



EUROPEAN COMMISSION

Commissioner Mairead McGuinness
Financial Services, Financial Stability and Capital Markets Union

Brussels, 15 March 2021

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Dear Ms Madar,

Thank you for your letter of 18 February and for your active participation in the stakeholder Roundtable we organised to discuss relief measures offered by banks, non-bank lenders and insurers to consumers and businesses.

I was happy to hear that the Best Practices have been useful in helping consumers deal with difficulties in repaying their debts. I am also pleased to learn about the EU wide agreement you have entered into with the Federation of European National Collection Associations to ensure more lenient debt collection practices during the ongoing crisis and about the creation of online knowledge and educational platforms. Indeed, the Roundtable initiative facilitated the cooperation of stakeholders from different corners of the market and we would like to further build on this positive experience. We are preparing a follow-up to the last Roundtable meeting and will come back shortly with a proposal for the next steps.

I agree on the importance of improving debt advice services. It is crucial in times of widespread economic and financial difficulties such as the current COVID crisis. In its New Consumer Agenda, the Commission has underlined the importance of debt advice as an effective way of helping over-indebted consumers to return to financial sustainability, while ensuring that creditors are repaid. The Commission will look at ways to help organisations like yours deliver much-needed expert advice to consumers. In the context of the reviews of the Consumer Credit Directive and the Mortgage Credit Directive, we will also be looking at how to improve rules on advisory services for consumers.

I also agree on the importance of enhancing financial education to help consumers make better decisions and manage their debts. While the primary responsibility for financial education lies with the Member States, the Commission should support and complement their activities. We need to do more. The Mortgage Credit Directive is the first EU law to include a requirement for Member States to promote financial education initiatives. My services are presently assessing both the appropriateness of extending this provision to other pieces of legislation and the feasibility of setting up a financial competence framework in the context of the Capital Markets Union.

Ms Sandy Madar
President of the ECDN
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I would like to thank you again for all your efforts in helping consumers and look forward to continue working with your organisation.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mairead McGuinness', with a large, sweeping flourish extending to the right.

Mairead McGuinness