



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Andrea ENRIA

Chair of the Supervisory Board

COURTESY TRANSLATION

Mr Brando Benifei
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 29 July 2020

Re: Your letter (QZ-046)

Honourable Member of the European Parliament, dear Mr Benifei,

Thank you for your letter on the so-called “investment diamonds” and the compensation of savers, which was passed on to me by Ms Irene Tinagli, Chair of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 7 July 2020.

As laid down in the Interinstitutional Agreement between the European Parliament and the European Central Bank (ECB),¹ any reporting obligations vis-à-vis the European Parliament are subject to the relevant professional secrecy requirements, as outlined in the Capital Requirements Directive (CRD IV),² which limits my ability to release information on individual banks. I can nonetheless provide you with some relevant considerations in response to your questions.

Please note that, within the Single Supervisory Mechanism (SSM), the ECB is exclusively responsible for specific tasks related to the prudential supervision of credit institutions. This means that the ECB aims to detect risks to banks’ viability in order to ensure the safety and soundness of the European banking system and enhance financial integration and stability. Consumer protection and the fight against money laundering are outside the scope of the ECB’s responsibilities and therefore remain within the purview of the national authorities. However, the prudential implications of consumer protection and money laundering or terrorism financing are of key importance for the ECB, who follows them very seriously from a prudential perspective.

¹ [Interinstitutional Agreement between the European Parliament and the European Central Bank on the practical modalities of the exercise of democratic accountability and oversight over the exercise of the tasks conferred on the ECB within the framework of the Single Supervisory Mechanism, 2013/694/EU, OJ L 320, 30.11.2013, p. 1-6.](#)

² [Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, OJ L 176, 27.6.2013, p. 338-436.](#)

Cases of misconduct and unfair treatment of customers can be a sign of an inadequate internal governance of credit institutions, which could pose a risk to the safety and soundness of these credit institutions.

As you mentioned, Banco BPM S.p.A (Banco BPM) has adopted a different approach to compensating individual savers for the loss and damage caused by the misselling of diamonds.

This reimbursement strategy has been decided by Banco BPM alone. The ECB neither formally instructed nor informally encouraged the bank to adopt such a strategy.

At the same time, we have used the supervisory tools conferred by the SSM Regulation³ to ensure that Banco BPM properly identified, assessed and measured the possible risks stemming from this strategic choice and that it took corrective and/or mitigating actions where needed.

Yours sincerely,

[signed]

Andrea Enria

³ Council [Regulation \(EU\) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions](#), OJ L 287, 29.10.2013, p. 63-89.