

2 February 2026
25-022656

Criminal complaint against Realkredit Danmark A/S for not having valued owner-occupied flats let to a third party correctly and for not having maintained effective forms of corporate governance

On 2 February 2026, the Danish Financial Supervisory Authority (the Danish FSA) requested that the Danish Special Crime Unit (SCU) commence detailed police investigations into Realkredit Danmark A/S.

The criminal complaint reflects the fact that mortgage credit institutions must value private owner-occupied flats held for letting purposes on the basis of a profitability calculation. This follows from section 15(1) of the Danish Executive Order on Valuation of Mortgages on and Loans in Real Property Provided as Collateral for the Issuance of Covered Bonds. Mortgage credit institutions must also maintain effective forms of corporate governance, including effective procedures to identify, manage, monitor and report the risks to which the undertaking is or can be exposed. This follows from section 71(1) of the Danish Financial Business Act.

The Danish FSA finds that Realkredit Danmark did not comply with the above rules in connection with an error in the institution's procedures for assessing owner-occupied flats let to a third party. Realkredit Danmark valued these owner-occupied flats in accordance with the cash-value principle and not the profitability principle. This generally results in an overly high valuation of the owner-occupied flats.

Realkredit Danmark discovered the error itself and informed the Danish FSA about the error in September 2024. The error persisted for five years before it was discovered. When the error was discovered, a period of more than two years elapsed before Realkredit Danmark introduced compensatory measures in the form of supplementary collateral, stopped the unlawful practice and started investigating the scope of the error in order to take remedial action and started determining the financial consequences of the error. In September 2024, Realkredit Danmark completed an error rectification process resulting in owner-occupied flats let to a third party being valued on the basis of the correct valuation principle.

As mentioned, the error was limited to a sub-segment of let owner-occupied flats. Let owner-occupied flats constitute a minor property segment, and the error has therefore had no impact on the mortgage credit system and the system security.