



# **Provision of an European Platform for the Prevention of Over-indebtedness by the Increase Accessibility and the Improvement of effectiveness of Debt Advice for Citizens (PEPPI)**



Co-Financed by the European Union

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## **WEBINAR 1**

# **Psychosocial Problems of Debtors**

**20 09 23**

**Fredrik Tjulander**



Co-Financed by the European Union

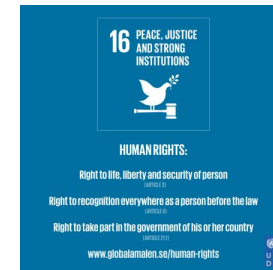
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# Live to live or live to die



# Urgent need of praxis



# To live in security

[file:///C:/Users/hmc/Desktop/rapport-2014-12-ar-skuldsanering-rehabiliterande-konsumentverket%20\(1\).pdf](file:///C:/Users/hmc/Desktop/rapport-2014-12-ar-skuldsanering-rehabiliterande-konsumentverket%20(1).pdf)

3 years after completing debt settlement - Regarding mental health, 67% have seriously considered suicide one or more times, and 28% have tried to take their own life one or more times

[2021/22:458 Barns situation i överskuldsatta hushåll \(riksdagen.se\)](https://www.riksdagen.se/2021/22/458/Barns-situation-i-overskuldsatta-hushall)

Many of those who are evicted move around and live temporarily with friends or relatives. It also happens that families are placed in hostels. Such a living situation obviously creates a very unsafe everyday life for children in their general feeling, in their existence, relationships with peers and schooling



## Fulfillment of Basic Needs

need for self-realization: creativity, to develop oneself

need for esteem: self-respect, esteem, self-esteem

need for closeness: to be accepted and to belong to a group

need for security: feeling of security and harmony

physiological needs: food, sleep, clothing, housing

# To Eat and live in Social security



Debt Enforcement Authorities podcast:  
Children and adolescents must eat less  
(Äta mindre)



[2021/22:458 Barns situation i överskuldsatta hushåll \(riksdagen.se\)](https://riksdagen.se)

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<https://www.myrorna.se/hallbart/psykisk-ohalsa-hos-barn-har-okat-med-100/>

The risk is greater for these children to be bullied, to have poorer results in school and not to have the opportunity for meaningful leisure time due to the costs of transport, equipment and other associated costs.

# Health and Wellbeing

[rapport-2014-12-ar-skuldsanering-rehabiliterande-konsumentverket \(1\).pdf](#)

As far as we know, when the Debt Settlement Plan was introduced, medical, psychological and other expertise in areas such as stress research, medical and health care, social services, psychotherapy, for example trauma psychology, child and family psychology, was not consulted to any significant extent.



[file:///C:/Users/hmc/Desktop/rapport-2014-12-ar-skuldsanering-rehabiliterande-konsumentverket%20\(1\).pdf](file:///C:/Users/hmc/Desktop/rapport-2014-12-ar-skuldsanering-rehabiliterande-konsumentverket%20(1).pdf)

Regarding general health, 73% of the survey group stated that their health was worse at the time of the survey - that is, approximately three years after the debt settlement was completed



# Equal rights based on each person's capacity

[rapport-2014-12-ar-skuldsanering-rehabiliterande-konsumentverket \(1\).pdf](#)

The authors' recommendation is that the Debt Consolidation Act be developed towards a content that promotes effective, constructive and, above all, prompt solutions to better achieve its purpose of achieving rehabilitation in all areas of life. Everyone – the over-indebted individuals, creditors and society at large – should benefit from this. Experiences from other countries such as. The United States, Canada, and England show this with all clarity

No standardized care, as in other health and life-threatening conditions – in Sweden



[rapport-2014-12-ar-skuldsanering-rehabiliterande-konsumentverket \(1\).pdf](#)

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No legal support or other expertise, that may be required in contact with the Enforcement Authority - Sweden

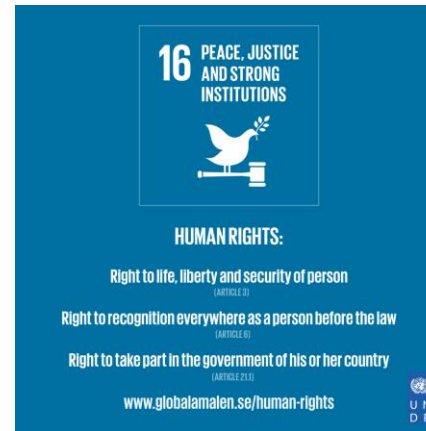


# Before the law?

In Sweden, about 20% of those who receive debt settlement have mental illness. When assessing debt restructuring, it is almost exclusively lawyers who assess and decide on these cases. Without medical competence as decision support. Even if they are offered medical decision support, they are not included as decision support.



“- I think that children in financial vulnerability, need to take responsibility”  
Debt Enforcement Authorities podcast



If you have a debt with a debt collection company, it is written off after 10 years. BUT if they send you a letter or invoice, within those ten years, the statute of limitations is extended by another 10 years. This can continue for decades or until death. Except when you get a debt settlement plan

In Sweden, it is almost exclusively criminologists and jurists who handle cases at the Debt Enforcement Authority. Regardless of whether you are a criminal or a private person

# Rehabilitation or at trap?

## Debt Settlement in Sweden

<http://miun.diva-portal.org/smash/get/diva2:378555/FULLTEXT02.pdf> (Sidan 8)

<https://www.konsumentverket.se/globalassets/publikationer/produkter-och-tjanster/bus-och-kvl/rapport-2014-12-ar-skuldsanering-rehabiliterandekonsumentverket.pdf>

Events that occurred during debt settlement:

"Became a pensioner 71% - including early and disability pensioners. " (This is the largest group under the heading above) (Page 21) 4.1 Indebtedness before and after debt restructuring Regarding the time before debt restructuring, 55.5 percent stated that they had been over-indebted for ten years or more before applying for or being granted debt restructuring.\* \* The debt settlement process is added, which is 5 years (Regardless of the repayment period which is between 3 – 5 years). Add >10 years, which one has been over-indebted, before debt restructuring. So >15 years (At least) under economic stress, exclusion, hilly dignity and autonomy.

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3 years after completed debt restructuring Regarding general health, 73% of the survey group stated that their health was worse at the time of the survey - that is, approximately three years after the debt settlement was completed

[rapport-2014-12-ar-skuldsanering-rehabiliterande-konsumentverket \(1\).pdf](rapport-2014-12-ar-skuldsanering-rehabiliterande-konsumentverket (1).pdf)

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<https://www.diva-portal.org/smash/get/diva2:378555/FULLTEXT02.pdf>

Deaths during and after debt settlement / Konsumentverket Results and discussion "During the current debt settlement period (2003-2008), 138 people died, or 12.36 percent of the survey group. To get an idea of how bad the situation is, we have compared the mortality in the study group with the mortality in the normal population. It then turns out that the mortality rate among 53-year-olds – the same age as the average age of those who were granted debt settlement in 2003 – during the same time period (years 2003-2010) was 0.46 percent. This means that the mortality rate in the study group is on the order of 30 times higher, which must be considered extremely remarkable.

[rapport-2014-12-ar-skuldsanering-rehabiliterande-konsumentverket \(1\).pdf](rapport-2014-12-ar-skuldsanering-rehabiliterande-konsumentverket (1).pdf)

The authors' recommendation is that the Debt Consolidation Act be developed towards a content that promotes effective, constructive and, above all, prompt solutions to better achieve its purpose of achieving rehabilitation in all areas of life. Everyone – the over-indebted individuals, creditors and society at large – should benefit from this. Experiences from other countries such as. The United States, Canada, and England show this with all clarity

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Three years after completing the debt settlement plan In terms of mental health, 67% have seriously considered suicide one or more times, and 28% have tried to take their own life one or more times report-2014-12-year-debt settlement-rehabilitating-consumer agency

# Elderly

<https://www.konsumentverket.se/globalassets/publikationer/produkter-och-tjanster/bus-och-kvl/rapport-2014-12-ar-skuldsanering-rehabiliterandekonsumentverket.pdf>  
(Page 13) Events that occurred during debt settlement: "Became a pensioner 71% - including early and disability pensioners. (It is the largest group under the heading above)

[file:///C:/Users/hmc/Desktop/Skuldsanering\\_kortanalys.pdf](file:///C:/Users/hmc/Desktop/Skuldsanering_kortanalys.pdf)

"94 years old was the oldest person to receive debt settlement in 2017" Debt settlement/payment over 3 - 5 years.

[Fler pensionärer söker skuldsanering - P4 Västmanland | Sveriges Radio](#)

Low pension or that the loans become too heavy when the partner has died.

[Allt fler pensionärer hos Kronofogden - DN.SE](#)

"Over 20 billion SEK. That's how big was the total debt of the 65-plus with the Enforcement Authorities at the end of 2020. The number of pensioners with debt problems has steadily increased in the last 10 years." (Compared to 94 billion in total debt at the Enforcement Authorities) Of all debtors with the Crown Bailiff, 1/11 are pensioners. At the same time as they are holders of 1/5 of the entire debt stock at the Enforcement Authorities .

<https://www.senioren.se/nyheter/tiotusentals-seniorer-fast-hos-kronofogden/>

"A majority of the seniors who have debts with the Enforcement Authorities have been registered with the authority for more than 20 years."

[18.338e6d8417768af37a86e24/1619556175664](#)

13% of those who applied for debt settlement were over 67 years old.

# Elderly

Mandatory and immediate debt relief,  
if there are no reasons to the contrary



# Children and adolescents

[https://www.researchgate.net/publication/256493221\\_Barn\\_till\\_overskuldsetting\\_Underlagsrapport\\_till\\_Barns\\_och\\_un\\_gas\\_halsa\\_vard\\_och\\_omsorg\\_2013\\_Socialstyrelsen\\_Artikelnummer\\_2013-5-49](https://www.researchgate.net/publication/256493221_Barn_till_overskuldsetting_Underlagsrapport_till_Barns_och_un_gas_halsa_vard_och_omsorg_2013_Socialstyrelsen_Artikelnummer_2013-5-49)

Over-indebtedness has severe consequences for children (Pages 10-11) "As can be seen from the previous section, over-indebted parents run a higher risk of mental and physical ill-health, suicide and premature death than can be considered normal in the population. The life situation for their children can therefore be described as very vulnerable. There is research [19] that shows that parental mental illness is a risk factor for the child also suffering from mental problems. Losing a parent as a child is a great trauma and something that can cause suffering for a long time to come. The results of a large Swedish study [20] also show that children of parents who committed suicide ran almost twice the risk of committing suicide themselves. If the suicide occurred when the children were young or in their teens, the risk was threefold. People whose parents had committed suicide ran also an increased risk of suffering from depression or psychosis themselves."

In Sweden there are 180,000 children, in families where at least one parent has a debt account with the Kronofogden. This does not include children whose parents, for example, have debts with debt collection companies. Parents of all these children are less able than others to pay for leisure activities, children's parties, Christmas celebrations, birthday presents, winter clothes and holiday activities.

<https://www.kronofogden.se/om-kronofogden/nyheter-och-press/pressmeddelanden/2022-02-23-antalet-barn-som-berors-av-vrakning-fortsatter-att-oka>

The number of children affected by eviction continues to increase. Last year, 572 children had to experience both or one of their parents losing their home, an increase of 123 children compared to the previous year and the highest figure since 2012.

<https://www.myrorna.se/hallbart/psykisk-ohalsa-hos-barn-har-okat-med-100/>

Around 16 percent of children in Sweden live in economically vulnerable families, and young people with poor mental health have increased in Sweden lately. Reasons why children live in economic vulnerability may be that they have unemployed, part-time working or sick parents and that there is no protection such as social security or sickness benefit. There may also be children with special needs in the family. The risk is greater for these children to be bullied, to have poorer results in school and not to have the opportunity for meaningful leisure time due to the costs of transport, equipment and other associated costs.

# Children and adolescents

ALWAYS doubled the reservation amount for families with children.

NEVER longer debt restructuring than three years.

ALWAYS child impact analyzes and formally competent decision support (children's law, children's health, etc.) - families with children. Requirements for the Enforcement Authorities

NEVER home visits by the Enforcement Authorities with police officers.

ALWAYS the possibility of having debts written off, if the consequences are too great for the children. (Assessment of formally competent, a requirement)

NEVER eviction

ALWAYS with a legal representative.

# Role models

## [Danmarks Domstole – Gældssanering](#)

The court will appoint an advisor who is responsible for handling the case and to whom you must provide all necessary information. The helper, who is a lawyer, notifies everyone you owe money (your creditors) that they can make their claim within a time limit.

## [6-sidig-multifolder-Allman-en-GB-final.pdf \(kristdemokraterna.se\)](#)

A district association for a government party, highlights the need of Debt Enforcement Authority, to get a broadened and deepened assignment. In a letter to the party leadership, it is suggested that the Debt Enforcement Authority, must have medical competence as decision support when it so requires

## [Debt Respite Scheme \(Breathing Space\) guidance for money advisers - GOV.UK \(www.gov.uk\)](#)

### **Standard breathing space**

A standard breathing space is available to any client with problem debt.

It gives them legal protections from creditor action for up to 60 days. The protections include pausing most enforcement action and contact from creditors and freezing most interest and charges on their debts.

### **Mental health crisis breathing space**

A mental health crisis breathing space is only available to a client who is receiving mental health crisis treatment.



Skåne County in Sweden  
 Cross-professional and cross-organizational  
 network. The aim is to find ways to a  
 standardized care of debtors.







Thank you for having me

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