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EXERCISE OF SANCTIONING POWERS

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COROLLARY OF SUPERVISION

Sanctioning powers, as a corollary of supervisory powers, continued to be exercised in 2022, with 14 proceedings conducted against institutions and their directors and executives (proceedings were started against a total of 97 natural persons)



PUBLICATION OF SANCTIONS BY THE BANCO DE ESPAÑA

Except in exceptional cases, sanctions imposed for serious and very serious infringements are published on the Banco de España website



PRUDENTIAL

The area which accounts for the largest number of sanctioning proceedings, with 9 in 2022. Noteworthy are the proceedings opened against institutions, directors and executives relating to internal control, credit risk and governance, and the proceedings against appraisal companies



TRANSPARENCY AND CUSTOMER PROTECTION

In 2022, 4 proceedings were resolved against 3 banks and 1 branch in Spain of a foreign institution and its general manager, and 1 proceeding was initiated against an e-money institution

Sanctioning powers, as a necessary supplement to supervisory powers, continued to be exercised in the prudential area and in the area of transparency and customer protection.

In the prudential area 9 proceedings were processed, of which 4 were resolved in the course of 2022. Noteworthy in this area are three groups of proceedings, all of which were opened not only against the corresponding institutions, but also against their directors and executives (proceedings were started against a total of 90 natural persons).

First, there are the proceedings in which the non-compliance relates to credit risk management, capital strength, and institutions' governance and internal control mechanisms. In 2022, 4 proceedings of this nature were being processed against a savings bank (resolved in 2022), a specialised lending institution, a credit cooperative and, at the end of the year, an electronic money institution.

Secondly, it is also worth noting the 4 proceedings against appraisal companies for conduct related to their internal control mechanisms, procedures and organisation, 3 of which were resolved in 2022.

Lastly, the Banco de España's sanctioning powers were extended, in this prudential area, to another electronic money institution and to certain of its shareholders, the latter due to the acquisition of qualifying holdings without meeting the obligations to notify the Banco de España.

In the area of conduct, transparency and bank customer protection, 4 proceedings were also resolved against 3 banks and 1 branch in Spain of a foreign institution and its general manager, and a further proceeding was initiated at the end of the year against an electronic money institution and its directors and executives (proceedings were started against a total of 7 natural persons). The non-compliance relates to shortcomings in credit card financing offer policies, to the charging of undue fees, and to conducts such as including in the loan application document credit lines unrelated to the financing originally intended by the customer, or inaccurately submitting the information to be reported to the Banco de España in the “Interest rates on lending transactions in Spain with the resident private sector” reporting contained in Annex 9 of Circular 5/2012.

Lastly, it is worth recalling that the Banco de España provides information on its website on the sanctions imposed (published within 15 days from the date on which they become final in administrative proceedings).