

## PRESS RELEASE

### **The CNMC receives new complaints involving the terms of ICO COVID loans**

- It is continuing its investigation into various financial institutions to determine whether they engaged in unfair actions when granting ICO loans.
- The actions it is analysing include the cross-selling of products (insurance, alarms, televisions), the restructuring of existing financial products, and the payment of upfront costs as a condition for granting the loans.
- The CNMC remains especially vigilant against these types of practices that could harm the general interest in the current economic climate.

**Madrid, 28 December 2020** - The CNMC is continuing the investigations that began during the lockdown months, when it set up its complaints inbox ([covid.competencia@cnmc.es](mailto:covid.competencia@cnmc.es)). With this initiative, the CNMC sought to centralise all the complaints and inquiries from citizens and companies regarding the application of competition rules during the pandemic.

After [6+ months of operation](#) of the "[Covid inbox](#)", the sector that has generated the most inquiries and complaints due to possible infractions of competition regulations has been the financial sector.

Accordingly, as a result of the first inquiries received and the various news stories published in the media, the CNMC initiated preliminary proceedings and made a series of information requests to various financial entities.

### **Potential anticompetitive practices identified**

After analysing the information collected, the CNMC identified the existence of a series of actions that could violate competition law. At this time, the Commission is analysing (i) the cross-selling of products when marketing ICO COVID loans (including insurance, alarm services and the purchase of televisions), (ii) the use of said loans as a mechanism to restructure pre-existing financial products, (iii) as well as requiring the loan recipients to pay upfront fees before the funds associated with the loans are disbursed.

### **Distortion of competition**

As a result, the CNMC is investigating whether such actions could constitute unfair conduct that, by distorting free competition, affects the public interest in a moment of crisis caused by COVID-19, and thus constitutes a violation of Law 15/2007 of 3 July, the Anti-Trust Law.

The CNMC has continued to receive complaints and inquiries related to the granting of ICO COVID loans. Because of this, and given the current economic and social crisis brought about by COVID 19, and the possible granting of new loans of this nature or the extension of existing loan programmes, it will be especially vigilant. It will thus continue to require the relevant information from financial entities that may be affected by such practices in order to determine whether their actions are

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compatible with competition law.

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