

## **CNMV PUBLISHES THE ANNUAL REPORT ON INVESTOR COMPLAINTS AND ENQUIRIES DEALT WITH IN 2016**

Madrid, 24 November 2017

- Investors submitted 1,205 complaints and made 8,028 enquiries (13.93% and 9.5% fewer than the previous year, respectively)
- Entities rectified 45.8% of the cases in which CNMV determined that the complainant had grounds for complaint
- The complaints resolution time decreased

The Spanish National Securities Market Commission (CNMV) has today made public the [Annual Report on Investor Complaints and Enquiries](#) in 2016. This report includes the activity of CNMV in its competence to resolve claims and complaints from investors, as well as their doubts and enquiries in general.

In compliance with the 2017 Activity Plan, the structure and format of the part of the Report corresponding to complaints has been reviewed. In this regard, a detailed explanation of the procedure followed in the processing of complaints has been included, new graphs and charts have been incorporated to facilitate understanding of the data reflected, and a more agile and dynamic structure has been chosen to make it easier to read and understand such data. Also, the criteria section has been extended, systematizing all the criteria applied by the Complaints Service in the complaints resolved over the course of 2016.

In 2016, a total of 1,205 complaints were received by CNMV, of which 97% were filed by natural persons and only the remaining 3% by legal persons. For their part, investors' enquiries amounted to 8,028.

### **Complaints**

The reasons for the complaints submitted by investors to the supervisor were varied, although those caused by the client's dissatisfaction with the information provided to them by the entity before contracting a product (26% of the complaints) or with the entity's failure to evaluate the advisability or suitability of a product for the investor's profile (23%).

The entities that received the greatest number of complaints were banks, with 88.9% of the total, which is explained by taking into account the relative weight of these entities in the channelling of savings in Spain.

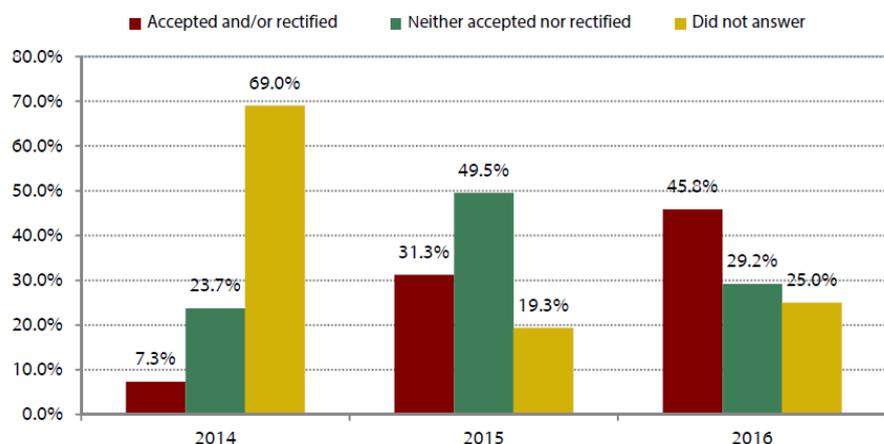
Complaints submitted to investment firms (IFs) and management companies of national collective investment schemes amounted to 1.7%, with 0.8% being accounted for by securities companies, 0.5% by securities agencies and 0.1% by financial advisory companies. Management companies of collective investment schemes received 0.3% of the complaints.

It should be noted that complaints made against branches of IFs from the EU represented 1.7% of the total, while foreign IFs operating under the freedom to provide services regime accounted for 2.5%.

Of the total number of complaints processed, 81% were concluded with a reasoned final report. Of these, 51.3% were favourable for the complainant, while the remaining 48.7% were unfavourable. Also noteworthy is the increase in the number of cases in which **entities accepted investors' requests** or reached an agreement before CNMV's Complaints Service issued a reasoned report: 14.8% in 2016 compared with 9.2% in 2015 and 5.8% in 2014.

There was also an **increase in the amount of cases in which entities accepted CNMV's criteria** or rectified their actions when the complainant received a favourable report. While in 2014 the supervisor's resolutions were only complied with in 7.3% of the cases, in 2016 the percentage was 45.8%.

#### Developments in the entities' subsequent actions



In addition, in 2016 there was a **notable improvement in the time taken to respond to** and solve complaints from complainants due to greater agility both by the entities and CNMV's Complaints Service. Thus, in the case of complaints that it was not possible to admit for the reasons provided for in the regulations, the average response time was 36.6 days, compared with 50 days in 2015; in the case of complaints concluded with a reasoned final report, this time was 95.12 days, compared with 173 days in 2015; and for complaints resolved without a reasoned final report, the resolution period was 61.78 days versus 114 days in 2015.

Furthermore, worthy of note is the **collaboration provided by most of the entities** required by the Complaints Service, furnishing a series of data on the activity carried out by their Customer Service Departments (CSDs) and/or their Ombudsmen, collaboration that has made it possible to prepare and reflect in this Report information about the important work they do.

### **Investor enquiries**

In 2016, investors submitted 8,028 enquiries to CNMV, 9.5% fewer than in 2015. The channel most frequently used to contact the agency was the investor assistance office telephone number (81.2%), followed by the electronic office (14.7%) and ordinary mail or submission of enquiries through the general registry (4.1%).

The main issues in relation to which enquiries were made were those related to Bankia's decision to return investments in the flotation; doubts about IFs domiciled in Cyprus operating under the freedom to provide services regime; matters related to binary options, CFDs and other complex products or the modification in the calculation of fees for the transfer of securities, among others.

### **CNMV's Criteria**

This Report includes the supervision criteria used to resolve complaints. These criteria refer to commercialization or mere execution in the sale of financial products, with details of whether they are complex or not; advice and portfolio management; information prior to and after contracting by investors; orders; commissions; will executions; ownership and operation of customer services.



With the inclusion of this information, the report, in addition to contributing to the transparency of the institution, constitutes a detailed, systematic, practical and updated guide to the guidelines followed by the Complaints Service in its resolutions. Moreover, by detailing the criteria applied to complaints resolved both with a favourable and unfavourable report for the complainant, it is possible to identify not only the bad practices carried out by the entities against which complaints have been made but also the actions that are considered correct.

Finally, the report contains information on CNMV's task of **warning investors about unregistered entities**.

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