

Specific Contract No: 20198601

Provision of actions to extend the availability and improve the quality of debt-advice services for European households – Report about the impact of the trainings on the participants, Task 3 – Train the Trainers seminars, Final version, 7 October 2021

# **Provision of actions to extend the availability and improve the quality of debt-advice services for European households**

## **Report about the impact of the trainings on the participants**

### **Task 3 – Train the Trainers seminars**

Final version

07/10/2021

This report was produced under the Consumer Programme 2014-2020, under a service contract with the European Innovation Council and SMEs Executive Agency (EISMEA) acting under the mandate from the European Commission.

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# 1 Introduction

Household over-indebtedness limits the potential of individuals and countries to develop intellectually, socially, and economically. While overall, a non-insignificant 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.

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. As part of the training, the participants' information retention was measured through a knowledge questionnaire at two milestones of the training.

The first time the knowledge questionnaire was disseminated among the participants right after the first set of trainings. The second time, the participants were asked to fill in the questionnaire after the overall conclusion of the training programme. The questionnaire was compiled based on the Training Handbook that the participants received before the training. It remained the same for both dissemination rounds and was always available in the six national languages – Greek, Hungarian, Italian, Polish, Romanian and Spanish – and in English.

This report presents the results of the two dissemination rounds, as well as a comparison of the results obtained.

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.

## **2 Summary of the seminars**

The objective of the Train-the-Trainer seminars was to implement a series of capacity building events focused on educating and informing debt-advisory service practitioners (Train-the-trainers) about adaptable best practices, new approaches and techniques. Initially, these activities were planned to be held in person in the six selected Member States (Greece, Hungary, Italy, Poland, Romania and Spain). However, due to the still ongoing COVID-19 pandemic, a decision was made to hold these activities online.

The first set of training took place between 19 and 30 April 2021 with 125 participants taking part. 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 informed about good practice initiatives in the area of financial education and were shown some insights into emotional support provision. The programme of the first set of trainings is provided in Annex 1.

The second set of training took place between 15 and 30 June 2021 with 115 participants. This training series consisted of 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 all participants from the six countries where they learnt how to provide emotional support to people in vulnerable situations and were taught how to cope with stressful situations themselves. The programme of the second set of training is available in Annex 2.



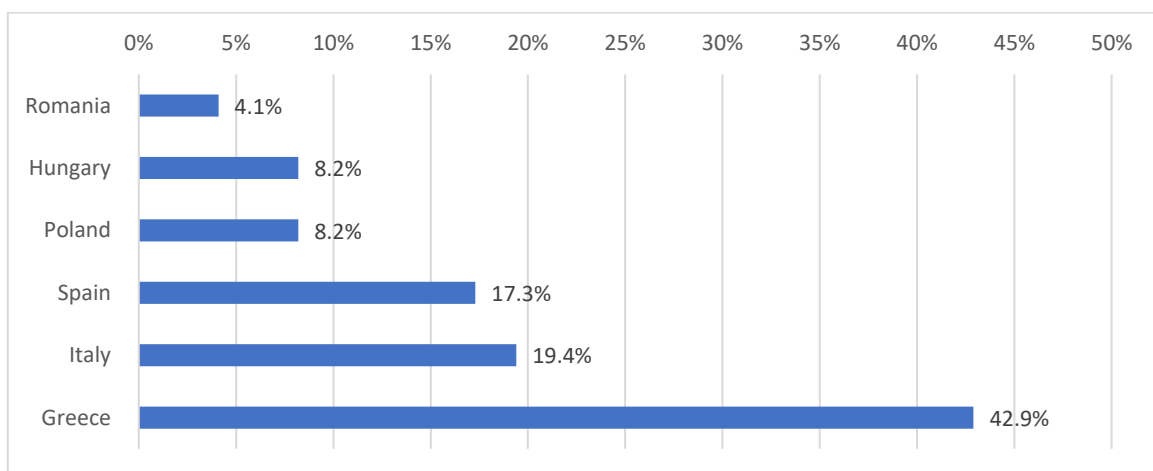
### 3 First round results

The first round of the knowledge questionnaire was disseminated on 6 May 2021 to the 125 participants that attended the first set of trainings and was closed a week later. Overall, the questionnaire received 118 individual responses, with 98 of the completed responses, while 20 responses were marked as partial. The questionnaire was encoded so that a participant could save their progress and return to it later on should they wish to do so. The respondents were able to complete the questionnaire as many times as they preferred<sup>1</sup>. For the purposes of this exercise, only complete responses are being taken into account when analysing the results. The survey included questions with both one and multiple option answers.

#### 3.1 Background questions

Out of the persons who replied to the questionnaire, almost 43% (42 respondents) were from Greece, followed by 19 respondents from Italy, 17 from Spain, eight each from Poland and Hungary, and four respondents from Romania. Share of nationalities of the survey respondents in percentages is available in the graph below. As the overall number of respondents from Greece is higher than the number of registered Greek participants it means that part of the Greek respondents took the quiz multiple times.<sup>2</sup>

**Figure 1 Q1. Which country are you from?**



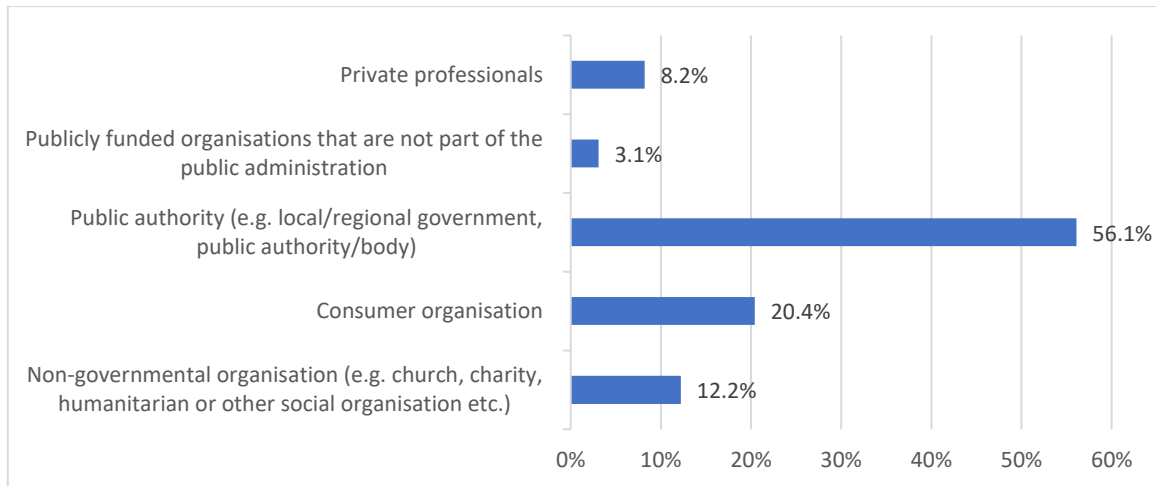
Public authorities were the largest stakeholder group among Greek (90.5%) and Spanish respondents (47.1%). The majority of the respondents from Poland belonged to non-governmental organisations (62.5%). The most represented groups among Italian respondents were consumer associations (52.6%) and private professionals (21.1%). Half of the Hungarian respondents (4) belonged to non-governmental organisations and the other half were representatives from public authorities, while half of the Romanian respondents (2) were from consumer organisations with the other half being from the public authorities.

<sup>1</sup> It was agreed with EISMEA and DG JUST that the questionnaire will not contain any personal questions besides the respondent's country of origin and type of organisation. It was agreed that this manner could contribute to a higher response rate as the respondents would feel more at ease if their responses were anonymised.

<sup>2</sup> As the responses were anonymous it is not possible to ascertain how many respondents filled in the questionnaire on multiple occasions.

Among all the respondents, the majority were representatives of public authorities 56.1%, while the smallest share of the respondents was from publicly funded organisations that are not a part of public administration (3 respondents). More information on the shares of the organisations that the respondents represent can be found in the graph below.

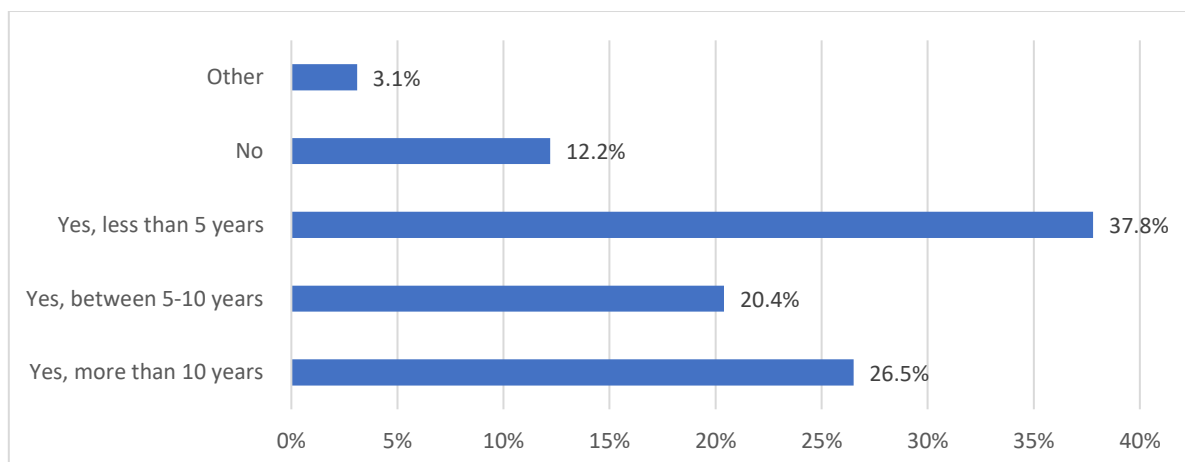
**Figure 2 Q2. Which type of organisation do you represent?**



The majority of the respondents from Greece (76.2%) have indicated that they have less than five years of experience in providing debt-advice. The majority of the respondents from Hungary (75%) have been providing debt-advice for more than 10 years. This option has also been the most common among the respondents from Italy (42.1%), Spain (41.2%), and Poland (37.5%). Half of the Romanian respondents (2) indicated that they have less than five years of experience, while the other half replied that they have between 5-10 years of experience in providing debt-advice services.

Among all the respondents, the majority of respondents (84.7%) answered that their organisations have already been providing debt-advice to consumers even before their participation in the training programme. The most popular answer (37.8%) among the respondents was "Yes, less than 5 years". More information on the amount of time survey respondents have been providing debt advice to consumers can be found in the graph below.

**Figure 3 Q3. Is your organisation already providing debt advice to consumers?**

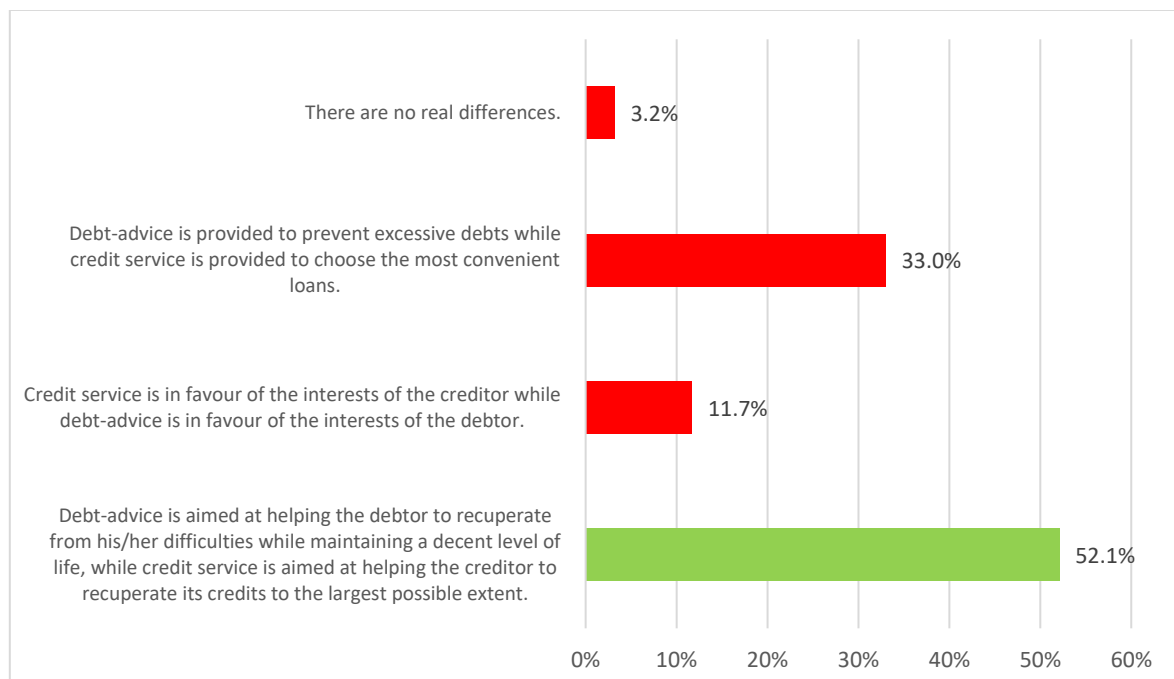


### 3.2 Questions on debt-advice

The majority of the respondents from Poland (75%), Italy (63.2%), and Greece (59%) have answered the question “What is the difference between debt-advice (or debt counselling or money advice) on the one hand, and the various activities that are generally defined as “credit service”?” correctly and picked the option “Debt-advice is aimed at helping the debtor to recuperate from his/her difficulties while maintaining a decent level of life, while credit service is aimed at helping the creditor to recuperate its credits to the largest possible extent”. Yet, the majority of respondents from Spain (82.4%), and Hungary (57.1%) have picked incorrect options. Half of the respondents from Romania (2) have selected a correct response.

Among all the respondents, a small majority (52.1%) of the respondents have selected the correct answer (Debt-advice is aimed at helping the debtor to recuperate from his/her difficulties while maintaining a decent level of life, while credit service is aimed at helping the creditor to recuperate its credits to the largest possible extent), while the remaining 47.9% of the respondents have picked incorrect options. This question proved to be challenging to the respondents as one third of the respondents were of an opinion that debt-advice is provided to prevent excessive debts while credit service is provided to choose the most convenient loans. However, this is not the case as, in reality, the scope of debt-advice is broader than just prevention of excessive credit and help with the reimbursement of the credits since debt advisors are also involved in psychological and legal support resulting in a considerable difference between debt-advice and credit services. More information regarding the responses to the question is provided below in the graph.

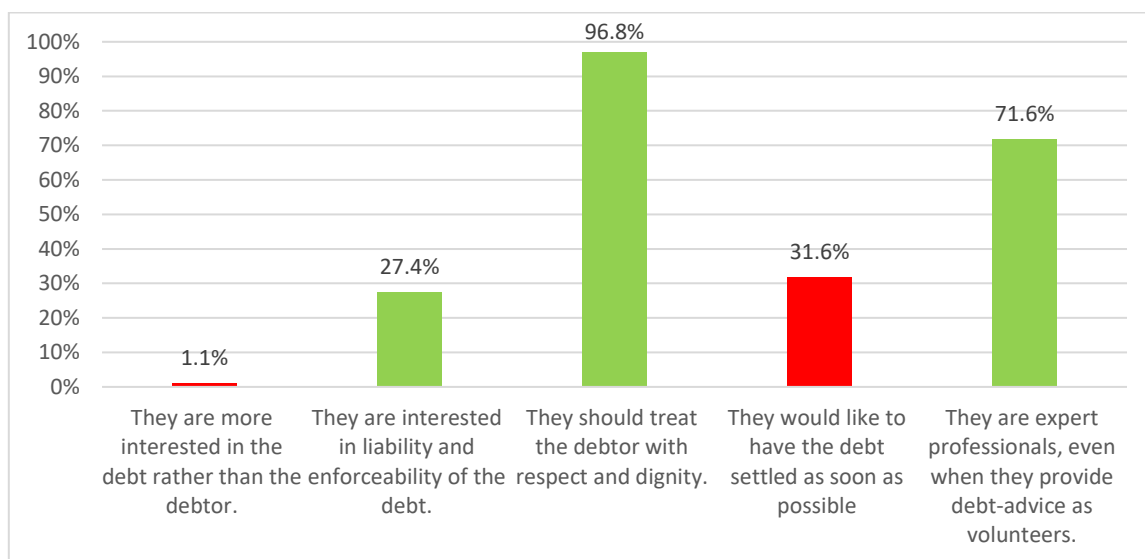
**Figure 4 Q4. What is the difference between debt-advice (or debt counselling or money advice) on the one hand, and the various activities that are generally defined as “credit service”? (Only one option can be selected)**



The majority of the respondents from Poland (62.5%) and half of the respondents from Romania (2) have answered the question “Which of the following statements are true about debt advisers? (Multiple answers possible)” incorrectly and picked the option “They would like to have the debt settled as soon as possible” as one of the options. The number of the respondents who have picked this option was smaller among the respondents from Spain (41.7), Hungary (37.5%), Greece (30%), and Italy (5.6%). One participant from Greece has also picked the incorrect option “They are more interested in the debt rather than the debtor”.

Nearly all of the respondents (96.8%) have correctly picked option “They should treat the debtor with respect and dignity” and more than two thirds of the respondents (71.6%) have agreed with the statement that debt advisers are expert professionals, even when they provide debt-advice as volunteers. Only 27.4% of the respondents have correctly picked an option that debt advisers are interested in liability and enforceability of the debt, which is surprising since assessing these aspects are a part of debt advisers’ activities. Among all the respondents, 31.6% of the respondents have selected the incorrect option 4 (They would like to have the debt settled as soon as possible) and one participant from Greece has picked the incorrect option 1 (They are more interested in the debt rather than the debtor). These options were incorrect because debt advisers are interested in the most efficient methods of debt settling rather than just focusing on the quickness of the process. Furthermore, debt advisers should definitely be more interested in the treatment of the client rather than just the debt itself. More information regarding the responses to the question is provided below in the graph.

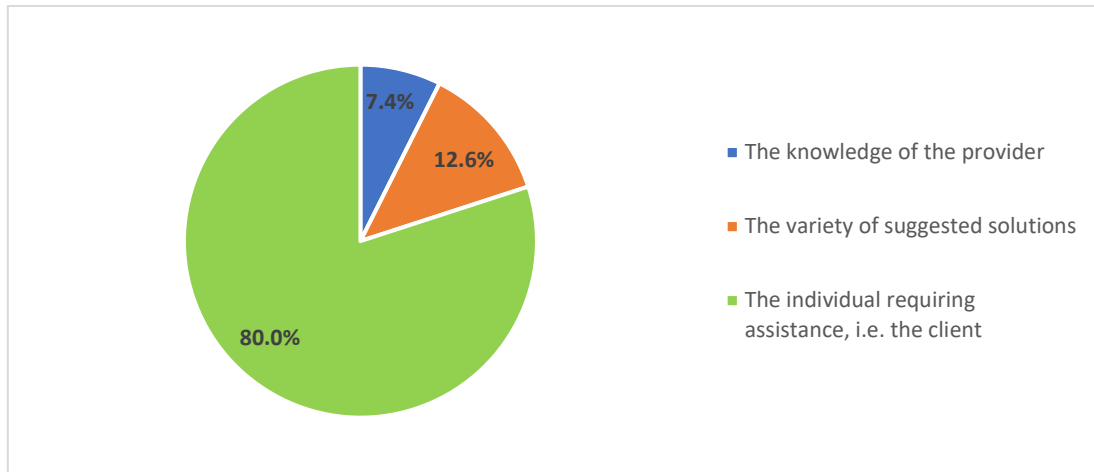
**Figure 5 Q5. Which of the following statements are true about debt advisers? (Multiple answers possible)**



The majority of the respondents from all six Member States have answered the question “What is the most important aspect in the debt-advice/counselling process” correctly and picked the response “The individual requiring assistance, i.e. the client”. The highest share of the respondents who have answered the question correctly was among the respondents from Italy (94.7%), Spain (94.1%), Hungary, and Poland (87.5% each), while respondents from Romania (75%), and Greece (64.1%) had lower success rates.

Among all the respondents, the majority (80%) of the respondents have picked the correct response “The individual requiring assistance, i.e. the client”, followed by the respondents who have selected the incorrect options of “The variety of suggested solutions” (12.6%), and “The knowledge of the provider” (7.4%).

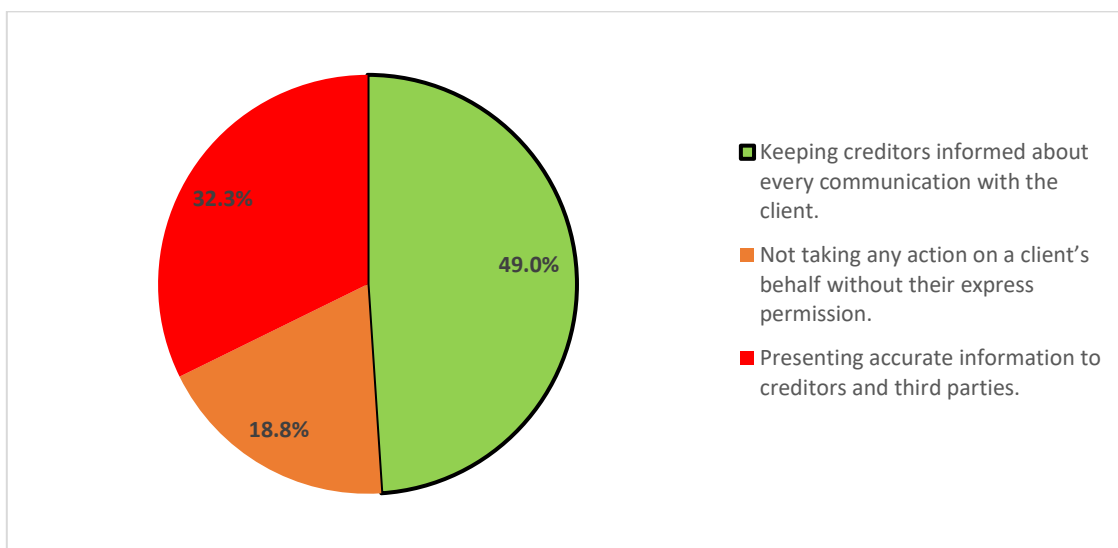
**Figure 6 Q6. What is the most important aspect in the debt-advice/counselling process? (Only one option can be selected)**



The majority of the respondents from Poland (62.5%), Greece (57.5%), Spain (52.9%), and Italy (52.6%) have answered the question “Which of the following is NOT considered an ethical principle in debt-advice provision?” incorrectly and have picked options “Not taking any action on a client’s behalf without their express permission” or “Presenting accurate information to creditors and third parties”. Nevertheless, all of the respondents from Hungary (8) and half of the respondents from Romania (2) have picked the option “Keeping creditors informed about every communication with the client” and were correct.

Among all the respondents, the majority of the people (51%) selected incorrect options, while 49% of the respondents have chosen a correct response (“Keeping creditors informed about every communication with the client”). This option is correct since debt advisors are not ethically obliged to inform the creditors about every communication with their clients, in fact, it would be considered as an unethical action. More information on the question and the options is provided in the graph below.

**Figure 7 Q7. Which of the following is NOT considered an ethical principle in debt-advice provision? (Only one option can be selected)**

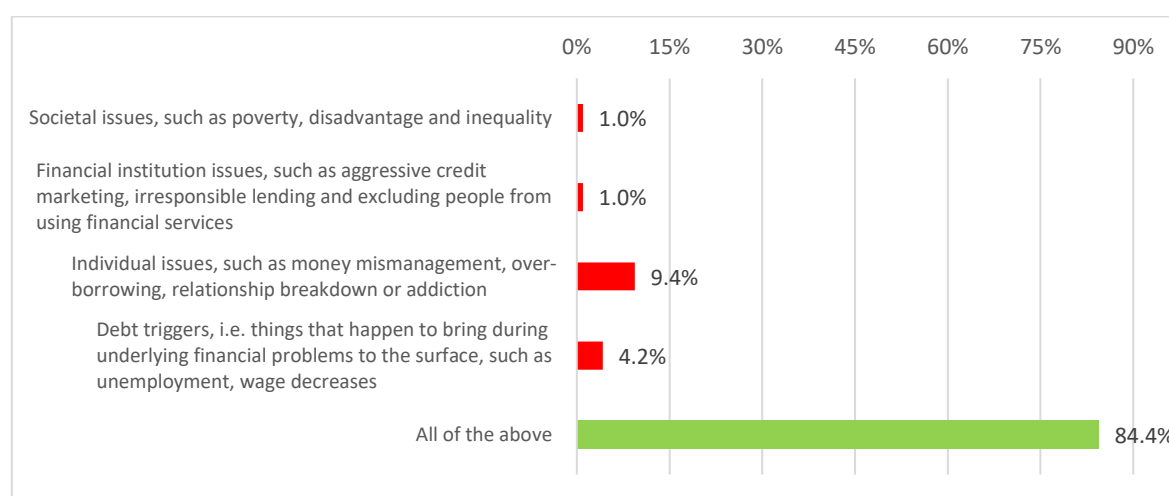


The majority of the respondents from all six Member States have answered the question “What is the key dimension to understanding why and how debt problems (in general

'over-indebtedness') occur at the individual/household level?" correctly and picked the response "All of the above". The highest share of the respondents who have answered the question correctly was among the respondents from Spain (100%), Hungary (87.5%), Italy (84.2%), and Greece (82.5%), while respondents from Romania (75%) and Poland (62.5%) had lower success rates.

Among all the respondents, the majority of the respondents (84.4%) have answered the question correctly, while the remaining 15.6% of the respondents have selected the less correct responses. In this instance, if a respondent selected other than the "All of the above" option they were not wrong, however, as all the options provided are considered key dimensions to understanding why debt problems occur, the answer "All of the above" is the most accurate one. More information on the question and the options is provided in the graph below.

**Figure 8 Q8. What is the key dimension to understanding why and how debt problems (in general 'over-indebtedness') occur at the individual/household level? (Only one option can be selected)**



Only a few of the respondents (from one to four) have provided incorrect replies to the statements that were listed in question 9. An overview of the statements and the responses is provided below.

**Table 1 Q9. Do you agree with the following statements? (Only one option can be selected for each statement)**

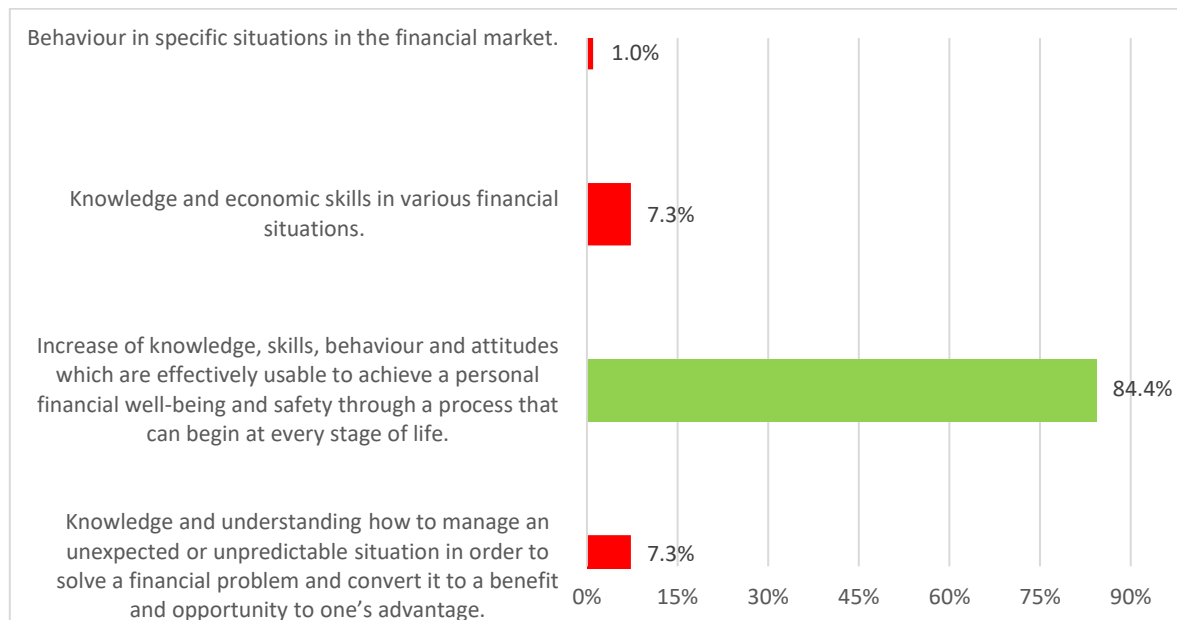
Q9. Do you agree with the following statements? (Only one option can be selected for each statement)	Yes	No
The debt advice/counselling must respond to the client's needs and may vary depending on each client's needs.	99.0%	1.0%
The debt advisor/counsellor can force the client to agree to things they do not want to.	2.1%	97.9%
The debt advisors/counsellors need to be independent.	95.8%	4.2%
Any information cannot be released without the client's express permission.	95.8%	4.2%
The credibility of the organisations providing debt-advice among the public/creditors/legal system/third parties is useful for their work.	100.0%	0%
Although there is neither a legal nor a moral obligation of a systematic evaluation of the activities performed by debt-advisors, a regular verification of their work contributes positively to its efficiency and credibility.	98.9%	1.1%

### 3.3 Questions on financial education

The majority of the respondents from all six Member States have picked a correct definition when asked to select the statement that would best describe the concept of financial education and picked a statement – “Increase of knowledge, skills, behaviour, and attitudes which are effectively usable to achieve a personal financial well-being and safety through a process that can begin at every stage of life”. All of the respondents from Hungary, Poland, and Spain have picked a correct statement, while respondents from Italy (85%), Romania (75%), and Greece (70%) had lower success rates.

Among all the respondents, the majority of the respondents (84.4%) have answered the question correctly, while the remaining 15.6% of the respondents have picked the wrong responses. More information on the question and the options is provided in the graph below.

**Figure 9 Q10. Please select, among the following statements (all of them correct) the statement that best and more in-depth describes the concept of financial education. (Only one option can be selected)**



Question 11 turned out to be one of the most difficult to answer for the respondents as most of the learning outcomes were not correctly assigned to appropriate elements by the majority of the respondents from all six Member States. Nevertheless, the majority of the respondents from Poland (75%) and half of the survey respondents from Romania (2) have managed to correctly assign the learning outcome of how to raise an emergency fund as an element of financial knowledge. Similarly, the majority of the respondents from Romania (75%) and half of the respondents from Poland (4) have correctly assigned financial planning and budgeting as an element of financial skill. Furthermore, half of the Romanian respondents have correctly assigned functioning in the financial environment as an element of financial skill as an element of financial knowledge.

Among all the respondents, none of the tasks were solved correctly by the majority of the respondents. A considerable part of the respondents has assigned the concepts of coping with financial shortfall (49.5%), saving money (31.3%) and to a lesser extent raising an emergency fund (32.3%) as elements of financial skill, which is incorrect because these concepts are related to the theoretical knowledge on how these

processes could be implemented. Similarly, a significant part of the respondents has assigned the functioning in the financial environment (58.3%), and financial planning and budgeting (29.5%) as elements of financial knowledge, which was an incorrect choice of an option as these concepts are related to the financial skill and the use of that skill in order to be financially responsible. A majority of the respondents have incorrectly assigned the concepts of making financial choices (74%) and solving financial problems (80%) to the wrong elements, not picking financial attitude as the correct option. Although these elements are considered as part of the attitude individuals and households have as to how they behave and react in a financial environment. Lastly, a majority of the respondents (58.9%) have assigned the concept of resource-oriented debt counselling as an element of financial knowledge, which is incorrect. It is related to the element of financial behaviour as this service teaches the clients how to adjust their financial behaviour with the available resources they possess. More information about this exercise and the answers of the respondents is provided in the table below.

**Table 2 Q11. Please assign the following learning outcomes to the four elements of financial literacy – financial knowledge, skills, attitude, and behaviour. (Only one option can be selected for each statement)**

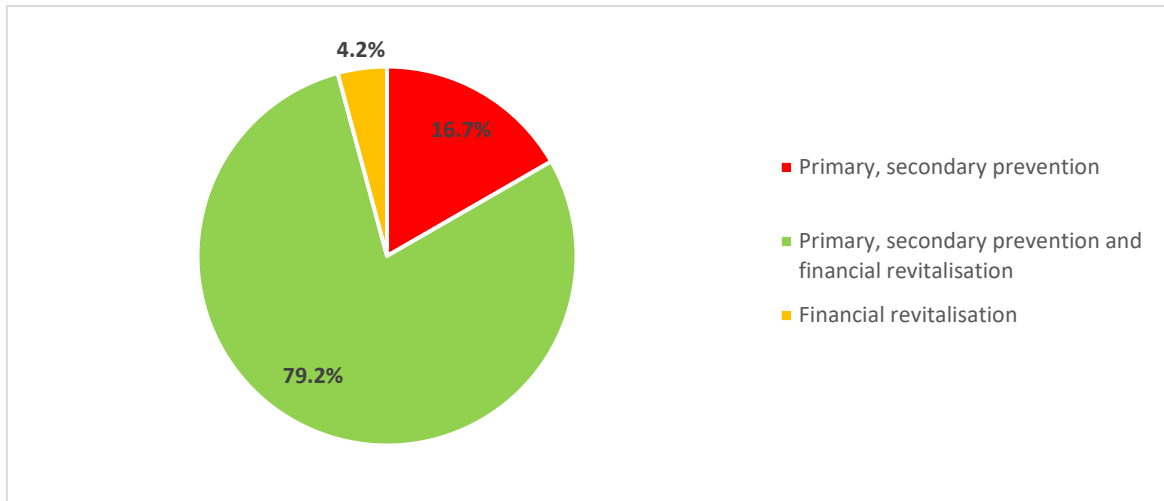
	Financial knowledge	Financial skill	Financial attitude	Financial behaviour
Functioning in the financial environment	58.3%	10.4%	9.4%	21.9%
How to cope with financial shortfall	18.9%	49.5%	9.4%	15.8%
How to save money	15.6%	31.3%	24.0%	29.2%
Making financial choices	21.9%	17.7%	26.0%	34.4%
Financial planning and budgeting	29.5%	32.6%	26.0%	22.1%
Solving financial problems	18.9%	32.6%	20.0%	16.8%
Resource oriented debt counselling	58.3%	11.5%	14.6%	15.6%
How to raise an emergency fund	32.3%	32.3%	12.5%	22.9%

All of the respondents from Poland (8), and Hungary (8) have answered the question "A debt advisor can play active role in?" correctly and picked the option "Primary, secondary prevention and financial revitalisation" followed by the majority of respondents from Spain (76.5%), Greece (75%), Romania (75%), and Italy (73.7%) who have also submitted correct responses.

Among all the respondents, the majority (79.2%) has answered the question "A debt advisor can play active role in?" correctly and picked the option "Primary, secondary prevention and financial revitalisation", while the remaining 20.8% have picked options that were not correct as debt-advice does incorporate all of the mentioned areas. More information on the question and the responses is provided in the graph below.



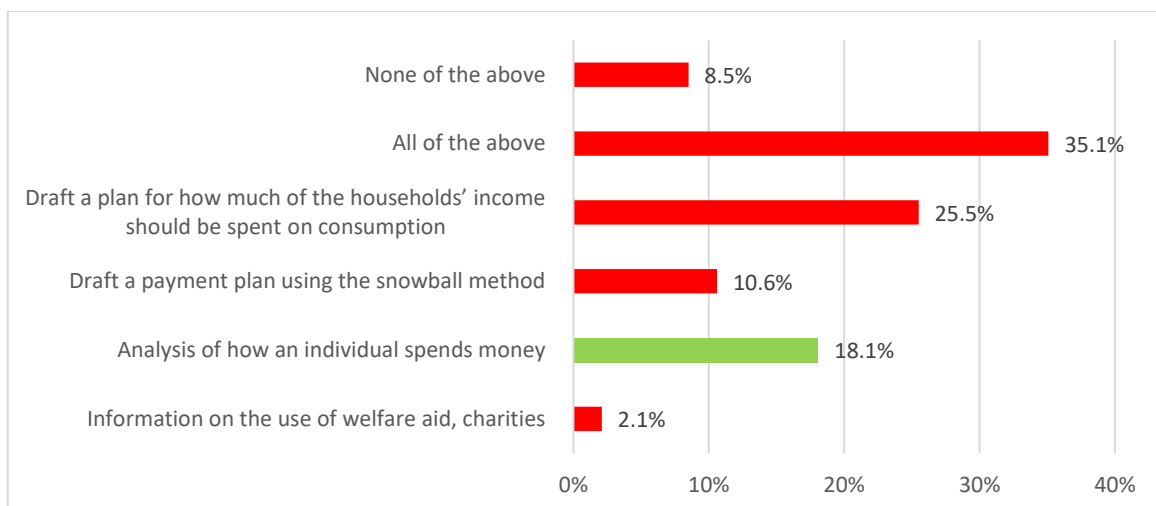
**Figure 10 Q12. A debt advisor can play active role in: (Only one option can be selected)**



Similarly to question 11, question 13 “Which of the following is an example of primary prevention?” turned out to cause difficulties to the respondents as well. None of the respondents from Poland (8), and Romania (4) have managed to pick the correct option of “Analysis of how an individual spends money”, and only one participant from Hungary, and Spain have picked this option. Success rates were higher among the respondents from Italy (26.3%) and Greece (25.6%).

Among all the respondents, only 18.1% of the respondents chose the correct answer (“Analysis of how an individual spends money”), while the remaining 81.9% have picked options that were not correct. The most popular option by the respondents was “All of the above” which collected 35.1% of the responses. However, this option is incorrect because primary prevention focuses on the analysis of spending the money and finding the methods of how it could be improved based on the information received from the primary analysis.

**Figure 11 Q13. Which of the following is an example of primary prevention? (Only one option can be selected)**

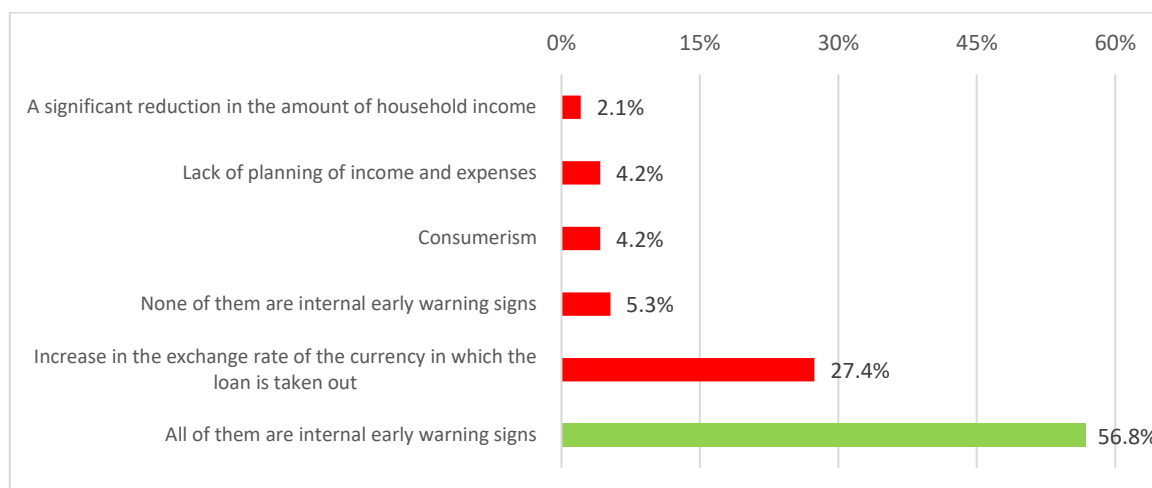


Majority of the respondents from Spain (88.2%), Greece (60%), Poland (57.1%), and half of the respondents from Hungary (4) have answered the question “What is NOT considered an internal early warning sign that an advisor can use to assess a household’s financial condition for emerging threats?” correctly and picked the option

“All of them are internal early warning signs”, while the majority of the respondents from Romania (75%), and Italy (68.4%) have selected wrong options.

Among all the respondents, the majority of them (56.8%) have answered the question correctly and picked the option – “All of them are internal early warning signs, while the remaining 43.2% have selected wrong options.

**Figure 12 Q14. What is NOT considered an internal early warning sign that an advisor can use to assess a household’s financial condition for emerging threats? (Only one option can be selected)**



Among all respondents, all of the statements were assessed correctly in question 15 by the majority of the respondents. However, 16.8% of the respondents have incorrectly disagreed with the concept that lack of basic financial knowledge might hinder the advisor's communication with the client, while ten respondents have incorrectly disagreed with the idea that financial education should mitigate a process of increasing insolvency. For other statements, at least 90% of the survey respondents have picked the correct options.

**Table 3 Q15. Do you agree with the following statements on financial education and financial literacy? (Only one option can be selected for each statement)**

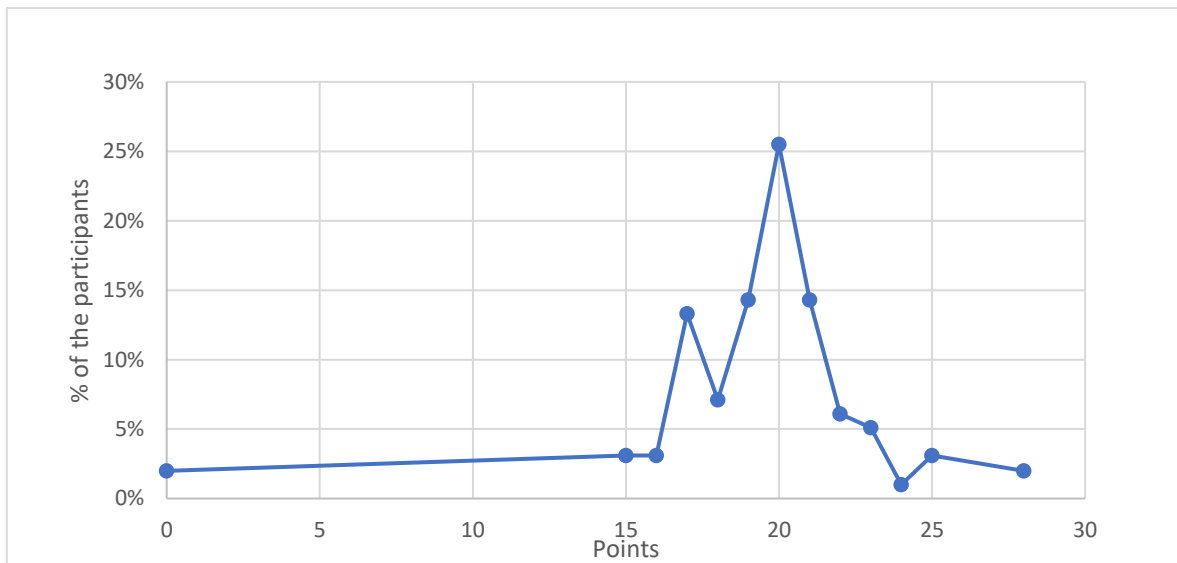
	Yes	No
Lack of basic financial knowledge might hinder the advisor's communication with the client.	83.2%	16.8%
The client does not have to have the basic financial terms explained to them in order to take corrective action.	8.4%	91.6%
Financial education aims to increase the client's self-confidence in order not to be afraid of dealing with a financial institution, creditor or debt collector, asking the questions and understanding the answers.	95.8%	4.2%
Financial education should mitigate a process of increasing insolvency.	89.5%	10.5%
Financial education in the counselling process should only focus on the area in which the client is seeking counselling.	9.5%	90.5%
Increasing financial literacy of a person is sufficient enough to resolve their over-indebtedness.	9.6%	90.4%

### 3.4 Summary

Overall, the questionnaire respondents were able to get thirty-one points in the survey (one point for each correct answer). Twenty points was the most common result for the respondents from Spain (41.2%), Hungary (37.5%) and Greece (23.8%), while nineteen points were the most common result among the respondents from Italy (26.3%), and Poland (25%). On average, respondents from Spain and Poland have scored the most points (21), followed by Italy and Romania (20 points), Hungary (18 points), and Greece (14 points).

While none of the respondents were able to collect 31 points, two respondents were quite close and managed to receive 28 points. Among all respondents, twenty points were the most common result as a little more than one quarter of the respondents (25 out of 98) received twenty points, while 19 points were the average result among the respondents. More information about the results of the respondents is available in the graph below.

**Figure 13 Results of the Questionnaire on retained knowledge from the first set of training in April**



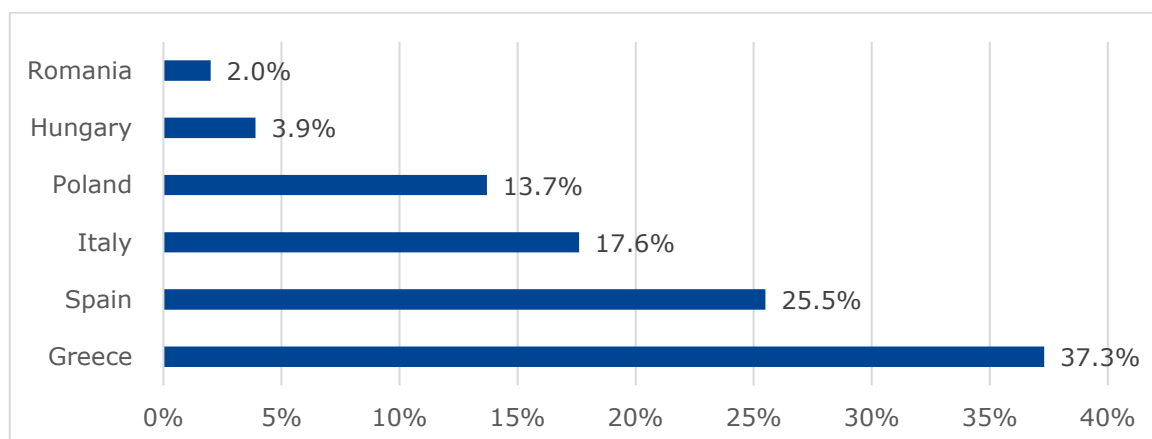
## 4 Second round results

A second round of the knowledge questionnaire was disseminated to the 115 participants that attended the second set of trainings on 7 July and due to the holiday period, the training participants were given three weeks to respond. This round received 61 individual responses, 51 of the responses were complete, while 10 responses were marked as partial. Again, the respondents were able to save their progress or fill in the questionnaire more than once. For clarity reasons, only complete responses are being taken into account when analysing the results. The analysis of responses is provided below.

### 4.1 Background questions

Out of the persons who replied to the questionnaire, 37.3% (19 respondents) were from Greece, followed by 13 respondents from Spain, nine from Italy, seven from Poland, two from Hungary, and one participant from Romania. The share of nationalities of the survey respondents in percentages is available in the graph below.

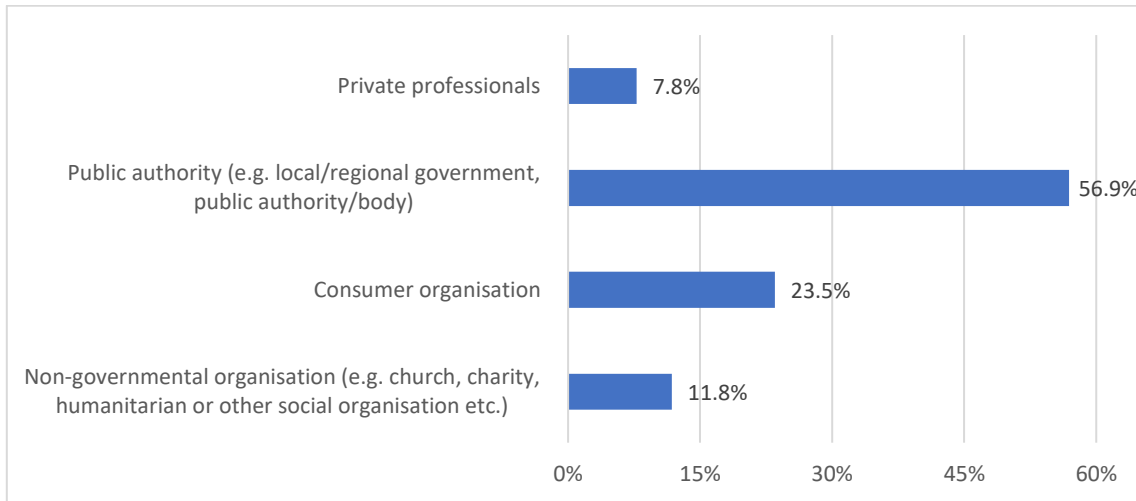
**Figure 14 Q1. Which country are you from?**



Public authorities were the largest stakeholder group among respondents from Greece (94.7%) as well as Romania (100%). Most of the respondents from Italy (55.6%) belonged to consumer associations, while the majority of the respondents from Poland (57.1%) were representatives of non-governmental organisations. The largest stakeholder groups among the respondents from Spain were consumer associations (46.2%) and public authorities (46.2%), whereas one of the respondents from Hungary belonged to a non-governmental organisation, while the other was representing a public authority.

Among all the respondents, the majority of the respondents were representatives of public authorities (56.9%), while the smallest share of the respondents were private professionals (4). More information on the shares of the organisations that the respondents represent can be found in the graph below.

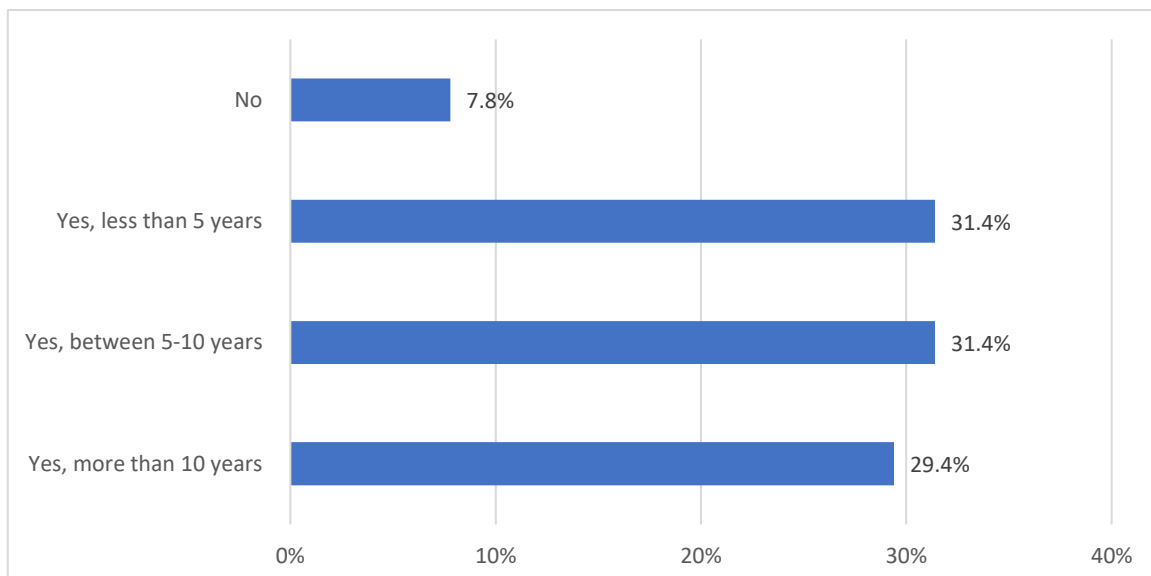
**Figure 15 Q2. Which type of organisation do you represent?**



The majority of the respondents from Greece (68.4%), and the one survey respondent from Romania have indicated that they have less than five years of experience in providing debt-advice to consumers, while both of the respondents from Hungary, and the majority of the respondents from Spain (61.5%) have indicated that they have more than 10 years of experience in this area. Most of the respondents from Poland (57.1%) have 5-10 years of experience in debt-advice, whereas eight out of the nine Italian respondents have either 5 to 10 years of experience (44.4%) or more than 10 years of experience (44.4%) in debt-advice.

Among all the respondents, the majority of respondents (92.2%) answered that their organisations have already been providing debt-advice to consumers before the training programme. The most popular answers were “Yes, less than 5 years”, and “Yes, between 5-10 years” (31.4% each). More information on the amount of time survey respondents have been providing debt-advice to consumers can be found in the graph below.

**Figure 16 Q3. Is your organisation already providing debt advice to consumers?**

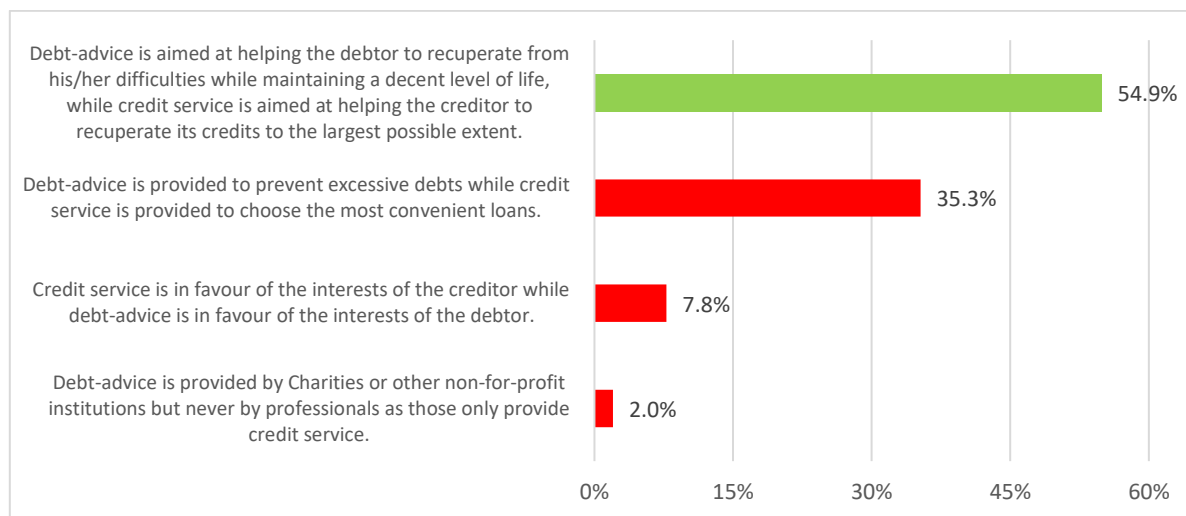


## 4.2 Questions on debt advice

Both of the respondents from Hungary, and the majority of respondents from Greece (57.9%), Poland (57.1%), and Italy (55.6%) have answered the question “What is the difference between debt-advice (or debt counselling or money advice) on the one hand, and the various activities that are generally defined as “credit service”?” correctly, and picked the option “Debt-advice is aimed at helping the debtor to recuperate from his/her difficulties while maintaining a decent level of life, while credit service is aimed at helping the creditor to recuperate its credits to the largest possible extent”. Yet, the respondent from Romania and the majority of respondents from Spain (53.8%) have picked incorrect options.

Among all the respondents, a small majority (54.9%) of the respondents have selected the correct answer (“Debt-advice is aimed at helping the debtor to recuperate from his/her difficulties while maintaining a decent level of life, while credit service is aimed at helping the creditor to recuperate its credits to the largest possible extent.”), while the remaining 47.9% of the respondents have picked incorrect options. Similarly to the first round of the knowledge questionnaire, respondents found it difficult to express what the key difference between debt advisors and creditors is. To this end, additional training could be beneficial to counter this issue and inform debt advisors what their role should be and how it differs from creditors. More information regarding the responses to the question is provided below in the graph.

**Figure 17 Q4. What is the difference between debt-advice (or debt counselling or money advice) on the one hand, and the various activities that are generally defined as “credit service”? (Only one option can be selected)**

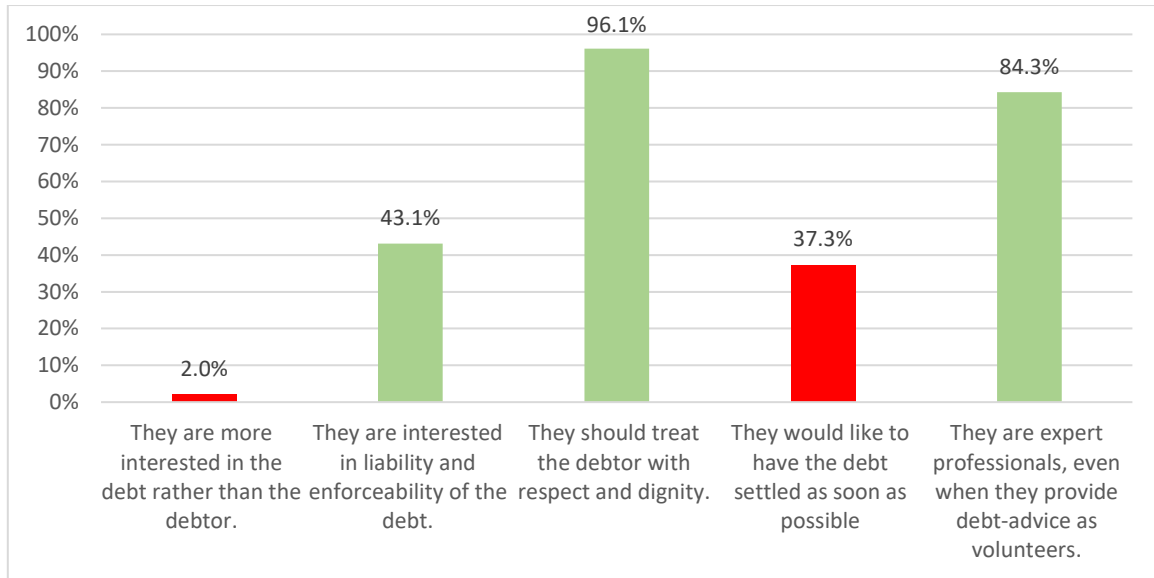


Both of the respondents from Hungary, the respondent from Romania, and the majority of respondents from Spain (53.8%) have answered the question “Which of the following statements are true about debt advisers?” incorrectly and picked the option “They would like to have the debt settled as soon as possible” as one of the options. All of the respondents from Italy, and the majority of respondents from Poland (85.7%) and Greece (57.9%) picked the correct options to this question. The respondent from Romania was the only respondent who has picked the option “They are more interested in the debt rather than the debtor”.

Among all the respondents, 37.3% of the respondents have selected the incorrect option 4 (“They would like to have the debt settled as soon as possible”) and the only participant from Romania has picked the incorrect option 1 (“They are more interested

in the debt rather than the debtor”). Similarly to the first round of the knowledge questionnaire, over one third of the participants still think that a debt advisor should like to have the debt settled as soon as possible, which is not supposed to be the priority in debt-advice. More information regarding the responses to the question is provided below in the graph.

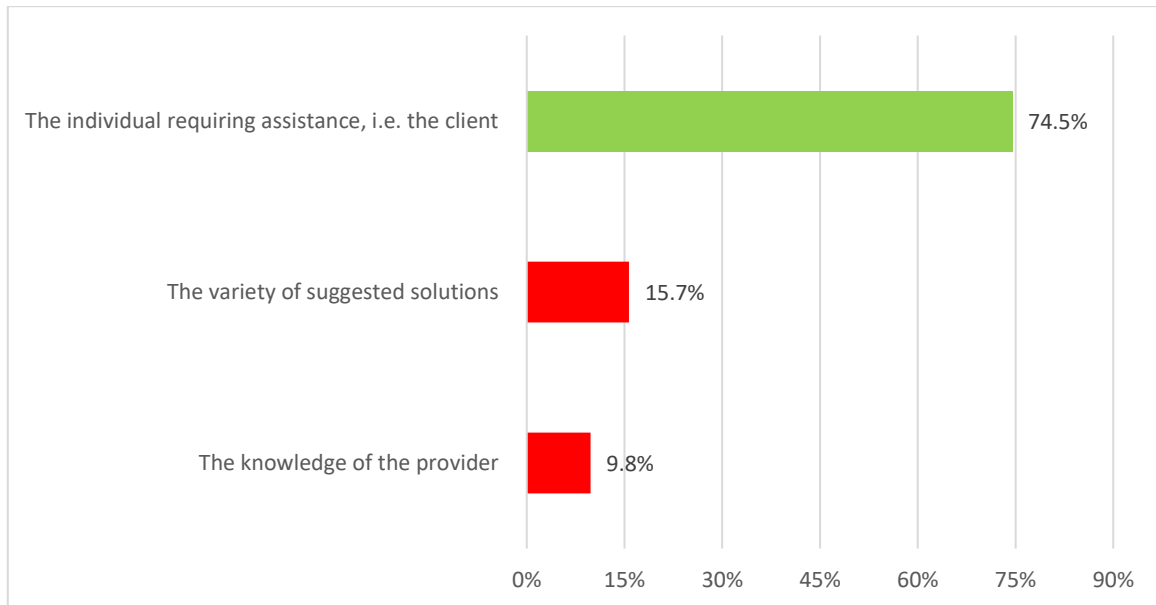
**Figure 18 Q5. Which of the following statements are true about debt advisers? (Multiple answers possible)**



Both of the respondents from Hungary, the respondent from Romania, and the majority of respondents from Spain (92.3%), Italy (88.9%), and Poland (85.7%) have answered the question “What is the most important aspect in the debt-advice/counselling process” correctly and picked the correct response of “The individual requiring assistance, i.e. the client”, while most of the respondents from Greece (52.6%) have picked incorrect options (“the variety of suggested solutions” or “the knowledge of the provider”).

Among all the respondents, the majority (74.5%) of the respondents have picked the correct response “The individual requiring assistance, i.e. the client”, followed by the respondents who have selected incorrect options “The variety of suggested solutions” (15.7%), and “The knowledge of the provider” (9.8%).

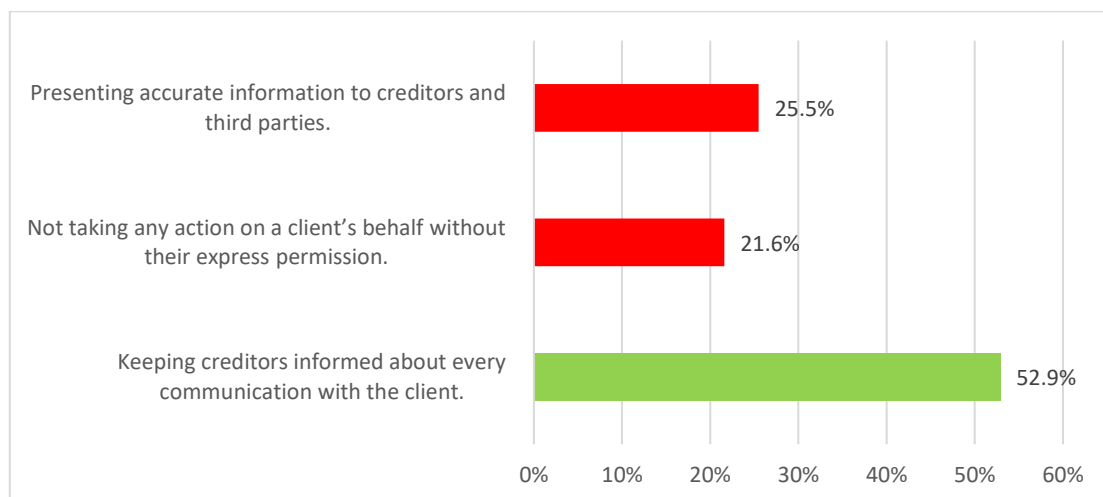
**Figure 19 Q6. What is the most important aspect in the debt-advice/counselling process? (Only one option can be selected)**



Both of the respondents from Hungary, and the majority of respondents from Spain (69.2%), Poland (57.1%) and Italy (55.6%) have answered the question “Which of the following is NOT considered an ethical principle in debt-advice provision?” correctly, and selected the option “Keeping creditors informed about every communication with the client”, while the respondent from Romania and the majority of respondents from Greece (63.2%) have picked incorrect options to this question.

Among all the respondents, the majority of the respondents (52.9%) have chosen the correct answer (“Keeping creditors informed about every communication with the client”), while the remaining 47.9% have selected incorrect options. Although, in comparison with the first round, the overall success rate concerning this question has increased by 4%, it is still evident that the respondents find questions related to ethic principles in debt-advice difficult to answer. Therefore, additional education and knowledge exchange in the area of ethical principles in debt-advice would be beneficial to improve the quality of debt-advice services in the selected Member States.

**Figure 20 Q7. Which of the following is NOT considered an ethical principle in debt-advice provision? (Only one option can be selected)**

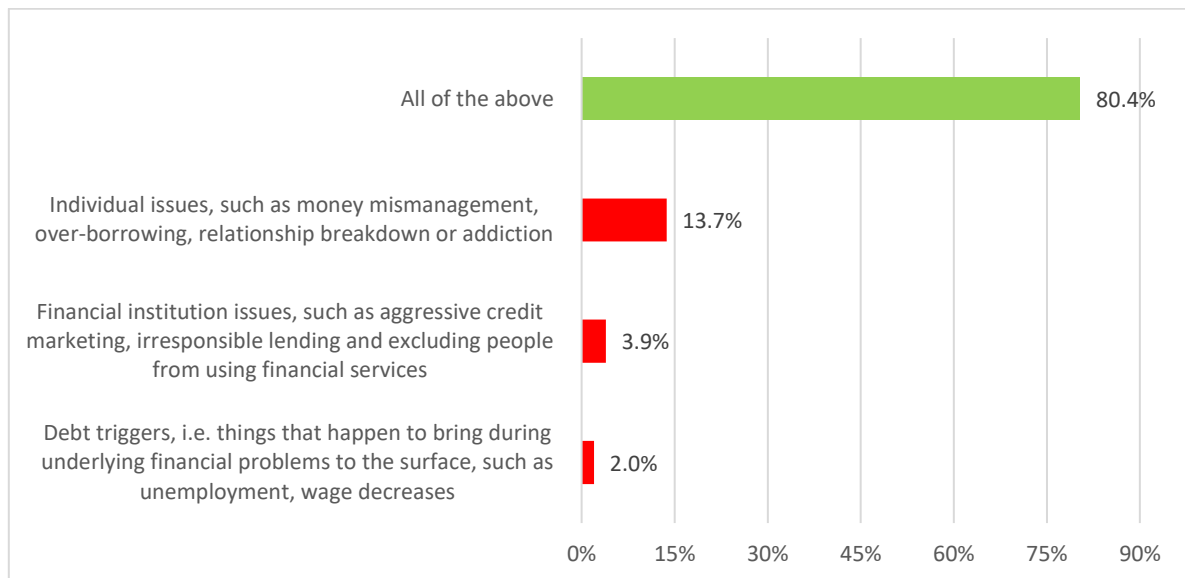




All of the survey respondents from Spain, Hungary, and Romania, and the majority of respondents from Greece (78.9%), Poland (71.4%) and Italy 55.6% have answered the question “What is the key dimension to understanding why and how debt problems (in general ‘over-indebtedness’) occur at the individual/household level?” correctly and picked the response “All of the above”.

Among all the respondents, the majority of the respondents (80.4%) have answered the question correctly, while the remaining 19.6% of the respondents have picked the less correct responses. More information on the question and the options is provided in the graph below.

**Figure 21 Q8. What is the key dimension to understanding why and how debt problems (in general ‘over-indebtedness’) occur at the individual/household level? (Only one option can be selected)**



Only a few of the respondents (from one to two) have provided incorrect replies to the statements that were listed in question 9. More information regarding the statements and the responses is provided below.

**Table 4 Q9. Do you agree with the following statements? (Only one option can be selected for each statement)**

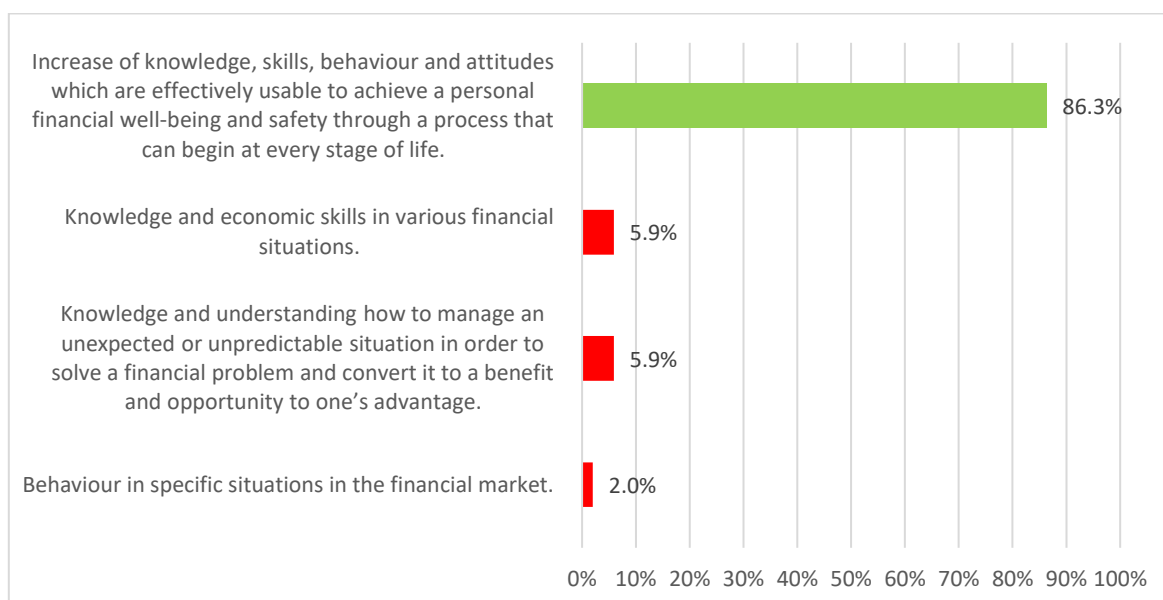
	Yes	No
The debt advice/counselling must respond to the client’s needs and may vary depending on each client’s needs.	98.0%	2.0%
The debt advisor/counsellor can force the client to agree to things they do not want to.	0%	100.0%
The debt advisors/counsellors need to be independent.	100.0%	0%
Any information cannot be released without the client’s express permission.	98.0%	2.0%
The credibility of the organisations providing debt-advice among the public/creditors/legal system/third parties is useful for their work.	100.0%	0%
Although there is neither a legal nor a moral obligation of a systematic evaluation of the activities performed by debt-advisors, regular verification of their work contributes positively to its efficiency and credibility.	96.1%	3.9%

### 4.3 Questions on financial education

The majority of the respondents from all six Member States have picked the correct definition when asked to select the statement that would best describe the concept of financial education and picked the statement – “Increase of knowledge, skills, behaviour, and attitudes which are effectively usable to achieve a personal financial well-being and safety through a process that can begin at every stage of life”. All of the respondents from Hungary, Poland, and Romania have picked a correct statement, while respondents from Spain (92.3%), Greece (78.9%), and Italy (77.8%) had lower success rates.

Among all the respondents, the majority of the respondents (86.3%) have answered the question correctly, while the remaining 13.7% of the respondents have picked the incorrect responses. More information on the question and the options is provided in the graph below.

**Figure 22 Q10. Please select, among the following statements (all of them correct) the statement that best and more in-depth describes the concept of financial education. (Only one option can be selected)**



Question 11, similarly to the first round, turned out to be one of the most difficult to answer for the respondents as most of the learning outcomes were not correctly assigned to appropriate elements by the majority of the respondents from all six Member States. Nevertheless, both of the respondents from Hungary, the respondent from Romania, and the majority of the respondents from Poland (66.7%) have managed to correctly assign financial planning and budgeting as an element of financial skill. Similarly, the majority of the respondents from Poland (57.1%) have assigned the process of making financial choices as an element of financial attitude, and most of the respondents from Spain (53.8%) have correctly assigned the knowledge of how to raise an emergency fund as an element of financial knowledge

Among all the respondents, none of the statements were assigned completely correctly to learning outcomes by the majority of the respondents. Only seven respondents have assigned the process of solving financial problems as an element of financial attitude. While around one third of the respondents have correctly assigned the processes of making financial choices, financial planning and budgeting, and how to raise an emergency fund to appropriate elements of financial literacy. Survey respondents once

again were unable to correctly assign learning outcomes to the appropriate elements of financial skills signifying that additional training in financial literacy of debt advisors is advisable in order to improve the quality of services that debt advisors provide. More information about the selections of the respondents is provided in the table below.

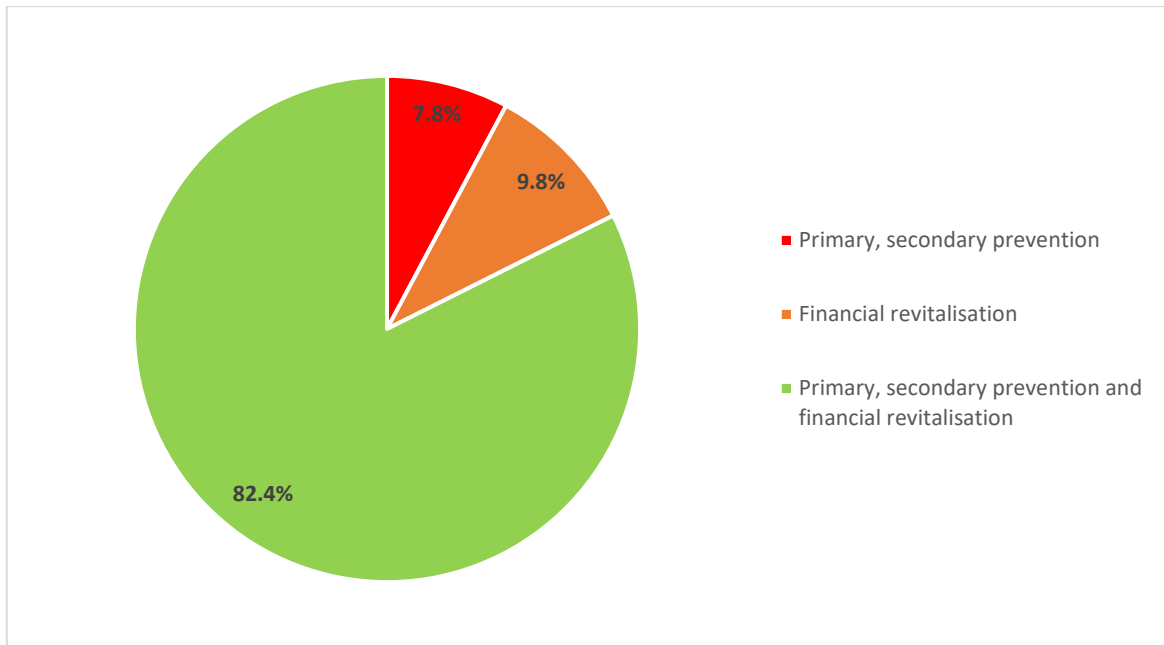
**Table 5 Q11. Please assign the following learning outcomes to the four elements of financial literacy – financial knowledge, skills, attitude and behaviour. (Only one option can be selected for each statement)**

	Financial knowledge	Financial skill	Financial attitude	Financial behaviour
Functioning in the financial environment	52.0%	22.0%	10.0%	16.0%
How to cope with financial shortfall	25.5%	41.2%	11.8%	21.6%
How to save money	28.0%	20.0%	26.0%	26.0%
Making financial choices	27.5%	15.7%	33.3%	23.5%
Financial planning and budgeting	26.0%	34.0%	30.0%	10.0%
Solving financial problems	31.4%	43.1%	13.7%	11.8%
Resource oriented debt counselling	37.3%	13.7%	23.5%	25.5%
How to raise an emergency fund	32.0%	48.0%	8.0%	12.0%

All respondents from Hungary and Romania have answered the question “A debt advisor can play an active role in?” correctly and picked the option “Primary, secondary prevention and financial revitalisation” followed by the majority of respondents from Spain (92.3%), Poland (85.7%), Greece (78.9%), and Italy (66.7%).

Among all the respondents, the majority (82.4%) has answered the question “A debt advisor can play active role in?” correctly and picked the option “Primary, secondary prevention, and financial revitalisation”, while the remaining 17.6% have picked options that were not correct. More information on the question and the responses is provided in the graph below.

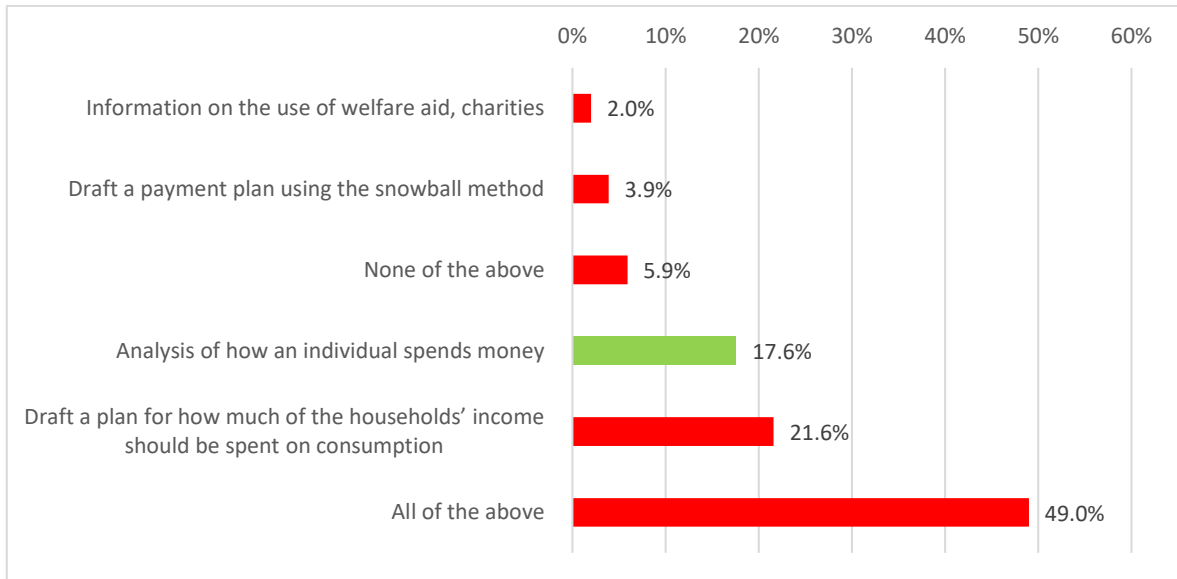
**Figure 23 Q12. A debt advisor can play an active role in: (Only one option can be selected)**



Similarly to question 11, the question – “Which of the following is an example of primary prevention?” turned out to cause difficulties to the respondents as well. None of the respondents from Spain (13), Hungary (2), and Romania (1) have picked the correct option, while four respondents from Italy (44.4%), three from Poland (42.9%), and two from Greece (10.5%) have responded correctly and picked option “Analysis of how an individual spends money”.

Among all the respondents, only 17.6% of the respondents chose the correct answer (Analysis of how an individual spends money), while the remaining 82.4% have picked options that were not correct. The most popular option by the respondents was “All of the above” which collected 49% of the responses. Just as in the first round of the knowledge questionnaire in May, this question proved to be too difficult to answer for the majority of the survey respondents as primary prevention is strictly associated with the analysis of how individuals spend money. Participants were unaware of this information which implies that further training on financial literacy of debt advisors is advisable.

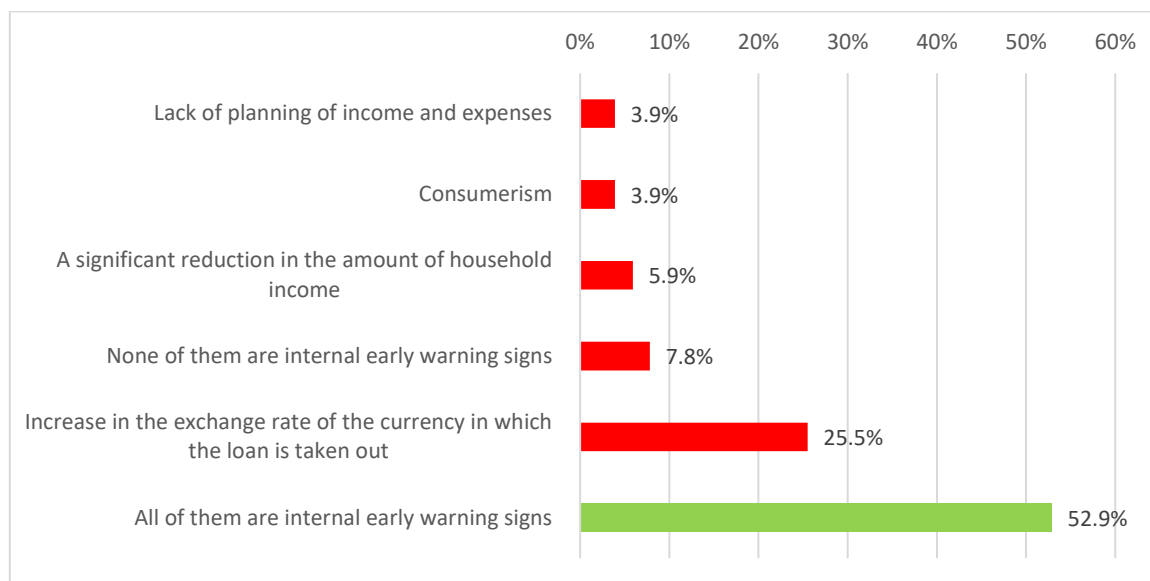
**Figure 24 Q13. Which of the following is an example of primary prevention? (Only one option can be selected)**



The respondent from Romania and the majority of respondents from Spain (69.2%), Poland (57.1%) and Italy (55.6%) have answered the question “What is NOT considered an internal early warning sign that an advisor can use to assess a household’s financial condition for emerging threats?” correctly and picked the option “All of them are internal early warning signs”. Half of the respondents from Hungary (1), and the majority of the survey respondents from Greece (36.8%) have picked incorrect options to this question.

Among all the respondents, the majority of them (52.9%) have answered the question correctly and picked the option – “All of them are internal early warning signs”, while the remaining 47.1% have selected wrong options. Similarly to the first round of the knowledge questionnaire conducted in May, this question was difficult to answer for a large share of participants as they were of the opinion that some of these indicators are not considered as early warning signs.

**Figure 25 Q14. What is NOT considered an internal early warning sign that an advisor can use to assess a household's financial condition for emerging threats? (Only one option can be selected)**



Among all respondents, all of the statements were assessed correctly by the majority of respondents. While 21.6% of the respondents have incorrectly disagreed with the idea that financial education should mitigate a process of increasing insolvency, nine respondents have incorrectly disagreed with the idea that lack of basic financial knowledge might hinder the advisor's communication with the client and incorrectly agreed with the idea that the client does not have to have the basic financial terms explained to them in order to take corrective action. For other statements, at least 84% of the survey respondents have picked the correct options.

**Table 6 Q15. Do you agree with the following statements on financial education and financial literacy? (Only one option can be selected for each statement)**

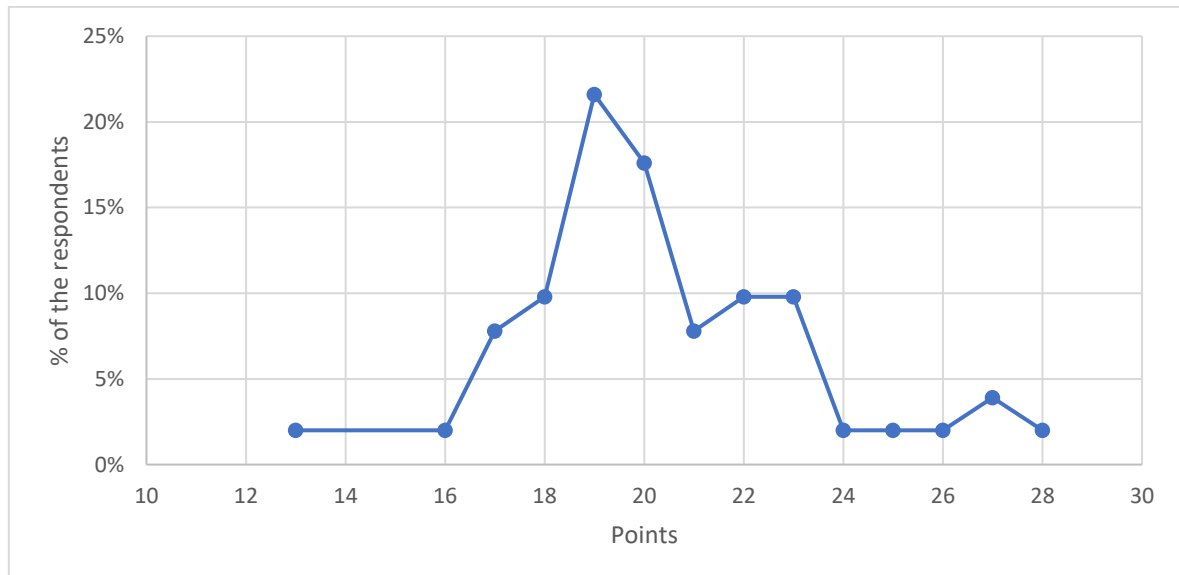
	Yes	No
Lack of basic financial knowledge might hinder the advisor's communication with the client.	82.4%	17.6%
The client does not have to have the basic financial terms explained to them in order to take corrective action.	18.0%	82.0%
Financial education aims to increase the client's self-confidence in order not to be afraid of dealing with a financial institution, creditor or debt collector, asking the questions and understanding the answers.	98.0%	2.0%
Financial education should mitigate a process of increasing insolvency.	78.4%	21.6%
Financial education in the counselling process should only focus on the area in which the client is seeking counselling.	15.7%	84.3%
Increasing financial literacy of a person is sufficient enough to resolve their over-indebtedness.	8.0%	92.0%

## 4.4 Summary

Just like in the first round of the knowledge questionnaire, the respondents were able to receive thirty-one points from the survey (one point for each correct answer). Twenty points were the most common result for the respondents from Italy (33.3%), while nineteen points were the most common result among the respondents from Greece (36.8%) and Spain (23.1%). The respondent from Romania has scored eighteen points, while the results from the respondents from Hungary and Poland have varied from 18 to 26 points. On average, respondents from Hungary (23 points) and Poland (22 points) have had the highest scores followed by the respondents from Greece, Italy and Spain (20 points each), and the respondent from Romania who has scored 18 points.

While none of the respondents were able to collect 31 points, a participant from Greece was quite close and managed to receive 28 points. Among all respondents, 19 points were the most common result as 21.6% of the respondents have received it, while 20 points were the average among all the respondents. More information about the results of the respondents is available in the graph below.

**Figure 26 Results of the Questionnaire on retained knowledge from the second set of training in June**

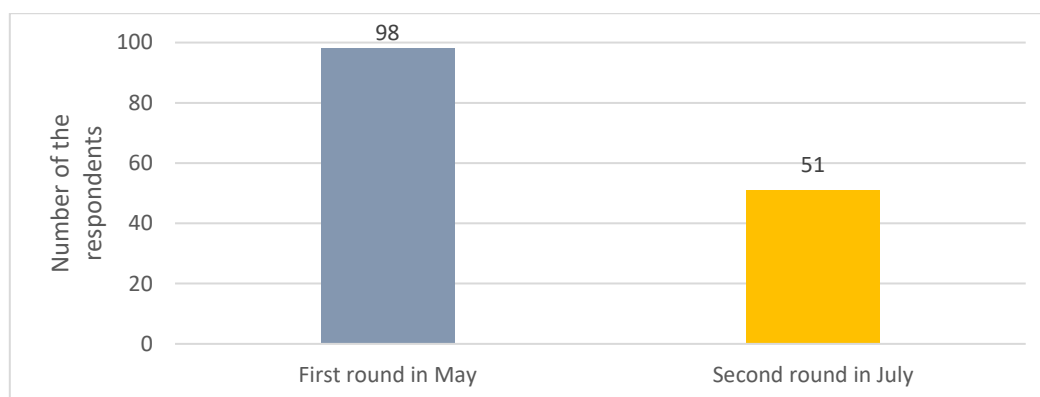


## 5 Comparison of results and recommendations

### 5.1 Comparison of results

Although the participation rate in both sets of training has been fairly similar<sup>3</sup>, participation in the first round of the questionnaire in May was almost two times higher. In May, the knowledge questionnaire has received 98 complete responses, while in July that number has decreased to 51. Some of the participants have mentioned that they would go on their summer holidays immediately after the second set of training has finished, partially explaining the lower participation in the second round of the questionnaire. As the response rate of the second set of trainings satisfaction survey also decreased, it is possible that some of the participants may have felt disengaged with the trainings once they were over.

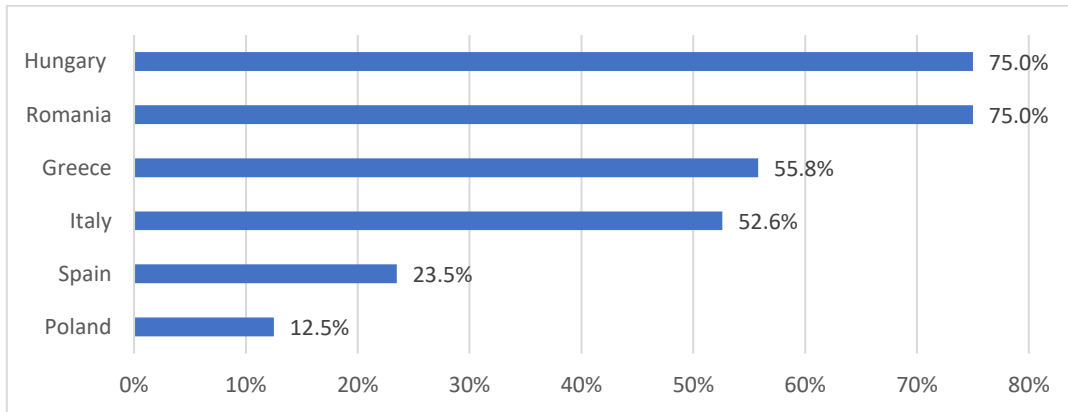
**Figure 27** Number of complete responses to the questionnaire



The participation rate has dropped from the respondents among all six Member States. The highest change has been among the respondents from Hungary (from eight to two respondents), and Romania (from four to one participant), followed by the respondents from Greece (from 42 to 19 respondents), and Italy (from 19 to 9 respondents). The participation rate has remained relatively stable among the respondents from Poland (from 8 to 7 respondents), and Spain (from 17 to 13 respondents). Share of the changes in the participation among the respondents in percentages is provided in the graph below.

<sup>3</sup> With 125 participants in the first set of training in April, and 115 participants in the second set of training in June.



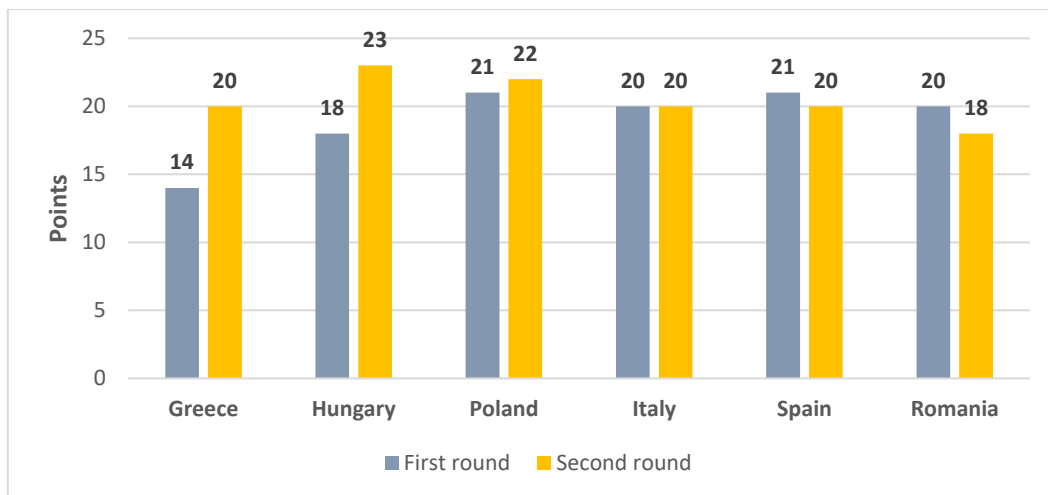
**Figure 28 Decrease of the participation by the Member State**

In the section on debt-advice, responses from the respondents were very similar in both rounds of the questionnaire. There were very few differences between the results from the respondents. In question 7, respondents were asked “Which of the following is NOT considered an ethical principle in debt-advice provision?”, during the first round of the knowledge questionnaire, the majority of the respondents (51%) have picked incorrect options, while during the second round of the knowledge questionnaire, the majority of the respondents (52.9%) have answered the question correctly and picked the correct option of “Keeping creditors informed about every communication with the client”.

Similarly, regarding the questions on financial education, responses from the respondents were very alike as well. The only noticeable difference in results can be observed when analysing the results of question 11 – “Please assign the following learning outcomes to the four elements of financial literacy – financial knowledge, skills, attitude, and behaviour”. During the first round, respondents have correctly assigned 21.4% of the learning outcomes to the appropriate element of financial literacy (financial knowledge, skills, attitude and behaviour), while in the second round, the success rate has increased to 26.5%.

Overall, final results from both rounds were very similar. Although the most common result (mean) among all the respondents has decreased from 20 to 19 points when comparing the two rounds, the average result has increased from 19 to 20 points. Respondents from Greece (by six), Hungary (by five), and Poland (by one) have increased their average results, whereas averages from the respondents from Romania (by two), and Spain (by one) have decreased. Respondents from Italy had a 20-point average during both of the rounds of the knowledge questionnaire. More information on the average results from the respondents by the Member State is provided in the graph below.

**Figure 29 Average results from the respondents by the Member State**



## 5.2 Recommendations

Even though there was a very minor increase when comparing the average results of both sets, results from the first and second rounds of the knowledge questionnaire are very similar. Most importantly, the part on financial literacy and education has proved to be considerably more difficult to handle than questions on debt-advice in both rounds of the questionnaire. In addition, some questions on debt-advice, in particular the roles of debt advisors and the differences between debt-advice and credit services together with the ethical principles in debt-advice have also proved to be difficult to some of the respondents. Nevertheless, the results from the part on debt-advice have been fairly positive when compared to the results on financial literacy and education.

The questionnaire was based on the content of the Training Handbook prepared for the first set of trainings. The Handbook was disseminated to the participants one week before the training commenced so that they would have time to read through it. Additionally both the Handbook and the knowledge questionnaire were translated to the six languages of the participating countries (Greek, Hungarian, Italian, Polish, Romanian and Spanish) to ensure that even the participants who have limited knowledge of English are able to take part. Given that the participating countries were chosen due to debt-advice being sporadically provided or completely lacking in their countries. The somewhat low level of correct answers could be ascribed to some of the participants not being familiar with the terminology and needing more time to study the different concepts. Of course it is also possible that there were some inconsistencies in the translations even though utmost care went into ensuring that this would not occur.



Given the analysis of the results, it is clear that further activities, including training, are needed in order to improve the quality of debt-advice services in the selected Member States. In particular, further efforts in improving the financial literacy of debt advisors would be beneficial as the results of the knowledge questionnaire proved that some debt advisors may lack expertise and knowledge in this area. Further training and initiatives should be organised to tackle this issue. Trainings could include presentations on financial literacy as well as exercises that participants would be required to complete online which would be based on reading materials provided online. More emphasis should be put on studying the theory of financial literacy and education as well as providing practical examples of how this knowledge could be useful in daily debt-advice work. Furthermore, to foster continuous learning, establishing the European network of debt-advice professionals would be very useful. Such network could provide further trainings to its members and above all would serve as a forum for knowledge and

experience exchange so that debt-advice professionals are able to learn from each other.

In addition, considering the reduced participation rate in the second round of the knowledge questionnaire, it is certain that additional efforts and considerations need to be taken to ensure the level of participation is similar in both rounds for comparability purposes and in order to track the progress of training participants. Although the number of participants in the first and second set of training was fairly similar, the number of survey respondents has dropped significantly. When implementing similar exercises which require assessing the potential improvement in participants' knowledge, it is essential to ensure higher motivation from the participants to complete this exercise both times. Initiatives to counter this issue could be as follows:

- Clearer communication to the participants on the need to fill in such questionnaire before, during and after the training;
- Additional sending of reminders to participate in the questionnaire if the participation rate is low;
- Avoid organising training activities just before or during the summer holiday period if possible;
- Make it a general requirement to participate in both sets of knowledge questionnaires to obtain the certificate of participation.

# Annex 1: Programme of the first set of training

 <b>TRAIN <i>the</i> TRAINERS Programme</b>		The live event forms part of the project on "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 <b>European Commission</b> Consumers, Health, Agriculture and Food Executive Agency and carried out by <b>VVA</b> and <b>CEPS</b> .				 <span>● Live Event</span>	
		#DebtAdviceEU					
April	Mon 19	Tue 20	Wed 21	Thu 22	Fri 23		
Modules	INTRODUCTION 4.5 h	RO (am) & HU (pm)	RO (am) & HU (pm)	ES (am) & PL (pm)	ES (am) & PL (pm)		
9.45 10.00	<b>PROJECT INTRO</b> European Commission	<b>HOUSEKEEPING RULES</b> Julia Rzepecka					
10.00 11.30	<b>BEST PRACTICES MODELS</b> Ireland by Gwen Harris France by Pauline Dujardin Denmark by Sandy Madar Germany by Dieter Korczak	<b>MODULE 1</b> Debt advisors and target groups RO By Sandy Madar	<b>MODULE 2</b> Financial education for debt advisors RO By Beata Świecka	<b>MODULE 1</b> Debt advisors and target groups ES By Sally Peters	<b>MODULE 2</b> Financial education for debt advisors ES By Dieter Korczak		
11.30 12.30	RO Rodica Apan HU Eszter Kantor (VVA) IT Michela De Marchi ES Carlos Zarco GR Apostolos Thomadakis PL Piotr Tokarczyk	<b>Breakout session</b> Moderated in RO	<b>Breakout session</b> Moderated in RO	<b>Breakout session</b> Moderated in ES	<b>Breakout session</b> Moderated in ES		
12.30 13.00	Feedback from the breakout and questions to experts Moderated by Julia Rzepecka	Discussion & feedback from the breakout RO	Discussion & feedback from the breakout RO	Discussion & feedback from the breakout ES	Discussion & feedback from the breakout ES		
13.00 14.00	Lunch break						
14.00 15.00	<b>INTRODUCTION TO ETHIC PRINCIPLES</b> By Sandy Madar						
15.00 16.30	15 m	<b>RECAP AND NEXT STEPS</b>	<b>MODULE 1</b> Debt advisors and target groups HU By Sally Peters	<b>MODULE 2</b> Financial education for debt advisors HU By Dieter Korczak	<b>MODULE 1</b> Debt advisors and target groups PL By Gwen Harris	<b>MODULE 2</b> Financial education for debt advisors PL By Ewa Kruk	
16.30 17.30			<b>Breakout session</b> Moderated in HU	<b>Breakout session</b> Moderated in HU	<b>Breakout session</b> Moderated in PL	<b>Breakout session</b> Moderated in PL	
17.30 18.00			Discussion & feedback from the breakout HU	Discussion & feedback from the breakout HU	Discussion & feedback from the breakout PL	Discussion & feedback from the breakout PL	






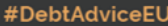
April	Mon 26	Tue 27	Wed 28	Thu 29	Fri 30
Modules	IT (am)	IT (am) & GR (pm)	GR (am)	NO COURSE	PROGRAMME CONCLUSION & SUMMARY
9.45 10.00				15 m	<b>WELCOME AND INTRODUCTION</b>
10.00 11.30	<b>MODULE 1</b> Debt advisors and target groups IT By Gwen Harris	<b>MODULE 2</b> Financial education for debt advisors IT By Beata Świecka	<b>MODULE 2</b> Financial education for debt advisors GR By Ewa Kruk	45 m	<b>FINANCIAL LITERACY: HOW IT IS DONE IN OTHER COUNTRIES?</b>  Dilemme Education by Simon Douboué (Cresus)   Austrian Financial driver's licence (ÖO Finanzführerschein) by Thorsten Rathner   The Financial Literacy Museum in Vienna by Philip Hans
11.30 12.30	Breakout session Moderated in IT	Breakout session Moderated in IT	Breakout session Moderated in GR	1 h	<b>EMOTIONAL SUPPORT FOR PEOPLE EXPERIENCING FINANCIAL DIFFICULTY</b> by Simon McNair
12.30 13.00	Discussion & feedback from the breakout IT	Discussion & feedback from the breakout IT	Discussion & feedback from the breakout GR	1 h	<b>INFLUENCING CHANGE AS ONE VOICE #ALLINTHISTOGETHER</b> Moderated by Sandy Madar
13.00 15.00				15 m	<b>PROGRAMME CLOSE</b> European Commission
15.00 16.30		<b>MODULE 1</b> Debt advisors and target groups GR By Sandy Madar			
16.30 17.30		Breakout session Moderated in GR			
17.30 18.00		Discussion & feedback from the breakout GR			

**LEGEND**

- Introduction/closing VVA & CEPS (EN with interpretations)
- Training provided by the core experts -all countries will participate (EN with interpretations)
- Parallel sessions moderated in the national language by national experts





# Annex 2: Programme of the second set of training

 <b>TRAIN <i>the</i> TRAINERS Programme</b>		The live event forms part of the project on "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 <b>European Commission</b> European Innovation Council and SMEs Executive Agency and carried out by <b>VVA</b> and <b>CEPS</b> .		  					
June	Mon 14	Tue 15		Wed 16		Thu 17	Fri 18		
Modules		ROMANIA		GREECE					
10.00 10.05	NO COURSE	OPENING REMARKS		OPENING REMARKS		NO COURSE	NO COURSE		
10.05 11.30		<b>MODULE 1</b> Ethical Principles in Practice  By Sandy Madar	Code of Ethics Questionnaire	<b>MODULE 2</b> Financial Education in Practice  By Dieter Korczak, Beata Swiecka, Ewa Kruk	Reference Budgets				
11.30 11.45	Coffee Break				Financial Literacy Questionnaire				
11.45 13.15	Real-life Cases				Real-life Cases				
13.15 14.15		Lunch Break		Lunch Break					
14.15 15.45		<b>MODULE 2</b> Financial Education in Practice  By Dieter Korczak, Beata Swiecka, Ewa Kruk	Reference Budgets	<b>MODULE 1</b> Ethical Principles in Practice  By Sandy Madar	Code of Ethics Questionnaire				
15.45 16.00	Coffee Break				Financial Literacy Questionnaire				
16.00 17.25	Coffee Break				Real-life Cases				
17.25 17.30	CLOSING REMARKS		CLOSING REMARKS						

**LEGEND**

- Introduction/closing VVA & CEPS (EN with interpretations)
- Training provided by the core experts -all countries will participate (EN with interpretations)
- Break

 Youtube

 LinkedIn

# TRAIN *the* TRAINERS Programme

The live event forms part of the project on "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 European Commission European Innovation Council and SMEs Executive Agency and carried out by VVA and CEPS.



Live Event

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June	Mon 21	Tue 22	Wed 23	Thu 24	Fri 25
Modules		POLAND	HUNGARY		
10.00 10.05	NO COURSE	OPENING REMARKS	OPENING REMARKS	NO COURSE	NO COURSE
10.05 11.30	<b>MODULE 1</b> Ethical Principles in Practice  By Gwen Harris	Code of Ethics Questionnaire	<b>MODULE 2</b> Financial Education in Practice  By Dieter Korczak, Beata Swiecka, Ewa Kruk	Reference Budgets	
11.30 11.45		Coffee Break		Financial Literacy Questionnaire	
11.45 13.15		Real-life Cases		Coffee Break	
13.15 14.15	Lunch Break		Lunch Break		
14.15 15.45	<b>MODULE 2</b> Financial Education in Practice  By Dieter Korczak, Beata Swiecka, Piotr Tokarczyk	Reference Budgets	<b>MODULE 1</b> Ethical Principles in Practice  By Sally Peters	Code of Ethics Questionnaire	
15.45 16.00		Coffee Break		Financial Literacy Questionnaire	
16.00 17.25		Coffee Break		Real-life Cases	
17.25 17.30		Real-life Cases			
		CLOSING REMARKS	CLOSING REMARKS		

**LEGEND**

- Introduction/closing VVA & CEPS (EN with interpretations)
- Training provided by the core experts -all countries will participate (EN with interpretations)
- Break

Youtube

LinkedIn

# TRAIN *the* TRAINERS Programme

The live event forms part of the project on "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 European Commission, European Innovation Council and SMEs Executive Agency and carried out by VVA and CEPS.



**Live Event**

#DebtAdviceEU

June	Mon 28	Tue 29	Wed 30	
Modules	ITALY	SPAIN	PROGRAMME CONCLUSION & SUMMARY (ALL COUNTRIES)	
10.00 - 10.05	OPENING REMARKS		WELCOME AND INTRODUCTION	
10.05 - 11.30	<b>MODULE 2</b> Financial Education in Practice  By Dieter Korczak, Beata Swiecka, Piotr Tokarczyk	<b>MODULE 1</b> Ethical Principles in Practice  By Sally Peters	Emotional Support By Money Advice Trust	
11.30 - 11.45			Code of Ethics Questionnaire	Coffee Break
11.45 - 13.15			Reference Budgets	Real-life Cases
13.15 - 14.15			Financial Literacy Questionnaire [1h]	Real-life Cases
14.15 - 15.45	Lunch Break		PROGRAMME CLOSE [15 min]	
15.45 - 16.00	<b>MODULE 1</b> Ethical Principles in Practice  By Gwen Harris	<b>MODULE 2</b> Financial Education in Practice  By Dieter Korczak, Beata Swiecka, Piotr Tokarczyk	Coffee Break	
16.00 - 17.25			Code of Ethics Questionnaire	Financial Literacy Questionnaire
17.25 - 17.30			Real-life Cases	Real-life Cases
17.30 - 17.30			Real-life Cases	Real-life Cases
17.25 - 17.30	CLOSING REMARKS			

**LEGEND**

- Introduction/closing VVA & CEPS (EN with interpretations)
- Training provided by the core experts - all countries will participate (EN with interpretations)
- Break

[Youtube](#) [LinkedIn](#)



## Annex 3: Quiz on retained knowledge

Dear respondents,

Thank you for participating in the Train the Trainers Programme – April/June 2021. This quiz is designed to assess your knowledge related to debt-advice issues before and after having received the training.

### Background questions

1. Which country are you from?
  - a. Greece
  - b. Hungary
  - c. Italy
  - d. Poland
  - e. Romania
  - f. Spain
2. Which type of organisation do you represent? [Only one option can be selected]
  - a. Non-governmental organisation (e.g. church, charity, humanitarian or other social organisation etc.)
  - b. Consumer organisation
  - c. Public authority (e.g. local/regional government, public authority/body)
  - d. Publicly funded organisations that are not part of the public administration
  - e. Private professionals
3. Is your organisation already providing debt advice to consumers? [Only one option can be selected]
  - a. Yes, more than 10 years
  - b. Yes, between 5-10 years
  - c. Yes, less than 5 years
  - d. No
  - e. Other

### Debt-advice

4. What is the difference between debt-advice (or debt counselling or money advice) on the one hand, and the various activities that are generally defined as "credit service"? [Only one option can be selected]
  - a. **Debt-advice is aimed at helping the debtor to recuperate from his/her difficulties while maintaining a decent level of life, while credit service is aimed at helping the creditor to recuperate its credits to the largest possible extent.**
  - b. Debt-advice is provided by Charities or other non-for-profit institutions but never by professionals as those only provide credit service.
  - c. Credit service is in favour of the interests of the creditor while debt-advice is in favour of the interests of the debtor.
  - d. Debt-advice is provided to prevent excessive debts while credit service is provided to choose the most convenient loans.
  - e. There are no real differences.
5. Which of the following statements are true about debt advisers? [Multiple answers possible]
  - a. They are more interested in the debt rather than the debtor.
  - b. **They are interested in liability and enforceability of the debt.**

- c. **They should treat the debtor with respect and dignity.**
  - d. They would like to have the debt settled as soon as possible.
  - e. **They are expert professionals, even when they provide debt-advice as volunteers.**
6. What is the most important aspect in the debt-advice/counselling process? [Only one option can be selected]
- a. The knowledge of the provider
  - b. The variety of suggested solutions
  - c. **The individual requiring assistance, i.e. the client**
7. Which of the following is NOT considered an ethical principle in debt-advice provision? [Only one option can be selected]
- a. Operating in accordance with agreed standards and procedures
  - b. **Keeping creditors informed about every communication with the client**
  - c. Keeping clients (and where appropriate creditors) informed of case developments
  - d. Not taking any action on a client's behalf without their express permission
  - e. Presenting accurate information to creditors and third parties
8. What is the key dimension to understanding why and how debt problems (in general 'over-indebtedness') occur at the individual/household level? [Only one option can be selected]
- a. Societal issues, such as poverty, disadvantage and inequality
  - b. Financial institution issues, such as aggressive credit marketing, irresponsible lending and excluding people from using financial services
  - c. Individual issues, such as money mismanagement, over-borrowing, relationship breakdown or addiction
  - d. Cultural issues, such as how previous generations or peer groups manage money
  - e. Debt triggers, i.e. things that happen to bring during underlying financial problems to the surface, such as unemployment, wage decreases
  - f. **All of the above**
  - g. None of the above
9. Do you agree with the following statements: [Only one option can be selected for each statement]

	Yes	No
<b>The debt advice/counselling must respond to the client's needs and may vary depending on each client's needs.</b>	X	
The debt advisor/counsellor can force the client to agree to things they do not want to.		X
<b>The debt advisors/counsellors need to be independent.</b>	X	
<b>Any information cannot be released without the client's express permission.</b>	X	
<b>The credibility of the organisations providing debt-advice among the public/creditors/legal system/third parties is useful for their work.</b>	X	
<b>Although there is neither a legal nor a moral obligation of a systematic evaluation of the activities performed by debt-advisors, a regular verification of their work contributes positively to its efficiency and credibility.</b>	X	

## Financial education

10. Please select, among the following statements (all of them correct) the statement that best and more in-depth describes the concept of financial education. [Only one option can be selected]
- Knowledge and understanding how to manage an unexpected or unpredictable situation in order to solve a financial problem and convert it to a benefit and opportunity to one's advantage.
  - Increase of knowledge, skills, behaviour and attitudes which are effectively usable to achieve a personal financial well-being and safety through a process that can begin at every stage of life**
  - Knowledge and economic skills in various financial situations.
  - Behaviour in specific situations in the financial market.
11. Please assign the following learning outcomes to the four elements of financial literacy – financial knowledge, skills, attitude and behaviour. [Only one option can be selected for each statement]

	Financial knowledge	Financial skills	Financial attitude	Financial behaviour
Functioning in the financial environment.		X		
How to cope with financial shortfall	X			
How to save money	X			
Making save financial choices			X	
Financial planning and budgeting		X		
Solving financial problems			X	
Resource oriented debt counselling				X
How to raise an emergency fund	X			

12. A debt advisor can play active role in: [Only one option can be selected]
- Primary, secondary prevention.
  - primary, secondary prevention and financial revitalisation.**
  - Financial revitalisation.
13. Which of the following is an example of primary prevention? [Only one option can be selected]
- Information on the use of welfare aid, charities [Secondary prevention]
  - Analysis of how an individual spends money**
  - Draft a payment plan using the snowball method [Secondary prevention]

- d. Draft a plan for how much of the households' income should be spent on consumption [Financial revitalisation]
  - e. All of the above
  - f. None of the above
14. What is **NOT** considered an internal early warning sign that an advisor can use to assess a household's financial condition for emerging threats? [Only one option can be selected]
- a. A significant reduction in the amount of household income [operational internal EWS]
  - b. Lack of planning of income and expenses [strategic internal EWS]
  - c. Consumerism [behavioural internal EWS]
  - d. Increase in the exchange rate of the currency in which the loan is taken out [Operational internal EWS]
  - e. All of them are internal early warning signs**
15. Do you agree with the following statements on financial education and financial literacy? [Only one option can be selected for each statement]

	Yes	No
<b>Lack of basic financial knowledge might hinder the advisor's communication with the client.</b>	X	
The client does not have to have the basic financial terms explained to them in order to take corrective action.		X
<b>Financial education aims to increase the client's self-confidence in order not to be afraid of dealing with a financial institution, creditor or debt collector, asking the questions and understanding the answers.</b>	X	
<b>Financial education should mitigate a process of increasing insolvency.</b>	X	
Financial education in the counselling process should only focus on the area in which the client is seeking counselling.		X
Increasing financial literacy of a person is sufficient enough to resolve their over-indebtedness.		X



