

MONEY MATTERS

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Debt advice services



Providing access to high-quality money and debt advice services is a key element in the fight against over-indebtedness. Development and expansion of such services is needed all over Europe.

- ★ Money advice in Finland
- ★ Debt mediation in Belgium
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Tackling debt problems in Finland



The Debt Adjustment and Counselling Act

by Sanna Helesuo, Finnish Consumer Agency

Under the Finish Debt Adjustment Act, which came into force in 1993, debtors must seek a voluntary arrangement with their creditors before being able to apply for a legal adjustment of debts. One year after the commencement of the act a debt counselling network had spread throughout Finland. A survey in late 1994 showed that advice and assistance was available in more than 400 advisory units nationwide. In smaller localities advisors provided counselling in addition to their regular jobs, whilst in the more populated areas aid was provided by full-time or part-time counsellors employed by municipal authorities, private associations and the church.

The central counselling units included close to 60 new debt counselling offices and more than 100 legal aid offices. An Act on budget advice was introduced in 2000, with the purpose of providing information and advice to private citizens on the management of their household economy and their debts (The Financial and Debt Counselling Act 4.8.2000/713). Debt counsellors assist persons facing debt problems in planning their budget and in seeking solutions to their debt problems. Debt counselling is free of charge for the client. Economic and debt counselling are arranged primarily so that the municipality makes an arrangement with the provincial state office and receives compensation for organising these services.

The Consumer Agency draws up the proposal of compensation and is also responsible for the general control, direction and supervision of debt counselling.

In 2005, 61 money advice units were in place, 53 of them run by municipalities, offering advice at 129 places. Clients had to wait about 42 days for a first appointment.

The counsellor-inhabitant ratio was 1 : 39 144, which did not quite meet parliament plans of providing one counsellor and one assistant per 40 000 inhabitants. In 2006 the state reduced its budget for money advice by 19% to EUR 4.3 million.

The social lending act

To further prevent over-indebtedness the social lending act came into force in 2003 (20.12.2002/1133), providing the legal basis for municipalities to grant social loans to persons who, due to low incomes and means, have no other possibility to obtain loans under reasonable conditions and can manage the necessary repayments. A municipality may grant a social loan only to persons with permanent residence.

The creditor can charge a reasonable annual interest as well as other costs on the loan. If necessary, financial counselling and guidance should be provided on granting the loan or during repayment.



The Role of Social Credits in the City of Vantaa

by Anne Mustaniemi, chief social worker, City of Vantaa

The City of Vantaa's Social Credit Unit started its operations in 2004. As a new tool for social welfare, social credit makes it possible to maintain customers' independence, to increase activation, and finally, to support and promote the well-being of an individual and his/her family. In addition, social credits are likely to bring about savings in the municipalities' social assistance costs. The time of intervention in the form of social credit has been seen to make a strong impact as regards the seriousness of the problems. The later an intervention is made, the more serious the problems have usually been. In principle, social credit can prevent continued indebtedness, payment problems, collecting, disruption-in-payment records, and consequences of recovery proceedings. Financial-management-related factors – excluding restructuring credits – are at best preventive if social credit manages to avoid the use of expensive consumer credits.

According to customer-survey feedback, social credit was seen to have at least improved coping with the current financial predicament 'fairly well'. The impact on the applicants' or their family's situation was described as positive, often even with gratitude, and can be roughly divided as follows: maintenance of credit data; preventing or terminating recovery proceedings; stabilisation and improvement of the financial situation; securing one's living conditions, increase in mental well-being due to cessation of a long-term financial predicament.

Up to June 2007, 280 credits were granted. The amount of the reserve at the unit's disposal is EUR 1 340 000 of which credit up to now has been granted worth EUR 1 041 141. There is no need to raise the reserve funds in 2007, since the amortisations return to the reserve and can be re-granted as credit. 11% of the credits (29) were cancelled due to the clients neglect of repayment. Around a third were returned to the reserve through recovery proceedings and by applying a shorter repayment schedule. Only four credits can be counted as actual losses, where collection was abandoned due to the credit-holders death.

Social credits can prevent financial and social marginalisation for some people and to some extent. If being a member in the community is realised by means of consumption and appreciation is based on consumption, social credit is not the answer. Rather, social credits are corrective and curative measures. ::

Takuu Säätiö *by Anna Johansson, Takuu-Säätiö*

'Altera pars iustitiae est aequitas (One side of justice is equity)'

This sentence is the guideline of Takuu Säätiö (Guarantee Foundation) which is a national social organisation funded by the Finnish Slot Machine Association. Since 1990 it has helped over-indebted people in difficulties to manage their debts independently and has given guarantees to over-indebted people for bank loans. Conditions for getting a guarantee are that the person's over-indebtedness results from unpredictable causes or other social grounds, the reasons for getting into debt are under control, that the person is able to pay back, all the debts can be arranged and there is no other possibility to arrange their debts. Furthermore the foundation has provided a debt advice telephone service free of charge and promoted and developed debt settlements and home economics management. When Guarantee Foundation admits a loan they use same principles as set up in the Debt Adjustment Act.

Debt mediation in Belgium



The work of Belgium debt mediators is highly complex and aims at facilitating an agreement between all parties involved.

by Didier Noël and Viviane Leffin

Even if it is not mentioned as such in the Belgian plan for social inclusion, the fight against over-indebtedness is one of the targets set by the Belgian legislator. Some examples: the Act of 5 July 1998 created a fund for dealing with over-indebtedness to which all institutions offering consumer credit or mortgage loans in Belgium have to contribute. Part of the contributions paid into this fund may be allocated to the financing of information and awareness-raising measures aimed at over-indebted people.

The Act of 12 June 1991 also regulated debt mediation, which must be seen as another instrument for preventing and dealing with over-indebtedness. First of all, the Act prohibits debt mediation, with the aim of putting an end to possible excesses resulting from the commercialisation of such services, the debtor's money problems being aggravated by the excessive fees claimed by mediators without necessarily offering equivalent advantages. However, debt mediation is authorised if the service is provided by certain experts within the framework of their professional activities or function, namely lawyers, law officials (notaries public, bailiffs), legal representatives (temporary trustees), or public or private institutions duly authorised for that purpose by the Federal States (Regions or Communities). There are 539 authorised institutions in Belgium.

Debt mediation

Mediation refers to actions intended to reach an agreement between or reconcile the people involved in the procedure: therefore, the mediator's work consists in facilitating the emergence of an agreement between people who are in dispute, and the implementation of this procedure is determined by mutual agreement between the people in question: the mediator must be totally impartial and neutral and is bound by rules of professional secrecy.

In Belgium, the debt mediator's role is highly complex and differs depending on whether it involves a judicial debt mediation procedure within the framework of the abovementioned collective debt settlement procedure, or is part of a non-judicial debt mediation procedure outside the said collective debt settlement procedure.

Within the framework of a non-judicial mediation procedure, the debt mediator is chosen by the indebted person. The mediator analyses that person's situation, identifies the monthly income and liabilities, checks the legality of the sums claimed from the indebted person and attempts to negotiate with a repayment plan with the creditors or prepares other solutions such as a court procedure. The mediator must obtain the agreement of the parties to the plan s/he has drawn up. In that case, the mediator is also in charge of providing the indebted person with legal and economic information concerning his/her obligations and rights, as well as budget guidance. Federal and regional laws and regulations governing the distribution of energy also entrust community welfare centres with this responsibility for people having difficulty paying their energy bills. In certain cases, these bodies can pay to the creditors of an over-indebted person all or part of their debts. This may involve a reimbursable advance.



Viviane Leffin, *Verbraucherschutz-zentrale Ostbelgien*

Didier Noël, *Observatoire du Crédit et de l'Endettement*

Under a judicial mediation procedure, when the court has checked that the over-indebted person is eligible for the collective debt settlement procedure, the debt mediator is designated by the court and is accountable only to the court. Their role is described by law (see box).

Costs for mediation

In the case of non-judicial debt mediation services, communal welfare centres may claim a contribution from the over-indebted person in exchange for their work. The amount of this contribution is fixed on the basis of the income of the person in question. Generally, however, they do not claim such contributions. As regards authorised non-profit associations, this question is treated differently in each Federal State.

In the case of judicial mediation the costs which a debt mediator can claim from the over-indebted person and the remuneration of the mediator responsible for the person in question correspond to fixed amounts determined by federal regulation. The breakdown of these costs and remuneration established by the mediator is checked by the court. During the procedure, the mediator must withhold an amount from the income of the over-indebted person by way of payment of these costs and her/his remuneration. In the event that the over-indebted person is totally insolvent the mediator's costs may be paid in full or in part by the Fund for Dealing with Over-indebtedness.

The communal welfare centres also receive federal grants intended to finance a certain number of equivalent full-time jobs allocated to the provision of debt mediation services. These grants are paid by an Energy Fund which is financed through a contribution charged to each customer of the electricity and gas companies. ::

The role of the mediator under judicial mediation procedure:

- to ascertain the details of loans and loan defaults recorded with Central Individual Credit Register, as well as of seizures, assignments of sums and remuneration mentioned in the ad hoc file;
- to receive the income of the over-indebted person and to make available to her/him, without delay, a sufficient amount to enable her/him to pay her/his current expenses;
- if applicable, to request the court to authorise the debtor to accomplish an act which falls outside the scope of the normal management of her/his assets (such as, for example, the sale of personal property);
- to collect the debt claim declarations that creditors must submit to the debt mediator;
- to attempt to draw up a repayment plan which enables the over-indebted person's debts to be paid as far as possible, while ensuring that she/he and her/his family have a sufficient minimum income to be able to live with dignity (this minimum amount must not in principle be less than the part of the over-indebted person's income that cannot be seized); debts linked to fundamental needs (such as health care) must be paid first and foremost;
- in the event of the express or tacit approval of the proposed plan by the over-indebted person, and, if applicable, her/his spouse, to request the court to approve the plan;
- if the plan is not approved, to request the court to impose a debt settlement plan;
- to monitor and control the implementation of the measures set out in the plan;
- to submit a written progress report to the court at least once a year during the procedure;
- to request the court to modify the plan if its implementation proves to be impossible or if new facts emerge;
- to request the court to terminate the procedure if the over-indebted person has not complied with her/his obligations pursuant to the procedure.



Latvia: Financial obligations



Over-indebtedness has hardly been addressed in Latvian government plans so far. A growing loan market with its trend to irresponsible lending leads to an increase of debt problems.

by Sanita Biksiniece

During the last years the significant social and economic changes in Latvia had a huge impact on consuming traditions. Economic growth has been strong, with the Central statistical Office of Latvia reporting an 11% growth of GDP in the last year. In addition to this the decrease of unemployment to 6.2 % (the lowest during the last decade) and fast growing salaries led to an unprecedented economical optimism. But the inflation level has been growing simultaneously and reached more than 6% in 2006.

Exact figures on debt levels of households are not available, but the rough data of some public polls show that approximately 50% to 70% of all households have financial obligations related to a consumer credit or mortgage loans or are using other money lending services. Despite the growing inflation, fast growing real estate prices and ongoing rumours that this might lead to an explosion of the economic 'Big Bubble', Latvians are among the nations whose inhabitants seem to be most eager to take financial obligations.

Too early to speak about debt-advice - too late for responsible lending?

The latest National Report On Strategy for Social Protection and Social Inclusion, unfortunately lacks measures to prevent over-indebtedness, which has not even been identified as a problem yet. One reason for not dealing with over-indebtedness is that there are other very urgent and basic social problems to tackle, such as the pension system and prevention activities for the benefit of social risk groups and the many people living below poverty line.

At the same time it seems to be getting almost too late to introduce measures, as the problem of irresponsible lending is growing as well and hardly any measure can be expected to keep pace with the impact of aggressive and offensive advertising campaigns of some banks. Households, especially those who believe their income to keep growing, are reluctant to keep savings, but rather want to acquire everything at the same time: a new flat, a brand new car, etc. A national credit register does not exist yet.

The core problem however is the misbalance between the many possibilities to get all different kind of loans and the great lack of information and understanding among the debtors with regards to their ability to actually pay back the money. Banks run very aggressive advertising campaigns, but there is no debt advisory service that could provide impartial information and advice on debt problems as well as facilitating financial literacy.

To counter at least some of the problems an Inflation Prevention Plan has been developed recently. Many institutions, including the Consumer Rights Protection Centre of Latvia, will be involved in the implementation. According to the plan, one of the key points to prevent over-indebtedness and to diminish inflation will be the following: it will be mandatory for each person wanting to take a loan above LVL 12 000 (EUR 19 000) to apply with a paper issued by the state revenue service confirming their legal income (due to the fact that many people still have illegal incomes).

According to the Cabinet of Ministers of Latvia, a debt register will also be established in 2008, in order to enable banks and other creditors to obtain a clear picture of the financial obligations of the potential debtor. ::



Sanita Biksiniece

Consumer Rights Protection
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Lack of systematic solutions in Poland

The basic reason for this is lack of legal regulations concerning consumer bankruptcy. Over-indebtedness is not clearly defined in national strategies and operational programmes for social integration as one of the causes of social exclusion. That is why Poland is lacking solid sources of financing for such activities. In this situation, acquiring legal tenders for financing debt counselling advice by NGOs is considered incidental. We do not know any related, non-commercial initiatives.

The legal consulting for over-indebted people offered by Centres for Civic Consulting (34 centres, mainly in large cities), which are financed partly from public funds, is a partial response to the demands of over-indebted people.

Problems with acquiring sources of financing make both the existence of SKEF's counselling centres network and possibilities of development in other regions of Poland questionable.

The National Network of Financial and Consumer Counselling Centres Project was financed from the resources of the Grants to Consumer NGO's programme (PHARE Transition Facility 2004), managed by Co-operation Fund.

The aim of the project was to increase consumer access to professional assistance and counselling services dealing with over-indebtedness, by means of extending the national network of financial and consumer counselling centres and enhancing their advisory and informative functions. ::

Poland lacks systematic solutions in terms of free debt counselling advice for over-indebted people.
by Mariusz Mówka

The National Network of Financial and Consumer Counselling Centres Project

The objectives:

- Assisting the centres' clients in finding solutions to the consequences of over-indebtedness
- Removing the barrier that obstructs access to information about consumers rights
- Developing knowledge and competence of professional staff of the centres
- Expanding the offer of counselling centres by creating a local cooperation network with other partners
- Exchange of good practices, as well as the use and promotion of experiences of cooperating international and national organisations dealing with the issue of financial education and over-indebtedness.

The main achievements (during a 12 month period):

- Operating a network of 9 centres in 9 Polish cities (5 new Financial and Consumer Counselling Centres were established). 23 employees were trained as counsellors
- A system of registering data about granted assistance was designed, tested and implemented
- over 1 400 persons obtained direct personal assistance in centres
- 'A Guide to Good Practices in the area of Financial Education and Assistance to Over-indebted People' was printed
- A promotion campaign was carried out (see the project website: www.odfik.skef.pl)

Conclusions and lessons learned:

- There exists a great need to develop networks of centres providing free advice to over-indebted and socially excluded people
- Promoting assistance should be focused on common activities, implemented in cooperation with local partners
- Lack of legal solutions results in negative reactions among clients
- The significant role of financial education is gaining in importance for each age group.



The Dutch approach

The Dutch Volkskredietbanken provide a range of products and services in dealing with financial problems.

by Harro Norder

For more information and data visit: :
www.volkskredietbank.nl
www.vkb.eu
www.nvvk.eu

Research shows that financial problems lead to social problems. We always have to be aware, however, that a problematic financial situation is not the only source of problems even if it is an important one.

Promoting social well-being certainly is a governmental task, providing responsible credit and debt solving can be a governmental task when the market does not take its responsibility. Although poverty is seen as a national problem in the Netherlands, the solution for solving individual problems need to be found through a regional approach and with regional money.

Settling problems can be achieved by restrictive laws on lending, a maximisation interest rates and similar measures or by facilitating organisations that help solving the problems of over-indebtedness and by organising insolvency structures.

The Dutch approach can be seen as a combination of both worlds which is realised in three stages:

1. Consumer laws protect clients from predatory lending and high interest rates. Advertising should be 'honest'.
2. Banking laws restrict the ways financial service providers can act.
3. A local organised structure of municipal banks bridges the world of financing and debt solving. Where the amicable or pre-law phase of debt solving doesn't succeed a final solution can be granted through a three year statutory debt settlement procedure.

National legislation implements restriction on lending and brokerage. A relevant control factor herein is the Dutch national bank. Local municipalities can support their inhabitants with a Volkskredietbank, which acts as a social bank and a debt solving agency. The members of the NVVK (= the national council of Volkskredietbanken) are owned by the municipalities and each is serving one to fifty of them, thus providing (nearly) national coverage-

Clients of the Volkskredietbanken are on average serviced for a period of 2,5 to 3 years. Within this period 75% can get their debt problems solved through a process of education and money management (balancing income). In average 5% of (former) clients become over-indebted again.

Further information on the Dutch approach can also be found in the materials of the Peer Review on Amnesty of Debts (November 2006, Rotterdam):
www.peer-review-social-inclusion.net/peer-reviews/2006

A large range of services

A large range of products and services are provided by the Volkskredietbanken in dealing with financial problems.

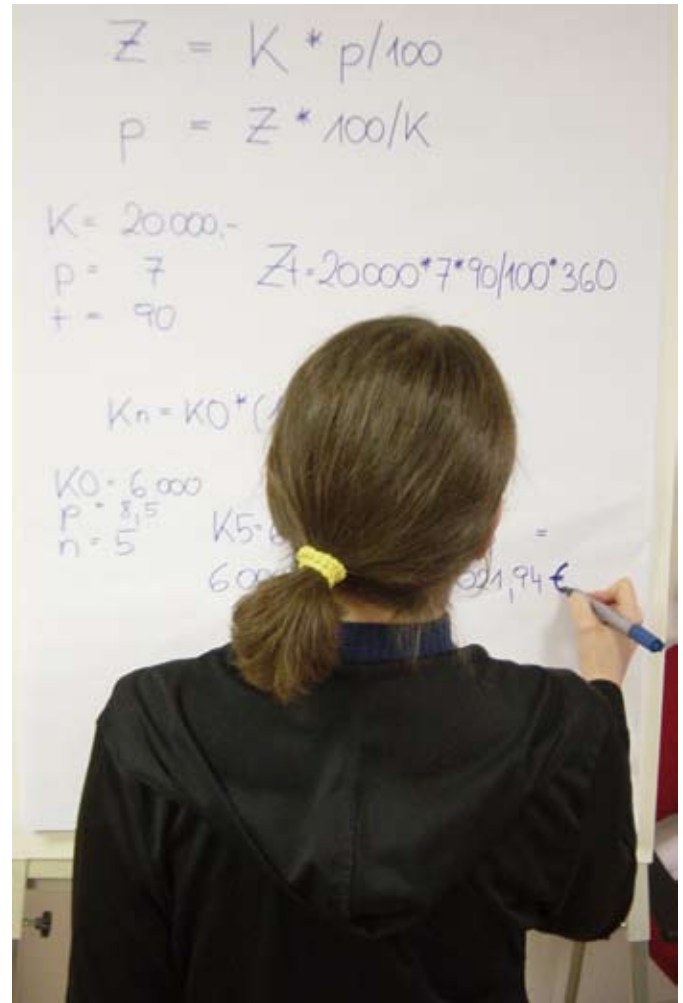
- * Prevention: Educational and training programmes are delivered at schools, in companies or to individuals (in a pre-client phase).
- * Intake (diagnosis): Analysing the underlying problems and solving the most critical elements (e.g. housing). Providing information about the ongoing process (debt solving and balancing income) and advise for the follow up. This can include activating an external social network.



Harro Norder

Director of the Volkskredietbank for Nord-Oost Groningen, NL

- * Coaching: An individual method of support to provide structured information and guidance on insurances, household budgets etc.
- * Bank account: Provision of a bank card and a special account with no overdraft. The use of the card is controlled and can be accompanied by a learning program
- * Balancing income: Controlling of the client's income, based on an agreement between the client and the municipal bank (and in accordance with the related law). A schedule for all necessary payments, including those to debtors is developed with the objective of developing a better financial balance in the long run.
- * Amicable debt settlement: Debt settlement through an arrangement between clients and debtors following a strong formalised method. The rescheduling of debts and its financing (through own means or a loan by the municipal bank) is controlled by the members of the NVVK.
- * Responsible credit: Small loans at low interest rates to cover a mortgage or to finance for example a washing machine. Loans are granted on a non commercial base and with strong restrictions.
- * WSNP: The Dutch legal debt solving process with a duration of up to three years that leads to a 'clean sheet' of the client.



Media attention is mostly targeted at the amicable and statutory debt settlement processes although these only form a small part of the total process. In praxis a much larger support structure for clients is organised by a variety of actors.

Next to the municipal banks the Nibud (National institute on budget information), consumer organisations, social workers, the board of social security managers and the board of municipalities are involved.

As settling debt problems and balancing income is seen as a governmental task, finances mostly come from the local governments who are owners of the municipal banks. For some of the services the customers themselves also have to pay a fee. ::

Process of debt rescheduling after the NVVK method

Phase 1 70 days				Phase 2 120 days		Phase 3 32 months		
1	2	3	4	5	6	7	8	9
Registra- tion	Intake	Coaching	Discussing problematic debt situa- tions	Agreement on debt regulations	Debt regu- lations/ WSNP	Control	Control	Final control

Source: Dieter Korczak, *Amnesty of Debts, Discussion Paper, 2006*

Debt advice centres in Austria



Ten debt advice centres in Austria offer debt advice and supervision during the preparation of a private bankruptcy procedure free of charge. *

Austria has eight million inhabitants; according to estimates of Austrian debt counselling organisations approximately 300 000 households are over-indebted or nearly so. As a consequence, about 650 000 individuals (including partners and children living in over-indebted households) are affected.

The introduction of a private insolvency act in 1995 provided the legal framework for debt settlements through a repayment scheme that is set up for a duration of up to seven years. The amount of repayments depends on income and existing liabilities with regards to child support and usually obliges the debtor to live at a defined minimum level of subsistence.

Debt advice centres

Debt advice centres have been organised at a nationwide level since the late 1980s. Today 107 fulltime debt advisers are employed with the 10 officially recognised debt advice centres in Austria. They are publicly funded by the regional governments and in part by the public employment services and offer debt advice and supervision during the preparation of a private bankruptcy procedure free of charge.

Austrian debt advice services work

- * on the basis of a public mandate
- * strictly confidential
- * according to binding quality criteria
- * taking into account the situation of the client
- * free of charge
- * with an integrated approach
- * target and sustainability orientated
- * professionally
- * with high public benefit

In individual counselling sessions professional counsellors (most of them with a background in legal studies and/or social work) give advice on debt regulation and help to analyse income and expenditure, to prepare proposals for amicable agreements with creditors and out-of-court settlements, and finally – if necessary – provide assistance with regards to opening a bankruptcy procedure.

An active umbrella organisation

ASB Schuldnerberatungen is a private non-profit organisation and acts as an umbrella organisation of all officially recognised debt advice centres in Austria. ASB prepares the professional education and ongoing training of debt advisers by organising basic and specialised seminars. It also coordinates the cooperation of the centres in the field of quality management, public relations, prevention and financial education, monitoring of legal developments as well as the design of collective software to ensure the best possible work flow.

ASB also acts as the interface of the debt advice centres with relevant ministries, researchers and creditors' organisations.



Thomas Berghuber, Schuldnerberatung Oberösterreich

Thomas Pacht, Schuldnerberatung Tirol

Continuous improvement of the quality of available debt advice as well as commitment to making the political context more favourable in the fight against financial exclusion and over-indebtedness are at the core of the umbrella organisation's agenda.

Recently ASB and its members successfully concluded a process with the ministry of justice to introduce a certification mark ('Gütezeichen') that enables consumers to identify officially recognised debt advice services at first sight.

In order to be better able to influence the overall social policy situation, ASB also is an active member of the Austrian Anti-Poverty Network.

In addition, ASB acts as a trustee in legal private bankruptcy proceedings.



Staatlich anerkannte Schuldenberatung

Policy priorities

In the past months the Austrian Ministry of Justice has started to draft a proposal for reforming the bankruptcy proceedings. This may also lead to some changes in the work of the debt advice centres, as the discussed new procedure intends to grant debtors with very low income also the possibility of debt relief.

Prevention activities and the promotion of a more structured approach to improve people's financial capabilities, e.g. by discussing financial issues already at school, also are on the agenda of the Austrian debt advice centres.

Another major concern is the fight for more and better financial inclusion, and more precisely, the legal right to a basic bank account for everyone in the country. ❖

** This article is based on the inputs of Thomas Berghuber and Thomas Pachl, the managers of two of the officially recognised Austrian debt advice centres, at the ecdn Seminar in Helsinki. It has been supplemented by existing material from ASB Schuldnerberatungen, the umbrella organisation of the Austrian debt advice centres.*

Debt advice in Austria



All over the country

Through debt advice centres (offices) and local consultation days:

- 10 state-approved debt advice organisations with 18 additional regional offices
- some additional small non-profit debt advice organisation (not state-approved due to a lack of size)
- 38 local regular consultation days (at least once a month)
- 107 full time debt counsellors
- 53.610 counselling sessions/year

Debt advice – Principles

- Voluntariness
- Motivation
- Personal responsibility

Source: ASB Schuldnerberatungen GmbH

The debt advice process



Establishing contact
Scheduling an appointment
Preparation of existing paperwork



First consultancy session
Clarification of expectations
Review of debt-situation (income-expenditure-debts)
Existence-securing measures
Additional agreements



Advice on debt regulation
Exact analysis of income and expenditure
Complete inquiry of debt level
Additional agreements
Possible regulation measures
Out-of court settlement

Assistance with bankruptcy proceedings



Final consultancy session
Possibilities of additional counselling

Graphics: Der Auer - Photos: Bilderbox



Safeguarding access to money and debt advice

Providing access to high quality money and debt advice services is a key element in the fight against over-indebtedness. While organisations with this aim have been established in some countries already in the 1980s, thousands of people with debt problems are still waiting for the development or extension of specific support structures.

During an ecdn Seminar in Helsinki in April 2007 experts from countries both with and without money and debt advice structures exchanged their experiences and views and came up with the following list of recommendations:

- ★ **Good quality money and debt advice services** are an important element in the fight against over-indebtedness and have to be established and expanded all over Europe. In order to safeguard their quality such organisations need to guarantee impartiality and confidentiality and to invest in training and evaluation. Effective access to existing services must be guaranteed, e.g. through a sufficient number of organisations and advisers.
- ★ Money and debt advice services need to offer **a large scope of measures**. Besides individual money and debt advice a wide range of preventive measures including budget information as well as educational and information programmes targeted at various groups usually are and should be pursued by advice organisations.
- ★ **Good cooperation with other actors in the field**, including policy makers, social organisations and financial service providers need to be sought in order to develop successful remedial policies.
- ★ **The interrelatedness of debt advice, legal debt settlement solutions and regulations for responsible banking** must be taken into account when planning and implementing measures to fight over-indebtedness and financial exclusion.
- ★ A strong **comparative approach** is needed in order to highlight key elements of existing effective debt advice (structures) across Europe. Guidelines on how to develop good debt advice structures should be developed on this basis and could serve to establish money and debt advice services where they are not in existence yet.
- ★ **Investment** in money and debt advice **is cost effective**. Studies in Austria and Germany have given evidence of not only the positive social outcome, but also the beneficial economic effects of public investment in establishing debt advice structures.

For further information and recommendations go to
www.ecdn.eu

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