

THOUSANDS OF BRITONS OVERCHARGED BY THEIR SPANISH BANKS WITH UNDUE INTEREST ARISING FROM SPANISH MORTGAGES CONTAINING FLOORING CLAUSE, ENTITLED TO RECOVER MILLIONS OF EUROS.

The latest Supreme Court ruling of 15 February 2017 has blown the Spanish banks again by confirming that there shall be no time limitation to bring claims against them by their clients who were overcharged interests by effect of the flooring clause contained in their mortgages.

The story so far

On 9 May 2013 the Spanish Supreme Court ruled that a clause with an upwards but no downwards variable interest of a mortgage was abusive and as such null. However, it did not consider that the ruling should affect the overcharged interest paid before the date its ruling came into effect.

This was further confirmed by a posterior Spanish Supreme Court ruling on 25 March 2015.

The European Court of Justice however, on its 21 December 2016 ruling, opposed the time limitation established by the Spanish Supreme Court on the basis that it was against European Law.

On 15 February 2017, the Spanish Supreme court eliminates the time limitation for a customer to bring a claim against his bank on account of the overpaid interest arising from the effect of a flooring clause.

What is a flooring clause?

On mortgages with variable interest, the interest charged by the bank to its customer on the amount loaned by the bank might vary depending on the [Euribor](#) rates. A flooring clause in a mortgage contract lays out that there is no limit on the maximum interest chargeable, but there is a limit on the minimum interest. As such, a mortgagee could suffer the consequences of a high interest but never benefit from a low interest as is currently the case. That downwards limit is also known as “floor”.

Who is eligible to claim?

The Supreme Court’s ruling affects everyone who is currently paying a mortgage or who has already paid it off. The deadline for filing a claim is now four years after the latest Supreme Court’s ruling, this is February 16, 2021.

What amount can be claimed?

The amount to be claimed is the excess interest paid calculated by the difference between the amount that should have been paid had the interest been not limited and the interest paid.

What documents are required to file a claim?

The mortgage deed and proof of mortgage payments.

Do you want to instruct us to handle your claim from our London office?

Please fill out our [contact form](#), or simply email us at london@scornik.com or call us on 02074040987.