

PRESS RELEASE

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ISSUED BY:

BANK GUARANTEES IN SPAIN ACTION GROUP

Highlighting Spanish Off-Plan Property Bank Guarantee Issues : Demanding Action

www.bankguaranteesinspain.com

SUBJECT: SPANISH GOVERNMENT PROPERTY ROAD SHOW PHASE TWO – 13 OCTOBER 2011 – AT OPP LIVE – ExCel – LONDON DOCKLANDS

BEATRIZ CORREDOR – SPANISH SECRETARY OF STATE FOR HOUSING DELIVERS KEY NOTE SEMINAR SPEECH AND ATTEMPTS TO EXPLAIN WHY NOW IS THE RIGHT TIME TO INVEST IN THE SPANISH REAL ESTATE MARKET. HOWEVER SHE FAILS TO ACKNOWLEDGE THAT ANY PROBLEMS EXIST WITH PREVIOUS PURCHASERS

POST SEMINAR DRINKS RECEPTION MARRED DUE TO ANGRY EXCHANGES BETWEEN VICTIMS OF SPANISH PROPERTY ABUSE AND SPANISH SECRETARY OF STATE BEATRIZ CORREDOR

MARTA ANDREASEN MEP HAS FRANK EXCHANGE WITH BEATRIZ CORREDOR AT POST SEMINAR DRINKS RECEPTION

BANK GUARANTEE ACTION GROUP ATTENDS FOLLOW UP MEETING WITH SPANISH GOVERNMENT OFFICIALS FROM THE HOUSING MINISTRY

BEATRIZ CORREDOR REFUSES TO MEET PERSONALLY WITH THE BANK GUARANTEES ACTION GROUP

Phase 2 of the Spanish Government Property Road Show arrived in London Docklands yesterday where the 'main event' was a 30 minute 'key note' speech from Beatriz Corredor, Spain's Housing Minister.

The Road Show, which was part of the Property & Investor Show OPP Live, consisted of a Spanish Government stand in the centre of the exhibition hall around which 12 Government approved companies were provided with individual podiums to market their real estate portfolios.

Throughout the day the Spanish area was fairly quiet and there was not much evidence of prospective purchasers for Spanish Property. However, a number of victims of various Spanish Property Abuses did make the exhibitors aware of their problems.

At one point in the early afternoon it seemed as though many of the Spanish Real Estate exhibitors had gone for lunch as most of the podiums were empty.



KEY NOTE SPEECH

At 3:15pm Beatriz Corredor delivered her 'key note' speech in a small seminar room screened off from the main exhibition hall. The audience of around 70 people was made up of trade guests, individual investors, Spanish Government Embassy Officials and a number of victims of property abuse in Spain.

The audience was provided with copies of the Spanish Government publication 'How to buy a home in Spain – Step by Step Guide'.

Beatriz Corredor was introduced by the Spanish Ambassador to the UK, Sr. Carles Casajuana. He advised the audience that instead of a question and answer session at the end of the seminar Beatriz Corredor would host a drinks reception where the audience could enjoy some Spanish Wine.

Her speech lasted for around 30 minutes and she explained how this was now the optimum time to invest in Spanish Property due to the falling property prices, IVA reduction on new properties, Land Registry searches now available in English and the transparency and legal security available to purchasers. Significantly the Minister failed to acknowledge that there were any problems within the Spanish real estate sector.

DRINKS RECEPTION & CHALLENGE FROM MARTA ANDREASEN MEP

At the end of the seminar the audience was then taken to the drinks reception hosted by Beatriz Corredor and the Spanish Government.

The drinks reception was marred by some angry exchanges between Beatriz Corredor and victims of Spanish Property Abuse. Sra. Corredor attempted to defend the Spanish Real Estate Sector and together with the Spanish Ambassador they denied there were any major problems.

Marta Andreasen MEP who had flown into London specially to attend the seminar in support of the victims of property abuse also challenged Beatriz Corredor at the drinks reception. <http://www.martaandreasen.com/?p=1011>

Marta Andreasen comments: **"It didn't take me long to introduce myself to the Minister and have a conversation with her. I shall describe it as 'frank and passionate', with the conversation both in English and Spanish attracting attention from many around.**

Mrs Corredor quite clearly lives on another planet. She refused to acknowledge the problems there have been and continue to be with people who have invested in Spain. Through her denial, she is unwilling to help those who have suffered and I question whether she even cares given there's an election in Spain in a few weeks time"

REFUSAL BY MINISTER TO ATTEND MEETING

Keith Rule coordinator of the Finca Parcs Action Group and organizer of the Bank Guarantees in Spain Petition says: **“After listening to the Seminar from our front row seats, it was obvious they did not want us anywhere near Beatriz Corredor. Immediately the seminar ended myself and two other representatives of the Bank Guarantees In Spain Petition, Mike Kerr and Reg Matthews were taken for a pre-arranged meeting with two senior members of Beatriz Corredor’s team.**

We asked Beatriz Corredor to join the meeting but she refused. The meeting which was a follow up to our first meeting held during the first phase of the Road Show at the Spanish Embassy in May lasted for around 75 minutes and at times became rather heated due to the serious nature of the subject matter”

The meeting was arranged to discuss the wider issue of Bank Guarantee Abuse including circumstances where developers and banks failed to issue the legally required Bank Guarantees and where Banks were refusing to honour Bank Guarantees for no legitimate legal reason.

COMPLAINT TO THE BANK OF SPAIN

Keith continues: **“After reaching the end of the complaints procedure with Caja de Ahorros del Mediterráneo (CAM) the Bank who accepted our off-plan deposits at Finca Parcs we then forwarded our complaint to the Valencian Savings Ombudsman who advised us that the complaint was ‘out of their remit’ and then referred us to the Bank of Spain. We submitted our complaint and dossier of evidence to the Banco de España on 12 October 2010. The complaint was not only in relation to the Finca Parcs/CAM situation but it also criticized the Banco de España for their lack of supervision with regards to the wider issue of Bank Guarantee Abuse.**

The Banco de España notified us in writing on 3 January 2011 that they had accepted our complaint into their system. We have not heard from them since. We took this matter up with the Spanish Government at our meeting in May and were now looking for some information on the progress of our complaint. Unfortunately Beatriz Corredor’s team was unable to give us any positive news.

Keith says: **they told us: ‘Sra. Corredor has personally contacted the Governor of the Bank of Spain but we are still waiting for an answer with regards to your complaint. The Bank of Spain is independent and we as a Government cannot tell them what to do. You must make a complaint to the Defensor del Pueblo regarding the lack of response from the Bank of Spain. We will also continue to chase them on your behalf’**

Keith adds: "We have now demanded a meeting with the Bank of Spain and Beatriz Corredor's team has assured us that although they are unable to instruct the Bank of Spain to meet with us they will support us with our request.

LAND REGISTRY SEARCHES – INNACURATE AND INCOMPLETE

At the meeting we also challenged many of the things said by Beatriz Corredor during her 30 minute seminar.

We highlighted the fact that the information provided by the Spanish Land Registry was inaccurate and we had with us copies of recent Land Registry Searches for a property that was demolished in 2008, two other properties that were issued with demolition notices in 2009 and a property that was subject to Land Grab. The Land Registry searches did not make any reference to these very serious issues.

The officials attempted to defend the Land Registry system which is all part of their claim that the system now offers legal security and transparency by saying that **"The English translation system for the Land Registry was only introduced in July this year and it would take a little time to be accurate. They said 'we have to start somewhere'"**. We then gave them evidence of the fact that the documents we were referring to were actually in Spanish from the Spanish Land Registry search and not from the new English system.



"We insist that buying a house in Spain has always been safe." Beatriz Corredor
Spanish secretary of state for housing

During a recent interview with the BBC's Sarah Rainsford, Beatriz Corredor said **"We insist that buying a house in Spain has always been safe"**. When pressed further on this issue she conceded, **"Those who have had problems are on the path to a solution"** <http://www.bbc.co.uk/news/world-europe-15293808>

Keith challenges the statement from Beatriz Corredor: "This statement is completely untrue. If as the Minister says, buying a house in Spain has always been safe, then why are so many people suffering from issues such as Land Grab, Demolition Orders, Ley de Costas and Bank Guarantee Abuse? I am shocked that she can continue to make such inflammatory and insensitive statements. If we are now on a 'path to a solution' the least we deserve is to be told just how long that path is.

Sra. Corredor must understand that now is the optimum time to meet with the victims and put in place measures to resolve the serious issues that are still outstanding as a result of the complete lack of supervision in the Spanish Real Estate Sector.

If the Spanish Government and Banco de España really want us to believe that the Spanish Real Estate Sector is transparent and offers legal security then they must stop papering over the cracks and act now to resolve the outstanding issues.

Now is not the time for Sales Seminars and Road Shows; it is time for some real action from the Spanish Government and Banco de España.

We are sick of hearing about the transparency and legal security on offer, because all we have experienced and are still experiencing is the complete opposite – corruption, fraud, negligence and continual denial.

The Spanish Government must immediately clean up the property sector, take action to resolve the property abuses, give more power to the Banco de España to make them an effective supervisor of the Banks and ensure that the Law relating to off-plan property purchases, LEY 57/68 is enforced in all cases both past and present.

We have made it clear to the Spanish Government that we will not go away and that will continue to fight to recover our money that should have been protected by the inalienable rights granted to us by Spanish Law, LEY 57/68"

Mike Kerr who was also present at the meeting comments: "I was disappointed that I was not allowed to speak directly to Beatriz Corredor. As I approached her she turned her back on me and walked away. We have made the Spanish Government fully aware of the fraudulent actions of the Spanish Banks but are surprised that they still refuse to intervene to change their behavior. By failing to take action it could be said that they are condoning the fraudulent activity of the banks"

-Ends-



Additional Information

Bank Guarantees In Spain Petition - www.bankguaranteesinspain.com

Stop The Spanish Property Road Show Petition
<http://www.gopetition.com/petitions/stop-the-spanish-property-roadshow-open-letter-to-davi.html>

Finca Parcs Action Group - www.fincaparcsactiongroup.com

For more information please contact:

Keith Rule

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Notes to Editors:

BANK GUARANTEES IN SPAIN ACTION GROUP

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The Bank Guarantee Action Group is fighting for the rights of victims of Bank Guarantee Abuse in connection with Off-Plan Property Purchases in Spain.

FINCA PARCS ACTION GROUP

The Las Higuericas Finca Parcs development is in Agramon, near Hellín, Spain.

The Finca Parcs Action Group is made up of a total of 64 buyers who paid their off-plan deposits to the Caja de Ahorros del Mediterráneo accounts of the developer Cleyton GES SL. The developer and CAM failed to issue the legally required Bank Guarantees for the deposits.

Off-Plan deposits were first accepted in 2005 and 5 years later in 2009 it was abandoned by the developer, Cleyton GES SL with only 36 of the 617 houses completed. However even those 36 properties do not have First Occupation Licences.

A Lawsuit against CAM and Cleyton GES SL was submitted to the court in February 2011 for the first 47 group members.

A second Lawsuit is currently being prepared for the remaining group members.

Finca Parcs Action Group is legally represented by María Luisa de Castro, Director of Costa Luz Lawyers in Algeciras.