

UNGIVEN HOMES. BANKING LIABILITY FOR THE AMOUNTS PAID BY THE PURCHASERS.

The Supreme Court has passed Sentence of 21st December 2015 in which the following jurisprudential doctrine must be followed by the rest of Spanish courts:

- 1.- We must be dealing with first or vacation homes. State-subsidized homes are excluded.
- 2.- Advanced amounts of the price on account must have been given before or during the construction.
- 3.- These amounts of the price must have been paid into a developer's account.
- 4.- If the home is not given and the sale contract is rescinded, the bank will be responsible for the refund of the said amounts if the bank did not require the developer the opening of a special account and the corresponding guarantee.

That is, Spain is a country with many failed constructions, some of them half finished and some others were not even started. They were sold off-plan and the purchasers paid advanced amounts of the price on account into a bank account designated by the developer.

Since there was no occupancy and expiry date, mainly due to the financial and real state crisis in the sector, the outcome for the purchasers has been losing their homes as well as the money given in advance or on account due to the lack of solvency of the developer and the lack of guarantees established by the law.

The jurisprudence of the Supreme Court establishes the obligation of the banks to be responsible of the advanced amounts on account.

In January 2016 the Law of 1968 which holds these claims was abolished. Consequently, the previous sales which fulfil the abovementioned requirements can be rescinded and a legal claim of the amounts on account can be started against the bank.

With this aim you can contact our Law office to obtain without cost the study of viability of your claim and its corresponding budget.

Luis-Antonio Cores Castro & María-José Almodóvar Melendo

Lawyers

www.acylabogados.com