Question for written answer E-010608/2014
to the Commission
Rule 130
José Blanco López (S&D)

Subject: Preference share fraud in Galicia and Spain

Preference shares are a high-risk financial asset that can generate a high rate of bank interest or lead to heavy losses. In Spain, they were offered to private investors who were unaware of the contractual conditions associated with these shares and were led to believe that they would provide a fixed income, which was not the case.

The fact that it is impossible for investors to recover the money invested has led to this practice being considered as genuine bank fraud carried out by the financial institutions. These shares reached their peak around the time of the housing bubble and the Spanish financial crisis, when they were placed with around 700 000 customers, with a value of around EUR 30 billion.

According to a report by the Fund for Orderly Bank Restructuring (FROB), a total of 116 000 people were affected by preference shares and subordinated debt in my region, Galicia, with the victims being defrauded of up to EUR 1.831 billion.

Does the Commission know if all of the private investors affected by this situation in Galicia and Spain have recovered the money they invested? Have the public or private organisations who caused the situation taken any form of responsibility? Has the Commission taken any action for a breach of European law?