BUILDING FINANCIAL RESILIENCE IN MALTA

International Perspectives

Strengthening Debt Advice and Financial Capability across Europe

A practice-oriented comparison for debt advice services: country models, financial capability and vulnerable households.

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STARTING POINT

Financial well-being: the goal we now share

2024

At the G20 summit in Rio de Janeiro, financial well-being was endorsed as a central policy objective for the first time.

GPFI

The G20 Policy Note on Financial Well-Being was produced under Brazil's presidency, jointly with the OECD, CGAP and the UNSGSA office.

Oct 23

Endorsed by G20 Finance Ministers and Central Bank Governors in October 2024 — a shared definition and a roadmap for measurement.

The shift matters for practice: success is no longer only "debt resolved", but whether a household can meet obligations, absorb shocks, and feel secure about its financial future.

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Why this conversation matters now

9.3%

of EU households were in arrears on key financial commitments in 2023 — up from 8.8% in 2020.

46%

of people in the EU can sustain their standard of living for less than three months from savings.

81%

household debt-to-income ratio in the euro area — resilient on average, fragile at the margins.

Cost-of-living pressure has shifted over-indebtedness from a low-income issue to a mainstream household risk. Advice services face more clients, more complex cases and thinner budgets.

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AGENDA

What we will cover

01 **The European picture**

Debt, arrears and financial vulnerability across member states

02 **Country models**

Germany, Netherlands, UK, France, Finland compared

03 **Financial capability**

From one-off advice to lasting behaviour change

04 **Vulnerable households**

Recognising and responding to vulnerability

05 **What travels well**

Practices worth importing into your service

06 **Next steps**

A practical agenda for the year ahead

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CONCEPTUAL MODEL

How the four concepts fit together

PROTECTIVE

Financial Capabilities

Knowledge, skills, attitudes and access that let people act on financial decisions.

Financial Resilience

Capacity to absorb a shock and recover: buffer, insurance, income, support network.

RISK

Financial Vulnerability

Exposure through health, life events, low resilience and low capability.

Financial Fragility

The realised state: arrears, no buffer, unable to meet an unexpected expense.

Resilience reduces fragility

Financial Well-Being

The G20/OECD outcome: meeting current obligations, absorbing shocks, and feeling secure about the financial future.

Capability and resilience raise it; vulnerability and fragility pull it down.

Debt advice works on all four levers: it resolves fragility, reduces vulnerability, and builds capability and resilience.

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The European picture: uneven, not universal

- **Arrears cluster in specific household types**

Single parents, tenants and unemployed households are two to three times more likely to fall behind.

- **Utility and rent arrears arrive first**

Energy and housing costs are the entry point into over-indebtedness — often long before consumer credit.

- **Provision is fragmented**

Debt advice ranges from statutory and free to scarce or entirely absent, depending on the member state.

Sources: Eurostat EU-SILC; Consumer Conditions Scoreboard 2025; ECB household statistics.

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Six models of debt advice

Country	Delivery model	Funding	Strength for practice
Germany	Non-profit counselling centres, legally anchored insolvency advice	Public/municipal + creditor levies	Deep casework, statutory role in insolvency
Netherlands	Municipal duty of care (Wgs), early-warning data sharing	Municipal budgets	Early detection through utility & rent signals
United Kingdom	Mixed: charities, Money & Pensions Service, Breathing Space	Fair Share creditor funding	Scale, digital triage, statutory debt respite
France	Banque de France over-indebtedness commissions	Central bank / state	Fast, standardised statutory resolution
Finland	Municipal financial and debt counselling as a legal right	State-funded (legal aid offices)	Universal access, strong prevention link
Slovakia	National free debt-advice network plus Centre for Legal Aid for personal insolvency	State / ESF-funded programme	Recent, fast national roll-out of free advice

No single system is best in all respects — each solves a different bottleneck in the advice journey.

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Access: the first and largest gap

Right vs. availability

Finland and the Netherlands treat advice as an entitlement; elsewhere it depends on postcode and waiting lists.

Waiting times

Weeks to months in many services — pressure builds precisely while arrears grow.

Referral pathways

The strongest systems are reached through creditors, landlords, employers and health services, not self-referral alone.

Trust barriers

Shame and fear of authorities keep households away; outreach and anonymity lower the threshold.

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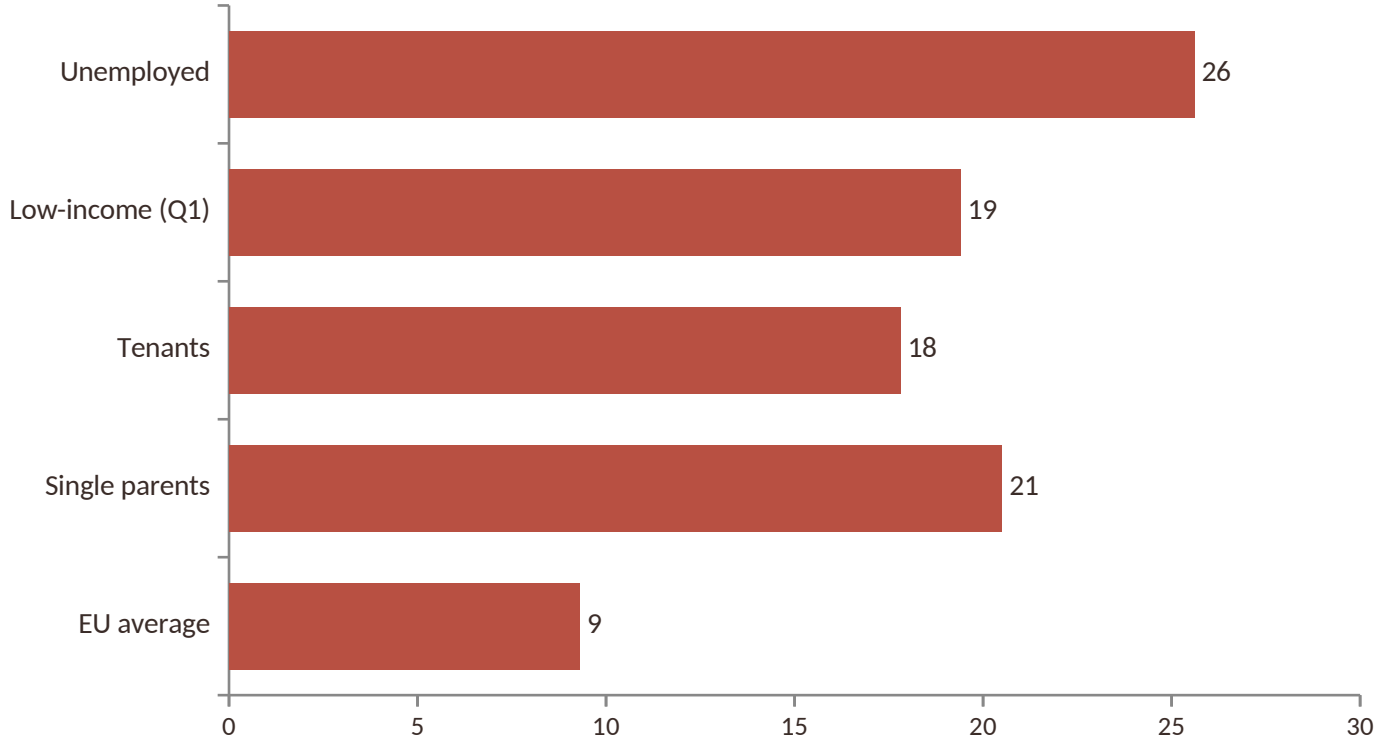
Households in arrears: where pressure concentrates



Read this as a targeting map

Household type explains part of the risk — life events and health explain the rest.

Separation, illness, mental ill-health and addiction or gambling problems push arrears rates far above the EU average, and they cut across income groups.

Indicative figures: Eurostat EU-SILC household types; national debt-advice client statistics for life-event and health-related groups.

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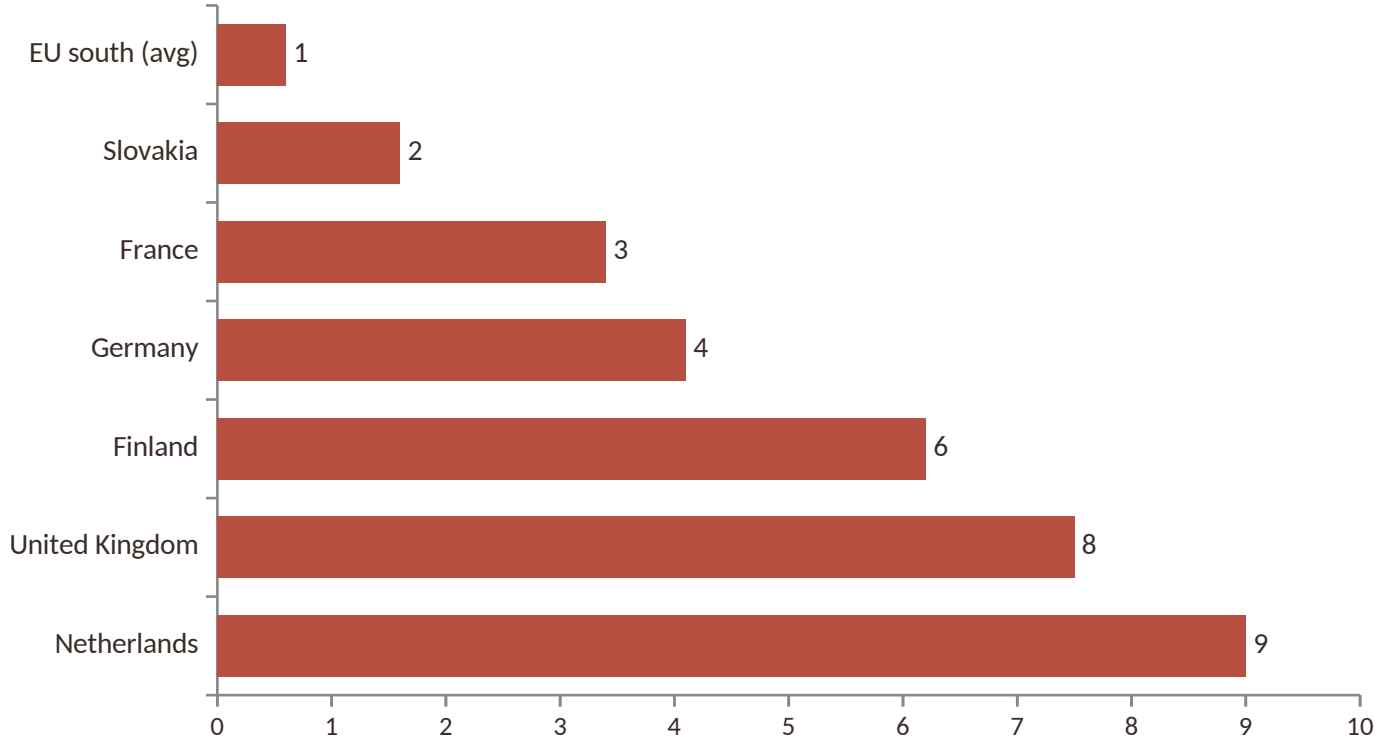
Provision of debt advice across Europe

Measured as full-time debt advisers per 100,000 inhabitants



Capacity, not need, sets the ceiling

Advice capacity varies by more than a factor of ten between member states — while over-indebtedness rates differ far less.

Where coverage is thin, services triage: only households already in crisis are reached, and prevention disappears first.

Indicative capacity estimates based on the European Commission debt-advice study (2022) and national service reports.

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From information to capability

Knowledge alone changes little.
Evaluations across Europe consistently show that financial education has weak effects unless it is delivered close to a real decision.

Capability = knowledge × confidence × opportunity.
Households need a usable account, room to save and someone to ask — not just a leaflet.

Advice is the teachable moment.
The debt counselling session is the highest-attention point in a household's financial life. Build capability work into it.

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Four capability building blocks that work

Budget by default

Co-produced budgets that the client owns, revisited at each session rather than filed once.

Just-in-time learning

Short, concrete guidance tied to the next decision: a tenancy, a contract, an instalment plan.

Behavioural design

Automated savings buffers, default deposit accounts, reminders before due dates.

Measure capability, not attendance

Track confidence, buffer size and repeat arrears — not the number of workshops delivered.

Pair every debt case with one capability action — small, specific and agreed with the client.

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Financial vulnerability: a state, not a label

Vulnerability is situational and temporary for most people. Bereavement, illness, separation, job loss or a caring role can move any household into it — and out of it again with the right support.

Health

Mental health conditions, addiction and cognitive decline change how information is processed.

Life events

Separation, bereavement and job loss trigger arrears within weeks.

Resilience

No savings buffer turns a small shock into a debt spiral.

Capability

Low literacy, language barriers and digital exclusion block access to help.

Framework echoing the UK FCA's four drivers of vulnerability — widely transferable to continental practice.

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Spotting vulnerability early

1

Data signals

Missed utility, rent or instalment payments flagged within 30 days — the earliest reliable marker.

2

Partner alerts

Landlords, energy suppliers, employers and health services refer before enforcement starts.

3

Screening at intake

A short standard set of questions on health, life events and savings buffer in every first contact.

4

Listening for cues

Repeated cancellations, confusion, shame or a third party speaking for the client signal hidden need.

5

Life-event triggers

Separation, bereavement, illness, job loss or a new caring role — ask proactively at these moments.

6

Low-threshold access

Walk-in hours, outreach and anonymous online checks reach people long before they self-identify.

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The ECDN / Perugia risk questionnaire

1

Who built it

Developed by the Bar Association of Perugia together with ECDN, funded by the EU Erasmus+ programme (SPES project).

2

What it is

An over-indebtedness risk index based on a short questionnaire of around 30 questions.

3

How it is used

As a client self-assessment or guided by an adviser at first-contact points — social services, charities, help desks.

4

What it captures

Economic and social situation together: income, arrears, buffer, housing, plus social and personal risk factors.

5

Where to get it

Free download from the ECDN Academy pages, available in English, German and French.

6

Why it helps

It flags the level of risk quickly and points to the type of intervention needed — ideal for triage before a full case.

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Early intervention: the highest-return practice

01 — Signal

Utility, rent or loan arrears data flags a household within 30 days.

02 — Reach out

Proactive contact by the municipality or advice service — not a debt collection letter.

03 — Stabilise

Payment pause, benefit check and emergency budget within the first meeting.

04 — Resolve

Repayment plan, settlement or statutory route, matched to capacity.

05 — Sustain

Follow-up at 3 and 12 months plus one capability action.

The Dutch early-warning model (Wgs) shows the pattern: the earlier the contact, the shorter and cheaper the case.

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What travels well — and what does not

Transferable

- Statutory debt respite / breathing space
- Early-warning data partnerships with utilities and landlords
- Free-at-point-of-use, independent advice
- Digital triage feeding into human casework
- Standardised quality frameworks and adviser training

Context-bound

- Creditor-funded models — depend on market structure
- Discharge periods and insolvency thresholds
- Central-bank commissions — need existing institutions
- Municipal duties — require local capacity and data law
- School-based financial education mandates

Import the mechanism, not the institution: adapt the function to your legal and funding context.

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06 · NEXT STEPS

A practical agenda for the year ahead

Map

Audit which of the six country mechanisms your service already performs — and which gap hurts most.

Partner

Open one early-warning data channel with a utility, landlord or municipality this year.

Embed

Add one capability action and one vulnerability question to every case as standard.

Learn

Join a European practice exchange and measure outcomes, not activity.

Prepare

Consumer Credit Directive II is transposed into national law in 2026: tighter creditworthiness checks, forbearance duties and access to debt advice.

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CLOSING

Thank you for your attention

About ECDN

The European Consumer Debt Network: a non-profit network for financial inclusion professionals, established in 2007, with member organisations in 21 European countries.

Its aim

To fight over-indebtedness and financial exclusion, improve financial education and facilitate the exchange of intervention practice.

Publications

The annual magazine "Money Matters"; latest open access title: "Provision of European and National Platforms for the Prevention of Over-indebtedness — The PEPPI Report" (Nomos, 2026).

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Thank you for your attention — questions and country experiences are very welcome.

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