

Bank Account closures are against the Law

Defending the right to bank accounts



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- Two Basic Provisions
- Acting against closure of accounts and other restrictions since February 2006

1st provision

Every behaviour in trade contrary to the good faith is considered unfair competition

2nd provision

Prohibition of concerted practices which may affect trade and which have as their object or effect the prevention, restriction or distortion of competition

Once upon a time...

Nine Years – Some numbers...

- Court actions against 12 banks in Spain, most of them several times
- An average of 4 actions/bank
- Up to 9 Court actions against the same bank (*from December 2008 until July 2015*)
- 2 clients had to sue twice the same bank (*December 2008 - November 2014 | February 2014 July 2015*)

Bank's account restriction procedures

- Closure of accounts
- Modification of operational conditions (*several arguments*)
- Increase of commissions (*change of contract provisions*)
- Transfers restrictions to certain countries (*AML*)
- Denial to forward contracts (*economic risk*)
- Transfers in USD \$ denied

Arguments used by banks to justify the closure of accounts

- Right of Closure based on the Contract Signed
- Existence of other alternatives (*none of them good enough and now not even the small banks are opening*)
- There is no exclusion of any other entities (*no discrimination*)
- It is impossible to know the origin of the money
- Money laundering activities (*mere excuse, never proven*)
- Clients/agents are not identified (*who's responsible, failure to request data*)

Preliminary Injunctions

- Preliminary injunctions have been always granted
- The vast majority of injunctions granted before the closure of the account)
- Most of them granted in 1 to 2 weeks max
- Only once rejected in first instance by Court (*it was afterwards granted by Appeal*)

Results

- All accounts have been maintained until now
- Banks have been ordered to maintain operational and economic conditions to bank account holders
- Banks have been condemned to pay all legal costs and in some occasions damages too

Thank you

If you or your lawyer need advise on how to act against bank closures in your country, contact us:

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