

Q.1.

The persistent problem for the financial consumer is the way in which the suitability tests are carried out, since their wording is not understandable by a majority of consumers and requires clarifications that imply that it is the personnel who is selling the product who help to complete the Suitability Test, distorting not only the methodology used to prepare it, but also the results obtained.

It is necessary to address changes both in the test itself and in the methodology for its completion so that the intended objectives of protecting small investors are really achieved and they do not become a legal obligation empty of a really useful purpose in the protection of consumers and small investors contributing to an improvement in consumer confidence in investing their savings.

An additional problem occurs when these tests are carried out online and we run the risk that they will be treated as a mere procedure and will not be read with the attention they require.

The entity must record the specific circumstances of each client and even carry out a small feasibility study for the client and then explain the suitability.

Q2.

It is positive and necessary to know the preferences of consumers and investors in the sustainability objectives of their investments in order to maximize the policies to combat climate change, but sustainability must be considered from a double perspective, environmental sustainability must be analyzed of our investments, but the criterion of social sustainability must be added, in these aspects we find ourselves with a double problem:

- We lack a necessary definition of the standards that define what a sustainable investment is. For this reason, the ESMA must be actively involved in the creation and implementation of these standards, avoiding greenwashing policies.

- Social sustainability must analyze whether the consumer and the investment firm opt for alternative dispute resolution systems in the resolution of conflicts that could eventually arise.

Sustainable investment is not fully understood, except in some cases as investments in certain projects whose purpose is clear and visible to small investors, in many other products it is difficult to understand because it is a general and ethereal purpose. It is necessary to do more pedagogy.

Even at the risk that the information on sustainability may seem excessively broad at first, we must not ignore that for the opening of an investment product, entities provide an excessively large volume of documents. It is convenient to provide the information in a clear way, but not only the information on sustainability, Taxonomy and SDFR, this information must be written clearly and considering that its target audience is an average consumer and not an expert economic lawyer. From ADICAE we want to point out that it is necessary to thoroughly review how the information is transmitted to consumers so that this information and documentation is clear and easily understandable.

Q3.

The sustainability approach must include sustainability not focused solely on its environmental sustainability approach, it must be extended to social sustainability, contemplating the impact that the investment will have on our society.

The information provided to the client will always be well valued, as long as this information is clear and easy to understand. The information on the client's sustainability preference must allow a comparison of products to be made and will have an impact in the short and medium term, reinforcing and increasing the offer of more sustainable products.

It is important to indicate whether the entity has accepted the alternative dispute resolution mechanisms included in Directive 2013/11/EU

Q4.

Investment companies must previously indicate to the consumer and small investor what concept they have of sustainability, as there is no standardized concept and requirements. The concept or requirements demanded by an investment services company to classify an investment as sustainable may not coincide with the investor's demands.

Q5.

It is decided by the investor to prioritize an economic criterion over the sustainability criterion, when precisely the investors who bet on more sustainable investments are willing to reduce their profitability expectations for the sake of greater sustainability of their investment. We understand that with the current approach the investor is deprived of giving greater weight to sustainability in investment decisions and that he should be asked in the questionnaire when establishing priorities, so that in the event of determining a management portfolio active whether or not economic analysis prevails over sustainability.

When a client expresses his priorities, these should prevail in the study carried out by the advisor, if it is appropriate to create guidelines for the study to be carried out by the advisor based on the guidelines expressed by the investor.

Q6.

The consumer must be asked so that he can transfer his preferences to the manager so that the latter can adequately weigh the necessary balance between profitability and sustainability in accordance with the real preferences of the small investor.

Q7.

The periods indicated, although at first they may seem very brief in practice, will be carried out in the next renewal of the suitability test, so that these initiatives may see their application delayed for several years, it is necessary to establish shorter and more reasonable periods for that sustainability investments are implemented and produce their effects in shorter periods of time, the measures adopted not being distorted, if the implementation is not set within short and reasonable periods, the effects of these measures cannot be evaluated in the medium term to correct possible deviations or inefficiencies that are detected.

This information and knowledge of the sustainability preferences must be completed by the investors once the modifications to the MiFID II Delegated Regulation are published, in a short period of time so that it can unfold its effects and cause an increase in the offer of investment products. more sustainable investment.

Q8.

A broader vision is needed to enable a simpler and more understandable wording for small investors. The presentation of the information and of the contracts themselves is written in an excessively technical language that does not make it easier for it to be understood by the generality of consumers, it is necessary to introduce changes and enable a standardized record of reduced information on the different products of investment that enable investors to know their sustainability and to be able to compare the various investment products and understand them.

Q9.

It is essential to define the concept of sustainability and define the criteria that an investment must meet to be classified as sustainable so that the elements and criteria of an investment company are not left undefined or may vary, making it impossible to compare products or make decisions under the same criteria by investors.

Q10.

Confidence in the company that provides information services is a basic element, it is positive that the company indicates to the small investor that it does not have products that meet its sustainability criteria, so that the small investor can freely decide on their investment, stating this will clearly and unequivocally.

When a client expresses his sustainability preferences, the investment product must be adapted to said preferences, but always guaranteeing the suitability of the investment.

Q11.

The small investor is the one who must ultimately decide to invest his assets, even in products that do not meet his sustainability criteria, as long as he has been properly informed and having weighed alternatives and elements for and against, so that you can make your investment decision freely and informed, said circumstances and decision adopted must be documented.

Q12.

We understand that the question is not correctly formulated.

We cannot impose sustainability criteria on consumers, the change in the production model from the point of view of a transition towards a more sustainable economy must be progressive, but at no time imposed.

We understand that the focus should not be on the possibility or not of adapting their sustainability preferences, but rather that the consumer, weighing the different elements, can make an investment decision, knowing that said investment does not meet its sustainability parameters and despite this decide whether or not to hire him.

We believe this possibility of adaptation is positive when sustainability criteria are not met, as long as the convenience and suitability criteria are met, that in no case may the contracting of products that are not convenient and suitable according to the suitability test be allowed. sustainable or not.

Q13.

The investment company must clearly indicate to the consumer that it lacks investment instruments that suit their sustainability preferences and indicate which products meet their sustainability preferences and the convenience and suitability criteria to a greater or lesser degree.

We must understand that the positions of investors on sustainability can be very disparate and that the increase in the supply of sustainable finance must be increased progressively as the sustainability criteria are implemented in the evaluations of investors and the number of investors grows to a greater extent. supply and demand for more sustainable financial products.

Q14

The non-expression of sustainability criteria is not an obstacle for the company to offer sustainable products. The non-expression of sustainability preferences transfers the positioning of the small investor in the primacy of other criteria when making their investment decisions, although, in case of not expressing sustainability preferences, whenever possible, the entity or agent must include sustainable products in its recommendations.

Q15

In active portfolio management, sustainability is a basic element in decision-making and must guide the managers' actions in accordance with the instructions given by the investor.

Q16.

The finding that the investment products of an investment company do not meet the expectations of consumers must be translated into a change in society's policies that increase its supply of sustainable products in a way that satisfies demand. The lack of adaptation and failure to meet the expectations of investors will mean that those actors who are not capable of satisfying the demand may be harmed compared to the actors who do know how to adapt their offer to the demands of the market.

Q17

The progressive implementation of the sustainability criteria will cause many portfolios to adapt their offer to sustainability preferences. It is convenient that when these changes may be uneconomic, the investor is informed so that they can make an informed decision about their investment, considering their interests.

Q18

ADICAE's experience in defending consumer rights leads us to think that the explanations given by a sales agent are going to focus more on meeting the minimum required by law than on providing impartial information.

Training in sustainability is positive, but for this information and training to be provided in a useful and impartial manner, it must be provided by consumer associations accompanied by a guide that indicates the requirements that all investments must meet in order to be qualified as sustainable.

Q19

It would also be useful if sustainability preferences were shared with the competent national authorities in order to compile statistics that provide general guidance to all market operators and encourage the introduction and supply of more sustainable products.

Q20.

The objectives pursued are different, although complementary. It is necessary to adapt both tests and make a simpler wording, as well as introduce changes in their methodology, since many significant doubts arise in their performance and in many cases they are carried out by the marketing agent.

Q21

Q22

It is necessary to clearly inform the investor of the remuneration obtained by the marketing agent for the recommended product so that the investor can know if the recommendation is due more to the agent's remunerative interest than really to the interests of the small investor.

In no case should the contracting of an inappropriate product by a consumer be allowed.

It should never be allowed to waive the rights of a consumer and small investor to his rights by requesting to be treated as a professional or qualified investor. Said waiver in accordance with the legislation on consumer protection would be null. The request to be treated as a professional investor should be restricted to those who meet these three criteria:

- That the total of the asset items is equal to or greater than €20M
- That the amount of its annual turnover is equal to or greater than €40M
- That their own resources are equal to or greater than €2M

It would be necessary for those small investors who approach their first investment or want to invest in an inconvenient product, to previously carry out a training activity in a consumer association so that they obtain an impartial and useful vision far removed from the notices provided by the entities that only they seek to inform in order to comply with legal requirements, but in such a way that they are not an obstacle that could prevent the sale of the product offered.

Q23