



## Re-Start

Relentless expert exchange and financial inclusion paths to  
promote stable debt advice services and fresh Start

1<sup>st</sup> workshop  
On-line 09/05/2023



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# Debt Advice Services in EU

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# Debt Advice Services in the EU

## Structure

1. Prevalence of debt advice services in the EU member states
2. Peppi-Project
3. Funding of debt advice services
4. Main barriers affecting the development of debt advice services

# Debt Advice Services in the EU

## Development

In 1992 the Council of Europe has mentioned for the first time that over-indebtedness research should become a priority in consumer protection policy.

Two years later, in 1994, the European Commission pointed out in a report that the improvement of debt advice is best answer on rising numbers of over-indebted persons.

But still in 2013 a report of Civic Consulting stated *„the need for adequate (public) funding of debt advice services in order to meet demand in a timely manner and to provide the comprehensive geographical coverage that many EU Member States lacked.“*



# Debt Advice Services in the EU

## Definition

**Debt Advice** involves the provision of information and options to people without creating an ongoing relationship between the provider and the recipient.

**Debt Counselling** by comparison involves a deeper, more interpersonal relationship where the provider acts more as an empowering advocate or caseworker.

(The following statements cover as well debt advice as debt counselling)



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## Prevalence of debt advice services in the EU

Debt advice is a relatively well-established service in only some member States, including:

**Austria, Belgium, France, Germany, Ireland, the Netherlands, Finland**

Countries with a particularly weak tradition of debt advice include:

**Bulgaria, Romania, Hungary, Croatia, Cyprus, Greece, Italy, Lithuania, Latvia, Malta, Slovenia, Slovakia and Spain**

# The Peppi-Project

Provision of an European Platform for the Prevention of Over-Indebtedness  
by the Increase of Accessibility and the Improvement of Effectivenesss of  
Debt Advice for Citizens

- Provision of an European On-line Knowledge Platform
  - Set up of an European On-line Academy
  - Development of national consumer websites
- Organisation of a national network for debt advice services

## Providers of debt advice services in the EU

There are different types of providers of debt advice.

Five types are listed here:

1. **Consumer organisations**: Adicae/Spain, Ekpizo/Greece
2. **Local authorities**: in the Netherlands and Finland
3. **National consumer debt advice organisations**: MABS in Ireland
4. **Charities**: Charity Service of the Order of Malta/ Hungary
5. **Private consultants and lawyers**: in Bulgaria, Croatia and Cyprus



# Funding of debt advice services in the EU

Funding structures are very complex and diverse

## **Predominantly publicly funded debt advice:**

Local government: Estonia, Finland, the Netherlands, Poland, Sweden

Regional government: Austria, Belgium

Public authorities or bodies: Ireland, Luxembourg, Slovakia

NGO activities significantly financed by public funds: France, Germany

## **Relatively large share of privately funded debt advice:**

NGOs: Czech Republic, Hungary

Some membership-funded consumer organisations: Greece, Spain, Portugal

Mainly reliant on legal services: Bulgaria, Croatia, Cyprus, Italy,

Latvia, Lithuania, Malta, Romania, Slovenia



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# Main barriers of debt advice services in the EU

- Missing financial means
- Missing governmental support
- Competition of NGOs
- Lack of availability / access
- Missing awareness
- Entitlement criteria
- Limited capacity / waiting times
- Geographical Distance
- User fees
- Lack of trust
- Lack of quality
- Shame/ social stigma

# Thank You for Your Attention

## Question & Answers Session

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## References

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