

**Question for oral answer O-000088/2015
to the Commission**

Rule 128

Cecilia Wikström

on behalf of the Committee on Petitions

Subject: Mortgage legislation and risky financial instruments in the EU: the case of Spain

Legislation and practices in mortgage banking differ vastly across the EU, resulting in different levels of consumer protection and debt settlement conditions in each Member State. The large number of petitions denouncing violations of fundamental rights and infringements of European legislation evidence unprotected consumers facing considerable barriers to obtaining the accurate information that is essential for making fundamental decisions, also bringing to light thousands of tragic personal cases where citizens have lost their homes and all or part of their life-savings. A number of abusive clauses and practices in the Spanish mortgage sector have been identified by national and European courts. Directive 93/13/EEC on unfair terms in consumer contracts should have prevented such fraudulent transactions. In Spain, civil society has been protesting against hundreds of thousands of evictions, abusive terms in mortgage contracts, and lack of protection for borrowers. The impact of the crisis has aggravated the situation for evicted families who are still paying off their mortgage debt. Moreover, 700 000 Spanish citizens are estimated to have been the victims of financial fraud, as their savings banks sold them risky financial instruments. Consumers were not duly informed about the extent of the risks involved in the proposed investments, and the banks did not perform suitability tests to determine whether clients had the adequate knowledge to understand the financial risks they were undertaking.

1. Is the Commission aware of any effective implementation of new measures adopted by the Spanish Government to prevent such abusive practices? If so, what is its view on these measures, bearing in mind the serious concerns recently expressed by Advocate- General Szpunar in relation to their legality?
2. How exactly is the Commission monitoring the enforcement of the CJEU ruling of 14 March 2013 to the Aziz case C-415/11 on the infringement of Directive 93/13/EEC?
3. How does the Commission evaluate the Spanish arbitration mechanism put in place for citizens who are victims of financial fraud, taking into account that it has been rejected as a solution by many of them?
4. Does the Commission believe that CARRP and the revised MiFID II Directive and PRIIPS Regulation sufficiently address this issue? If not, can it state what further measures are needed at EU level, for instance introducing the possibility of *datio in solutum*?

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Forwarded: 20.7.2015

Deadline for reply: 27.7.2015