

Conclusions of 2018 Debt Advice Stakeholders Forum

On 10 October 2018, the European Commission organised a first [Stakeholder Forum on Debt Advice](#) to collect views from different stakeholders on this topic. The Forum addressed the importance and effectiveness of providing such assistance to EU households to address over-indebtedness.

In her opening speech, Director-General for Justice and Consumers Tiina Astola recognised that over-indebtedness affects many people in the European Union, exposing them to the risk of social and financial exclusion. To address over-indebtedness, preventive measures such as adequate financial education are needed, as are remedies, such as debt advice.

Different stakeholders - debt advisors, NGOs, financial and debt services industry, governmental actors, and academics - discussed the broad economic and social context, the role of debt advice in the recovery of over-indebted households, and the main characteristics of good debt advice and how it works in practice in three parallel sessions.

The Forum agreed that over-indebtedness is a multifaceted phenomenon with a negative impact on different stakeholders and society as a whole. Debt advice benefits all involved actors: it is a powerful tool to help over-indebted people, who face an unsustainable debt burden and economic distress. At the same time, it allows creditors to be repaid. If provided in early stages, it can help over-indebted people to accept and clarify their difficult financial situation, prioritise actions, and facilitate negotiation between parties. It also helps to ensure that all debtors are treated with respect. Unscrupulous credit management should be prevented.

The Forum also discussed the qualification requirements for debt advisors, the necessary skills and competence for offering good advice, and possible liability issues. Quality requirements and training were also stressed. It was agreed that different actors (NGOs; governmental, regional and local authorities; for-profit organisations) could provide debt advice as long as it is of a high quality, impartial, and aims at helping people in difficulties.

Further discussions highlighted clearly the need to measure the positive economic and social impact of debt advice, and to present this tool to policymakers. Sufficient funding should be provided to ensure the quality and independence of debt advice. Most participants stressed the need for sources of funding that do not affect the impartiality of the advice.

The stakeholders concluded that there is a need to ensure that good-quality debt advice services are available for all EU citizens. The availability and awareness of the existence of such services, together with the exchange of best practices, are essential for building a strong debt management culture.

In her closing remarks, Věra Jourová, Commissioner for Justice, Consumers and Gender Equality, stressed the importance of debt advice as a win-win tool for all parties involved. To face over-indebtedness, consumers should be put at the centre, and should be empowered to make the right choices and decisions. The European Commission will work to facilitate the availability of debt advice by creating a toolbox to assist organisations that want to offer such advice. It would also help to spread awareness of best practices, address funding/capacity building programmes, and promote debt advice across all Member States.