



# ECDN Newsletter – February to July 2020



## This is not a drill...!

As everyone knows, Covid-19 has changed the daily lives of all Europeans. People are sent home from work and school. This is probably the right solution if we are to cope with this pandemic. However, this treatment does not come without serious side effects. European industries and jobs are on their knees and many thousands have already lost their jobs - a figure that is likely to rise quite significantly in the near future, as various economic aid packages that have kept jobs artificially alive, slowly wanes away. This could/will lead to the biggest socioeconomic crisis in recent European history. Therefore, we at the ECDN are facing a huge, but incredibly important job.

## Dear members of the ECDN

*It has been five months since our last newsletter in January. Nothing this year has happened as planned, and that is also why, you have not received any newsletters from us in these past months.*

*In March most of our countries were hit by lockdowns to stop the spread of COVID-19 in our societies, but this does not mean that the ECDN has been idle. As you all know, we have worked on creating a page with information in debt advice all over Europe on the ECDN's website, and we have sent letters to the European Commission, participated in a ton of video calls and meetings with among others the EU Commission, FENCA and IBCB. You can read more about all of this in this newsletter.*





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We would therefore also like to say a big **thank you** for the great work everyone has already put into the ECDN due to the Covid-19 pandemic. We know that you have had plenty to look at in the work of your own national debt advice. So, the fact that you still have and have had the energy to support the ECDN during this difficult time is no less than amazing. The effects of this pandemic are, like debt, a transnational problem, which is why transnational solutions are needed, solutions that can only be found jointly through organizations such as the ECDN.

However, we are far from done yet. We still must ensure our ultimate goal - That no European citizen is left behind because of over-indebtedness caused directly or indirectly by the pandemic. This is not an easy goal. On the contrary, it is the biggest challenge our organization has ever faced – but a challenge we must face and look straight in the eyes with our back straightened. The alternative is unthinkable. To many Europeans we are the last bastion before their total economic and social collapse. We have a responsibility to do everything in our power to ensure that the most vulnerable citizens can come to us for guidance and support. This is undoubtedly a huge challenge we can only overcome if we continue our good and close cooperation by working together and supporting each other in both fortune and adversity.

***Let me make one thing clear, we have a long and tough fight ahead of us. However, I have no doubt that we will succeed - Alone we are strong, but together we are unyielding and unbeatable.***

### The COVID-19 and Debt Scientific Group (CoDeS)

By: Dieter Korczak, GP-Forschungsgruppe

The "Covid-19 Debt Scientific Group" (CoDeS) was established by ECDN as a reaction on the development of the Covid-19 pandemic. The intention was to scientifically advise ECDN and its members, as well as governments, creditors, and other stakeholders about the financial and psychosocial consequences of the Covid-19 pandemic for consumers and citizens. As task of the group was defined to evaluate, discuss, distribute, and promote any kinds of tools which are scientifically appropriate to help the people who are unfortunately hit hard by the COVID-19 economic crisis.



The first members of the "Covid-19 Debt Scientific Group" (CoDeS) were found among the ECDN members by highly recommendations to make sure that they are the best to represent each country as well as to make sure we could help each country to communicate relevant national research.



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*The members have a background in research either at universities, think tanks or private research institutes and are also considered experts in the field of debt and economy:*

The responsibility for selecting the members and leading the group was unanimously given to ECDN founding member Dieter Korczak by the MC of ECDN. In March 2020, nineteen scientists of nineteen European countries have been recruited for the group. These are: Stefan Angel (Institute for Social Policy, Vienna University of Economics and Business), Bjarne A. Jensen (Copenhagen Business School), Heikki Hiilamo (National Institute for Health and Welfare, University of Helsinki), Dieter Korczak (GP-Forschungsgruppe, Bernau bei Berlin), Judit Simon (Corvinus University Budapest), Stuart Stamp (Department of Applied Social Studies, Maynooth University), Giorgio Calcagnini & Germana Giombini (Università di Urbino Carlo Bo), Inna Romanova (Institute of Economics and Management, University of Latvia), Daiva Skuciene (Social Policy Department, Vilnius University), Simon Grima (Department of Insurance, University of Malta), Marcel Warnaar (Nibud), John Todd (University of Oslo), Beata Swiecka (University of Szczecin), Catarina Frade (Faculty of Economics, University

of Coimbra), Rodica Diana Apan ("Dimitrie Cantemir" Christian University of Bucharest), Carlos Javier Zarco Pleguezuelos (Consumer Law Section, Alicante Illustrious College of Lawyers), Richard Ahlström (Mid Sweden University), Christoph Mattes (University of Applied Sciences Northwestern Switzerland), Olga Nosova (V.N. Karazin Kharkiv National University). The process of recruitment is still ongoing until we will cover each country in Europe.



In April the scientific group had its first online Microsoft team meeting. It was a kick-off meeting in which everyone was introducing her-/ himself to the other participants and also giving a small status report about the COVID-19 situation in their own country. In the meeting, it was commonly agreed that the group members shall produce structured country reports about the national political Covid-19 actions and the basic conditions in their country. In the beginning of May the scientific group had its second online Microsoft team meeting to follow up with individual presentations by the members. As a result of this first data collection, it was decided to publish the most relevant data of GDP, shutdown follow-ups, about vulnerable groups and needs for debt advice in an issue of the ECDN magazine Money Matters. At May 26, the MM issue 17/2020 "Debt Advice in Times of Covid-19 Pandemic" was published.



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Actually, the group is in the process to widen the scope of the tasks. There will be continuously follow-ups of the consequences of the Covid-19 pandemic. Furthermore, the group will function as an Early Warning System with insights in new harmful developments. There is a whole bunch of relevant subjects in the area of debt advice, over-indebtedness, debt regulation and financial education.

It will be the job of the scientific group to complete the data set in these fields, to publish the most relevant insights, to identify new needs, to support the practitioners in the field, to cooperate in interdisciplinary research and to produce national and transnational recommendations.

## The ECDN Financial Education Group

By Sebastian J. Løper, *The Social Legal Aid*

In many walks of life, it is widely known that education is one of the best tools to help people out of poverty and break the social heritage. A very effective and relatively simple tool is to educate consumers on how to control their own finances, and how to keep a household. The difficult situation among European households related to COVID-19 reminds us all of the importance of financial education and its practical dimension in our lives. Financial education that not only equips us with the right knowledge and skills, but above all with the awareness to function in a difficult reality such as the global panic caused by a pandemic. The anxiety that people are worried about will be growing in the coming days, months, and years, because for many people their income will be at risk and they may be affected by unemployment due to COVID-19. At the same time, this does not change the fact that certain costs, such as: rent, electricity, gas, water, and household loan instalments will still have to be paid.

The COVID-19 crisis threatens the livelihood of millions of Europeans who are not economically prepared for unemployment and loss of income. The ECDN has therefore created a group which focuses on improving and extending the availability of financial education across Europe. The group currently consists of people working with financial education in Poland, Ireland, Iceland, France, and Denmark. The group has held several online meetings, to find out what kind of educational tools and debt tools in general already exist among our members and which tools will be needed in the future.





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Prof. Beata Świecka from the University of Szczecin has provided the group with a lot of valuable knowledge, and with the permission of her students, she has shared some of their projects on financial education; these are projects, which the group hopes can be turned into easy educational guides, videos and courses which can help consumers, become financially educated and thus prevent them from becoming over-indebted when they are hit by unforeseen drops in income or extra expenditures. The tools can also help debt advisors become better at their job and through this increase the quality of debt advice, lastly the tools will be of interest to people who work with financial education, as they will be able to continue their work as well as improve and add on to the tools created by the group.

### The ECDN Debt Advice Expert Group

By: Gwen Harris, MABS

To start I would like to acknowledge how difficult things have been for all of us in 2020, not knowing what lay ahead for us personally in the pandemic, the worries we have all lived through for our own health and that of our families. My thoughts and prayers are with anyone who has been bereaved during this time, may your loved ones rest in peace.



For many of our services and our citizens we are still in unknown times.

What changes and new challenges lie ahead for us? How will we be delivering our vital services by the time our next edition publishes? With the challenges of a worldwide pandemic it is hard to predict what may change.

What is easy to predict, is that there will be an increase in the number of over-indebted households in Europe by the end of 2020. Many members of ECDN have reported that currently demand for our services is reduced, perhaps due to Government supports in place. This is however time we can use to redefine and repurpose ECDN as a resource for peers and for citizens alike.

For those of us who were working in debt advice during 2008 onwards, we have some insights into what may lie ahead for citizens and for our services. With this experience in mind the Expert Group recognized that we could redesign our website as a valuable source of budgeting tools for citizens, for consumer information and for information for our members, sharing experiences and support with others.



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Through closely working with the Education Group, the ECDN website provides us with opportunity to reach countries with no debt advice currently, we can reach citizens to provide self-help tools and supports to promote financial inclusion, by enhancing the capacity of low-income households to better manage their (limited) resources. Working with the Stakeholder and Scientific Group through our website we can also reach other interested professionals or decision makers to encourage them to support debt advice services for their citizens.

The Expert Group will make requests for you to share information with ECDN and we encourage all members to share information on topics such as redundancy supports or sharing how you plan deliver our very important services to those who are marginalized and vulnerable, to those who may be digitally devoid and are at risk of being left behind in a very evolving society.



We wish to gather all this information and make easily available on our website during the summer so that people who are facing indebtedness can take steps to prepare or protect themselves before they reach our services. If a citizen is empowered to start the journey out of debt, our tasks will be somewhat more manageable.

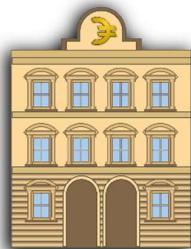
Sharing our stories and experiences is also a way of celebrating the vital work we all do to be the voice for many without, leading people to debt solutions and building the capacity of our citizens. We can be a much stronger voice together.

*"We have a shared vision and that shared vision will allow us to seek new growth opportunities together."*

Craig Barrett

## The ECDN Stakeholder Group

By: Kosta Skliris, Advisor to the ECDN



The stakeholder group is the ECDN's advocacy platform. Our activities aim to increase the visibility of personal finances in the European policy debate. The members of the ECDN have the knowledge and experience which the stakeholder group translates to



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the European level. We work in cooperation with a variety of stakeholders: policy makers, creditors, members of the European Parliament, our partner organizations in Brussels. The goal is to create a European framework that allows national organizations active in the field of household finance and over-indebtedness, to do their work better, that is to prevent debt more effectively and to resolve debt more efficiently.

The last 3 months the stakeholder group has focussed on formulating a clear message and communicating that message with the stakeholders on a European level. The goal is to put over-indebtedness and debt relief firmly on the European agenda and to further the interests of the ECDN members.

In March, the stakeholder group formulated a letter to the European creditor associations. Our letter warns of the Covid-19 consequences for the finances of European households. We hold that many groups with different sources of income will come under pressure from the Covid-19 crisis. The letter stresses the importance of cooperation between creditors and debt relief organizations on the European and national levels, not least because we feel that this crisis affects us both. We urge the creditors to show flexibility and responsibility in the way in which they relate to clients that face sudden income loss and payment difficulties. But we also consider that in many cases creditors will have to write-off some of the debts because many households have no realistic perspective of repaying all of their obligations.

The letter has been well received and has also stirred some interest with members of the European Parliament. We are currently exploring this line of communication to widen the discussion as much as possible.

Based on the letter to the creditors, the stakeholder group has also directly approached Commissioner Reynders, who as Commissioner for Justice, is also responsible for consumer debts. In our letter to the Commissioner we reaffirm our conviction that debt relief and the financial restoration of over indebted households is a consumer right and we make a case for out-of-court debt settlements. The ECDN wants the Commission to play a more active role in promoting such frameworks on the national levels. Commissioner Reynders replied to a letter. He feels that some frameworks have been put in place, but also acknowledges that these frameworks are not necessarily designed for individual citizens and consumers and are also not mandatory for national governments. He did however advise us to participate in a consultation on the steps taken and progress achieved in the aftermath of the Covid-19 crisis. We certainly will take up Commissioner Reynders advice.

In the meantime, we have participated in discussion with stakeholders on the European level. Sandy Madar joined a stakeholder forum on May 28th. The ECDN has been in contact with the Irish Banking Cultural Board. And we have been exploring the possibilities of cooperation between the ECDN and FENCA, the European



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association of collection agencies, with whom we have agreed to seek practical ways of more profound cooperation that serves the interests of both parties. There are several more interesting partnerships we want to examine over the next period. Our goal is- while promoting a more engaged European legislative framework- to create opportunities for cooperation between creditors and debt relief agencies on a national level. We believe that such cooperation will help to increase the effectiveness of debt relief efforts, especially now that the Covid-19 crisis is felt by so many households in all of EU. Of course, that goes hand in hand with our goal of capacity building in states where debt relief needs to be improved.

A lot of work has already been done by the stakeholder group: we formulated the main messages we want to communicate to European stakeholders, we engaged with some of the important partners in Europe, we are beginning to translate our thoughts and discussions into concrete actions. It is clear however that a lot can still be achieved. For this we need the expertise and experience of you, our members. All members interested in advocacy on a European level, in shaping cooperation with creditor associations, in building networks and adding value to the networks for consumer rights organizations and debt relief agencies, are very welcome to participate in the stakeholder group. Please don't hesitate to contact us if you have questions or suggestions! Contact: Kosta Skliris at [konstantinos.skliris@gmail.com](mailto:konstantinos.skliris@gmail.com).

### Meetings with FENCA, IBCB, the Commission and so much more!

Just before the lockdown in late February we had our first phone meeting with **FENCA** ([the Federation of European National Collection Associations](#)). Our aim was to find out who they were, and whether it would be possible for the ECDN to start a collaboration with them which will benefit our members and in the end our clients. This has later led to several new meetings with among others the Director of FENCA, Andreas Bücker, and the President, Claus Spedtsberg. We have come very far in our discussions and we hope that we will soon be able to show you the fruits of our labour in the form of a more official collaboration and the realisation of some of the projects, which we have discussed – we are looking forward to continuing the work after the summer holiday!

The ECDN have also had several meetings with the **IBCB** ([the Irish Banking Culture Board](#)) who has the goal of making banking in Ireland trustworthy again by among other things improving their ethical standards; our hope is that by collaborating with the IBCB we can help them make their banks more ethical and set a shining example for banks across Europe on how to behave, both in times of crisis, but also when the crisis has passed again. We are thankful for the IBCB's help and commitment to create partnerships with their network



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and partners that will improve the rights and standings of the consumers all over Europe. We are looking forward to continuing this great collaboration and share the results of this work with you all in autumn.

As you all know, the ECDN was invited to a stakeholder meeting with the **EU Commission** and several relevant **stakeholders across the EU** on May 28<sup>th</sup> and 29<sup>th</sup> of June. Here the participants discussed firstly what had already been done to mitigate the economic impact of COVID-19, but also what we, as consumer agencies, thought would be necessary to continue to mitigate the crisis >>*because make no mistake, our societies may be re-opening, but the crisis is far from over yet!*<< In the end, the participants decided to reconvene at another stakeholder meeting, which has yet to be planned, but we will of course keep you updated on the developments, both via email and via our [social media](#).

Lastly, our president, Sandy Madar, has been invited to and represented the ECDN at many meetings, roundtable meetings, web seminars with other stakeholders, branch organisations, politicians, etc. too many to mention any details here. But what is common for all is a great willingness across branches, sectors and industries to work together and find common solutions to the problems we face due to COVID-19. We hope that this willingness will continue and that we, in these collaborations will be able to mitigate and prevent the worst consequences of the coronavirus.

## ECDN Website and COVID-19

As you know we have been very active in building up a new website for the ECDN after the old one went down in June of last year. We have managed to create a website with a lot of information on debt, over-indebtedness the work of ECDN and as of these past months also a lot of information regarding the impact of COVID-19 on the economies of Europe as well as debt and over-indebtedness.



We have come to realize, that all this information can be a lot to handle, and as an individual, it can be very difficult to figure out what is relevant to me and / or my organization / association. The ECDN have therefor



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commissioned professional web designers to help us redesign the entire website to make it look more professional and to make it more accessible to our members, partners, citizens and people interested in our work.

This unfortunately means that the website periodically will be down in the coming weeks to give the web designers and ourselves the necessary space and calm to work on the improvements for the website. We are looking very much forward to being able to present our new website to you all as soon as it is ready!

We are also working on creating an online community for the members of ECDN where the members of the ECDN can login and communicate with one another. They will also be able to find all relevant material from the association as well as tasks and projects which members can join if they find them interesting; members will also be able to post projects, which they want other members to help them with. This will create a much more dynamic experience for the members of the ECDN and will make it easier for us to work together on individual projects.

### Interns in the ECDN

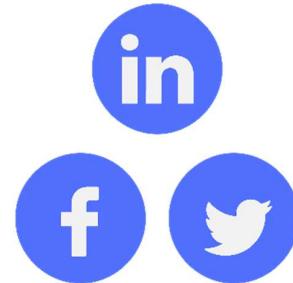
As has become increasingly obvious in these past months, the workload of the ECDN has increased drastically within the past months, and it will continue to do so within the coming months and years. To help cope with the increasing workload our president, Sandy Madar, has chosen to hire a number of interns and volunteers to work at the coordination office in Denmark; they will start their internship in September, and will be doing many of the administrative and coordination tasks which has so far been done solely by the president and the coordinator, Sebastian Løper. The interns will though also work on individual projects which they will be allowed to define in accordance with their own interests and those of the ECDN. It is our hope that with the hiring of the interns the ECDN will become stronger and we will be able to continue our great work to help our members help even more people in need. We welcome the new interns and hope they will feel right at home at the ECDN.



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## ECDN Social Media

In the past months since the outbreak of the Coronavirus we have rapidly increased our presence and activity on our social media platforms. This means that everything we do at the ECDN: Information on all our meetings, our work, and projects will be published on our social media. If you want to be sure to stay 100% updated on everything that happens within the ECDN please follow us on either [Facebook](#), [LinkedIn](#), and [Twitter](#) – or all of them, and remember to like and share our posts, to ensure that the messages of the ECDN reaches a wider audience.



## Future newsletters

For future newsletters we would also like to know, what is going on in the member organisations and associations of the ECDN, and I would therefor like to encourage you all to send us small articles (about one page) if you have an interesting projects, which you would like us to share in the newsletter with the other members of the ECDN.

The only thing which is left to say is: **Have a great summer!** The Coordination Office is back in August

Best wishes,

Sandy Madar, President of ECDN / Sebastian Løper, Coordinator of ECDN

Thomas Jepsen, Political Consultant at the Social Legal Aid

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