Chapter 7

Sanctioning powers

1 Sanctioning powers

In 2025 the Banco de España handled 20 sanctioning proceedings in the areas of prudential supervision, bank customer protection and combating unauthorised financial activity. 13 of them resulted in sanctions that, overall, exceeded €49 million, which in most cases also affected directors, managers or owners of qualifying holdings in the entities involved, bringing the total number of sanctioned parties to 79. The remaining proceedings were still in progress at year-end.

40% of the sanctioning proceedings handled involved unauthorised financial activities, while 20% concerned capital ownership breaches (Chart 7.1).

These sanctions help to protect bank customers and to ensure the soundness and solvency of the financial system.

- In the area of bank customer protection, two sanctioning proceedings were resolved against significant institutions – the largest or most important to the economy – for breaches related to the principles of responsible lending and the bundling of insurance associated with mortgage loans.

- The Banco de España stepped up the fight against unauthorised financial activity: five proceedings resulted in sanctions for carrying out reserved activities or using reserved names without authorisation and for failing to cooperate with the inspection. At year-end, three more proceedings were in progress.

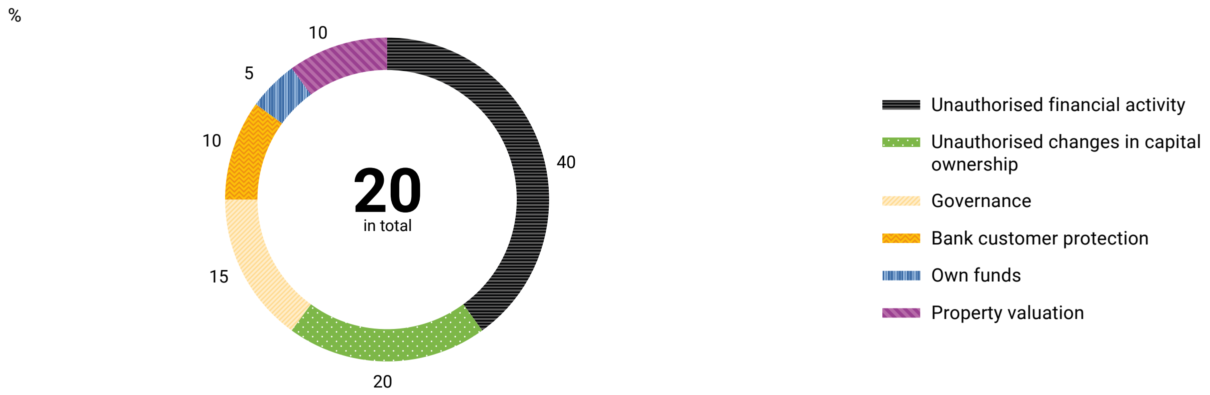
- In the area of prudential supervision, the focus was on banks' governance. Two proceedings were handled in 2025 concerning remuneration practices, involving two banks and their directors. The first, which was initiated at the request of the European Central Bank due to the involvement of a significant institution, was resolved within the same year, resulting in the imposition of sanctions. The second was still ongoing at end-2025.

  A proceeding was also initiated against a payment institution and its directors for management shortcomings and the unsuitability of a board member.

- Three proceedings were completed against two payment institutions and their directors or owners of qualifying holdings (35 in total) for unauthorised changes in the ownership of the capital. At year-end, a fourth proceeding in this same area was still under way involving 11 owners of qualifying holdings in a payment institution.

- Turning to appraisal companies, the Banco de España focused on internal control, independence, compliance with incompatibility rules and the correct application of valuation

Chart 7.1
Sanctioning proceedings completed in 2025 or ongoing at year-end, by area of infringement



SOURCE: Banco de España.

methods. This led to the conclusion of a proceeding against an appraisal company and its administration and management positions for breaches in the above-mentioned areas. A further proceeding was opened against another appraisal company which was still under way at the end of the year.

— Finally, a proceeding against a payment institution, its Chair and its CEO for insufficient own funds was concluded in 2025.

— The bulk of the sanctions imposed was due to breaches in the areas of customer protection, governance and unauthorised changes in ownership of capital.

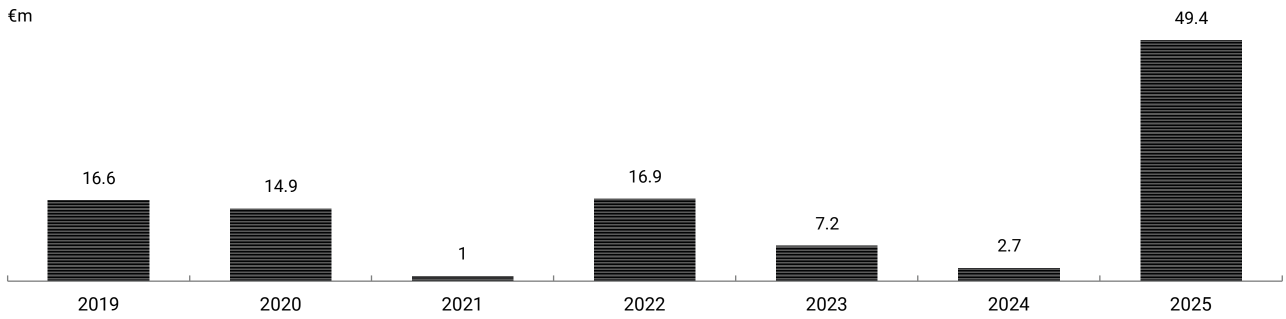
Five of the 13 proceedings concluded in 2025 are final; appeals have been lodged against the other eight. In addition, in six of the proceedings the parties involved have benefited from the lower penalties provided for by law for acknowledging liability or voluntarily paying the sanction (Article 85 of Law 39/2015 of 1 October 2015). Benefiting from these reductions means waiving the right to appeal through administrative channels, but not through the courts.

As can be seen in Charts 7.2 and 7.3, sanctioning activity has intensified in 2025, as part of the progressive strengthening of actions against unauthorised financial activity, governance deficiencies and unauthorised changes in capital ownership.

— This effort has resulted in a notable increase in the number of resolved proceedings, which more than doubled compared with 2024, and in a very significant increase in the aggregate amount of sanctions imposed, which rose 18-fold, reaching levels not seen in previous years.

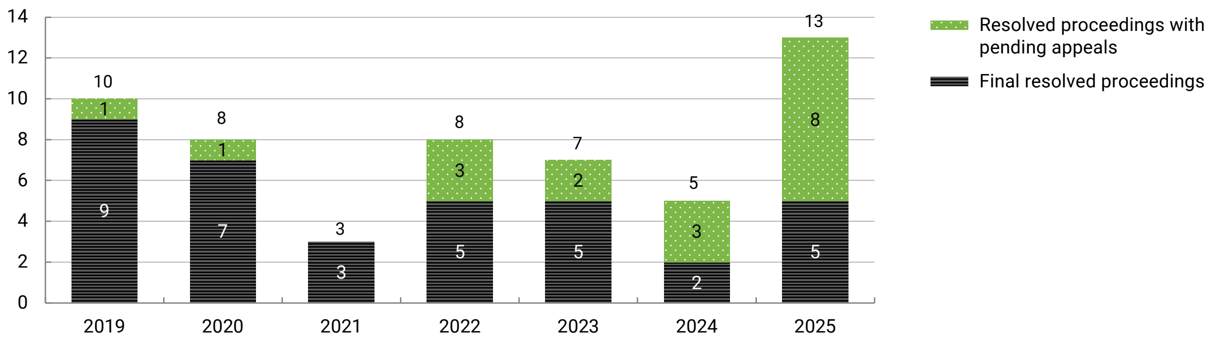
— The number of proceedings and the aggregate sanction amount have fluctuated in recent years. This owes to various factors, including the results of supervisory actions. The amount of the sanctions imposed each year depends on the severity of the breaches detected, the

Chart 7.2
Penalties imposed



SOURCE: Banco de España.

Chart 7.3
Number of sanctioning proceedings resolved



SOURCE: Banco de España.

culpability of the institution, the concurrence of aggravating or mitigating circumstances, the number of responsible parties in each case and the size (turnover) of the sanctioned institutions.

— It should be noted that between 2019 and 2025 all proceedings initiated resulted in the imposition of sanctions, with the sole exception of a case that was closed because it did not constitute an administrative infringement. This is without prejudice to the fact that, depending on the specific circumstances, a party may have been exonerated. In addition, of the 54 proceedings resolved in that period, 36 are final and 18 have been appealed via administrative channels or in the courts (Chart 7.3). Proceedings whose resolutions are final and those which can be disclosed even though an appeal is pending are published on the Banco de España's website.