

Deposits and accounts coverage by guarantee funds other than the Spanish FGD

Deposits guarantee is an unsettling issue for depositors. Is every single account, either current or savings, and every term deposit covered in Spain, no matter with which credit institution?

The answer to this question is yes: All deposits taken out in Spain must be guaranteed by the corresponding deposit guarantee fund up to a maximum of 100,000€ per holder and credit institution. This guarantee can be offered either by the Spanish Deposit Guarantee Fund or by other with identical coverage, as it happens with all credit institutions authorized in any of the European Union member states. Non-European credit institutions must become members of the Spanish Deposit Guarantee Fund when there is no deposit guarantee scheme in their country of origin. In case of being already part of a deposit guarantee scheme in their country, if the amount covered is less than 100,000€, the difference must be covered through the Spanish Deposit Guarantee Fund.

Deposits contracts must foresee this coverage information to guarantee that consumers know their rights in case a credit institution has liquidity problems. Contracts must detail the Fund of which the credit institution is member (with the name of the fund translated into their language), the maximum amount covered, the address (contact details) and the webpage address. All this information must also be available in an accessible and understandable manner in the credit institution's webpage as well as in all the branches and offices. Upon the customer's request, credit institutions must also provide information of the necessary conditions, should it be the case, to pay the amount guaranteed and the required procedures in order to do so.

Besides, advertisements informing about the characteristics of a deposit must include information of the Deposit Guarantee Fund of which the credit institution is a member and the maximum amount guaranteed, although being member of a fund must not be used as an advertising strategy.