



TRAIN-THE-TRAINERS SEMINARS

Improving the quality of debt-advice services for European households

Report with the feedback of
participants concerning the
quality and usefulness of the
trainings performed under
Task 3

SESSIONS 1 & 2

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DISCLAIMER

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Introduction

Household over-indebtedness limits the potential of individuals and countries to develop intellectually, socially, and economically. While overall, a non-significant minority of European households are over-indebted, this trend might well increase in response to the ongoing Covid-19 related measures and their impact on the economy. The effects of over-indebtedness¹ are social exclusion (loss of circle of friends and contact to neighbours), increased addiction problems, resignation and depression, fears about the future, psychosomatic and other diseases, familiar conflicts, loss of quality of life, loss of access to financial services, or loss of housing and poverty. Besides that, consumers often lose all their financial reserves and are confronted with legal procedures (bailiffs, debt collection).

Debt-advice has proved to be one of the most effective existing tools to address over-indebtedness of households. It is defined as the assistance provided by an independent advisor to an over-indebted household (or to a potentially over-indebted household) to find the best possible solution to get out of debt. Debt advisors providing debt-advice combine several services such as information provision, budget planning, legal and financial support to debt settlement procedures and management of bank accounts, as well as a fundamental psychological support. The multi-causal nature of over-indebtedness requires debt advisors to tailor their advice to the specific needs and circumstances of the households concerned. Although good quality debt-advice is primarily addressing the needs of debtors, it also facilitates the reimbursement of creditors. More specifically, the main objective of debt-advice is helping the over-indebted households to repay their debt, while still having sufficient income to carry on a decent life.

As there are great differences among the EU Member States in the area of debt-advice, a two-part training series was organised in April and June 2021 to educate and inform debt-advisory service practitioners (Train-the Trainers) about adaptable best practices, new approaches and techniques in the area of debt-advice in six Member States where debt-advice is sporadically provided or completely lacking and have a reduced number of debt-advisors. The two-part training gathered over 100 participants from the six selected countries – Greece, Hungary, Italy, Poland, Romania and Spain.

This report presents the topics presented during the training together with input from participants, as well as feedback received from the participants.

The online training series are the outcome of Task 3 of the project "Provision of actions to extend the availability and improve the quality of debt-advice services for European households" (Specific Contract No. 20198601). This project was commissioned by the European Innovation Council and SMEs Executive Agency (EISMEA) and carried out by VVA and CEPS.

¹ See: Consequences of over-indebtedness for affected households in: CIVIC Consulting (2013), 174 ff.; Eurofound (2020), Addressing household over-indebtedness, Publications Office of the European Union, Luxembourg. Available at: <https://www.eurofound.europa.eu/publications/report/2020/addressing-household-over-indebtedness>

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First set of trainings

The first set of training took place between 19 and 30 April 2021. The training series commenced with an introductory session common to all participants from the six selected countries during which the participants were introduced to four best practice examples in the area of debt-advice provision models and were introduced to ethical principles to be followed in debt-advice. This was then followed by two sessions for each of the six countries where participants got familiar with the role of debt advisors and target groups and received an introduction into financial education for debt advisors. The first set of trainings concluded with a joint session for participants from all six countries where they were introduced to good practice initiatives in the area of financial education and were shown some insights into emotional support provision.

2.1 Best Practice Models

In this session, the participants were introduced to four best practice models of debt-advice from other Member States, more specifically:

Model 1

Public authority or publicly funded organisations
- holistic and government funded (Ireland).

Model 3

Public authority or publicly funded organisations
(Denmark).

Model 2

Public authority or publicly funded organisations
- creditor partnerships and creditor funding
(France).

Model 4

NGOs, Charities, other social organisations
(Germany)

Ireland

The [Money Advice and Budgeting Service](#), known as MABS, was established in 1992 on a pilot basis. In 2021, MABS has over 60 offices throughout Ireland managed through eight regional companies, which cover a large geographic or urban area. On top of the eight regional companies, there are two specialised ones – National Traveller MABS and MABS Support CLG. National Traveller MABS works to reduce poverty, discrimination and the financial exclusion of Travellers in Ireland and aim to make MABS and citizens information more accessible to Travellers. MABS Support CLG enhances the functions of the MABS network relating to training and quality and work closely with the regional MABS companies. MABS Support also assists the MABS service in providing educational and informational support as well as assisting in highlighting policy issues that arise in the course of the money advice work on behalf of clients. MABS provides one-to-one advice to people having difficulty managing their money, are in debt or are in danger of being in debt through a holistic approach. MABS works within nationally agreed processes and standards to ensure quality and equal access to services by the citizen. MABS staff also act as Approved Intermediaries under Personal Insolvency legislation in Ireland for their clients who avail of Debt Relief Notice.

France

CRÉCUS Alsace was founded in 1992 to help cross-border workers who were impacted by the economic crisis in Germany. In 2004, a [CRÉCUS Federation](#) was formed from a network of CRÉCUS associations to facilitate the exchange of practices, benefit from technical support and training sessions for volunteers. The federation was in 2008 complemented by a Foundation that focuses on preventing financial exclusion by creating a nationwide budgetary support platform and innovation in the budgetary and financial education fields. The Foundation is financed through companies such as banks and credit establishments who refer their vulnerable customers to the platform and pay for the support given to them.

Denmark

The [Social Legal Aid](#) was founded in 2007 as a local project in Denmark. The following year it became a national organisation. The aid targets socially disadvantaged, prisoners, people with gambling addiction and people who are in an "acute" life crisis and provides debt counselling at three levels:

1. General clarification of the client's legal position is made; here the client is counselled for aid to self-help.
2. Counselling and actual case work is started, clarifying the facts and conditions of the client's debt.
3. Full and systemic counselling and case work of the client's economic situation will commence. To ensure uniform, transparent and qualified debt-advice across the service, Social Legal Aid's Code of Ethics was established in 2010. The Code provides guidelines to debt advisors and is applicable to all debt advisors, both volunteers, interns and salaried staff. The Aid is dependent on donations from private funds and subsidies from public authorities, in order to perform counselling.

Germany

First debt counselling offices were established in Germany in 1958. Currently in 2021, there are 1,450 debt and insolvency counselling offices that are under the patronage of municipalities, charities (e.g. Caritas, Diakonia), NGOs (e.g. AWO, Paritätischer, Red Cross) or consumer protection agencies. The services usually provided in these offices include budget overview, (economic) crisis intervention, budget planning, financial advice, social law advice, other legal advice, educational and preventive help and psycho-social counselling. There are also networks of debt counselling providers and payers, more specifically [BAG-SB](#) (Nationwide association of debt counsellors) and [AGSBV](#) (Organisation of the payers of debt advice).

CONTRIBUTION FROM THE PARTICIPANTS

The participants agreed that the available debt-advice in their countries tends to be more focused on legal and financial advice and is lacking psychological support to help the consumer. In addition, participants have stated that debt-advice in their countries is lacking preventive measures. In most of cases, clients of debt advisors are already heavily indebted individuals and households who are in a very critical situation when they first ask for support.

Furthermore, the participants across all six countries have identified these challenges in the area of debt-advice:

- **Lack of funding** is a key challenge as debt advisors are operating on a low budget and they lack financial resources and funding.

In **Hungary**, a system was introduced in 2015 where richer municipalities have to finance debt-advice services from their own budgets while poorer municipalities receive financing from the government. This system created a rather uneven and fragmented service provision as many of the richer municipalities do not offer these services as their budgetary priorities lie elsewhere. Furthermore, the municipalities usually only deal with debt-advice and over-indebtedness stemming from utility use (i.e. electricity, gas, water, municipal charges, etc.). Should a consumer need support in other areas, they need to approach NGOs and other organisations.

- **Lack of coordination** between the organisations that provide debt-advice in their respective countries was also highlighted with others pointing out that the system and network of debt advisors is either limited or inefficient.

In **Romania**, the participants highlighted that the country first needs to develop consumer associations and organisations and teach consumers how to make the best use of these organisations for their protection and support. On top of this, debt-advice providers need to develop partnerships with other organisations that provide other kinds of support (e.g. psychological support, legal services, mentoring etc.) to vulnerable people to strengthen debt-advice provision and prevention in Romania.

- **Lack of financial education** of the general population, and particularly lack of inclusion of financial education in primary and secondary school curricula, was also mentioned as a considerable challenge.

In **Spain**, while financial education is a compulsory subject taught in secondary schools, it is seen as a secondary matter and is not given due attention it deserves.

- **Lack of preventive measures** is also an acute problem as the debt-advice systems create the inability to address the over-indebtedness of individuals and households at an early stage when the likelihood for over-indebted individuals to overcome their difficulties is higher.
- **Lack of training** and availability of training for debt advisors is also considered as creating obstacles for sound debt-advice provision. In some of the countries, for example, Romania, debt advisors are lacking technical skills in legal and financial areas, whilst in other countries (i.e. Italy and Poland) debt advisors lack soft skills that are more linked to psychological support and empathy to their client.
- The **insufficiency and at times vagueness of the national legal framework** concerning debt advice was also seen as creating obstacles in all six countries.

In **Greece**, the legal framework changes every few years as, according to the participants, each new government likes to make its changes to the legislation. The laws, according to the participants, are much more favourable towards banks and other financial institutions rather than consumers, especially those consumers that really want a second chance to overcome their indebtedness problems. Furthermore, there seems to be an overall lack of political will to deal with the indebtedness problem and to define who is responsible to provide debt-advice services, whether such support should be provided through governmental institutions and organisations or via civil society/consumer organisations.

The majority of the participants identified consumer associations who specialise in financial matters, social workers, and regional governments or municipalities as the organisations that should be more involved in debt-advice in addition to NGOs and charities that have already been providing debt-advice services in their countries. All countries agreed that a more holistic approach is needed in their countries as well to tackle the issue of over-indebted consumers from all angles, including preventive measures.

The participants also identified better communication, additional training and the introduction of preventive mechanism as the complementary services that would enhance their debt-advice services the most.

2.2 Introduction to Ethic Principles

In this session, the participants were introduced to basic ethics in debt-advice. Debt problems may involve mortgage or rent, bills or other debts. The debt problem may result in the person not being able to afford food or medication. Causes could be Covid-19, unemployment, illness, birth of a child, addictions, etc. Because of Shame and guilt people may not seek help and their situation could worsen. Living with shame and guilt has impact on relationships, family life and health. This is why it is important for debt-advice to be client centred.

When setting up counselling/advice services it is important to have agreed processes and procedures. This ensures that counsellors/advisors understand best practice. It also ensures that the debtor receives uniform and quality service. It is always recommended that before service provision, there is an agreement with the debtor/client on the agreed approach. It ensures that the client understands the process.

Whenever possible, debt-advice should follow these guiding principles:

- | | | |
|--|--|--|
| <ul style="list-style-type: none"> ✓ Free and Independent
No client should be excluded from debt advice/counselling because of their means as well as no Advisors/Counsellors should be influenced by funders, creditors or third parties. | <ul style="list-style-type: none"> ✓ Confidential
Information is co-owned by the service and client creating openness, transparency and trust. ✓ Accessible
Available to all who need it | <ul style="list-style-type: none"> regardless of location or status. ✓ Credible
Trusted by the public, creditors, legal system and third parties. |
|--|--|--|

- ✓ **Effective**
Both in respect of impact on clients and society;
- evaluation should be built in.

2.3 Module 1: Debt Advisors and Target Groups

The content of Module 1 included information on debt advisor competencies and the identification and the work with the target groups.

Debt-advice/counselling can be generally divided into three levels of services:

- ✓ **Basic information & advice** (general clarification of the client's legal position, the client is counselled for aid to self-help)
- ✓ **Self-help with support** (counselling and actual casework, clarifying the facts and conditions of the client's debt)
- ✓ **Holistic advice / counselling** (full and systemic counselling and casework of the client's economic situation)

Debt advisors/counsellors work in a range of different settings including national services, regional bodies, local authorities, charities/NGOs. Notwithstanding their different backgrounds and disciplines, all debt advisors/counsellors should abide by shared ethics, principles, and values, be trained in the skills and attributes appropriate to their role and receive training in appropriate knowledge and have access to specialist support

The approach of debt advisors and counsellors should be:

- ✓ **Non-Judgmental**
Provide clients with options from which they can choose
- ✓ **Respectful**
Treat clients with dignity, go at their pace, act with authority, practice confidentiality.
- ✓ **Empathic**
See things from the client's perspective.
- ✓ **Empowering**
Work with clients to build confidence.

To connect better with the clients, debt-advice organisations and their advisors/counsellors should:

1. Build referral networks (with like-minded groups & creditors)
2. Use media channels appropriate to the target group (including social media)
3. Word of mouth is generally the best form of publicity
4. Develop culturally appropriate materials and use understandable language/symbols

CONTRIBUTION FROM THE PARTICIPANTS

None of the participants believe that there already are enough debt-advice services available in their respective countries.

In **Greece**, debt-advice is a very new concept that was introduced in the country because of the economic crisis after 2007. Before that, the term was very much unknown.

In **Italy**, the participants feel there is a lack of political will to implement these kinds of services which goes hand in hand with the general lack of interest in facing debt issues. This in turn is reflected in the lack of public funding for debt-advice measures as well as the ineffectiveness of the national legislation in the

area of over-indebtedness. Moreover, from the discussions, it emerged that debt-advice is perceived and provided (including by the providers) mostly in its legal/financial aspects, without adequate attention to psychological support.

Debt advisors need increased funding and more institutional support from their national public authorities as well as a clear and efficient national legislative framework for the debt-advice sector. Debt advisors should also increase their efforts in communicating better and produce more user-friendly communication materials to reach their potential clients. In some of the countries (i.e. Poland), debt-advice services are available, yet consumers are not aware of such services. More training opportunities should be provided to debt advisors to improve their technical and soft skills. National networks or organisations of debt advisors should be established to better coordinate the sector of debt-advice in the country.

Technical and soft skills are the most important skills a debt advisor can have. A good debt advisor must have a good legal and financial background in addition to knowing how to support the mental health of over-indebted clients. Debt advisors should be able to acquire these skills through education, training, and work experience.

Participants think that groups that are the most vulnerable and in need of debt-advice in their respective countries are:

- Over-indebted households;
- People in poverty;
- Elderly people;
- Irregular or foreign workers;
- Single parents;
- Mortgage owners;
- Businesses affected by the impact of Covid-19 (tourism sector in particular);
- Young people (particularly in Spain due to high unemployment rates);
- People without permanent/stable income;
- Over-indebted students who need to pay for their studies;
- People with disabilities.

In **Poland**, debt advisors have a very limited time assigned per client. There are too many clients and too few debt advisors. This means that at times, debt advisors are unable to provide the most effective support to all their clients as there is not enough time to learn all the smallest details about each clients' case.

In **Hungary**, the participants highlighted that their work would be much easier should the legal framework in the area of debt-advice be strengthened. More specifically, so that debt advisors would be put on equal footing with creditors as this would increase also their credibility towards consumers.

The lack of awareness of the available debt-advice services between these vulnerable consumers is a major challenge. Moreover, consumers tend to lack basic financial education and they do not know how to manage and plan their budgets. These challenges can be overcome by making debt-advice a priority field by the national authorities. Especially during the COVID-19 pandemic, when the number of over-indebted consumers in the EU has grown. Additionally, more effort needs to be made to communicate better with vulnerable consumers and raise their awareness of the available debt-advice services and financial literacy. To this end, awareness-raising campaigns could be organised in traditional and social media, television and radio as well as among all stakeholders involved in the debt-prevention value chain, i.e. government authorities, financial institutions, consumer organisations and civil society.

2.4 Module 2: Financial Education for Debt Advisors

The goal of financial education is to educate society and to increase knowledge, awareness, and skills in the field of finance. Increased knowledge in these areas leads to increased efficiency of money management.

Debt advisors can be involved in increasing household's financial education in three different phases:

- **Primary prevention** occurs before the appearance of symptoms, and it can work as an early signal suggesting insolvency of the household. It includes comprehensive, multifaceted approach activities preventing the emergence of the phenomenon of insolvency. Primary prevention can be carried out by households, institutions that provide credit, as well as the state.
- **Secondary prevention** can be applied in a situation where the initial signals are detected indicating the emerging threat of insolvency. The secondary prevention aims to halt the deteriorating financial situation and to alleviate the causes of liquidation or insolvency. The activities involve undertaking action to reduce the threat of insolvency.
- **Financial revitalization activities** (rehabilitation) are therapeutic activities applied to households that are already insolvent. This is the action of improving unfavourable financial situation and trying to find the opportunities that would lead the household out of insolvency.

The individuals need to have financial education throughout all of the stages in life. During childhood (3 to 11 years old) this can be done with the assistance of financial games and the observation of other family members. In teenage years (12 to 19), teenagers should make an effort to understand the theoretical approach of financial literacy through classes on financial literacy in school, books and the internet. From 20 to 50 years old, individuals should enhance their financial knowledge with experience and short courses on financial literacy, while older people (50 and older) should ask advice from younger generations and consult the internet and books for financial literacy advice.

In terms of financial education, debt advisors' work with their client consists of:

- ✓ Explaining basic financial terms and concepts;
- ✓ Providing advice on how to operate and safely use financial products (e.g. credit cards);
- ✓ Demonstrating where to find and how to use financial tools;
- ✓ Explaining the procedure and guides the client step by step (e.g. the procedure of declaring bankruptcy);
- ✓ Positively encouraging an over-indebted client to take actions in the financial area;
- ✓ Alerting clients to situations that threaten their financial situation (victims of investment schemes and other frauds like lotteries or phishing emails);
- ✓ Explaining the concept of debt;
- ✓ Accompanying the client in the process of independent financial decision-making;
- ✓ Identifying reliable sources of information and institutions where assistance can be obtained to support efforts to get out of excessive debt;
- ✓ Leading and organising preventive activities.

CONTRIBUTION FROM THE PARTICIPANTS

Financial education is the most important element to sustain financial security. It is important to be financially aware and know the financial mechanisms to make sustainable financial choices. Most of the times, people get their financial knowledge from schools, universities and the internet. Financial literacy should start from a very young age within the family and later in schools, there should be a course or lessons dedicated to financial literacy. Furthermore, national financial institutions should also put more effort into educating their citizens on financial literacy. In all six countries, there is a lack of education, information, and culture on debt prevention at all levels. People are not conscious of their over-indebted situation until they cannot afford to pay their bills.

In **Romania**, people with disabilities do not know how to manage their income which is already very low. There is no support for the financial education of these people, to teach them how to make good financial decisions. Therefore, there is a need for specific and/or tailored financial education for this category of vulnerable people who might be more prone to falling for scams or other fraudulent financial schemes. While experts/academics and consumer organisations are part of many European working groups, the national authorities do not recognise their role in helping improve financial education and their role as a stakeholder. Therefore, these organisations are usually omitted from consultations on how financial education should look like in Romania.

Debt advisors need more training in order to improve their competencies in this area. Having specific programmes and degrees at universities dedicated to debt-advice would also be of help.

In **Hungary**, there are Financial Navigator Points established by the Hungarian National Bank. These are located in the regional capitals and are staffed by financial experts. These experts provide services to help the financial literacy of the public, but they also work with debt advisors from NGOs. They provide training with economists, banking experts as well as lawyers to help understand financial obligations related to loans, terms, and conditions, etc.

In **Poland**, participants mentioned that professional competence is best built by analysing clients' cases and their documents. In addition, the Internet is an important resource to build up competencies as many interesting articles, publications and other helpful materials for daily work can be found there. It is helpful to raise one's competencies by observing what is happening in the world, how the socio-economic situation is changing, and which effects it has on our lives.

Concerning prevention, most popular prevention methods are considered the following:

- ✓ Better financial education in order for the consumer to understand early signals of their financial problems.
- ✓ Disseminating easy to understand information to the consumers on over-indebtedness through brochures, articles, TV and radio programmes and similar channels.
- ✓ Better regulation of credit institutions so that it would not be so easy for vulnerable and financially illiterate consumers to take out credits under poor contractual conditions and terms.

Younger people should receive information on financial literacy in schools and universities with programmes and events that would focus on the topic of financial literacy and budgeting. While older audiences should be targeted through communication channels and also through public financial institutions.

2.5 Financial Literacy and Emotional Support



Financial literacy: How is it done in other countries?

This session presented three examples of financial education initiatives in the other EU Member States:

- | | | |
|--|--|---|
| <p>A. A Dilemme Éducation in France</p> | <p>B. Austrian Financial driver's licence (OÖ Finanzführerschein)</p> | <p>C. Financial Literacy Museum in Vienna, Austria</p> |
|--|--|---|

Dilemme Éducation is a board game that enhances financial literacy skills. The game was created by the CRÉSUS Foundation. Through its Dilemme budgetary education programme, the CRÉSUS Foundation has set itself the mission of using a fun, interactive method to get people of all ages to think about questions relating to budget management, the advantages and risks of various methods of payment, how banks and insurance firms operate, credit and savings accounts – all in a context of exchange, integration, and social responsibility, both individual and collective. The primary objective is to help every participant become an independent, responsible citizen.

Austrian **Financial driver's licence (Finanzführerschein)** is an educational course, which focuses on increasing financial education and preventing over-indebtedness. The course is mostly targeted to secondary, vocational, and polytechnic schools but also to the general public. As part of the Upper Austrian Finance Driving License, participants receive practical knowledge about the topic of money. An active and critical discussion based on examples from real life is intended to encourage thoughtful and competent action in financial matters.

Financial Literacy Museum in Vienna, Austria aims to improve financial literacy for children over 10 years of age. It is a free museum, where children learn how to plan income and expenses, understand the difference between price and value, form opinions about financial topics, understand financial terms like profitability, stocks, etc., and increase knowledge and understanding of the impact of financial decisions on others in a global context.

Emotional support for people experiencing financial difficulty

In this session, the participants were introduced to why emotional support matters in debt-advice, what emotional barriers debt-advice clients face and how debt advisors should approach their clients.

Debt advice typically focuses on practical outcomes such as:

- | | | |
|--|--|---|
| <ul style="list-style-type: none"> ✓ Completing a financial statement/budget ✓ Income maximisation | <ul style="list-style-type: none"> ✓ Legal rights and obligations (e.g. regarding creditor contact) | <ul style="list-style-type: none"> ✓ Finding different types of debt solutions available ✓ Debt reduction |
|--|--|---|

However, it is important to highlight that debt advice is not only about the delivery of practical financial and legal services but also about providing psychological support when needed.

As individuals slip deeper into financial difficulty, their need for emotional as well as practical outcomes increases considerably. Clients' psychological state means that they are likely much less able to take on-board advice. Research shows that people in more extreme financial difficulty experience a "scarcity mindset". This is characterised by:

- | | |
|--|--|
| <ul style="list-style-type: none"> ✓ "Tunnelling", we focus on immediate concerns at the expense of wider issues; | <ul style="list-style-type: none"> ✓ "Bandwidth tax", preoccupation with scarcity sucks up our brain resources. |
|--|--|

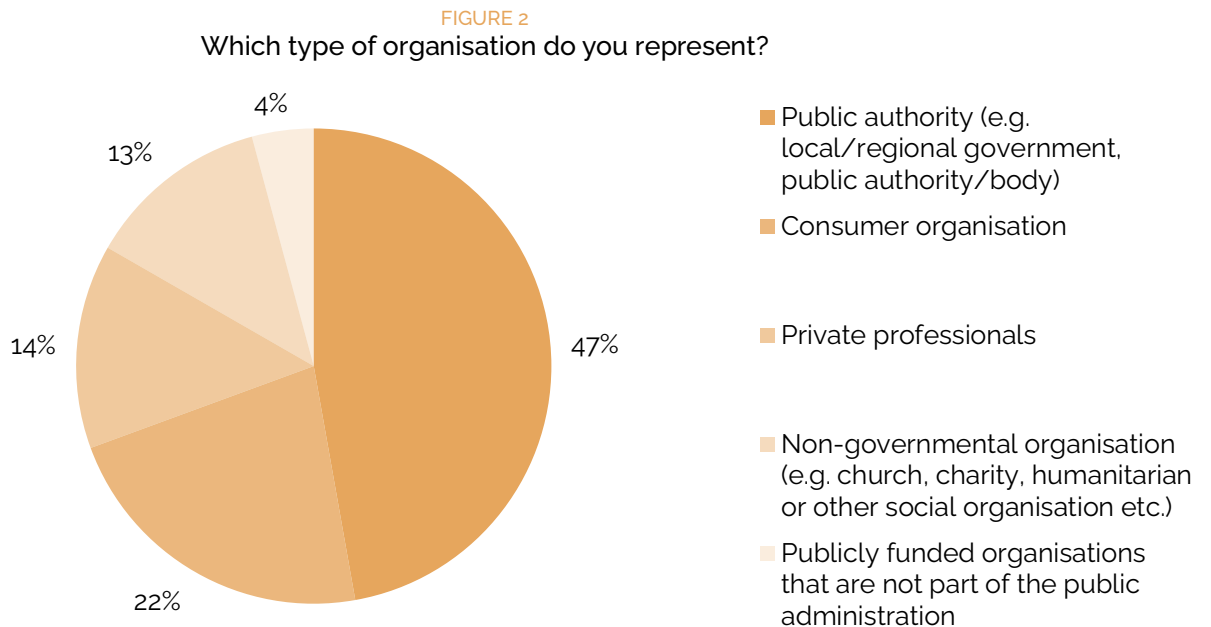
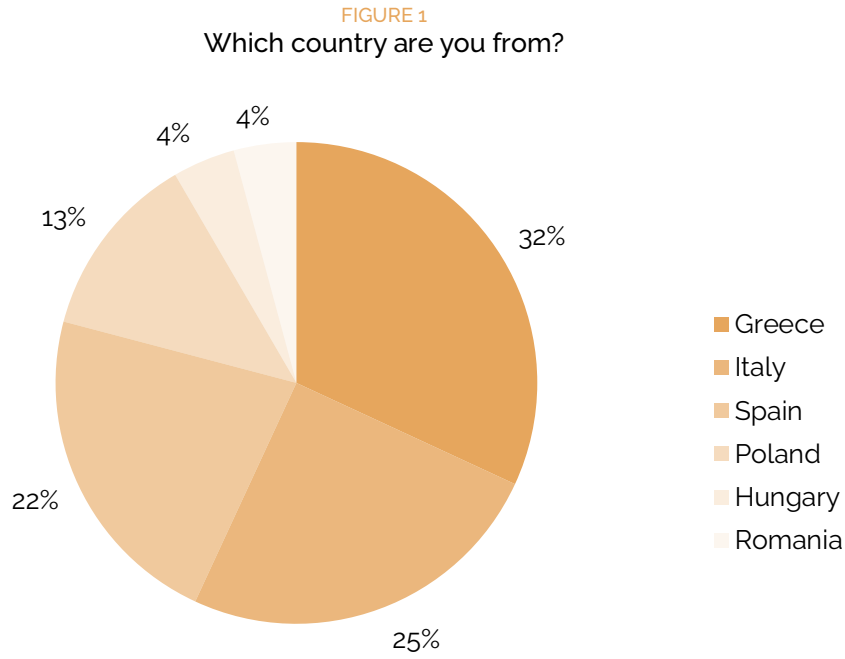
Over-indebted people face the symptoms of:

- | | | | |
|--|---|---|--|
| <ul style="list-style-type: none"> ✓ Depression | <ul style="list-style-type: none"> ✓ Higher stress | <ul style="list-style-type: none"> ✓ Low self-efficacy, and negative coping strategies | <ul style="list-style-type: none"> ✓ Strong feelings of shame, guilt, and embarrassment |
|--|---|---|--|

It is crucial that debt advisors are aware that successful debt-advice delivery for clients' needs to meet both emotional and practical needs.

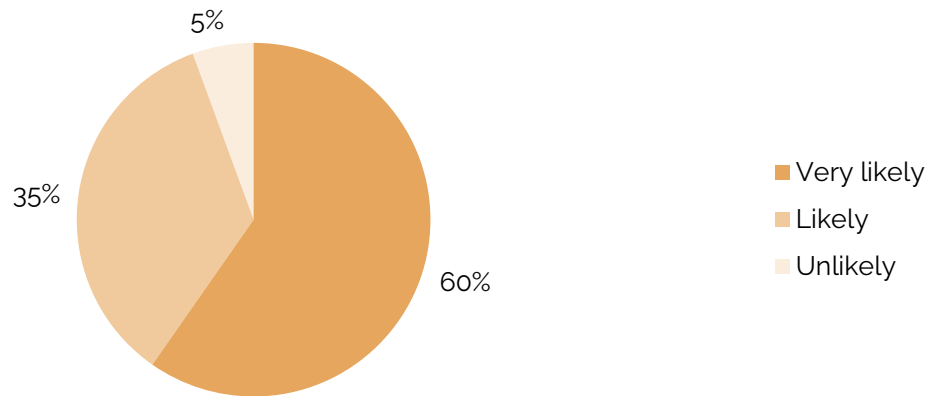
2.6 Participant feedback

At the end of the first set of training, the participants were asked to fill in an online questionnaire about their satisfaction with the training. In total, 72 participants provided their feedback with the most participants being from Greece (32%) and 47% of the participants representing a public authority.



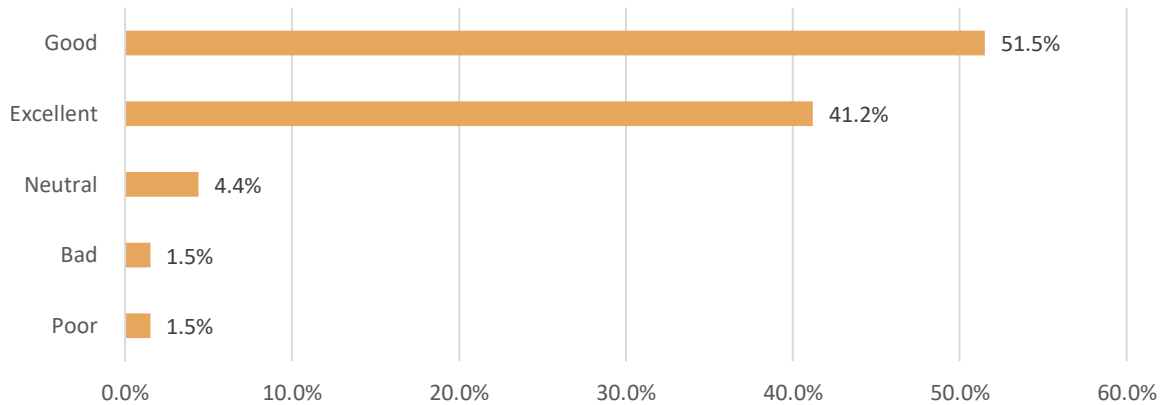
Overall, 95% of participants are likely to use the presented principles in their work as debt advisors. The participants appreciated all the presented principles and examples of best practice but those that stood out to them the most were the holistic approach, cooperation and professionalism (i.e. no judgement of clients).

FIGURE 3
How likely are you to apply the presented principles in your work as debt advisor?



Overall, 92.7% of the participants evaluated the first training set very positively with 93% of the participants being satisfied with the organisational aspects of the first training.

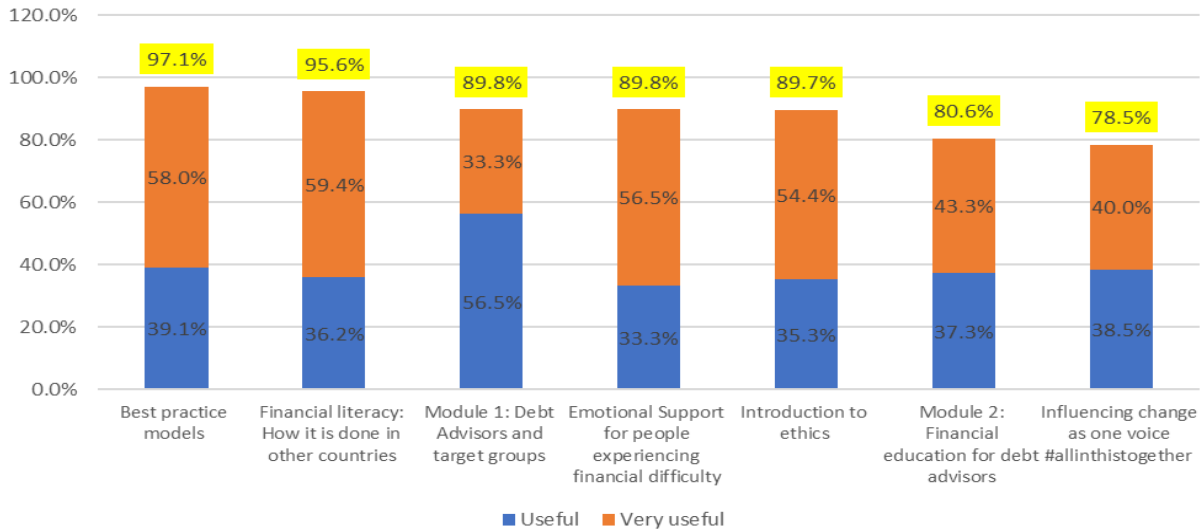
FIGURE 4
Overall, how would you rate the event?



Sessions on "Best practice models" and "Financial literacy: How it is done in other countries" were considered as the most useful between the participants as 97.1% and 95.6% of the respondents identified these sessions either as useful or very useful. Whilst "Module 2: Financial education for debt advisors" and "Influencing change as one voice #allinthistogether" were considered to be a little less useful, even though the large majority of the participants found these modules still either as useful or very useful. The participants appreciated the information communicated to them in all parts of the training. On the other hand, some participants pointed out that it would have been good if they would have had more time to discuss the presented information. Some participants also found the information about target groups less relevant to them as in the organisation they represent it is very much decided centrally and they as debt advisors have very little input on what type of client the organisation will focus.

FIGURE 1

Overview of how participants rated the usefulness of the different sessions
 % of the participants found the session "useful" or "very useful"



Note: Remaining share of the survey respondents have found the information presented in the trainings as neutral, except for one survey respondent who has rated Module 1: Debt Advisors and target groups as not useful. None of the survey respondents has picked option "Not useful at all" for any of the sessions.

Almost all of the participants (95.5%) think that they are either likely or very likely to use the information they have received in the training in their possible work as debt advisor in the future. For 96% of the participants, the training met their expectations either at least partially (44%) or completely (52%).

FIGURE 2

How likely are you to apply the information obtained in your possible work as debt advisor?

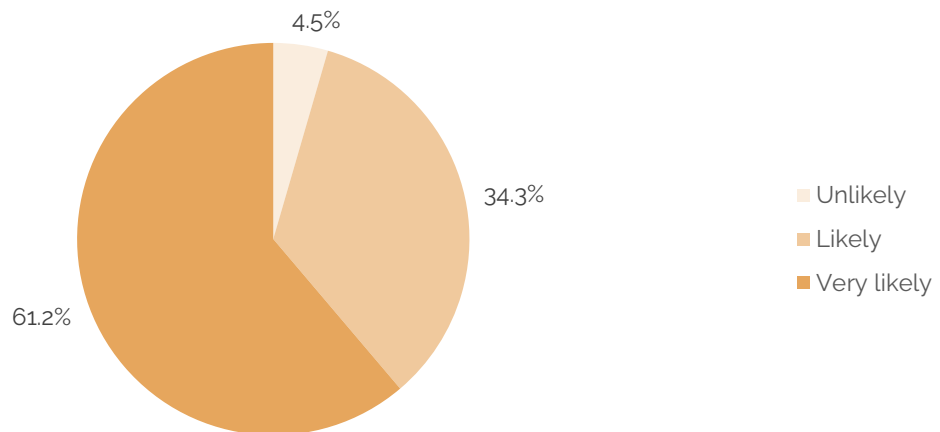
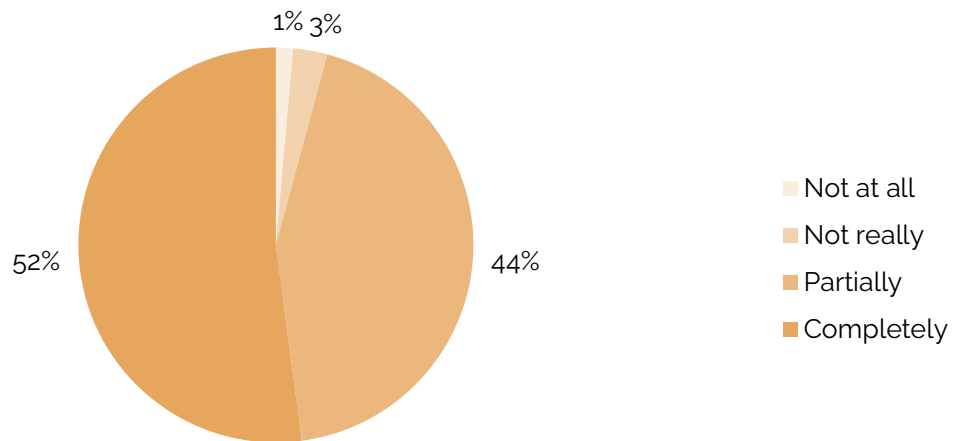
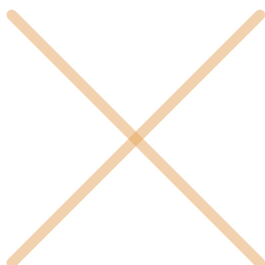


FIGURE 7
Did the training meet your expectations?



In terms of the comments from the participants, most of the comments on the first set of training were positive. In particular, comments on the module on financial literacy, interpretation during the sessions, organisational aspects of the event seemed to be the most positive ones. Yet, there were also some comments on what was lacking and suggestions on what could be improved in the second set of training as well. Some of the participants suggested that the second training set should include moderators or participants from the national regulatory authorities so that they could respond to the questions of the participants regarding debt-advice. Some of the participants would also appreciate a more practical approach to debt-advice with concrete examples and methods on how to set up debt-advice organisations, provide debt counselling, and how to deal with other practical problems debt advisors face in their daily work.



3

Second set of trainings

The second set of training took place between 15 and 30 June 2021. The training series two sessions for each of the six countries where participants received some practical information with regard to how to create codes of ethics illustrated via real-life case studies and they got to test their financial knowledge through real-life case studies as well as through creating a financial literacy test. The training concluded with a joint session for participants from all six countries where they learnt how to provide emotional support to people in vulnerable situation and were taught how to cope with stressful situations themselves. The programme of the second set of training is available in Annex 3.

3.1 Module 1: Ethical Principles in Practice

In preparation for this session, the participants were distributed an ethical principles questionnaire whose intention was to get the participants to reflect and perhaps start an internal conversation within their organisation on how their code of ethics should look like or if they already have one whether any additional aspects should be reflected upon.

Ethical values and standards are an important part of the profession. To preserve ethical norms and values, debt-advice has to remain:

- ✓ **Client-centred**
Responding to the client's needs, participation of the client is voluntary, no force;
- ✓ **Free**
No client should have to pay for debt advice/counselling, but: debt advisors are professionals, and therefore in terms of principle they should be paid, although a large number of them are volunteers;
- ✓ **Independent**
No influence by funders, creditors, or third parties;
- ✓ **Confidential**
Information is not to be released without the client's express permission, conditions of openness, transparency, and trust
- ✓ **Accessible**
Must be available to all who need it - regardless of location or status
- ✓ **Credible**
Organisation need credibility among the public, creditors, legal system, and third parties;
- ✓ **Professional**
Terms of ethics, standards and practices to ensure the best possible outcome, and handling of each client
- ✓ **Non-judgmental**
no judgment in terms of decisions made or what they intend to do with the information/advice provided;
- ✓ **Empowering**
Guidance seekers are actively involved in all steps of the guidance process;
- ✓ **Rights-based**
Clients should be informed of their income/welfare entitlements, consumer/legal rights, and due process prior to considering repayment options;
- ✓ **Effective**
Both in respect of the impact on clients and society as a whole in addressing over-indebtedness, social and financial exclusion.

CONTRIBUTION FROM THE PARTICIPANTS

In addition to presenting the key ethical values and principles in detail, the trainers have also presented nine different case studies consisting of nine different situations related to ethical principles in debt-advice and questions to the participants on what would be an ethical response in these types of situations.

Participant's responses to case studies one ("Dealing with Emotions") two ("Unrealistic expectations/demands"), three ("Clients not revealing all their debts"), four ("Boundaries/networking"), five ("Clients not keeping to agreements"), and eight ("Client collusion") have been almost unanimous as the rate of the selection of the most popular response between the participants has ranged from 85% to 100%. Nevertheless, the remaining three case studies had more diverse answers.

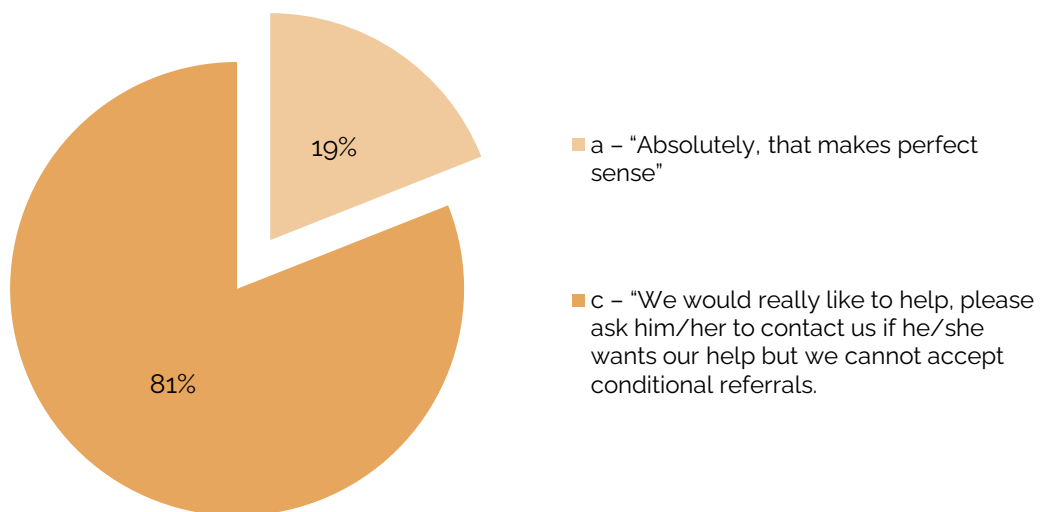
"Clients are only people, the debt advisor is not there to police them. Should a creditor come back with some information about the client that does not pertain directly to the agreed approach, they should be asked to submit such information in writing so that it can be discussed with the client. Even over-indebted clients have the right to a certain level of lifestyle."

Direct quote of a participant

Case study six – "Conditional referral", asked the participants what their reaction would be if a charity contacts their service and says it is willing to give a person a grant, provided they become a client of the participant's service and agree a budget plan through a debt advisor/counsellor. The majority of the participants (81%) picked the option c – "We would really like to help, please ask him/her to contact us if he/she wants our help but we cannot accept conditional referrals. We can meet with you though to arrange mutual working cooperation for the future if that would be helpful", whereas the remaining 19% of the participants chose the answer a – "Absolutely, that makes perfect sense".

FIGURE 8

If you were the advisor in this instance, would you say?

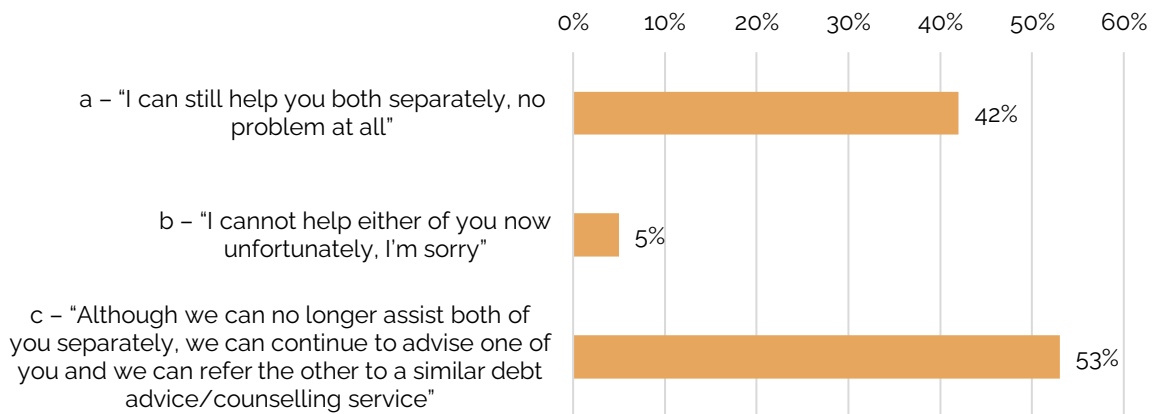


In this regard, the trainers themselves acknowledged that in this situation both options could be acceptable depending on the organisation's internal guidelines. However, it was stressed above all that in order for debt advice to work the clients need to be willing participants in the process. Therefore, with the option a, debt advisors need to make sure that the client's wishes are respected.

Case study seven – "Relationship breakdown", asked the participants what they would do if their debt advice/counselling service is assisting a married couple with joint debt problems. During the money advice process, the clients separate. Each party wants you to continue to help them individually. Around half of the

participants (53%) indicated that their response would be option c – “Although we can no longer assist both of you separately, we can continue to advise one of you and we can refer the other to a similar debt advice/counselling service”, 42% of the participants have picked an option a – “I can still help you both separately, no problem at all” and the remaining 5% have picked an option b – “I cannot help either of you now unfortunately, I’m sorry”.

FIGURE 9
If you were the advisor in this instance, would you say?



Here again, the trainers reflected that both options could be possible. Yet again, depending on the internal guidelines of the organisation. However, should the organisation choose to represent both clients, they each would have to have their own debt advisor to ensure impartiality.

Before an organisation starts to offer debt-advice services, they need an ethics code to set the boundaries on what their employees can and cannot do. First, the organisation/debt advisor needs to understand the problem to be able to decide who can help the best, an assessment of the client's case is an absolute must.

With regard to the ethics code questionnaire that was distributed to the participants, many commented that it is of utmost importance for the organisation to be insured. However, in many countries these organisations are unable to obtain liability insurance as their services do not fit within the national service definitions set out by the legislation. While individuals might be able to take out individual liability insurance, for many organisations it is not possible to do so. In this regard, more pressure needs to be applied to the policymakers and the insurance sector to change this approach. It was also highlighted that having an organisational code of ethics and further internal guidelines could be beneficial for obtaining an insurance.

The issue of legal coverage of civil servants in **Greece** for their acts or omissions is unfortunately not a priority.

In **Hungary**, the organisations often cannot find liability insurance as they are told by the insurance companies that they cannot fit them within their service offer.

For **Romanian** organisations, it is difficult to find liability insurance as there is no legal framework for it, it is slightly easier for private individuals to obtain one though.

Building relationships of trust with clients is important. To this end, it is necessary to tell the clients what the debt-advice service can and cannot do for them. For example, by signing a service level contract where the specific support is outlined step by step and the clients are asked to follow the provided instructions. Even then there are always clients who would like the debt advisors to do everything, but it is important for the clients to make their own decisions.

3.2 Module 2: Financial Education in Practice

Module 2 consisted of two key presentations which were then followed by examples of real-life case studies:

- Financial education as an element of consumer protection;
- Practical tool for Financial Advisors.

Financial education as an element of consumer protection

Presentation on financial education as an element of consumer protection has observed the topics of:

- Types of financial exclusion/ inclusion such as access, price, condition, social and self-exclusion;
- Debt biographies explaining different causes of over-indebtedness between different types of individuals;
- Financial resilience to withstand financially stressful events, such as unemployment, divorce, disability or health problems;
- Reference budgets revealing possible categories and sub-indicators of the expenditure as well as different examples of household budgets from different families;
- Money Dogma. What does money mean to a person;
- New risks are related to the digitalisation of financial services and lack of digital financial literacy between the consumers.
- Model of over-indebtedness containing the theory and the cycle of over-indebtedness as well as the framework and the role of financial education in treating over-indebtedness;

Practical tool for Financial Advisors

Financial literacy tests are usually addressing the general population and are not focused on over-indebted people, people with financial problems or individuals who face insolvency. The goal of this tool is to identify the level of financial literacy of over-indebted people, people with financial problems and/or individuals who face insolvency and to fill a gap in this area.

The tool can be used to assess the financial literacy of clients of debt advice organisations, as well as young employees of these organisations, for example, interns and trainees. The concept of the training is to train the trainers, so the aim is also to educate, increase the knowledge, competencies and skills of the people who need to have higher qualification in the area of personal finances.

Using their own experience and ideas, the participants would have to create questions that would support their work in financial literacy and financial education in the areas of:

- Financial situation (earning income, emergency fund, savings, consumer credit, others);
- Financial knowledge (subjective and objective);
- Habits in financial management (buying goods and services, protection and insurance);
- Financial behaviour;
- Financial attitude;
- Financial skills.

CONTRIBUTION FROM THE PARTICIPANTS

During the presentation of the concept of Money Dogma, the participants were encouraged to discuss what does money and over-indebtedness means to them. The most common answer between the participants was that money to them means:

- ✓ Security;
- ✓ Comfort;
- ✓ Autonomy (social and material);
- ✓ Power.

As for the over-indebtedness, participants associated over-indebtedness with anxiety and social exclusion.

Greece

"Money makes me feel secure. If I was rich, I would help people in need. To me money means security and more options in material world. To own a lot of money is not always an asset. Money is social autonomy. To own a lot of money is situation that requires proper management. If I were rich, I would help relatives and family, money means power. If I were unemployed, I would try to find a job so that I can cover my obligations. Being overindebted means being desperate because creditors hunting you and your personal life is in danger, there is a stigma and risk of losing everything."

Direct quotes from participants

Spain

"To me, money means a form of payment. Money is a mean to obtain material things, tranquillity. If I were to be unemployed, I would be lucky to have healthcare coverage for a few months that not everyone has in my country. If I were rich, I would try to manage wealth well without wasting. Money allows us to choose. Money and air are essential to live but they do not give joy. Being over-indebted means not being able to meet my payment obligations, generating a bigger and bigger snowball."

Direct quotes of a participant

Italy

"For me, money is a tool for a dignified life. Money means serenity. If I were rich, I would invest in innovation. Money is a means. If I lost my job, I would be afraid for the future, but I would try to find a solution. Money is needed to achieve the desired lifestyle. Being over-indebted means not having the perception of the concept of income and expenses. If I were rich, I would be concerned with helping others constructively. Without awareness of your economic position you will always be in debt."

Direct quote of a participant

Poland

"To me, money means stability. If I were to become unemployed, I'd have to rely on savings. Being over-indebted means stress. If I were rich, I'd worry less. To me, money means resource. If I were to become unemployed, I'd have to seek employment or appropriate financial aid. Being over-indebted means there are issues to be solved. If I were rich, I'd not have these problems if I also were careful."

Direct quotes of a participant

Hungary

"To me money means safety. If I were to become unemployed, I would try to get back to work as soon as possible. Being over-indebted means losing control on your life. If I were rich, I would have more available choices."

Direct quote of a participant

In addition to presenting the key ethical values and principles in detail, the trainers have also presented three different case studies:

- Case Study on Cybersecurity;
- Case Study "Not always with a happy end";
- Case Study on Paying Debts.

The first situation of Case Study on Cybersecurity involved an older lady who decided to take part in an online lottery game to improve her financial situation. She contacted the company that provides such services to help her create an account on the website. During the phone conversation with the assistant, she gave the following data: her name, surname, bank account, identification number. Her account was created, and she played regularly. Trainers have asked the participants whether the lady behave properly, and did she take proper precautions and did the right thing by providing the assistant all these details? Most of the participants (77%) thought that the lady did not act properly in providing all of this information, whilst 16% thought that this action has been right, but she should not have given them all this information and the remaining 7% answered that the lady has made a right decision.

In the second situation in the next month, when the lady has received her pension, she decided to withdraw the money from her bank account. The bank assistant told her that her bank account was empty. They also had in their records that she had taken out credit that she was not aware of. Soon she realised that she was a victim of the lottery game company which used her data to steal her money. Trainers have asked the participants the question: what kind of action should the lady take? Majority of the participants (88%) thought that the lady should report the crime to the police while the remaining 12% thought that the lady should change her security measures.

In the last situation/conclusion of the case study, it was highlighted that in this case is the lady was not asked by the bank to authorise the request for additional credit. The thief was able to change the information on her banking portal without her needing to authorise the newly changed data. The lady asked the bank assistant if she could take any additional steps apart from reporting the crime and changing the security measures. The bank assistant replied that besides the above-mentioned, she did not have any additional rights and she was obliged to repay the credit. For the question 'Was the bank assistant right?' all of the participants answered "No".

Case Study on an Elderly Couple and Case Study "Not always with a happy end" consisted of situations when elderly people took large loans, which they could not re-pay and the trainers asked whether these people have made the right decision in taking this loan. All of the participants in both of these case studies have answered "no". During the last case study "Case Study on Paying Debts", the trainers were giving examples of the debts, verification of the expenses, methods of repayment, and the use of credit cards as well as the attitude of indebted people towards the debts taken from family and friends.

3.3 Emotional Support and Mental Wellbeing

The session on emotional support and mental wellbeing started with the analysis of what can trigger/cause a reaction when advising clients. A trigger is when a client says or does something, or speaks in a certain way, which causes an emotional reaction in you as the advisor. When responding to a trigger, debt advisor can take these measures:

- ✓ Acknowledge triggers/reactions so we can mindfully use coping mechanisms and/or move forward more easily
- ✓ Refocus the conversation
- ✓ Remind yourself that it's not your responsibility to fix their situation
- ✓ Summarise the important points so far as a distraction
- ✓ Take deep breaths
- ✓ Keep your voice calm and quiet
- ✓ Recognise how you are feeling or acknowledge what has been triggered
- ✓ Explain what action you will take
- ✓ Observe the heightened emotion and allow time for it to pass
- ✓ Use 'bracketing' (where you put your issues to one side)
- ✓ Debrief
- ✓ Put your emotions in a 'box' while you deal with the situation
- ✓ Scribble/doodle or play with a fiddle toy/stress ball

To provide efficient emotional support, debt-advisors must take care of their emotional intelligence and be emotionally aware. When dealing with clients, debt advisors must not forget to listen consider how is your client feeling as well as your feeling, show empathy, and build trust with the client. If there are any misunderstandings between the advisor and the client it is important to recognise them, make pauses when they are needed, acknowledge your thoughts, be authentic and apologise if you have made a mistake.

Tools for working with clients in challenging situations are:

- ✓ Affect Labelling
- ✓ What we know, have done and will do next
- ✓ S.A.R.A (Set expectations, acknowledge, reflection, action)
- ✓ Pause, slow down, remove the heat
- ✓ Three closed questions
- ✓ Moving Forward

When dealing with the clients that need emotional support it is also important to keep resilient. Debt advisor has to:

- Find the Silver Lining: Resilient people look for the beauty or the positives in a situation;
- See it as a Challenge and Not a Threat: While it's a complex skill, according to research, part of resilience is how you decide to respond to a situation. Do you see it as a challenge or a threat? When perceived as a threat, the body shifts into the stress response. People who see a situation as a challenge, on the other hand, become energised which pumps helpful chemicals into the body like endorphins and adrenaline;
- Perspective: People who are resilient focus on the tangible here-and-now issues, rather than the elusive ones that may never happen. This is in part about focussing on the things we have control over and letting go of or not choosing to focus on things that we have no control over or cannot change. Seeing a situation from every perspective and looking at it from every angle can be useful. It might also be about focussing on practical steps, for example, realistic daily goals;
- Support: Sharing stories with colleagues or as part of a debrief can help. Feeling supported and heard by others is very important for us to maintain resilience.

As an advisor it is also essential to do debriefing and share your experience about challenging interactions with yourself, debrief buddy, line manager or in a team setting.

Lastly, at the end of the day, after your work, it is important to ensure you make the switch between work and home life and clear your head after a day of work.

CONTRIBUTION FROM THE PARTICIPANTS

Besides the presentation on emotional support and wellbeing, participants were also invited to answer the questions regarding the situations when the advisor is dealing with the client who is in need of the emotional support.

Question one asked the participants whether they should stop their client crying if the client is upset. Majority of the participants (92%) answered "no". Some of the participants have argued that they would try to calm down their clients and explain to them the possible solutions to solve their cases.

"You often find that the person is not being completely sincere. It is useful not to continue analysing the problem and comment on something totally unrelated to your problem. At the next meeting, the person is probably more confident and will continue to expose the situation."

Direct quote of a participant

Question two asked the participants whether they would get offended if the client got angry. The majority of the participants (98%) answered "no". Participants have argued that anger is a natural and understandable reaction for a person who is in trouble and it would be wrong to be offended.

"I prefer to simply calm the person down without preventing him from venting and in the meantime, I try to explain to him that there are possible solutions for their case."

"We owe it to ourselves to give people the opportunity to express their emotions and to express their gratitude and continue the interview."

"Anger is a feeling, often directed towards oneself and manifests itself towards others. I can't get mad about it."

Direct quotes of participants

Question five asked the participants whether it is important to speak to someone to debrief after a difficult interaction with the client. The majority of the participants (90%) answered "yes". Participants have mentioned that debriefing can be also useful to inform other colleagues, in case if they will need to work with this client in the future. Others have mentioned that debriefing should not exceed the confidentiality rights between the advisor and the client.

"It is not essential to comment on each interview, but it is important to be able to comment with the rest of the team on situations that appear for the first time or cases that present doubts."

"Yes, within the limits of confidentiality and within the Entity's code of ethics."

"In order to understand if we acted correctly and to improve based on criticism and other feedbacks."

Direct quotes of participants

The question that has received the most comments and different responses was question three. Question three asked the participants whether they should tell their clients they know how they feel if the client talks about someone who has died. Most of the participants (58%) have answered "yes". Some of the participants have argued in the discussion that the phrase "I know how you feel" is too simple and generic and instead of using this phrase they would not interfere and instead make a pause to let the client take express himself more. Other participants have argued that saying this phrase would lead the conversation between the advisor and the client to the direction, which is not related to debt-advice and it would be better to refrain from these types of phrases.

"Compassion does not necessarily mean sympathy."

"I know how you feel" on its own is just a throwaway line. If there's a grave situation and I want the other person to support it, I'd lead the conversation to more positive or stable aspects, allow the client to vent and clear their thoughts, etc. I'll remind them that we are dealing with particular problem, like a debt, and all things need to be taken care in moderation and in their due time."

"I don't know how the person in front of me feels, at most I can acknowledge that I perceive their feelings and respect them."

Direct quotes of participants

3.4 Participant feedback

After the second set of training, the participants were again asked to fill in an online satisfaction survey. Only 47 participants answered this one. The most respondents were once again from Greece (36%) with 47% of the participants representing a public authority (same percentage as in the first satisfaction survey).

FIGURE 3
Which country are you from?

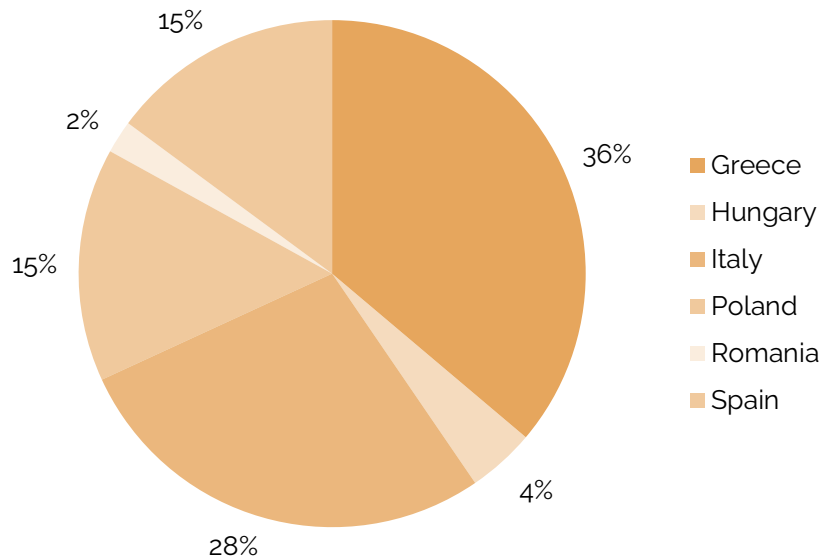
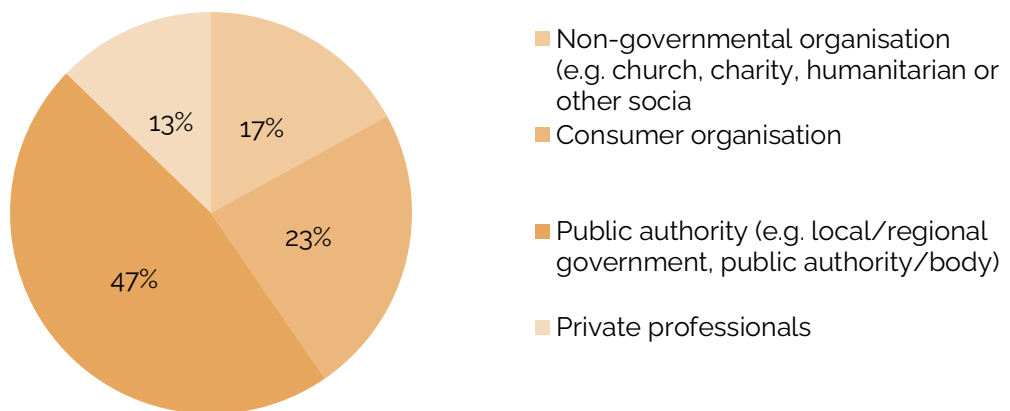
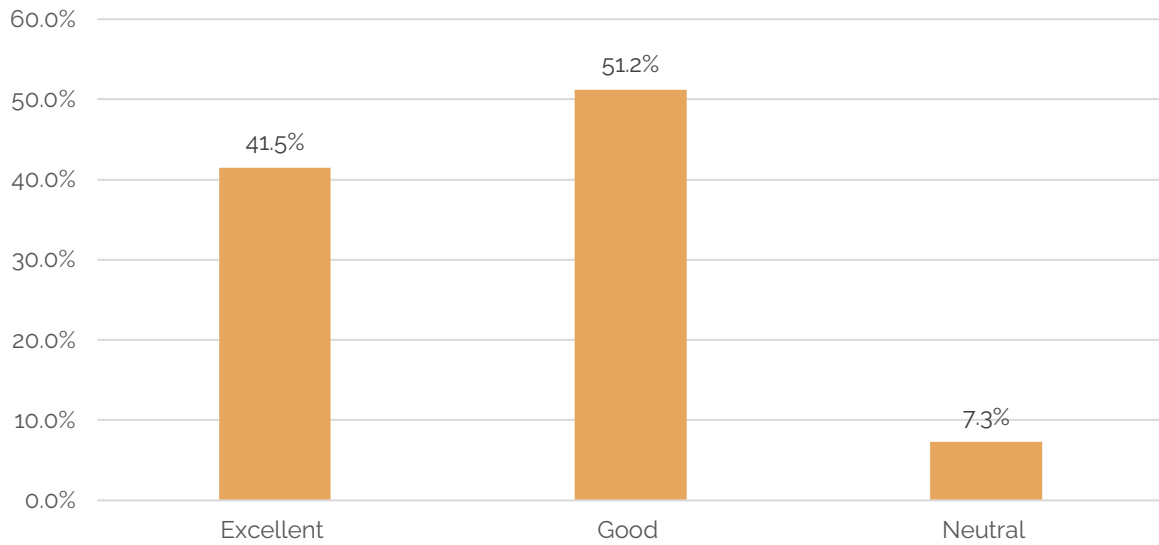


FIGURE 4
Which type of organisation do you represent?



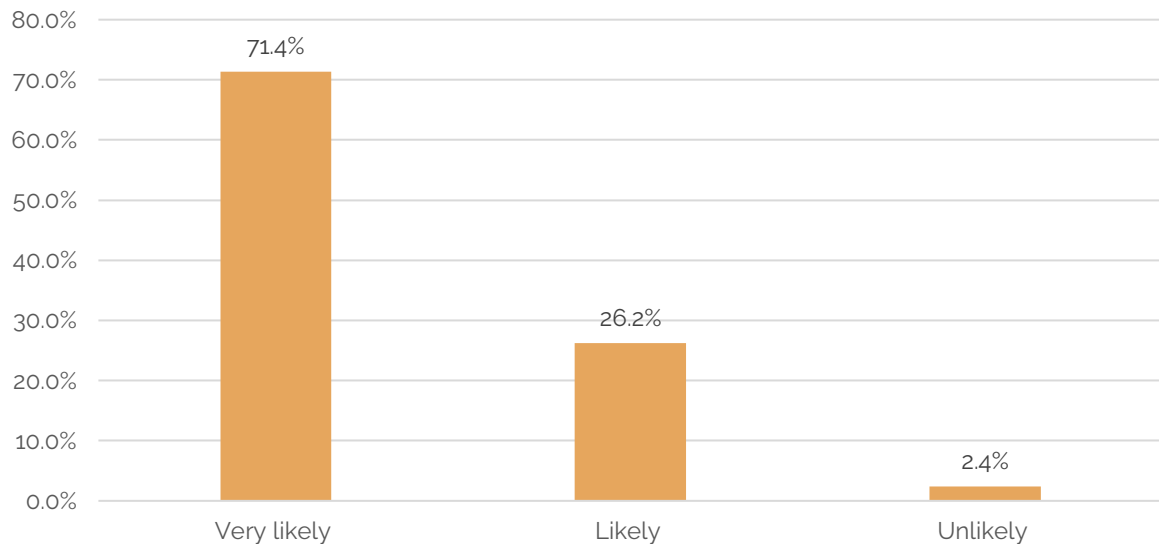
Overall, participants of the second set of training were satisfied with the sessions that were delivered. Over half of the participants (51.2%) have evaluated the second set of training as good, 41.5% of the trainees have evaluated the set as excellent 7.3% thought of it as neutral. None of the participants have rated the second set of training as "poor" or "bad".

FIGURE 5
Overall, how would you rate the second set of training?



More than two thirds (71.4%) of the participants thought that they are very likely to apply the information obtained in their possible work as debt advisor, while 26.2% of the participants are likely and 2.4% of the participants are unlikely to apply the information obtained in their possible work as debt advisor.

FIGURE 6
How likely are you to apply the information obtained in your possible work as debt advisor?



From the comments that the participants left, they seem quite satisfied with the second set of training. A few of them again commented on the fact that they would like to have more time for discussion and through exchange of practices one can develop their skills further. The debriefing approach described during the closing session even convinced some of the participants to adopt it and use it in their own organisation.

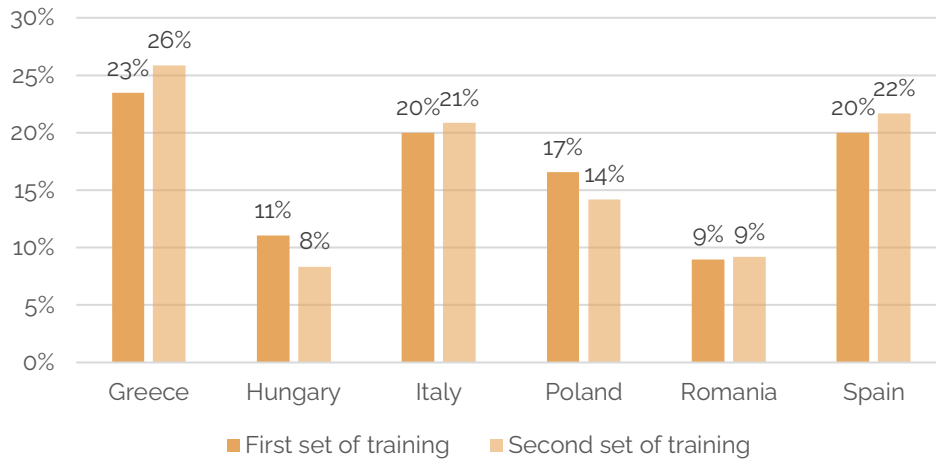
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Participants



In total, 147 participants registered for the training. The first set of training was attended by 145 participants. The second set of trainings attracted 120 participants.

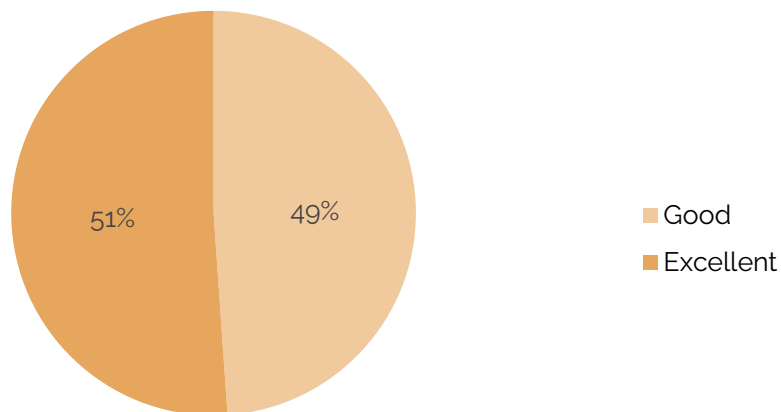
FIGURE 7
Origin of the training participants



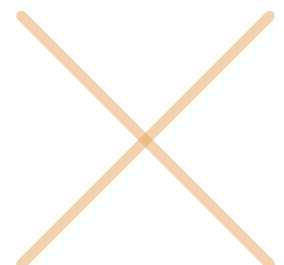
Overall feedback

When asked to rate the overall training, all respondents rated it positively, with 49% deeming it good and 51% rating it as excellent. A greater half of the participants (66%) preferred the first set of training to the second one (34%). All the accompanying training materials were shared with the participants through an Online Academy which 51% of the participants rated as good and 38% as excellent.

FIGURE 8
Taking into account all the elements, how would you rate the whole 'Train the Trainer' initiative?



In the written feedback, the participants highlighted that they would prefer for the training to be longer to allow for more opportunities for discussion and knowledge and information exchange. The participants also enquired whether it would be possible to make such training a recurring event for debt advisors. They would also welcome more frequent opportunities such as this training to meet and exchange knowledge/practices among professionals within the EU.





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