

PRESS RELEASE

Securities and Financial Ombudsman (ACF)

18 million of compensations to savers in 2022

The total amount of repayments in the six-years activity of the ACF rises to 142.5 million

96 per cent of ACF decisions are enforced voluntarily by intermediaries

2022 ended with the recognition in favour of Italian savers of substantial compensation by the *Securities and Financial Ombudsman* (ACF), the body set up in Consob for the out-of-court settlement of disputes between intermediaries and their customers.

In fact, the compensation paid in the year just ended amounted to 18 million Euros, with a *per capita* average of almost 28 thousand Euros. Thus, the total value of the compensation awarded by the Consob Ombudsman in his first six-years activity rose to 142.5 million Euro, with an appeals acceptance rate of 57.5 per cent in the last year.

The rate of voluntary execution of decisions by the unsuccessful intermediaries continues to be definitely high (over 96 per cent in 2022, and in the whole 2017/2022 period as well), among which some (20) compensations of unit value fluctuating between 150,000 and 500,000 Euros (the latter - please note - being the maximum limit of competence by value of the Ombudsman) stand out.

This is a marker of particular significance of the effectiveness of the ACF tool that, at the same time, also shows evidence of the argumentative and motivational quality of the decisions that are taken. A feature, the latter, to which the Board pays maximum attention and care since its operational start, primarily in consideration of the non-binding features of the decisions it takes.

The number of incoming appeals decreased appreciably: 1,115 in 2022, compared to 1,582 in 2021, for a total of 9,810 appeals presented to the ACF from its operational start, in January 2017, to date.

Among the factors favouring this *trend*, it should be noted, first of all, there is the gradual alignment of the operating practices of the intermediaries with the application guidelines of the sector regulations gradually developed by the ACF Board. This has made it possible to sterilize from its upstream many of the reasons for conflict uprising. The regulatory change that Consob has introduced at the end of 2021 undoubtedly contributed in the same direction, limiting the scope of the Ombudsman to disputes relating to investments made no later than the decade preceding the presentation of the appeal. Additional factors to contain the dispute should also be mentioned: the by now reduced flow of appeals relating to the placement up to 2015, with *retail* customers, by some local banks, of own shares which later turned out to be illiquid; more generally, the implementation of the MiFID II regulation, which has strengthened the safeguards to protect *retail* investors, and the mood of general uncertainty generated by the global crises of recent years, which has led many savers to opt for conservative and less risky financial choices. A clear indication of this is the significant increase in liquidity available on Italian current accounts.

Moreover, some indicators that had already clearly emerged in previous years were substantially confirmed in 2022: the quantitative prevalence of litigation initiated by savers living in the northern and southern regions of the country (respectively equal to 41.4 per cent and 40.9 per cent), compared to Central Italy (16.9 per cent), with a definitely marginal presence (less than 1 per cent) of applicants residing abroad; the clear predominance of male applicants (68.4 per cent), compared to 30.1 per cent represented by women, and the low incidence (1.5 per cent) of the applications

presented by legal persons; the decidedly advanced age of the applicants, with more than 70 per cent of *over* 55s and the low presence (less than 10 per cent) of *under* 40s; the clear preference of the appellants for legal assistance (over 65 per cent of the cases), which is indicative of the enduring difficulty for many retail investors to defend themselves.

In terms of intermediaries, 74 were involved in the proceedings initiated in 2022 and a total of 220 were called to answer for their actions before the Ombudsman so far, compared to 1,292 intermediaries currently involved in the ACF system (they were 1,204 at the end of 2021).

During 2022, the action to recover the backlog accumulated above all in the first three years of operation of the Ombudsman continued with the needed intensity. In fact, a total of 1,624 proceedings were concluded, thus bringing the final figure from 2017 to today to 8,998 units. The definitive reduction of the deadline for the conclusion of all the proceedings within the envisaged 180 days remains also in 2023 the core objective, to which the Board will devote special attention in its renewed composition, as defined by Consob last December.

Lastly, the programmatic objectives for 2023 include: the implementation, within the first half of the year, of joint initiatives with savers' and intermediaries' associations, to receive *feedbacks* on the services provided so far and suggestions for possible improving interventions to be made; the fine-tuning of financial education initiatives aimed at the concrete needs of retail investors, adopting to this end the today's vast casuistry drawn from the nearly ten thousand appeals received so far; the further consolidation of collaborative relationships with homologous bodies (ABF and, as soon as possible, the Insurance Ombudsman), to share good practices and ensure standards of service always aligned with the expectations of the users.

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