

PRESS RELEASE

First semester in growth for the Ombudsman for Financial Disputes

65% of the appeals accepted for 13.5 million euros

A compendium of the most relevant decisions and a practical guide for savers upcoming

The **activity of the Securities and Financial Ombudsman (ACF)**, the out-of-court dispute resolution body between savers and financial intermediaries, established by Consob in 2016 and operational since January 2017, continues to grow.

The first half of the year saw **903 new appeals** (874 in the same period of 2020). Over 8,000 appeals have been received by the Consob Ombudsman from the beginning of its activity to date.

The Board has accepted 65% of the appeals examined (35% rejected), recognising compensations for a total of 13.5 million euros (12 million euros in the first half of 2020). If we also take into account what was decided in the previous four years, in mid-2021 the total sums settled in favour of savers reach almost 100 million euros (97.8 million euros in total), with a *per capita* average of about 40,000 euros.

The total value of the compensation claims by savers in the first half of the year is almost 47 million euros (about 50 million euros in the first half of 2020), with an average unit value of 50,000 euros; over 200 appeals with compensation claims of more than 50,000 euros, up to the maximum expected of 500,000 euros.

In mid-2021, the total compensation claims made to ACF thus exceeded EUR 450 million.

The South was confirmed, also in the first part of 2021, as the area of origin of the highest number of appeals (41%), slightly ahead of the North (40%) and, far behind, the Centre of the country (19%).

Against the 903 appeals received, 918 proceedings were concluded in the first half of 2021, with an increase of more than 20% compared to the corresponding figure for 2020 (750). As a result, the meetings held by the Board also increased (35 in the first half of 2021, 27 in the same period of 2020). A further, decisive increase in investigative and decision-making activities is planned for the second part of the year, in line with the declared objective of bringing the deadline for the completion of proceedings back to the standard 180-day time limit by next year.

The measures for the early termination of the proceedings undertaken by the President, at the request of the concerned applicants, have significantly increased (152 in the first half of 2021, 107 in the same period of 2020).

This is a trend that should be evaluated positively, as it is largely related to cases in which the parties have independently reached an amicable settlement of the dispute, which proved to be a

practicable solution only after the initiation by the saver of the proceeding before the ACF.

On the other hand, the cases of unacceptability/inadmissibility of the appeals for detected and uncorrectable formal irregularities are appreciably decreasing: 113 in the first part of the current year, while there were 242 during the entire 2020 and 290 in 2019.

The intermediaries so far involved in the proceedings before the Ombudsman are 195, of which 71 in the first half of this year; overall, the intermediaries participating in the ACF system as of 30 June are 1,177.

The area in which the most critical issues in the relationship between retail investors and intermediaries are nested continues to be that of the information preparatory to the investment. Savers who turn to the ACF, in addition to not recognising themselves in their investor profile as outlined in the specific Mifid questionnaire, too often complain about the fact that they did not receive clear and adequate information on which to base informed investment choices.

This is a problem that the ACF Board is almost systematically facing and on which numerous consolidated general guidelines have now been defined in the almost 4,000 decisions published so far and freely available on the institutional website (www.acf.consob.it). Guidelines that intermediaries should comply with, by adjusting their operating practices accordingly, so as to nip in the bud or, at least, minimise the cases of subsequent litigation.

Precisely in view of this and as a contribution to the better usability of the guidelines, a review of the “judicial decisions” taken among the decisions issued by the Board and considered of greater interest for intermediaries but also for savers will be published on the site from the current month of July, on a monthly basis.

In the second half of the year, the publication of a practical guide for retail investors is also planned which, by drawing inspiration from the cases that are gradually examined, identifies the good and bad practices encountered. The objective is to generate informational and behavioural awareness in small savers, who too often are indiscriminately reliant and tend to lose responsibility, only to regret the outcome of the investments made.

Finally, it should be noted that the amendments to the ACF regulation, recently approved by Consob at the end of the public consultation held last year, will enter into force on 1 October.

Among the important innovations, it should be noted the provisions aimed at further facilitating the amicable and direct settlement of the dispute between the parties and the fulfilment of the decisions by the unsuccessful intermediaries (such as the possibility for the parties to obtain the suspension of the arbitration proceedings in case negotiations are started in order to find an agreement; the postponement of the publication of the notice of non-fulfilment when the parties start a negotiation aimed at reaching an agreement on the basis of the ACF decision; the possibility of late fulfilment, with cancellation in this case of notice of non-fulfilment), in addition to the expected standardization of the new proceeding forms, which will be made available on the Ombudsman's website by next September.

Rome, 5 July 2021