



Procedure file

Basic information	
INI - Own-initiative procedure	2007/2288(INI)
Procedure completed	
Protecting the consumer: improving consumer education and awareness on credit and finance	
Subject	
2.50.04 Banks and credit	
4.60.06 Consumers' economic and legal interests	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	IMCO Internal Market and Consumer Protection		21/11/2007
		PSE IOTOVA Iliana	
	Committee for opinion	Rapporteur for opinion	Appointed
	ECON Economic and Monetary Affairs (Associated committee)		11/12/2007
		PPE-DE GAUZÈS Jean-Paul	
European Commission	Commission DG	Commissioner	
	Health and Food Safety	KUNEVA Meglena	

Key events			
13/12/2007	Committee referral announced in Parliament		
13/12/2007	Referral to associated committees announced in Parliament		
07/10/2008	Vote in committee		Summary
14/10/2008	Committee report tabled for plenary	A6-0393/2008	
17/11/2008	Debate in Parliament		
18/11/2008	Results of vote in Parliament		
18/11/2008	Decision by Parliament	T6-0539/2008	Summary
18/11/2008	End of procedure in Parliament		

Technical information	
Procedure reference	2007/2288(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54; Rules of Procedure EP 54-p4
Stage reached in procedure	Procedure completed
Committee dossier	IMCO/6/57205

Documentation gateway					
Committee draft report		PE407.783	05/06/2008	EP	
Amendments tabled in committee		PE409.542	07/07/2008	EP	
Committee opinion	ECON	PE407.809	17/09/2008	EP	
Committee report tabled for plenary, single reading		A6-0393/2008	14/10/2008	EP	
Text adopted by Parliament, single reading		T6-0539/2008	18/11/2008	EP	Summary
Commission response to text adopted in plenary		SP(2009)400	10/03/2009	EC	

Protecting the consumer: improving consumer education and awareness on credit and finance

The Committee on the Internal Market and Consumer Protection adopted an own-initiative report drafted by Iliana Malinova IOTOVA (PES, BG) on protecting the consumer: improving consumer education and awareness on credit and finance.

The report notes that the 'sub-prime mortgage' crisis illustrates not only the dangers of inadequate information for borrowers but also the lack of understanding and knowledge of such information leading to consumers being insufficiently concerned about the risks of insolvency and excessive debt. Raising the level of financial literacy of consumers should be a priority for policymakers both at Member State and at European level.

For MEPs, the objective of educating and raising the awareness of consumers as regards finance and credit is to improve consumers' awareness of economic and financial realities with a view to understanding economic commitments and avoiding unnecessary risk, excessive debt and financial exclusion. Training and the provision of information should allow consumers to take an independent approach, based on their own judgement, to the financial products that are offered to them or that they are considering using.

The Commission is invited, in cooperation with the Member States, to develop, at EU level, educational programmes in the field of personal finances, based on common rules and principles which can be adapted to the needs of, and applied in, all Member States, setting benchmarks and promoting the exchange of best practice.

The report recommends that financial education schemes focus on important life-planning aspects such as basic saving, debt, insurance and pensions. Moreover, to be efficient, the financial education programmes must be tailored to the needs of specific target groups (and, where appropriate, personalised) according to a mix of criteria such as age, income and level of education.

MEPs call on the Commission to:

- increase budget line 17 02 02 to finance activities at EU level aiming at improving consumers' financial education and financial literacy;
- contribute to raising awareness at EU level through supporting the organisation of national and regional conferences, seminars, media and awareness campaigns as well as educational programmes with cross-border participation, in particular in the field of retail financial services and household credit/debt management;
- further develop and upgrade the Dolceta website and to provide this service in all official languages and include a link to the online database it intends to set up of existing regional and national financial education schemes;
- set up information campaigns in order to raise the awareness of consumers of their rights under EU legislation in the sphere of the provision of financial services.

The report encourages the Member States to:

- include financial education in the primary and secondary school programmes developed by the competent institutions,
- pay special attention to the educational needs of pensioners and persons at the end of their professional career, who may be at risk of financial exclusion, and also to young people starting their professional career who are faced with the challenge of determining how to make appropriate use of their new income;
- establish a network for financial education in which both the public and private sector take part, and to encourage cooperation and dialogue between all actors;
- set up training programmes in economics and financial services for social workers, since they are in contact with persons at risk of poverty or excessive debt.

Protecting the consumer: improving consumer education and awareness on credit and finance

The European Parliament adopted by 634 votes to 12 with 27 abstentions, a resolution on protecting the consumer: improving consumer education and awareness on credit and finance.

The own-initiative report had been tabled for consideration by Iliana Malinova IOTOVA (PES, BG) on behalf of the Committee on the Internal Market and Consumer Protection.

For MEPs, the 'sub-prime mortgage' crisis illustrates not only the dangers of inadequate information for borrowers but also the lack of understanding and knowledge of such information leading to consumers being insufficiently concerned about the risks of insolvency and excessive debt. The resolution states that raising the level of financial literacy of consumers should be a priority for policymakers both at

Member State and at European level.

Parliament welcomes the Commission initiatives in the field of the financial education of consumers, in particular the recent setting-up of the Expert Group on Financial Education, and its intention to publish an online database of financial education schemes and research in the EU. The Expert Group should have clear responsibilities and powers. It suggests that it be asked in particular to look into the added value of, and best practices in, EU financial education and cross-border financial services.

For MEPs, the objective of educating and raising the awareness of consumers as regards finance and credit is to improve consumers' awareness of economic and financial realities with a view to understanding economic commitments and avoiding unnecessary risk, excessive debt and financial exclusion. Training and the provision of information should allow consumers to take an independent approach, based on their own judgement, to the financial products that are offered to them or that they are considering using.

The Commission is invited, in cooperation with the Member States, to develop, at EU level, educational programmes in the field of personal finances, based on common rules and principles which can be adapted to the needs of, and applied in, all Member States, setting benchmarks and promoting the exchange of best practice.

The resolution recommends that financial education schemes focus on important life-planning aspects such as basic saving, debt, insurance and pensions. Moreover, to be efficient, the financial education programmes must be tailored to the needs of specific target groups (and, where appropriate, personalised) according to a mix of criteria such as age, income and level of education.

MEPs recognise the role of private initiatives, the financial services industry and consumer organisations at both Community and national level in defining the specific needs of target groups for financial education, in identifying the weaknesses and shortcomings of existing education schemes, and in providing financial information to consumers, including through internet-based tools media and educational campaigns, etc. for financial planning.

They stress the need for an ongoing two-way educational process for both sides, that is to say financial advisors and consumers, so as to ensure the provision of accurate information.

The Commission is invited to:

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