September 2025

European Consumer Debt Network Newsletter

Welcome to the Autumn edition of our newsletter!

This time, we invite you to explore the current situation in Bulgaria and the latest developments in Slovakia, where major organizational changes have recently taken place.

Check out the Austrian financial education portal, offering a wide range of interactive materials – not just for young people.

For long autumn evenings, we recommend the post-conference materials from the 18th IACL Conference, recently published as a book.

We are also pleased to announce a Call for Papers for the upcoming ECDN Conference on Gambling (date and location to be confirmed) – a unique opportunity to share research on gambling, over-indebtedness, and consumer protection.

Finally, don't miss other upcoming conference opportunities – we've prepared some inspiring suggestions for you.

In this edition:

- Bulgarian Households Between Inflation, Debt, and Systemic Pressures: The Role of Temida
- Letter from SLOVAKIA: Information on the Results of SOP Activities in Slovakia for the ECDN
- New iff Publication with Routledge: "Financial Inclusion Law and Over-Indebtedness"
- Austria: Financial Education Portal of State-Approved Debt Advice Organisations
- Overview of events for debt advisors/debt counsellors in Europe
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BULGARIAN HOUSEHOLDS BETWEEN INFLATION, DEBT, AND SYSTEMIC PRESSURES: THE ROLE OF TEMIDA

1. CONTEXT: FOOD COSTS, FINANCIAL RESILIENCE, AND HOUSEHOLD VULNERABILITY

Financial resilience means a household's ability to withstand shocks without losing its standard of living or falling into unsustainable debt. In Bulgaria, this resilience is rapidly eroding.

In 2025, households spend almost **30% of their budgets on food** (859 BGN per person, Q1 2025), compared to ~18–20% in most EU states. Food prices rose by **81.7% since 2021**, far above Germany (+39.8%), France (+16.1%), or Ireland (+18.6%). The country's old advantage — cheaper food — has disappeared. Families now cut back on quality and quantity, postpone other spending, and rely heavily on loyalty programs, discount apps, and promotions. Yet these tools cannot offset structural fragility.

The **saving rate collapsed from 16.8% in 2020 to 8.9% in 2023**, while Western EU households maintained ~18%. Bulgarians hold defensive assets—real estate, deposits—rather than diversified portfolios, leaving them illiquid and vulnerable.

2. DEBT VULNERABILITY: STRUCTURAL VS. LITERACY ISSUES

High prices and low wages drive families toward **fast, high-cost credit**. From Dec 2024 to June 2025, bank consumer credit rose 7% and non-bank credit 10%. Over 120,000 young Bulgarians rely on short-term loans.

The problem is dual: **structural income gaps and limited financial literacy**. Many lack emergency savings and turn to costly tools like BNPL. One debtor supported by Temida had over 20 active loans. Without systemic safeguards, temporary budget stress escalates into long-term debt traps.

3. LATEST POLICY DEVELOPMENTS

Progress remains limited. A new **Personal Bankruptcy Law** offers partial relief, and Bulgaria will soon implement the **EU Credit Directive**. Beyond these, measures such as a central credit registry, APR caps, or large-scale financial literacy programs are missing.

4. TEMIDA FOUNDATION: ACTIONS AND LIMITATIONS

Temida has emerged as a prototype safety net:

- **Advocacy**: engaging policymakers, lobbying for registries and consumer safeguards, joining Finance Ministry think tanks.
- **Training**: running workshops on budgeting and debt management.
- **Direct help**: assisting 15+ complex household debt cases.
- **Cooperation**: working with **Gavroche Foundation** and European networks to expand reach.

Yet activities remain underfunded and small-scale, run largely on goodwill. Without stable financing and political backing, impact cannot match the scale of the problem.

5. TWO-AXIS STRATEGY FOR ACTION

Bulgaria needs both immediate relief and long-term reform.

- **Axis 1 (Short-term)**: VAT cuts on essentials, anti-inflation baskets with retailers, targeted subsidies, and financial education in schools.
- **Axis 2 (Long-term)**: stronger regulation, debt advisory services, support for ethical credit, and structural reforms to boost production and incomes.

Financial education connects both, empowering households to stretch limited budgets and avoid predatory credit.

6. LOOKING AHEAD

Without systemic action, Bulgaria risks a two-tiered society: a vulnerable majority stuck in debt cycles and a minority shielded by wealth. Eurozone entry may worsen pressures unless combined with stronger safeguards and education.

Temida and Gavroche show what can be done, but without state investment and broad policy reform, Bulgarian families will remain financially fragile, unable to build true resilience



Written by Willie Pierre Abbal
Temida Foundation

LETTER FROM SLOVAKIA: INFORMATION ON THE RESULTS OF SOP ACTIVITIES IN SLOVAKIA FOR THE ECDN

Dear Ladies and Gentlemen,

It has been six months since the establishment and launch of our expanded advisory activities under the new name Network of Professional Counselling (SOP).
As I have already informed you and our readers, the main purpose of this expansion is to provide free financial, legal, social, and psychological counselling for individuals, couples, families, and their wider communities — all under one roof.
For the period from 1 March 2025 to 31 August 2025, we expanded our 46 Centres of Comprehensive Assistance (PKP – forming the counselling network of Slovakia) by opening additional offices in order to increase the planned number of counsellors from 184 to 407, mainly psychologists and social workers.
As of 31 August 2025, the actual number of employees reached 304, consisting of:

- 46 lawyers,
- 46 financial advisers,
- 44 first-contact staff,
- 26 field consultants,
- 27 coordinators,
- 37 social workers,
- 78 psychologists.



The planned filling of the remaining vacancies is set by 30 November 2025.

The project management includes methodologists, two department heads, and the director – together 10 staff members.

During the same period (1.3.2025 – 31.8.2025), we accepted **10,160 new clients,** of which **3,927 cases** were successfully completed.
The total client base includes 6,226 individuals, 217 couples, 130 families, 627 seniors, 1,844 people from marginalized groups, 528 people with severe disabilities, 159 single parents, and 173 clients requiring social assistance.

Within this period, we successfully cancelled over 3,500 enforcement proceedings and hundreds of personal bankruptcies.
Improving the quality of counselling and shortening the resolution time of cases is ensured through professional training and regular case discussion meetings.

Our success is also strengthened by close cooperation with key institutions such as the Slovak Chamber of Bailiffs, the Slovak Bar Association, the Centre for Legal Aid, the Association of Towns and Municipalities of Slovakia (ZMOS), the National Bank of Slovakia, the Slovak Banking Association, major employers represented by Club 500, health insurance companies (General, Dôvera, and Union), the Non-profit Platform for Families with Children with Disabilities, as well as Labour, Social Affairs and Family Offices.

Tasks to be fulfilled by the end of 2025:

- Fill all planned vacancies,
- Provide specialised training for new counsellors in line with our quality improvement goals
- Ensure supervision for psychologists and organise training in safe psychological counselling
- Recruit peer counsellors and launch a pilot counselling program for families with children with disabilities
- Convene the Coordination Committee to approve methodologies, procedures, and standards for all PKP employees
- Fulfil the activity plan and measurable indicators of NP SOP for 2025
- Promote NP SOP and PKP regionally and nationwide in Slovakia

In conclusion, I would like to thank you for your support and attention, and wish you all continued success.

Sincerely,
Jozef Hudák
Director of SOP Department

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NEW IFF PUBLICATION WITH ROUTLEDGE: "FINANCIAL INCLUSION LAW AND OVER-INDEBTEDNESS"

In August 2025, the edited volume Financial Inclusion Law and Over-Indebtedness, edited by Dr. Duygu Damar-Blanken (iff) and Prof. Dr. Michelle Kelly-Louw (University of Cape Town), was published with Routledge. The book is part of the series **Routledge Research in Finance and Banking Law** and brings together key contributions on financial consumer protection that were first presented at the 18th International Association of Consumer Law (IACL) Conference. The conference was hosted in July 2023 by iff in cooperation with the International Association of Consumer Law (IACL) in Hamburg.

With the theme "Challenges and Unanswered Questions of Consumer Law", the conference brought together academics and practitioners from around the world to discuss the current challenges of consumer law in an increasingly digital society. The volume takes up these debates and makes them accessible to a broader professional audience.



The book focuses on legal and regulatory perspectives on financial inclusion, questions of over-indebtedness prevention, as well asthe opportunities and risks of digitalization and open banking.

It further highlights international experiences and policy impulses that are highly relevant for shaping financial markets and consumer protection. With contributions from international experts in law, the volume provides in-depth insights into current debates on financial consumer protection and financial inclusion.

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A special chapter entitled **"Buy Now, Pain Later? Over-Indebtedness of Young Individuals"** by Dr. Duygu Damar-Blanken analyzes the particular vulnerability of young people to over-indebtedness through easy access to consumer credit. Iff member Prof. Dr. Ulrich Krüger (Bremen University of Applied Sciences) contributes the chapter "**The Poor Pay More (with Data) – Strategies and Legal Solutions in the USA and the EU for Credit Invisibles and the Poorly Scored**", which examines credit scoring for low-income individuals.

The edited volume makes an important contribution to the academic debate and offers valuable points of reference for **policymakers, regulators, and practitioners.**

The book can be ordered here:
https://www.routledge.com/Financial-Inclusion-Law-and-Over-Indebtedness/Kelly-Louw-Damar-Blanken/p/book/9781032812977

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Staatlich anerkannte Schulden-beratung

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AUSTRIA: FINANCIAL EDUCATION PORTAL OF STATE-APPROVED DEBT ADVICE ORGANISATIONS

Since the 1990s, Austria's state-approved debt advice organisations have been actively engaged in the field of financial education. In order to strengthen this area of work, a joint financial education portal has been available online for the past two years. The portal is primarily directed at **teachers, educators, and social workers** in their capacity as multipliers.

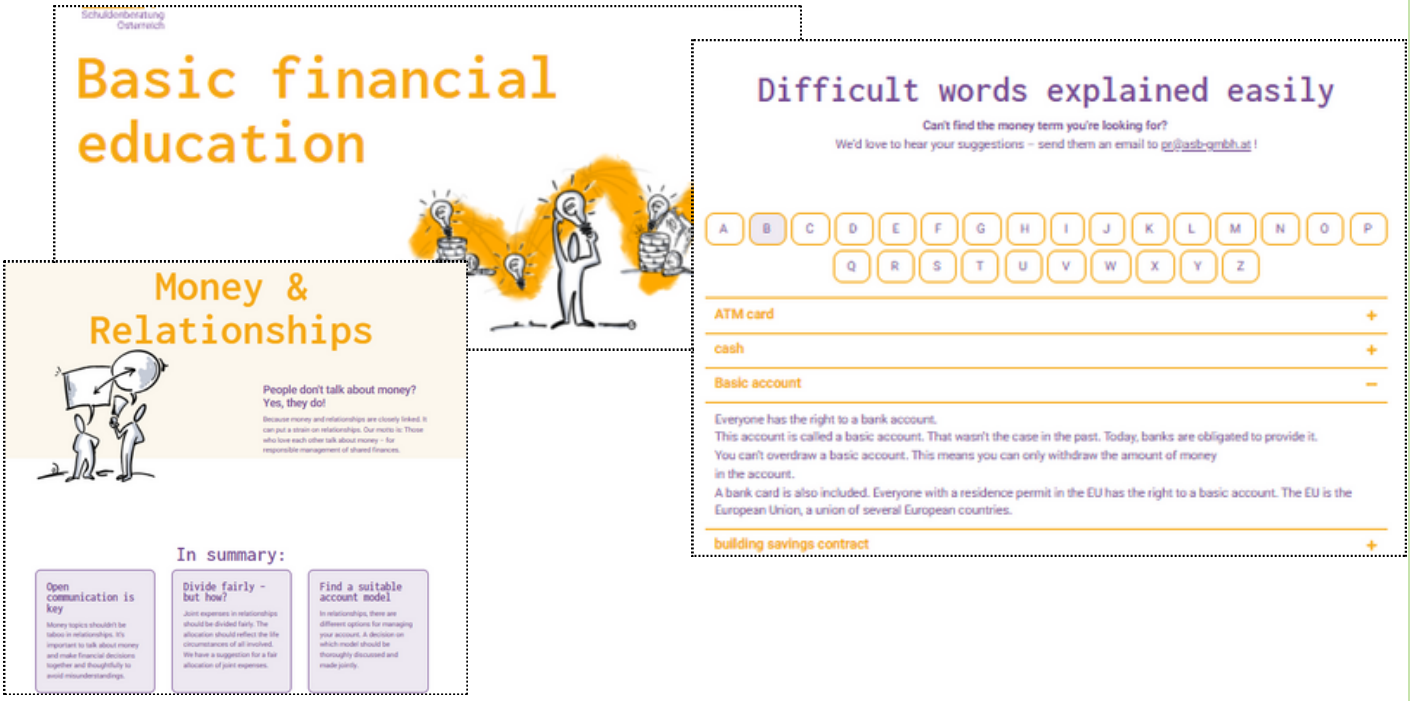
Its objective is to provide a comprehensive foundation in financial literacy by conveying essential knowledge on everyday financial matters and supporting **young people in developing the competencies** required for informed financial decision-making.

The portal presents a broad spectrum of topics in a concise and accessible manner and also provides an overview of the diverse financial education programmes offered by state-approved debt advice organisations throughout Austria.

Particular features of the portal include:

- A **Money Dictionary** (Geld-Wörterbuch), which explains complex financial terminology in clear and simple language.
- A **Division Calculator** (Aufteilungsrechner), which enables couples to divide joint household costs in a fair and transparent way.

Access to the financial education portal



OVERVIEW OF EVENTS FOR DEBT ADVISORS/DEBT COUNSELLORS IN EUROPE – STUDY DAY IN BRUSSELS

CONFERENCE - DEBT AND DETENTION: CROSS-VIEWS AND AVENUES FOR ACTION - 11/24/25 - BRUSSELS

OCE invites you to an inspiring study day to exchange ideas, reflect, and analyze an often-underexposed topic: debt for individuals before, during, and after detention.

The aim of this study day is to bring together theory and practice and to unite researchers, field staff, and professionals from the justice system, debt collection, debt mediation, and the social sector.

Agenda:
Presentation of a national study by the OCE
Different perspectives from experts from various fields
Participatory workshops to share experiences and formulate concrete improvements

Meeting opportunities between all involved parties: from support during and after detention to prison administration, social services, the justice system, debt collection, debt mediation, etc.



💸 Participation fee:
€25 – Non-profit sector, students, job seekers
€50 – Other participants

🗣️ Bilingual study day FR/NL, in-person participation only.

More information:
https://observatoire-credit.be/fr

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OVERVIEW OF EVENTS FOR DEBT ADVISORS/DEBT COUNSELLORS IN EUROPE - FINKOM 2025

FINKOM – TRADE FAIR FOR FINANCIAL LITERACY AND PREVENTION- NOVEMBER 20TH IN FRANKFURT AM MAIN

Since 2006 – now in its 10th year – FinKom has been the only trade fair in Germany that showcases financial education and debt prevention projects. Its goal is to promote national and international exchange in education and debt prevention work and to raise awareness of innovative projects.The Financial Competence Prevention Network (FCK) cordially invites you to this year's FinKom.

This year, **ECDN** will be represented at FinKom by its President, **Dieter Korczak**.
A special highlight will be the presentation by **CRESUS**, which will showcase the new **European version** of its successful educational game **Dilemme.**
We are proud to announce that **MABS** will join the conference with their stand on the "**Free Online Financial Readiness Course for Students**", developed with ATU. This course has been featured several times in our Newsletter.
The program will also include a welcome address from the **Hessian Minister of Finance, Prof. Dr. R. Alexander Lorz**, alongside presentations of innovative prevention projects from across Germany.

Submit project proposals by 15 September 2025, register info stands by 30 September, and trade visitor registrations are open until 15 October.

More infromation: https://pnfk.de/finkom/
Event in German language.







CALL FOR PAPERS – ECDN CONFERENCE ON GAMBLING

ECDN is pleased to announce a Call for Papers for our upcoming conference on **Gambling and Consumer Credit**. The event is planned for **late April 2026 in Strasbourg (exact date and location to be confirmed).**

We invite to contribute with presentations or papers exploring the links between **gambling, over-indebtedness**, and debt advisory, with particular reference to the **implementation of CCD II**.

Topics of Interest:

- Gambling and over-indebtedness,
- Transposition of CCD II in the context of Article 36 and the development of debt advisory services

Submission guidelines
Send a short abstract to secretary@ecdn.eu
by 31 October 2025.

Selected contributions will be presented at the conference.

We look forward to your contributions and to stimulating debate on this important topic!



We would like to encourage you to share your new materials, educational resource publications, best practices (case studies, reports, and research), tools, templates, and success stories with us in our next edition. We are a growing community, and sharing our work helps us all learn and grow stronger as a consumer debt network.

You can email your contributions to secretary@ecdn.eu with a brief description of the materials.

Thank you for your dedication and support.