

*"Trust in dreams, for in  
them is hidden  
the gate to eternity"*

*Khalil Gibran*



## BANKS RETURNING MONEY!

### GROUND CLAUSES AND MORTGAGES COSTS



*Connie Raymundo – Lawyer and Barrister at Raymundo & Hopman Abogados.*

Yesterday, 15<sup>th</sup> of February, following the last decision taken in Europe, the Spanish Supreme Court confirmed that Banks must return all the money paid in excess by customers from the beginning (2009) due to unfair and unclear **ground clauses** included in the vast majority of the Mortgage Contracts.

We many times have written about it (please, find our ground clauses articles in previous Law & Life editions), but today, more than ever, we are so happy to announce that on **No Win No Fee basis**, our Firm is already dealing with many Banks in order to get important amounts of money repaid to our clients the soonest.

Regarding ground clauses and/or mortgage setting commissions, **free of any charge**, even if you are not a client of our Firm, we will be studying your mortgage contract closely and we will be informing you about your possibilities of success and how much money may the Bank owe you. Please, send us a **scanned copy of your Mortgage Contract** to [andy@rhv-lawfirm.com](mailto:andy@rhv-lawfirm.com) and we will be back to you with the information before mentioned.

In order to make the above possible and to guarantee the best possible service to our clients, our Firm has hired another **Lawyer**, an expert in Bank, Contracts, Companies and Group cases.

**Andy Valdés** is a Lawyer Registered in the Alicante Bar's Association who was improving his Law degree with an additional Master in Companies Fiscal Management. Andy has been practising Law for 14 years and for the past 4 years he has also combined his professional activity as a Lawyer with the creation, management and support of many professional networking groups under the **Business Network International (BNI)** system. Furthermore, he is a Founding Partner and Chief Executive Officer at the **Lawyers National Network** institution.



**Let our expert help you!** The first Bank customers filling in their claims will considerably improve their chances of getting their money back, send us your Mortgage scanned copy TODAY to [andy@rhv-lawfirm.com](mailto:andy@rhv-lawfirm.com).

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## CUSTOMERS AFFECTED BY SUPPLIERS

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*Written by D. & S. W. – Customers affected by water supplier company.*



In July 2016 supplies companies were beginning, allegedly, a spate of scams, in La Marina, Quesada, Los Montesinos and surrounding areas.

This is the story of one couple who fell victim to it, along with many other people.

Two men from a water company were at their water meter, along with two local Policemen when the couple came home from shopping. Hidraqua accused the couple of manipulating their water meter, by inserting a wire to stop the meter from working, therefore accusing them of stealing water. The couple was shocked. They have lived in their house for 12 years, they have paid their bills consistently, their water consumption was also consistent, and still is.

No one witnessed the old meter in place with the wire. There were no witnesses to the man opening the meter cabinet. He produced the meter from his car which had already been removed and a new meter was in place. He then produced from his pocket a piece of wire.

Two weeks later the couple received a letter from the water company asking them to go to their local office. They were then presented with a bill for 2,875.82 euros which showed they had supposedly used 927,000 litres of water for a three month period. This amount of water equates to filling 14 swimming pools measuring 9 x 5 metres. This amount they were being charged is on top of their normal water bills. The meter readings do not show that this amount of water was ever used.

On the 22nd September the water company cut their water supply completely. When they went back to the local water company office they were told that unless they paid either the full amount or 327.00 euros monthly they would not be reconnected. They were also charged 66 euros for the privilege of being reconnected. They paid the 327.00 euros and were told that if they did not pay the same amount every month for 9 months the water would be disconnected again.

This happened to other people during the month of August and is continuing to happen to people up to as recently last December. All of the other people have very similar stories and very similar amounts of water apparently stolen. They do however have different sized properties, some have swimming pools, some don't. Some are holiday homes that were empty at the time of the accusation and some were occupied. At some properties the Local Police were present and some they were not.

The water companies are holding everyone to ransom and are demanding the monies be paid otherwise their supply will be disconnected.

The good news in this otherwise frightening story is that these customers organized in an association – the CUSTOMERS AFFECTED BY SUPPLIERS (CAS) – to lodge a class action led by RAYMUNDO & HOPMAN against these supplier companies. If you are a customer who has been affected in a similar manner by your supplier, you might want to join the Association. Contact info: +34 965 207 719 (mornings), [info@rhv-lawfirm.com](mailto:info@rhv-lawfirm.com) .

## New Year, New You?



***By Tina Brown – Tax Adviser and General Services Expert.***

Why is it that on 1<sup>st</sup> January we all want to be a two stone lighter non-drinking, non-smoking athlete? We make crazy New Year Resolutions that set us up to fail; no-one can live up to our expectations, especially not us.

When I was younger I had a strange notion that if you had a bad New Year's Eve then you set the mood for the year to come, so went out of my way to be the fancy-dress wearing clown of the party. These days I hate it, so usually end up in bed at ten trying to sleep my way into the new year, normally I pop outside at midnight to see if there are any fireworks (who can sleep at ten o'clock?) maybe nod to a neighbour or two then sometimes stay up to watch the firework displays around the world on TV. I'm a big fan of fireworks if not the New Year.

The start of a new year makes us reflective, we look at the things we've done and the things we want to do, maybe reassess or firm up our plans, we evaluate our achievements against our peers and make huge decisions about how we want to change our lives (house sales peak after Christmas). Although it can get a bit maudlin, this is also a good time to get our houses in rhetorical order; tidy up the cupboard under the stairs, weed out all those bills and statements we have stuffed into a drawer and make sure our paperwork is up to date. Although Brexit isn't going to have any impact in the coming year this would be a good time to make sure that all is in place for when the time does eventually come.

So, maybe 2017 is the year you finally get those things you've "been meaning to do" done. Phone that friend, claim that PPI, look for cheaper insurance, clean the oven; whatever you might have put off, Spanish paperwork shouldn't be on the list.

I know I've mentioned it before, but if you do nothing else this year, make sure your will is up to date, that the wording is correct, it has the nationality clause and the right people are getting the right things (I write from the experiences of others here). I usually suggest to my clients that they get themselves a big brown envelope, write "In Case I Die" on the front, and inside it put copies of your will, passport and Residencia / NIE number, house deeds, a bank statement, a utility bill for water, electric and telephone, a SUMA bill and a copy of the car log book. These are all the things necessary to start the inheritance process, and they don't need to be up to date, we just need the reference numbers. It saves your nearest and dearest hunting through drawers and cupboards looking for paperwork, who knows what they might find!

If you're living full time in Spain but haven't applied for Residencia yet maybe it's a good time to think about it, we don't know what Brexit agreements will be made but it seems likely that they will be staged in according to how long you've been officially resident in Spain, you don't want to miss the boat because your paperwork isn't in order.

As well as potentially securing your future it also means you have access to healthcare if you are eligible, just recently I have had several clients in need of urgent treatment and finding themselves with huge bills as they didn't have a SIP card.

In the same way, what about getting that British driving licence changed over to a Spanish one and getting that British car put onto Spanish plates? As we're still in the EU it's not that hard to do, once we leave who knows what hoops we may need to jump through?

And whilst we're at it, if you've done any alterations to your property then these need to be put onto your house deeds, registered at SUMA and updated on your habitation certificate. This probably won't be affected by Brexit decisions but I think it's always good to get things done when you think of them, rather than finding out they need to be done at the last minute and having to run round like a headless chicken.

Just as a mechanic's car never runs, an electrician's wiring is faulty (I speak from personal experience here) and a builder's wall is falling down, I am the worst at getting my life outside the office in order, I never shop around for insurance quotes, my extension work hasn't been registered and I held onto my British licence for as long as I could (I did check my will though, that's how serious I think this is).

Maybe I'll take a piece of my own advice in 2017 and make sure that my nearest and dearest don't get left with an almighty headache if anything happens to me, and as I am the most accident prone person around that's always a possibility.

So, whatever you do in the coming year I wish you health, wealth and true happiness.



**Tina Brown – EXPAT SOLUTIONS LA MARINA.**

**[info@expatsolutions.es](mailto:info@expatsolutions.es)**

## Potential 3.8% growth and Spanish Tax Compliant.



*By David Diggle – Financial Adviser*

Below is the history of the Bank of England Base Rate:

4 Aug 2016	0.25% p.a.
5 Mar 2016	0.5% p.a.
5 Feb 2009	1.0% p.a.
8 Jan 2009	1.5% p.a.
4 Dec 2008	2.0% pa.

It has been just over 8 years since the rate dropped to just 2% p.a., and now your money will earn 0.25% p.a. in the banks or less, however, there are products around offered by strong institutions that offer the following for Ex-pats in Spain:

- On Sterling investments current growth **3.8% p.a.** to new investors and has an average growth of **5% p.a.** to investors of 5 years and over.
- If placed in joint names will not trigger inheritance tax on first death (in line with current inheritance tax laws)
- Has the option to give a regular monthly income.
- That all income tax deduction and reporting is done for you (no need for an accountant).
- Is tax efficient (see 'how' in the mathematics below)
- That the Modelo 720 (asset declaration) is done for you.
- Is transferable with you to the UK should you return for any reason including Brexit difficulties.
- Is held in Ireland.

### What does tax efficiency mean?

Example: You invest €100,000 on 1<sup>st</sup> January and at the end of the year it is worth €105,000.

In Spain, if you held this money in a Bank in Spain, you would currently be charged 21% tax on the €5000 which is €1,050 tax whether you took that money out of the bank or not.

With Spanish tax compliant products using the same scenario; if you did not withdraw the money there would be ZERO tax to pay, even though you had made 5%. You get gross roll up.



If you did withdraw the €5,000, the tax calculations basically deem that part of the €5,000 was your original investment so in the first year that tax would currently be calculated as follows:

$100,000 / 105,000 \times 5,000 = €4761.90$  deemed as your own money, therefore €238.10 is actual income.  $(5000 - 4761.90 = 238.10)$ . Therefore  $€238.10 \times 21\% \text{ tax} = \text{€50.00 tax}$ .

Hopefully you can see the benefit of how to make your money work harder simply by inserting the investment product in a tax efficient wrapper.

Blacktower Financial Management (International) Limited are here to suggest the correct investment solution for your family circumstances and your risk profile.

I am here to give you impartial, independent investment and financial advice (minimum investment just £20,000 / €25,000). Call me direct on 615 607 278 or e-mail [dave.diggle@blacktowerfm.com](mailto:dave.diggle@blacktowerfm.com)

The Blacktower Group has been established for 31 years and offering sound, independent advice.

Dave Diggle C.A.T., DipFA, (Based in Costa Blanca South) Main office: Edificio Palau III, local 7, Javea 03730, Alicante, Spain). Volunteer Accountant to the Asociacion Elche Children's Care Home.

*The above information was correct at the time of preparation and does not constitute investment advice and you should seek advice from a professional adviser before embarking on any financial planning activity. The value of investments can rise and fall and Capital may be at risk.*



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## A relief for Altea neighbours.



*By Ignacio Ganga. Lawyer.*

Locals in Altea can rest now after the detention of 33 years old man, suspect of being author of a wave of burglaries in Altea residential areas.

A large number of thefts have been noticed for the last few months in the properties surrounding Altea.

Guardia Civil increased controls and patrols at the area to find a suspect vehicle" which was requested to stop. The car speeded up and the police started a risky chase in the streets of Altea , but the driver left his car and continued on foot .

Later on, police detained the suspect at his home, and the house was searched to find properties and items belonging to several victims.

Courts in Benidorm ordered his imprisonment facing nine crimes of breaking entering homes, holding an illicit weapon and crimes against road safety.

Criminal Code sets, articles 238-240, a penalty imprisonment between 1 up to 3 years for this type of offences; robbery when using violence against property. These offences can also reach to 5 years imprisonment if any aggravated circumstances.

Please do not hesitate to contact us for any query in regards to this or any other Criminal Issue emailing to [iganga@rhv-lawfirm.com](mailto:iganga@rhv-lawfirm.com).

***Ignacio Ganga – Lawyer & Barrister at Raymundo & Hopman Abogados.***

## DS & SJ Consultancy Ltd

Pensions Update

LISA, State Pension and Motor Insurance Costs



*By David Sawyer – Independent Financial Consultant at DS & SJ Consultancy Ltd, UK.*

### Happy New Year

I decided that my New Year's Resolution was not to make any resolutions – it was pointed out that I had obviously failed at the first hurdle.

January has held no surprises in that the Supreme Court confirmed invoking Article 50 needs an Act of Parliament before proceeding. Donald Trump was sworn in as US President and seems to be replacing his tweeting with Executive Orders. Theresa May continues to walk the Brexit tightrope.

The stock market hit its all time high – FTSE 100 going over the 7000 level – which some observers have called the “Trump Bump”. The pound remains weak which may remain so until we start seeing the results of the EU exit. It's already shaping up to be an interesting year.

### Pensions Savings – Are They Being Taken Seriously.

As we are now entering the last, but major auto-enrolment hurdle (micro companies Staging) it is becoming obvious that it has succeeded in that 7 million (source The Pensions Regulator) employees have been enrolled into a compulsory Workplace Schemes. The question is are employees using this as a serious retirement savings vehicle? For many this has just been seen as another form of State top up benefit and will be sufficient for their retirement needs. They will be disappointed! Although April 2019 will see the last legislative increase in pension contribution, the total employer/employee average of 8% will not be enough to create a healthy fund at retirement.

Pension Freedom which allows the whole fund to be taken if required has been well used with many taking benefits earlier than at retirement (55+) and then continuing to save for future withdrawals. In fact, many occupational schemes are offering higher transfer values than previously seen to encourage withdrawals and thus reduce the long term funding risk. Since it came into force in April 2015 £9.2 ml had been withdrawn from pension funds. But to put this into context the average withdrawal has been reducing to approx. £4,000 in the last quarter of 2016.

Whilst we have always preached that a healthy pension is the platform to a secure retirement it is important to appreciate that by taking it as a lump sum or even spreading over a few years means that ultimately one will have to rely on other savings or just the Single State Benefit. The message is that whilst spending less, not just living for today, means that there should be a more comfortable tomorrow.



Given the complexity of today's financial world the answer lies in better education from all sources starting as early as the school curriculum. Few fully understand the effect of interest rates on borrowing and indeed that an interest only mortgage needs a capital repayment vehicle. The IFA market does its best but since commission disappeared from investment products not everyone is prepared to pay fees. Money Wise is a good solution for those more frugal investors but they can only point in the right direction but not advise.

### **Lifetime Individual Savings Plans.**

This has been covered in previous updates but it is worth coming up to date especially as my son mentioned recently as he had been told that it was a better than a pension.

Being launched this April it is designed to providing a government sponsored savings vehicle for first time buyers seeking to build a deposit or as a retirement lump sum payable after Age 60. With a maximum individual saving of £4,000 per annum up to age 40 the government will top it up with a further 25%. A LISA can be established between ages 18 to 40 with contributions plus the government bonus up to age 50.

For first time buyers it is an attractive way to create a deposit but given the current house prices it will require a reasonably long commitment. However, if there are two conscientious savers the deposit could grow quickly. The investment rather than cash option may not be as attractive as it would be for those looking at a retirement vehicle. The returns are tax free so it has its merits for both reasons to save.

When comparing a LISA with a Workplace pension it must be appreciated that opting out of the latter would mean the loss of an employer's contribution which together with the loss of the personal tax relief may make it less attractive. The point is that there is no single solution each has its own merits and therefore it may not be one or the other when planning retirement whereas the first time buyer may feel a LISA is a better option and consider opting into their Workplace Pension at a later date.

### **Scottish Widows Has Scrapped Early Exit Fees**

We reported last year that the government was considering capping the exit fees from pension contracts.

Scottish Widows is leading the way by scrapping fees on all pension policies which will have most advantage to those who took out before 2001 when Stakeholder Pensions were introduced.

Let us hope that more main stream pension providers will follow before the government steps in.

### **Getting the Most out of the State Pension**

Achieving the single state pension is not as simple as many may think. In fact thousands may miss out on receiving the full benefit due to their not having a sufficient National Insurance payment record – “qualifying years”. To now get a full state pension requires a full 35 years' contributions, or credits, compared to the previous 30. Also at least 10 years' contributions are required to receive any state pension.

In today's employment environment "jobs for life" are rare and it is likely that there will be breaks in employment due to redundancy, sick leave as well as maternity/paternity leave. In most cases credits will have been given but it is important to be aware of any shortfall. Checking ones NI credits is simple by checking on line – [www.gov.uk/check-national-national-insurance-record](http://www.gov.uk/check-national-national-insurance-record). It will not only show you how to obtain your record but also how a potential shortfall can be made up. A greater than 35 year record does not mean that NI contributions can cease nor increase your final pension entitlement.

### **Motor Insurance Increases in 2017**

According to Confused.com comprehensive car insurance continued to rise in the final quarter of 2016 with motorists paying an average of £95, or 14% more than the year before. This does not mean a continual rise but does reflect on the state of this market. Some have suggested that the increase have been due to higher repair costs as a knock on due to imported material. George Osborne's (previous Chancellor) said that by restricting compensation for whiplash claims would mean that drivers would save approximately £40 per policy. From a personal point of view when my motor insurance arrives I ring the broker or provider and ask if it is correct compared with last year and other quotes. On average the premium has been reduced by at least £50 before even considering options. Remember as per previous updates it is the total insurance package which counts i.e. what it actually includes not just the price.

David Sawyer – Director

[www.dsandsjconsultancy.co.uk](http://www.dsandsjconsultancy.co.uk)

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**E&O.E**

## Five essential things you need to know before buying a house in Spain



*By Connie Raymundo- (Article published in CBNews)*

In each country property purchase systems differ and Spain is probably one of the most complicated due to the number of formalities that must be completed.

Apart from the usual important requirements regarding the property itself (location, accessibility, services, structural condition etc) there are five other essential things you must check out before buying a house in Spain:

- 1. Land Registry ownership:** Ask at the local Land Registry office for a 'nota simple'. This document will tell you who is the legal owner and if any mortgages or other charges are outstanding on the house.
- 2. Town Hall information:** Ask at the local Town Hall for a certificate of any planning infringements, fines that may have been levied against the property and for files of any alteration works that may have been carried out (facades etc); this might save you considerable trouble and expense in the future.
- 3. Habitation Certificate:** Ask the owner to provide you with the habitation certificate, called licencia de primera ocupación for new houses and licencia de segunda ocupación for second hand homes. This document guarantees that the house is habitable, and you will need it when transferring utility supply contracts.
- 4. Purchase expenses:** Be sure you know the final price of the house including all ancillary and legal expenses - taxes, Notary and Land Registry fees are usually paid by the purchaser. You can also ask neighbours about the community fees and if there are any extra charges (derramas). The Owner must provide you with the receipt for the current year's local housing and refuse taxes paid, and which will give you a clear idea of what to expect for following years. Water and electricity contracts also involve expenses.
- 5. Independent professional help:** Buying a house is probably the largest financial transaction you will ever make. The Notaries Association recommends that you DO NOT pay any deposit and do not sign any document without proper independent legal advice.

And remember, two parties with different interests are involved; seller and purchaser should not use the same legal advisor.

*Connie Raymundo – Lawyer at Raymundo & Hopman Abogados - reg.nº ICALI 5936.*

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## THIS MONTH'S ADVICE

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### MORTGAGE COMMISSIONS COMPLAINT.

If you were asking for a Mortgage in Spain and you would like to try to get the Mortgage setting costs back please, contact us and we will advise you, **free of charge**.

Please, email to [andy@rhv-lawfirm.com](mailto:andy@rhv-lawfirm.com).

### MORTGAGE GROUND CLAUSES

If you were signing a Mortgage contract in Spain after 2008 and you would like to know whether the ground clauses affected you and if positive, how much money should be the Bank repaying to you please, send us a scanned copy of your Mortgage contract and we will inform you, **free of charge**.

Please, email to [andy@rhv-lawfirm.com](mailto:andy@rhv-lawfirm.com).

### PROBLEMS WITH YOUR ELECTRICITY OR WATER SUPPLIERS?

If you have been issued with a large electricity or water bill, accused of defrauding any suppliers company and/or charged with any fine from your City Hall please, contact us and we will be informing you about the Association (CAS) and how can we help in your case, **free of charge**.

Please, email to [info@rhv-lawfirm.com](mailto:info@rhv-lawfirm.com).

### SUMA (CATASTRO) PROBLEMS

If you have built any item in your plot recently and you want to avoid government fines and/or to update your Title Deeds please, contact us and we will be informing you **free of charge** on how to proceed to solve the problem.

Please, email to [iganga@rhv-lawfirm.com](mailto:iganga@rhv-lawfirm.com).

### ANY OTHER QUERY?

**First consultation and/or visit to our offices is always free**, please, send us an email with your query or asking for an appointment to [info@rhv-lawfirm.com](mailto:info@rhv-lawfirm.com), we will be pleased to help you.

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Lawyers, Barristers, Tax Advisors, Economists, Architects, Financial Advisors, Medical Experts, Translators and Estate Experts.

## We are based in Alicante:

Calle Navas 19 – ático

03001 – Alicante

Google Maps Link: [Raymundo & Hopman Abogados.](#)

## Our contact details:

Telephone: +34 965 207 719

Telephone: +34 609 652 327

Telephone: +34 693 303 250 (Emergencies only).

Fax: +34 965 218 794

Email: [info@rhv-lawfirm.com](mailto:info@rhv-lawfirm.com)

Web: [www.rhv-lawfirm.com](http://www.rhv-lawfirm.com)



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