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# European Consumer Debt Network Newsletter



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## UPDATE: PEPPI IDENTITY



### Two Logos for the PEPPI project

Every good project needs a crisp acronym and an attractive logo. With PEPPI we have found a convincing acronym which shortens the long project name effectively:

*Provision of a European Platform for the Prevention of Over-Indebtedness by the Increase of Accessibility and the Improvement of Effectiveness of Debt Advice for Citizens.*

In the word PEPPI the central elements of the project "Provision, European Platform, Prevention, Indebtedness" are brought together. PEPPI is easy to remember and has a fresh and dynamic approach.

To find an appropriate logo was a difficult task because the acronym and logo would have to harmonize and reflect ECDN and across the project membership for corporate communication. To begin, we considered other logos for similar projects and topics, and we were mindful of the logos already in use by our members and participating countries. We were impressed by Gemma in Malta's flower growing out of a stack of coins, and by the parachute of Padobran in Croatia. We also liked the helping hands of Pomáhome from Slovakia.

### Reflecting the topic

Debt advice is often described as a revolving door or a downward pull. Debt advice can, and should, help people out of financial misery.

Advice is ideally provided by a team of trained professionals working in cooperation with a client, and at the end of the debt counseling process there should be a 'fresh start' or new beginning without debt. Working with the designer Marianne Graetz, ECDN has developed a logo that hopefully reflects this. The management committee were unanimously agreed that this was the ideal logo for PEPPI.

### Website development

Another aim of PEPPI is the development of national websites for the improvement of consumers financial literacy. Some of the participating countries already have websites for this, while others are building sites from a baseline. Therefore, it is difficult to find a common name for the provision of websites directed to financial education. Several alternatives were discussed and domain names were checked, and as a result the pool of possibilities was significantly reduced. Our members and participating countries can use:

[www.debtadvice.international](http://www.debtadvice.international)  
[www.debtadvice.world](http://www.debtadvice.world)

Some countries prefer to have domains in their national language and selected their own domain. As the websites will provide information 'All About Finance' it was not difficult to select the headline of the PEPPI logo for the consumer facing websites.

Both logos are registered as trademarks at the German Patent Office.

# CELEBRATING 30 YEARS OF IRELAND'S MONEY ADVICE AND BUDGETING SERVICE (MABS)

BY: AMIE LAJOIE, SOCIAL POLICY & RESEARCH EXECUTIVE, MABS SUPPORT CLG



In September 2022, the Money Advice and Budgeting Service (MABS), one of Ireland's most respected and well established publicly funded services, celebrates its 30th anniversary. Since 1992, local MABS offices have delivered a free, confidential, non-judgemental and independent debt and money advice service that remains one of the most reputable and robust of its kind in Europe. In addition to one-on-one service delivery, MABS is active in the area of money management education, working with community partners to deliver targeted financial literacy programmes in schools and local communities around the country. MABS also regularly undertakes research on household debt and financial inclusion and makes regular social policy submissions to public institutions. The suite of offerings by MABS has expanded in the past decade to include a specific personal insolvency service through MABS Approved Intermediaries (AIs). Working with creditors and partners in the industry, MABS also employs Dedicated Mortgage Arrears advisers throughout the country and administers the *Abhaile* scheme for those facing difficulties with mortgage payments. Since March 2021, MABS has worked with energy providers to develop and provide access to Hardship Funds for those facing difficulties paying utility bills.

Over the past three decades, the MABS service has expanded and adapted to meet new challenges. Yet MABS has remained steadfast in its core ethos and mission: to work towards eliminating situations of over-indebtedness throughout Irish society.

**The MABS Mission:** To work towards the elimination of over-indebtedness through the provision of a free, confidential, independent community and rights based Money Advice & Budgeting Service, which identifies, supports, educates and empowers those experiencing or at risk of over-indebtedness, especially those on low income and to use the knowledge and experience gained to bring about policy change towards this end.

## From five pilot projects to a national network

In 1992, the Government allocated £260,000 (€330,132) to set up five pilot projects in Cork City, West Clare, Limerick, Waterford, and West Dublin (Ballyfermot), and these became the first five offices of the national service now known as MABS. These five offices are still in operation today. On 22 September 1992, then Minister for Social Welfare Charlie Mc Creevey officially launched MABS. According to Mc Creevey's press release:

'Under the new scheme... the emphasis will be on identifying approaches that succeed in reducing dependence on moneylenders over the long term and are capable of being replicated on a wider scale'.

These pilots consisted of a pioneering bespoke money advice service that provided step-by-step support for clients facing situations of arrears, including liaising with creditors and setting up payment strategies, while also working with clients to find ways to maximise their income and develop sustainable household budgets.

The growth and development of MABS involved a novel approach to tackling household over-indebtedness. MABS deploys a one-on-one casework model of support that both helps people cope with immediate debt burdens and develop broader money management and budgeting skills in order to become financially independent in the long-term. Money Advisors, and a team of dedicated local MABS staff, remain the backbone of the organisation.



By the end of the 1990s, MABS had grown from five pilot projects to having over 46 local offices. This growth continued throughout the 2000s and included the establishment of a national development office in 2004 (MABS National Development, now MABS Support CLG), a designated advocacy company for Irish Travellers in 2005 (National Traveller MABS), and a National Helpline in 2007. Today, there are 58 MABS offices and the service is located in every county in Ireland.

### **Responding to the changing nature of household over-indebtedness**

A high percentage of MABS clients in the 1990s and early 2000s were low-income households facing moneylender and other small debts, such as utility arrears, court fines, catalogue debts, and credit card debts. In the years leading up to and immediately following the financial crisis in 2008, however, that profile began to shift – and more and more people facing larger debts including mortgage difficulties presented at MABS for help. These cases were increasingly complex, as clients often had an array of priority and secondary debts and credit types on top of mortgage debt. During the period following the financial crash, MABS saw a massive increase in clients approaching the service, with a peak of nearly 27,000 new clients in 2011 alone. Since 2009, MABS has supported nearly half a million callers and Helpline clients in total.

At its core, the principles of social justice and human rights underpin MABS work. In a MABS context, this involves working to ensure that people can live with dignity whilst dealing with their financial difficulties and repaying debts. Over the years, the ‘MABS model’ has been recognised positively in international and European settings, with EU neighbours in particular exploring the transferability of the MABS model in other jurisdictions. According to a 2004 peer-peer evaluation of MABS from the European Commission:

‘The [MABS] service is free, confidential and independent. It is open to all who seek help... It brings over-indebted clients back to everyday-life with all its duties and in some cases has saved lives when money worries cause suicidal thoughts or even attempts’.

MABS has always delivered a holistic service that meets clients where they are and recognises that debt can involve a wide range of factors. Debt, in particular over-indebtedness, can have detrimental effects of personal health and wellbeing – and can affect across families and children. The MABS organisation continues to embody an ethos that *debt problems emerge as a result of things that happen to people, rather than actions that are done by people*. It is this attitude that shapes MABS work not just in terms of assisting clients, but also outlining key policy contributions that work to end poverty and to address the structural causes of over-indebtedness.

### **MABS today: a free, non-judgemental, people-centred service**

After going through a process of restructuring and regionalisation in 2018, MABS now consists of a network of eight regional companies, National Traveller MABS, and MABS Support CLG. It is funded and supported by the Citizen's Information Board.

Today, the dramatic rise in the cost of living, in particular related to household utilities and accommodation costs, is bringing many people to MABS. August 2022 was the busiest month on record for the MABS Helpline – with the majority of clients looking for support with energy costs and utility bills. Such a volume of calls is uncommon for this time of year, and MABS staff are quite wary of what is to come in the winter months.

Therefore, while we celebrate the achievements of the past 30 years, it is important to note that the country moving forward is going to continue to need MABS, and the community-based, independent, free, confidential and non-judgmental money advice and budgeting service we provide, perhaps even more than ever before.



# THE CURRENT CRISIS: RESPONSES FROM OUR MEMBERS IN AUSTRIA AND SPAIN

## Austria

Current social developments and inflation are causing financial difficulties for many people across Europe. To proactively reach as many people as possible in Austria with money worries, the ECDN member **asb-schuldenberatung** has produced an information folder.

The information is aimed at people who already have debts or are in financial difficulties. In simple and understandable language, financial warning signals, first possible steps, as well as the consequences of an impending or existing "apparent insolvency" are described.

The aim is for those affected to contact the state-approved debt counselling service as soon as possible.

Please follow this [link](#) to see this information.

## Spain

An ECDN member in Spain, **Asociacion de Usuarios de Bancos Cajas y Seguros (ADICAE)** has developed the project "*Consumers and users vulnerable to financial services and major consumer issues*" to reach consumers, professionals, and organizations that regularly work with vulnerable groups.

This includes consumer institutions, legal professionals, and professionals offering social assistance to provide them with the necessary information and training on aid and specific protection regulations.

The objectives of the project are:

- To establish the concept of the Vulnerable Consumer, to be recognized and included in Spanish regulations, as well as protected by the courts thus expanding consumer protection against the helplessness they suffer from the actions of financial entities and companies in essential sectors.
- To prevent the factors that promote the vulnerability and exclusion of certain consumers in financial spheres and in large sectors of consumption.
- To highlight the current reality of defenselessness of consumers before financial, energy and telecommunications entities and promote collective legal action as the only alternative for consumers.
- To unite and promote collaboration between organizations that are dedicated to the defense of vulnerable groups, presenting a common front before financial entities and with regard to consumer issues, as well as before the different institutions.

ADICAE makes available to consumers a series of materials:

- *Consumidores y usuarios vulnerables ante los servicios financieros y grandes temas del consumo, 2020 ( Study of the Concept and Causes of the Vulnerable consumer in financial services, energy and telecommunications).*
- *Conceptos and causas del consumidor vulnerable en servicio financieros y en grandes temas del consumo, 2020 (Study and actions for the prevention of abuses and exclusion risks in financial consumption, energy and telecommunications).*

Additionally there are videos and info graphics for dissemination available using this [link](#).

## ECDN UPDATES

### Attention ECDN Members!

In order for the websites that are being developed for the PEPPI project to be a reliable and professional source of knowledge for European consumers, it would be useful to learn from similar organisations.

Therefore, we are asking for your help in sharing with PEPPI participants any relevant materials: articles, tips, infographics, videos, or other tools relating to over-indebtedness and financial literacy that will help to inform and populate these websites. If you think that your material could help consumers and debt advisors in other European countries, are universal and attractive, or you have valuable tips for national coordinators please contact:

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### Social Media

ECDN is on Facebook, Twitter, and LinkedIn. Click to follow the links:



### Update on ECDN General Assembly, March 2023

The ECDN Annual General Meeting (AGM) will be held in March 2023 in Malta. ECDN members will be updated with the venue, precise dates, and an agenda as soon as possible.

### The European Commission's 2nd Annual Digital Consumer Event, 21 November 2022

The European Commission is holding its second annual digital consumer event to consider the problems consumers face in the digital transition. This will be streamed online on Monday 21 November 10-1700 (CET). No registration is necessary. Please follow this [link](#) for further information.

### Remarks: The concept of the vulnerable consumer

Article 5 (3) UCPD (Union Consumer Protection Directive) describes the vulnerable consumer as a member of a *clearly identifiable group of consumers who are particularly vulnerable to the practice or the underlying product because of their mental or physical infirmity, age or credulity in a way which the trader could reasonably be expected to foresee*. According to Martha Fineman (2008), vulnerability is a consequence of human embodiment, carrying with it the ever-present possibility of harm, injury, and misfortune and therefore no individual can avoid vulnerability.

According to this universal understanding of vulnerability, vulnerable consumers are not the exception; they are the rule. Vulnerability is not a stable property of a person. Not only do the sources of vulnerability differ – vulnerabilities that are inherent to the human condition and vulnerabilities that are situational in nature – but there are also different states of vulnerability. Essentially this means that consumers are not simply vulnerable, but that some market structures and configurations make them vulnerable, or even worse: exploit their vulnerabilities.

In digital marketplaces, most if not all consumers are potentially vulnerable. Digital vulnerability describes a universal state of defencelessness and susceptibility to (the exploitation of) power imbalances that are the result of increasing automation of commerce, datafied consumer-seller relations and the very architecture of digital marketplaces.

([Link](#): EU Consumer Protection 2.0. Structural asymmetries in digital consumer markets. Nathalie Hellberger et al., Brussels 2021)