

## CNMV PUBLISHES THE ANNUAL REPORT ON INVESTORS' COMPLAINTS AND ENQUIRIES IN 2021

03 August 2022

- The CNMV Complaints Service received 1,254 complaints from investors.
- Although resolutions are non-binding, the entities rectified their actions in 87.7% of cases, once CNMV intervened.
- The average time for resolving complaints with a final reasoned report fell to 109 days when compared to 121 in 2020.
- Investors sent 10,421 enquiries to CNMV, highlighting a 25% increase in those referring to unregistered entities and the uncertainty regarding the suspension of activities of Cypriot entities operating under the freedom to provide services regime in Spain.
- The report includes a summary of the most relevant supervision criteria applied in complaint resolution.

Today the Spanish National Securities Market (CNMV) published the [Annual Report on Investors' Complaints and Enquiries in 2021](#). This report covers the activity carried out by the supervisor in resolving claims and complaints from investors about the entities and products with which they operate, while dealing with their doubts and enquiries, within the scope of the investment service provision. This is a free service available to any investor.

In 2021, 1,254 claims subject to be processed as complaints were registered, slightly more than the 1,242 complaints in 2020. Taking into account these complaints, together with those pending from the previous year, 851 were declared admissible, with 484 being dismissed for a number of reasons. The main causes for non-admission were that the complainants had not previously claimed against the entity, as is mandatory, or that the complaints did not fall within the competence of CNMV.

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### Complaint Resolution and Degree of Acceptance by Entities

76.6% of the claims processed resulted in a final reasoned report being issued. These reports were favourable complainants in 54.6% of the cases (51.6% in 2020) and unfavourable in the remaining 45.4% (48.3% the previous year).

Even if they are declared admissible, complaints may be terminated in advance without the Complaints Service issuing a final reasoned report. In this sense, 23.4% of complaints processed did not require said report as, in the majority of cases, they were resolved by the entity reaching an agreement with the complainant after the latter lodged a complaint with CNMV.

Meanwhile, in the cases in which the statement was favourable to the complainant, the percentage of acceptance of the conclusions stated in the reports by the entities and the subsequent rectification of the situation regarding the complainant was 81.5% compared to 70.3% in 2020. In other words, despite not being legally binding, the statements by the CNMV Complaints Service led a very high percentage of the cases to be resolved in favour of clients without having to resort to legal action. In Spain, only 66 complaints by clients who were right, according to CNMV, were left unattended by the entities in 2021.

It should be highlighted that, when adding admissions of claims throughout this year, the percentage of proceedings in which entities reached agreements with complainants rose to 87.7% of the complaints.

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## Resolución de las reclamaciones finalizadas en 2021

CUADRO 7

Número de reclamaciones y quejas

	2019		2020		2021		% var. 21/20
	N.º	%	N.º	%	N.º	%	
<b>Tramitadas sin informe final motivado</b>	<b>129</b>	<b>18,8</b>	<b>137</b>	<b>18,5</b>	<b>199</b>	<b>23,4</b>	<b>45,3</b>
Allanamiento o avenimiento	112	16,3	117	15,8	179	21,0	53,0
Desistimiento	12	1,7	15	2,0	15	1,8	0,0
Inadmisión sobrevenida	5	0,7	5	0,7	5	0,6	0,0
<b>Tramitadas con informe final motivado</b>	<b>557</b>	<b>81,2</b>	<b>602</b>	<b>81,5</b>	<b>652</b>	<b>76,6</b>	<b>8,3</b>
Informe favorable al reclamante	285	41,5	311	42,1	356	41,8	14,5
Informe desfavorable al reclamante	272	39,7	291	39,4	296	34,8	1,7
<b>Total tramitadas</b>	<b>686</b>	<b>100,0</b>	<b>739</b>	<b>100,0</b>	<b>851</b>	<b>100,0</b>	<b>15,2</b>

Fuente: CNMV.

The average time for resolving complaints with a final reasoned report, both favourable and unfavourable, fell to 109 days when compared to 121 in 2020. In the case of complaints resolved without a final reasoned report, the average time was 49.3 days compared to 51 in 2020.

### Grounds, Types of Products and Entities

The complaints closed in 2021 were based on a total of 1,109 causes, including most notably issues relating to information provided on the product after it had been contracted (23.3%), fees charged by entities (21.4%) and purchase and sale orders of products (21%). With regard to the type of product subject of complaint, 41.1% of the causes were related to collective investment schemes, while the remainder were connected with other types of securities, such as equity instruments, bonds, debentures and financial derivatives, among others.

According to type of entity, most of investors' complaints were filed against national credit institutions, 82.3% of all complaints, which is explained by their market share regarding investment services. Following these are 6% of the complaints by foreign credit institutions, more specifically branches of EU credit institutions.

Only 2.3% of the complaints were against investment firms (IFs) or national CISMCS. However, 6.2% referred to foreign IFs.

### Complaints Against Foreign Entities Under the Freedom to Provide Services

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The CNMV Complaints Service also receives complaints referring to non-compliances with rules of conduct of firms acting under the freedom to provide services regime in Spain. The competence to know these facts corresponds to the country of origin of the entity the complaint was filed against.

If the entity belongs to a country that is a member of the FIN-NET international cooperation network, CNMV offers the client the chance to transfer its complaint to the national supervisor of the entity. Otherwise, it is sent to the competent body. 33 complaints outside the scope of FIN-NET were received in 2021, mainly from Cypriot entities, 24 within the network and 4 cross-border complaints against entities in the United Kingdom.



### Rankings for Entities

The annual report also contains detailed information on the complaints received by and filed with the Customer Service Department (CSD) by leading entities, and a series of entity rankings regarding certain matters are published.

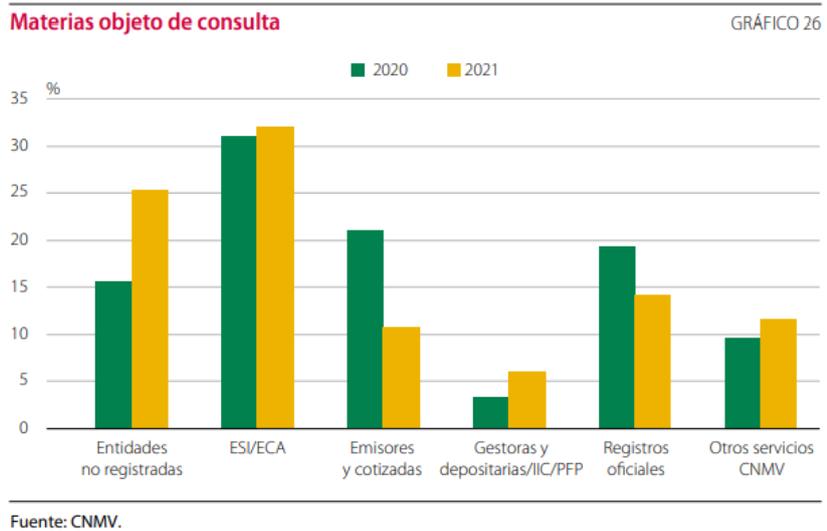
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### Investor Enquiries

A total of 10,421 enquiries were received in 2020, 6.5% less than the previous year. The majority, 83.2%, were performed via the Investor Assistance Office telephone number. The rest arrived through the electronic form (13.8%) or the general registry (3%).



Among the issues raised by investors in 2021, the following enquiries stand out:

- Unregistered entities (financial boiler rooms), which increased by 25%.
- The suspension of the activities of Cypriot IFs Depaho Ltd. or Forex TB Ltd. in Spain.
- The fees and expenses derived from providing clients information on paper.
- Changes in contractual conditions that result from the merger of IFs.
- Operational limitations or limitations in the scope of the services offered by IFs.
- Enquiries regarding takeover bids, etc.

### CNMV's Action Criteria

The report includes the most relevant **criteria** the CNMV Complaints Service has followed to resolve the claims regarding the different issues: analysis of the adaptation of the product to the customer's

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investor profile in cases of mere order execution, the provision of advisory services and portfolio management; information on the product to be provided before and after purchasing; the execution of orders; fees applicable to CIS, other securities and the portfolio management service; wills and ownership of securities.

The criteria published explain the interpretation of the regulations for the specific cases in 2021, together with the supervision actions applied. These serve to update the general complaint resolution criteria, [published on the website](#), which constitute a detailed, systematic, practical and updated guide to the guidelines followed by the Complaints Service, being of use both to investors and entities.