of the present case.

6. Premium pension is mandatory. Individuals may select funds available on the premium pension platform or leave their money in a default fund. The Pensions Agency owns, operates, and oversees the platform and carries out all transactions on it. It also owns the fund shares on behalf of the pension savers, who acquire a claim against the State to future pension payments upon retirement.

7. The premium pension system is a state-run market experiment, with three inherent risk factors for fraud and abuse, which placed Swedish pension savers' retirements in jeopardy.

8. First, the premium pension system exposed pension savers to an unusually broad fund marketplace. In 2016, when the Falcon scandal broke, the platform listed 838 private funds (see bundle p. 23). The funds were also weakly filtered: even if the Pensions Agency identified risks of fraud or abuse, it could not refuse a fund access so long the fund complied with basic regulatory requirements under the UCITS Directive (Directive 2009/65/EC). But compliance with the Directive did not show that it was suitable for inclusion on a state-run pension platform. (See bundle p. 1.)

9. Second, the premium pension system held about SEK 830 billion in 2016 (see bundle p. 33), belonging to more than 7 million people. The scale of the system made it inevitable that criminals would seek to exploit it for financial gain.

10. Third, pension savers found the system complicated and difficult to understand. In a 2005 study, a majority of participants stated that they lacked sufficient knowledge to manage their premium pension (see bundle p. 5). The State was well aware of this problem (see for instance the travaux to the premium pension reform in 2018, bundle p. 38).

Statement of the facts (continued)

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11. At bottom, the State forced people into a system they did not understand and exposed them to an open fund marketplace populated by numerous new funds with opaque ownership structures. The system then amassed enormous assets, while the legal framework hamstrung the Pensions Agency's gatekeeping powers and left it unable to keep fraudulent funds off the platform. The system was thus vulnerable to fraud and abuse from the outset.

III. THE APPLICANT FALLS VICTIM TO THE OPTIMUS AFFAIR

12. Turning to the Applicant's situation, he fell victim to two frauds on the premium pension platform in 2013 and 2014: first, through the unauthorised use of his personal code, and then through a forged paper form. The present Convention complaint concerns the second fraud, but the first fraud forms relevant background to the events that followed.

13. On 3 July 2013, the Pensions Agency transferred the Applicant's premium pension savings into a scam fund, Optimus. The criminals had procured the fund change by using his personal code without authorisation after acquiring the private advisory company that the Applicant had hired to manage his pension. The same fraud affected about 20,000 other individuals and diverted around SEK 2.1 billion from the pension system.

14. On 20 February 2014, the Pensions Agency abolished the personal codes in order to prevent further unauthorised fund changes. As a result, paper forms became the only means by which funds could be changed for multiple pension savers at the same time. When the Agency then began receiving boxes containing thousands of fund-change forms each day, it should have reviewed the security of those forms. Had it done so, it would readily have identified a critical flaw: the forms lacked copy protection, which allowed criminals to mass-produce forged copies. (See bundle pp. 56 and 58–59.)

IV. THE APPLICANT FALLS VICTIM TO THE FALCON FUNDS AFFAIR

15. The criminals in the Optimus affair then sought new ways to drain the premium pension system. To that end, they established the Malta-based fund company Falcon Funds. In the spring of 2014, Falcon Funds entered into an agreement with the Pensions Agency and registered three funds on the platform. At that time, the Agency knew that the persons behind Falcon Funds were the same as those behind Optimus (see bundle p. 55). But the Agency had no legal basis to refuse access to the platform so long as the funds met the UCITS requirements (see para. 8 above).

16. On 10 September 2014, after receiving a forged form in the Applicant's name, the Pensions Agency transferred his entire premium pension, amounting to approximately SEK 140,000, to one of the Falcon funds (see bundle p. 15). At the Pensions Agency, fund-change forms were scanned by machine and automatically accepted into the system whenever the signature line contained text (see bundle p. 102). Forging such a form therefore required no particular skill.

17. For the foreseeable future, the criminals could also expect to avoid detection. There were no systems in place capable of alerting the authorities to suspicious fund changes, even when thousands of people suddenly moved their entire premium pension savings to a newly registered fund in Malta. The only safeguard was an automatic notification letter informing pension savers that their funds had been changed and that they could request reversal of the fund change within two months. Yet both the criminals and the Pensions Agency knew that few recipients would read, understand, or act on such letters (see para. 10 above regarding pension savers' well-documented lack of knowledge).

18. In fact, neither the Applicant nor any of the 7,000 other victims took any action in response to the notification letter (see bundle pp. 180–222 containing all reversal decisions between 2013–2023, none of which concerns the Falcon transfers). That was due not only to the general lack of understanding of the system, but also to the vague wording of the letter, which did not alert recipients to the fact that their savings had been transferred following a request made in their name. On the contrary, the letter expressly stated that the Pensions Agency had invested their assets (see bundle p. 14).

19. Having moved the pensions to the Falcon funds, the criminals then misappropriated the assets by trading in unlisted securities. In total, they diverted SEK 1.1 billion out of the Swedish premium pension system (see bundle p. 77).

V. THE STATE TAKES LEGAL ACTION AGAINST FALCON FUNDS AND REFORMS THE PREMIUM PENSION SYSTEM

20. Not until November 2015, more than a year after the fraud, did the Pensions Agency begin to suspect that the Falcon funds had been used to defraud the premium pension system. It opened an investigation and in February 2016, it imposed a purchase freeze. Four months later, it terminated its agreement with Falcon Funds and removed the funds from the platform. The Pensions Agency also informed the victims about the fraud and almost immediately introduced copy-protection on the forms (see bundle pp. 17–18, and p. 35).

Statement of the facts (continued)

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21. Between 2016 and 2021, the State investigated the Falcon Funds fraud and prosecuted those responsible (see bundle pp. 83–84). The State also recovered part of the stolen assets through civil proceedings. Yet several hundred million remain missing (see bundle p. 69). Given that more than a decade has now passed since the fraud, it is unlikely that the remaining assets will ever be fully recovered.

22. In 2018 and again in 2022, the premium pension system was reformed. In so doing, the Government acknowledged that the system had contained risk factors and security flaws. The open marketplace was replaced with a state-procured and continuously supervised fund platform under a new public authority, with stricter screening requirements. (See bundle pp. 36–42 and 80–82.)

23. The Applicant welcomes the measures taken to strengthen the security and oversight of the premium pension system. But those later reforms do not alter the fact that the earlier system failed to provide safeguards against foreseeable abuse. To date, the State has also refused to accept full responsibility for the property loss caused by its failure to ensure basic security on the premium pension platform.

VI. THE APPLICANT BRINGS A TORT CLAIM AGAINST THE STATE

24. Against this background, in March 2022, the Applicant brought a claim for damages against the State. He argued that the State had failed to take necessary measures to protect his future pension, breaching its positive obligations under A1P1. The proceedings attracted significant media attention and public interest (see bundle pp. 78–79, 223–229).

25. The State contested the Applicant's claim, but conceded that A1P1 applied; that the forms lacked copy-protection; that such protection would have prevented the fraud and could easily have been introduced at low cost; that none of the victims understood from the notification letter that an unauthorised fund change had occurred and required action; and that the Pensions Agency had no power to refuse Falcon Funds access to the platform, even though it knew that Falcon Funds was managed by the same individuals as those involved in the Optimus affair.

26. Under these circumstances, the Applicant argued that it was not sufficient that the State had held the responsible criminals to account and recovered some of the lost assets. He maintained that the Convention also required preventive measures to prevent unauthorised fund transfers and fraud. In support of that argument, he pointed to the inherent risk that a public welfare system containing several hundred billion would become a target for criminals seeking financial gain. He also pointed to the fact that the State had forced pension savers into a scheme they did not understand and exposed them to an unusually broad and weakly filtered fund marketplace.

27. The State argued that the measures taken after the fraud had come to light were sufficient to discharge its positive obligations (see paras. 20–23 above). In the alternative, it relied on two preventive safeguards: paper forms could be sent only to an individual's home address, and an automatic notification letter would alert the individual to unauthorised fund changes. Invoking a wide margin of appreciation, the State further argued that it was not for the domestic courts to assess the effectiveness of those measures.

28. On 15 December 2023, the Stockholm District Court rejected the Applicant's claim (see bundle pp. 111–131). It held that the State enjoyed a wide margin of appreciation in deciding what preventive measures to take. The court did not therefore examine either the effectiveness of the measures chosen or the core of the Applicant's case: that the Pensions Agency could easily and at minimal cost have prevented fraud by copy-protecting the fund-change forms. It likewise failed to address the undisputed fact that none of the 7,000 victims had acted on the notification letter – the State's primary safeguard against unauthorised transfers. In the Applicant's submission, this fact alone constitutes sufficient proof that the notification letter was an ineffective safeguard.

29. On 31 March 2025, the Svea Court of Appeal dismissed the Applicant's appeal without giving reasons of its own (see bundle pp. 156–158). The Applicant appealed (see bundle pp. 159–176). On 28 November 2025, the Supreme Court refused leave to appeal (see bundle pp. 177–179).

30. The Applicant now brings his case before the European Court of Human Rights. His case raises important questions concerning the State's responsibility for mandatory and market-exposed public welfare systems. It also raises a further issue of principle: By refusing to fully examine his case with reference to the wide margin of appreciation, the domestic courts have set a precedent that risks undermining the principle of subsidiarity. That failure cannot be left unchecked.

F. Statement of alleged violation(s) of the Convention and/or Protocols and relevant arguments

61. Article invoked	Explanation
Article 1 of Protocol No. 1	<p>VII. SWEDEN BREACHED ITS POSITIVE OBLIGATIONS UNDER A1P1</p> <p>31. It is common ground between the parties that the Applicant's premium pension assets constitute a possession within the meaning of A1P1 and that the State was under a positive obligation to protect those assets. The State, however, disputes that its obligations extend to preventive safeguards. In the Applicant's submission, the obligation to prevent the loss of property arises in this case for two related reasons.</p> <p>32. First, the premium pension platform was within the State's exclusive control. As a general principle, the Court has held that positive obligations extend further where a state exercises exclusive control (see <i>O'Keeffe v. Ireland</i> [GC] no. 35810/09, § 145 ECHR 2014, extracts, concerning the obligation to protect pupils). Here, the Pensions Agency designed, owned, and operated the premium pension platform, held the fund units on behalf of the pension savers and executed the transfers. Consequently, only the State could prevent large-scale fraud on the premium pension platform. This case therefore differs materially from earlier case-law under A1P1, where the authorities have not been in a comparable position to prevent the loss of property (see inter alia <i>Blumberga v. Latvia</i>, no. 70930/01, 14 October 2008, and <i>Kanevska v. Ukraine</i>, no. 73944/11, 17 November 2020).</p> <p>33. Second, individuals may legitimately expect an adequate level of security in a mandatory, state-controlled pension system. The Court has held that a positive obligation to take preventive measures arises where there is 'a direct link between the measures that an applicant may legitimately expect from the authorities and his effective enjoyment of his possessions' (see <i>Öneryıldız v. Turkey</i> [GC], no. 48939/99, § 134, ECHR 2004-XII). Here, pension savers could neither improve the security of the platform themselves nor withdraw their funds from it. The effective enjoyment of their rights under A1P1 therefore requires that the burden of prevention rest on the State.</p> <p>34. For these reasons, the State was under an obligation to prevent the loss of property. To that end, copy-protecting the fund-change forms would have been one easy, inexpensive and sufficient measure. But instead of taking such a basic preventive measure, the State allowed the transfers to go through and relied on an automatic notification letter.</p> <p>35. The State argues that the automatic notification letter, together with the possibility of requesting reconsideration (sv. omprövning), constituted an effective remedy. In particular, the State contends that the general public-law remedy of reconsideration could have been used to reverse an unauthorised fund change. It is therefore for the State to show that the remedy was effective in practice and to provide examples of its use in comparable cases (see, mutatis mutandis, <i>Djavit An v. Turkey</i>, no. 20652/92, § 73, 20 February 2003). The State cannot do so.</p> <p>36. None of the 7,000 victims requested reconsideration after receiving the notification letter (see para. 18 above). The mechanism depended on pension savers understanding the letter and acting in time, even though they generally struggled to understand both the premium pension system and the Pensions Agency's letters (see para. 10 above). Reconsideration had also been used only once before, in 2001, to reverse an unauthorised fund change. It was therefore neither an established nor effective remedy.</p> <p>37. In sum, instead of ensuring basic security on the premium pension platform, the State relied on an inconspicuous letter, which pension savers struggled to understand. In so doing, it placed the entire burden on individuals to protect their assets and reverse unauthorised fund changes. The State thus shifted an excessive burden onto the Applicant and the other victims, upsetting the fair balance required by A1P1.</p>

Statement of alleged violation(s) of the Convention and/or Protocols and relevant arguments (continued)

62. Article invoked	Explanation
Article 13	<p>VIII. SWEDEN VIOLATED ARTICLE 13 OF THE CONVENTION</p> <p>38. The domestic courts failed to carry out their own substantive assessment of the Applicant's complaint as regards preventive measures. Sweden therefore violated the Applicant's right to an effective remedy under Article 13. The domestic courts held that the State enjoyed a wide margin of appreciation in designing the premium pension scheme and in deciding what preventive measures to take. For that reason, the courts declined to examine the core of the Applicant's complaint: that the Pensions Agency could easily and at minimal cost have ensured basic security on the platform by copy-protecting the fund-change forms.</p> <p>39. By refusing to make a full and independent assessment of the preventive measures, the domestic courts skewed the overall proportionality assessment in the State's favour (see inter alia, <i>Keegan v. the United Kingdom</i>, no. 28867/03, § 42, ECHR 2006-X and <i>Hatton v. the United Kingdom [GC]</i>, no. 36022/97, §§ 141–142, ECHR 2003-VIII, where the Court found a violation of Article 13 because the domestic courts failed to carry out a full proportionality review).</p> <p>40. This lax scrutiny was not only in breach of Article 13, but also eroded the principle of subsidiarity. By applying the Strasbourg margin, the domestic courts confused their own role with that of this Court. As a result, they failed to perform their role as the primary guarantors of the Convention at the national level, and undermined the basis for European supervision and procedural review (cf <i>Animal Defenders International v. the United Kingdom [GC]</i>, no. 48876/08, § 108, ECHR, extracts, where the Court established that the scope of the margin of appreciation depends on the quality of domestic assessment, including careful judicial scrutiny by the domestic courts).</p> <p>41. For these reasons, Sweden violated the Applicant's rights under Article 13 and undercut the principle of subsidiarity.</p> <p>IX. CONCLUSION</p> <p>42. Ultimately, this case concerns citizens' trust in public welfare systems. Here, the State amassed billions of its citizens' money in a state-owned vault, left the door open, and let known offenders walk away with the savings of 7,000 people. Instead of preventing fraud, the State placed the entire burden on individuals to monitor, detect, and undo unauthorised fund changes. Under these circumstances, the State has overstepped any acceptable margin of appreciation.</p> <p>43. The Applicant respectfully invites the Court to find that Sweden has violated his rights under A1P1 and Article 13 of the Convention. He further invites the Court to clarify the role of the margin of appreciation at the domestic level and to ensure that the principle of subsidiarity is not eroded.</p>

G. Compliance with admissibility criteria laid down in Article 35 § 1 of the Convention

For each complaint, please confirm that you have used the available effective remedies in the country concerned, including appeals, and also indicate the date when the final decision at domestic level was delivered and received, to show that you have complied with the four-month time-limit.

63. Complaint	Information about remedies used and the date of the final decision
Article 1 of Protocol No 1	<p>44. The Stockholm District Court rejected the Applicant's claim under A1P1 on 15 December 2023, in case FT 4281-22 (see bundle pp. 111–131). The Applicant appealed to the Svea Court of Appeal (see bundle pp. 132–155). On 31 March 2025, the Svea Court of Appeal dismissed the Applicant's appeal, in case FT 16581-23 (see bundle pp. 156–158). The Applicant then appealed to the Supreme Court (see bundle pp. 159–176). On 28 November 2025, the Supreme Court refused leave to appeal, in case FT 3707-25 (see bundle pp. 177–179).</p> <p>45. The Applicant has now exhausted domestic remedies and lodges the present application within four months of the Supreme Court's decision of 28 November 2025, refusing leave to appeal.</p>
Article 13	<p>46. As regards the alleged breach of Article 13 of the Convention, the violation occurred in the District Court and was raised in substance before the Court of Appeal and the Supreme Court (see bundle pp. 132–155 and 159–176; see also, <i>mutatis mutandis</i>, <i>Hanan v. Germany</i> [GC], no. 4871/16, §§ 148–151, 16 February 2021, where the Court accepted that the substantive complaint had been raised without explicit reference to the relevant Convention provisions). Sweden was thus afforded an opportunity to remedy the alleged violation. It should therefore not be necessary, for the purposes of exhaustion, for the Applicant to bring a new tort claim in separate proceedings alleging a violation of Article 13.</p>

- Please ensure that the information you include here does not exceed the space provided -

64. Is or was there an appeal or remedy available to you which you have not used?

Yes

No

65. If you answered Yes above, please state which appeal or remedy you have not used and explain why not

47. The Applicant has not sought damages from the Chancellor of Justice or before the general courts in respect of the alleged violation of Article 13. For the reasons stated in paras. 44–46 above, he was not required to do so.

H. Information concerning other international proceedings (if any)

66. Have you raised any of these complaints in another procedure of international investigation or settlement?

Yes

No

67. If you answered Yes above, please give a concise summary of the procedure (complaints submitted, name of the international body and date and nature of any decisions given)

68. Do you (the applicant) currently have, or have you previously had, any other applications before the Court?

Yes

No

69. If you answered Yes above, please write the relevant application number(s) in the box below

I. List of accompanying documents

You should enclose full and legible copies of all documents. No documents will be returned to you. It is thus in your interests to submit copies, not originals. You MUST:

- arrange the documents in order by date and by set of proceedings;
- number the pages consecutively; and
- NOT staple, bind or tape the documents.

70. In the box below, please list the documents in chronological order with a concise description. Indicate the page number at which each document may be found

1.	The Swedish Government Official Report, "Svårnavigerat? Premiepensionssparande på rätt kurs" [Difficult to Navigate? Is Premium Pension Saving on the Right Track?] (extracts), SOU 2005:87, 27.10.2005	p.	1
2.	Letter notifying the Applicant of the transfer of his premium pension savings to Falcon funds, 12.09.2014	p.	14
3.	Transactions on Daniel Edencrona's premium pension account from May 2013 to December 2014, 13.12.2014	p.	15
4.	Press release of the Swedish Pensions Agency, "Pensionsmyndigheten säger upp avtal med fondbolag" [The Swedish Pensions Agency terminates its agreement with fund company], 15.06.2016	p.	17
5.	The Swedish Government Official Report, "Fokus premiepension" [Premium Pension in Focus], SOU 2016:61 (extracts), 26.09.2016	p.	19
6.	The Swedish Pensions Agency's annual report 2016 (extracts), 20.02.2017	p.	34
7.	Government Bill, "Ett tryggt och mer hållbart premiepensionssystem" [A Safer and More Sustainable Premium Pension System], Prop. 2017/18:247 (extracts), 26.04.2018	p.	36
8.	Jens B. Nordström, Det stora pensionsrånnet: miljardsvindeln i Falcon Funds [The Great Pension Robbery: The Billion Fraud in Falcon Funds] (extracts), 15.09.2020	p.	43
9.	Memorandum of the Swedish Pensions Agency, 23.11.2020	p.	65
10.	News article in Radio Sweden, "Staten stäms efter härvan kring Falcon Funds" [The State Is Being Sued Following the Falcon Funds Scandal], 14.03.2022	p.	78
11.	Government Bill, "Ett bättre premiepensionssystem" [A Better Premium Pension System], Prop. 2021/22:179 (extracts), 17.03.2022	p.	80
12.	Press release of the Svea Court of Appeal, "Dom i Falcon Funds-målet" [Judgement in the Falcon Funds Case], 01.06.2022	p.	83
13.	The State's statement of defence in case FT 4281-22, 31.03.2023	p.	85
14.	Judgement of the Stockholm District Court in case FT 4281-22, 15.12.2023	p.	111
15.	The Applicant's appeal to the Svea Court of Appeal, 02.02.2024	p.	132
16.	Judgement of the Svea Court of Appeal in case FT 16581-23, 31.03.2025	p.	156
17.	The Applicant's appeal to the Supreme Court, 27.05.2025	p.	159
18.	Decision of the Supreme Court refusing leave to appeal in case FT 3707-25, 28.11.2025	p.	177
19.	Decisions of the Swedish Pensions Agency concerning reconsideration of fund changes during the period 2013–2023, 13.07.2023	p.	180
20.	News article in TV4, "Hur dåliga system får staten ha?" [How Flawed May the State's Systems Be?], 22.10.2023	p.	223
21.	News article in Aftonbladet, "Bedragare stal Daniels pension: 'Brister i systemet'" [Fraudsters Stole Daniel's Pension: 'Flaws in the System'], 17.03.2025	p.	226
22.	OECD, Pensions at a Glance 2025: OECD and G20 Indicators (extracts), 27.11.2025	p.	230
23.		p.	
24.		p.	
25.		p.	

Any other comments

Do you have any other comments about your application?

71. Comments

48. The Applicant intends to claim just satisfaction under Article 41 of the Convention in respect of non-pecuniary damage in the amount of SEK 20,000. This amount corresponds to the claim made before the domestic courts. The Applicant will also claim compensation for costs and expenses.

Declaration and signature

I hereby declare that, to the best of my knowledge and belief, the information I have given in the present application form is correct.

72. Date


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D	D	M	M	Y	Y	Y	Y

 e.g. 27/09/2015

The applicant(s) or the applicant's representative(s) must sign in the box below.

73. Signature(s) Applicant(s) Representative(s) - tick as appropriate


F. Bergman Evans


A. Troedsson


M. Kvarnström

Confirmation of correspondent

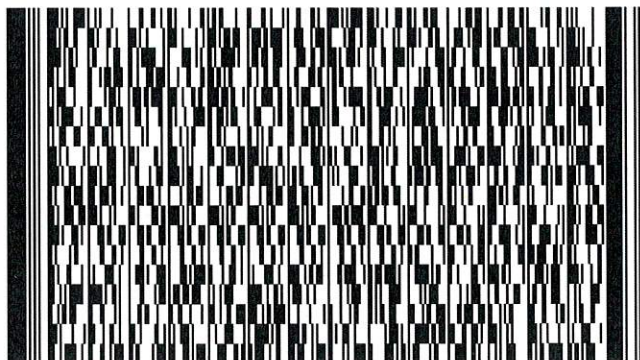
If there is more than one applicant or more than one representative, please give the name and address of the one person with whom the Court will correspond. Where the applicant is represented, the Court will correspond only with the representative (lawyer or non-lawyer).

74. Name and address of Applicant Representative - tick as appropriate

Mr Fredrik Bergman Evans
Centrum för rättvisa
Skeppsbron 20
SE-111 30 Stockholm
SWEDEN

The completed application form should be signed and sent by post to:

The Registrar
European Court of Human Rights
Council of Europe
67075 STRASBOURG CEDEX
FRANCE



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