

## PRESS RELEASE

### **Securities and Financial Ombudsman (ACF): record of compensation to savers in 2021**

#### **The percentage of compliance by intermediaries is close to 97%**

#### **The first five years of activity of the ACF end with the "plus" sign**

A record 2021 for the compensation awarded to savers by the Securities and Financial Ombudsman (ACF), the out-of-court settlement body for disputes between intermediaries and their customers, established at Consob. With 35.88 million euros that returned to savers' pockets, a new high was reached last year compared to the 28.9 and 15.77 million euros paid back in 2020 and 2019 respectively. The total amount of compensations decided by the Securities and Financial Ombudsman in its first five years of operation thus rises to 120 million euros.

The rate of acceptance of appeals also increased in 2021 (69.4%, compared to 30.4% rejected), with an average in the five-year period of 67.3% of appeals accepted and 32.7% rejected.

In addition, business volumes are growing strongly, with a reduction in investigations and decision-making times by almost 40% in 2021, compared to previous years. Therefore, the goal of clearing the backlog of the first three years of activity by the end of 2022 has been confirmed, following some cases of betrayed savings that evidenced a strong commitment by the ACF since the start of its activities in January 2017.

These are some of the most salient data emerging from a preliminary summary of the work carried out by the Arbitrator in 2021. The overall value of the compensation requested appears significant, reaching just over 81 million euros in 2021, with an average appeal of over 51 thousand euros. The minimum request was 10.92 euros, vs. the maximum requested amount of 500 thousand euros, corresponding to the maximum value pertaining to the ACF. In general, in the five-year period 2017/2021, 8,695 appeals were received, with compensation requests equal to over 480 million euros (approximately 56 thousand euros, on average, per appeal).

Decision-making activity is constantly growing. In 2021, the Board met 71 times (53 in 2020, 46 in 2019, 45 in 2018, 27 in 2017), taking over 1,600 decisions (about 1,100 in 2020), to which must be added the decisions of unreceivability/inadmissibility, taken directly by the President (219 in 2021, lower than previous years) and those of extinction due to an agreement between the parties (242 in 2021, positively up compared to 212 cases in 2020 and 194 in 2019).

Overall, 2,107 proceedings were concluded in 2021, compared to 1,582 incoming appeals, thus bringing the number of appeals defined in the 2017/2021 five-year period to 7,373. As of December 31 last, the number of decisions both published and freely available at the [www.acf.consob.it](http://www.acf.consob.it) web address rose to 4,868 (they were 3,302 as of 31 December 2020).

The rate of fulfilment of the decisions of the ACF – please remember, decisions are not binding - remains high. The percentage of voluntary execution of the decisions of the ACF is close to 97% of cases; a trend which is constantly growing. This figure is net of the decisions relating both to banks placed in liquidation or resolved in the 2015/2017 two-year period, which - as is known - were implemented through public interventions disciplined by the law, as well as to some popular banks issuing equity securities characterized by situations of marked illiquidity.

The prevalence of applicants who are resident in the north of the country (42.6%) is confirmed in quantitative terms, narrowly followed by residents in the southern regions (38%), while savers in central Italy (18.6%) remain far apart and the presence of applicants living abroad (0.8%) is marginal. Data which are consistent with those recorded over the five-year period as a whole.

The percentage of savers who opt for the assistance of a prosecutor is still high: 72% of applicants in 2021 compared to a five-year average of 66%. The data takes on a reporting value of the difficulties still encountered by many *retail* investors in becoming both promoters and, above all, first-person guardians of their rights; more generally, it represents a clear evidence of the still unsatisfactory level of financial literacy of large sections of the population. To remove these critical issues, the ACF intends to give its own contribution after the application experience gained by now, through the implementation, already in 2022, of targeted initiatives going in the direction of an increasing level of awareness of small savers, to overcome their distrust and encourage their better participation in the economic life and development of the Country.

The intermediaries convened before the Arbitrator were 87 in 2021; 201 overall those involved in the entire five-year period, compared to 1,204 intermediaries adhering to the ACF system.

The rate of fulfilment of decisions is an aspect to which the ACF has given special importance since 2017, as it is the first parameter for assessing the degree of effectiveness of the service provided. This is why it will continue to be carefully monitored also in the future, above all through the argumentative and motivational quality of the decisions. At the same time, it remains important that intermediaries, but also savers themselves, continue to identify the ACF as the appropriate tool for the definitive solution of any dispute. This is also consistent with the enhancement process of the ADR (*Alternative dispute resolution*) instruments, which represents one of the cornerstones of the recent intervention for the civil justice reform.

Relational dynamics continue to be at the core of the reasons for the conflict between savers and intermediaries. The preliminary disclosure phase for the investment choice, before any other, turns out to be critical. Savers often complain about the inadequate information flow received in order to make effectively conscious investment choices. About this, many decisions have been taken today by the Board of the ACF, in which guidelines have been drawn up which, starting from the practical cases examined, have led to the elaboration of general principles which, if correctly understood and applied, can reveal to be extremely useful for *ex ante* removal of most of the reasons for the dispute. These principles will also find special emphasis in the 2021 annual report, which will be published by next 31 March. A special summary section of the report will include the most important guidelines developed in the entire first five-year period, not only in terms of information, but also with reference to the behaviour of both professional operators and savers themselves.

It is also the intention of the ACF, in 2022, to develop dialogue initiatives with *stakeholders* and representative associations, in order to get a *feedback* of the activity carried out so far and of the perceived quality of the services provided, with the purpose of constantly adjusting their level to the needs of users.

Finally, the collaborative relationship, now structured, with the *Banking and Financial Ombudsman* (ABF) and, as soon as possible, also with the establishment of the *Insurance Ombudsman* (AAS), will continue and find further forms of consolidation.

Rome, 3 January 2022