

31st of October 2009: European action day on financial inclusion

European Consumer Debt Network urges national and EU decision makers to strengthen the fight against over-indebtedness and to better promote financial inclusion in this time of crisis

Open letter to

the EU Prime Ministers and Head of States
the European Commission
the Members of the European Parliament

To whom it may concern

In several countries across the world the 31st of October is known as World Savings Day and children are especially encouraged to use banking services on this day. Yet millions of them can expect to be denied basic banking products when they are grown up and if they have a low income, a lack of the right identification papers or debt problems.

At least 20 million of people in the EU have to be considered as over-indebted, with the increasing unemployment rates the number of people with debt problems can be expected to grow substantially over the next months. Nonetheless investments in preventing and tackling over-indebtedness have scarcely been included in the several billion of Euros that were spent on measures designed to tackle the current crisis.

Measures have been put in place to help businesses access financing and cut red tape in order to survive the downturn and thus keep more people in work. These are effective measures for the prevention of over-indebtedness, but more are required.

Many countries across Europe still lack specific debt regulation, legislation and specialized debt advice services as well as effective credit laws and regulations for responsible lending.

The EU has taken some steps in the right direction by launching consultations on financial inclusion and responsible credit and credit histories as well as commissioning studies on over-indebtedness and financial education.

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- > GP FORSCHUNGSGRUPPE
- > L'OBSERVATOIRE DU CRÉDIT ET
DE L'ENDETTEMENT ASBL
- > NIBUD – NATIONAL INSTITUTE FOR
BUDGETINFORMATION
- > SKEF – SOCIETY FOR PROMOTION OF
FINANCIAL EDUCATION
- > TAKUU-SÄÄTIO (GUARANTEE
FOUNDATION)
- > SOS – CONSUMER DEFENCE
ASSOCIATION

Now is the time for all decision makers to take urgent action:

1. To **introduce and improve legal debt settlement legislation and regulations** in all EU member states.
2. To **install and expand high quality, free, independent and confidential money and debt advice services** in all EU member states and to ensure that at least one debt adviser is available for 10,000 households.
3. To **further develop data collection procedures** for the estimation of over-indebted persons by using an indicator system that combines information from different data sources
4. To regularly publish figures on over-indebted persons on a regular base
5. To **ensure access to a bank account and other basic financial services** and guarantee the availability of social credits and loans
6. To set **guidelines for financial service providers** to present their products in a standardized, transparent and understandable way.
7. To **implement effective credit laws** and regulations for responsible lending.
8. To invest in the development of **sustainable financial education programmes**, including the development of quality standards and a European framework curriculum.
9. National governments are called upon to **build national task forces** with clear responsibilities for the fight against over-indebtedness.
10. The European Commission and the European Parliament are urged to **promote and support a continuous and structured dialogue of all stakeholders** in the field, including civil society organizations that represent the interests of people experiencing over-indebtedness.

We hope you will take on board our recommendations, and welcome any opportunity to enter into dialogue on these questions.

Yours sincerely



Dr. Hans W. Grohs
President

ecdn is an EU-level civil society organisation and alliance of more than 40 debt advice organisations, consumer agencies and researchers from across Europe whose aim is to fight over-indebtedness and promote financial inclusion across Europe.

In addition to improving access to adequate basic banking services, ecdn lobbies for the expansion of high quality debt and money advice services, the improvement of legal debt settlement regulations, the strengthening of financial capabilities, responsible behaviour by and the necessary regulation for credit providers.

In 2008 ecdn has launched a European action day on financial inclusion to be held each year on the 31st of October.

For more information and a list of ecdn's membership visit www.ecdn.eu
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