

Spring 2023

European Consumer Debt Network Newsletter



PEPPI CONFERENCE 23 MARCH 2023, MALTA



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ECDN was delighted to host the first PEPPI conference on 23 March 2023 in Malta. The conference was opened by Justice Commissioner Didier Reynders and Malta's Minister for Social Policy and Children's Rights, Dr Michael Falzon. Participants from over 17 countries attended the conference in the Salini Resort in person or via web-link, with 42 people joining us in person in Malta.

Dr Falzon noted in his welcome address the importance of resolving over-indebtedness, recognising it as the one of the key entry points to a myriad of other problems, stating:

"We all know that when we have a problem with indebtedness most time it leads to other social issues."

Commissioner Reynders also recognised the burden of over-indebtedness:

"Over-indebtedness puts the victims in serious difficulties with highly negative consequences for their quality of life and dignity."

He added that he believed debt advice is an effective way out of this difficult life situation:

"I like to stress the usefulness of debt advice services to combat and remedy over-indebtedness."

Commissioner Reynders gave a very inspiring update for the New Consumer Credit Directive:

"The new Consumer Credit Directive will in particular establish that member states must ensure the availability of these services to their citizens."

Following a presentation of the PEPPI project by ECDN President Dieter Korczak, the DG Justice officer Francesco Gaetano gave the general political context in which the PEPPI grants are embedded:

"This project is part of a bigger action. Debt advice is one of the most effective tools."

Recognition of the importance of the work of ECDN members and colleagues at this European level was a very welcome aspect of the conference. Other conference highlights included the launch of the ECDN and PEPPI Knowledge Platform and Online Academy by the ECDN Vice-President Pauline Dujardin, and ECDN Treasurer Gwen Harris. The Knowledge Platform and Academy are available to view on the [ECDN website](#).



However, the first PEPPI conference was principally host to the National Coordinators knowledge and information exchange, with each National Coordinator taking to the podium to present the debt advice situations in each PEPPI country. This was a welcome exchange with many ideas that will stimulate innovative thinking and solutions.



ECDN President Dieter Korczak, the conference moderator, summarized the presentations in his final statement:

"The financial fragility of many consumers in the participating member states is high; 21% of European households are at risk of poverty. In some countries, for example, Romania, the risk of poverty is even more extreme (31%).

Low income is, for many people, a very serious problem and increases the risk of becoming over-indebted. In addition, the high inflation rates reduce purchasing power. Prices of food, housing and energy have increased dramatically and made life more difficult and incalculable.

Fourteen per cent of European households now have debt that they have difficulties servicing or are unable to pay.

The rise in the benchmark interest rate and the floating rate connected to Euribor is another cause for the increased risk of over-indebtedness. Low financial literacy skills and risky behavior like gambling are other important factors for an increasing risk of over-indebtedness.

In some countries (for example, Greece and Bulgaria) non-performing loans (NPL) bought through securization by funds and managed by servicers are a big problem.

Debt advice and debt counselling can be a first remedy and an effective help for all these life situations. Still the services are almost unknown, under-developed and under-paid. The Peppi project can be a game changer. This has been impressively demonstrated by the presentations and the discussion."



PEPPI WEBINARS

The next PEPPI webinars will be on the following dates:

19 April, 17 May, 26 June, and 20 September

On 19 April, the webinar will have four sessions (10am, 11am, 1pm, 2pm CET) on the topic of 'Funding a Debt Advice Service' with speakers from Germany, France, Austria and Finland. Further information and registration forms will be circulated shortly.

The 17 May webinar will have three sessions (10am, 1pm, 2pm CET) with experts discussing target groups of debt advice; vulnerable groups, gamblers, and people with disabilities.

New ECDN Members

On 22 March 2023, ECDN was able to take advantage of the gathering of members for the PEPPI conference, and the 2022 AGM was held as an in-person event in Malta. ECDN welcomed several new corporate and individual ECDN members unanimously approved by the present voting members.

- Esdebitami (Italy)
- I Diritti del Debitore (Italy)
- iff – institut für finanzdienstleistungen (Germany)
- Free Debt Advisory Office (Slovakia)
- Pascal Pfister (Switzerland)
- Fredrik Tjulander (Sweden)

ECDN is also pleased to announce that a new member of the ECDN management committee was elected at the AGM; Joeri Eijzenbach (pictured), Project Lead and Senior Policy Advisor at NVVK, The Netherlands has joined the ECDN management committee.



Social Media

ECDN is on Facebook and LinkedIn.

ECDN has decided to leave Twitter from 15 April 2023.

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