

Study on financial services provision and prevention
of financial exclusion

Austria

COUNTRY REPORT STAGE I:
QUESTIONNAIRE

Please, answer directly in the questionnaire

PRELIMINARY QUESTIONS

Q.1. Existence of financial exclusion problem, public debate and data

Q.1.1.1.: Is there a problem of financial exclusion in your country (in broad terms, for details see Q.2.)?

To answer this question, please refer to point 1 of the overview paper (OP) concepts and definitions

No

Yes (X)

Q.1.1.2.: If yes, please describe below whether this arises because financial services providers do not meet the needs of certain groups of people or whether there are some groups of people who choose not to use financial services (eg: because they think they would be inappropriate to their needs or they would be refused access) :

In Austria those groups of people are excluded from an access to financial services who are registered in the „Black List“, (for detailed information concerning the “Black List” cp. Q3.5.2).

Source: ASB Schuldnerberatungen GmbH, GP Forschungsgruppe, SKEF- Society for Promotion of Financial Education (PL) and Observatoire du Crédit de l'Endettement: Report on the Survey „Better access to financial services for people experiencing poverty and social exclusion”. Ref.No.: VS/2005/0363. Accounting No.: SI2.414444. not published p. 14.

Q.1.2.: Is there currently a public debate on financial exclusion in your country?

Yes (X)

No

Debate limited to specific issues or involving only few parts

Q.1.2.1.: If yes, please give brief details of what this covers:

On national level this topic is discussed in connection with consumer education and consumer protection

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Source: Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the Austrian debt advice centres, 2007.06.07.

Q.1.2.2.: If yes, who are the players involved in that debate in your country?

National government (X)

Regional government

Municipalities

Commercial financial service providers and their associations

Not-for profit financial service providers

Consumers' associations (X)

Academics

Non governmental agencies (X)

Others (describe): The Oesterreichische Nationalbank (OeNB)

Q.1.3.: What are the sources of data available related to the levels of financial exclusion (or to financial inclusion) in your country?

Please, send an electronic or paper version of all relevant the data/report(s) to RFA if not yet listed in the bibliography available on finincl.eu

Q.1.3.1.: Sources of data available related to overall levels of financial exclusion:

Official European data details on periodicity:

Official national data details on periodicity :

Official regional data details on periodicity :

Academic reports details on periodicity :

Financial sector reports details on periodicity :

Non governmental organization reports details on periodicity :

Others (describe) :

Specify how the exclusion is measured/estimated :

Q.1.3.2.: Sources of data available related to levels of banking (i.e. transactions) exclusion:

Official European data details on periodicity:

Official national data details on periodicity :

Official regional data details on periodicity :

Academic reports details on periodicity :

Financial sector reports details on periodicity :

Non governmental organization reports details on periodicity :

Others (describe) :

Specify how the exclusion is measured/estimated :

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Q.1.3.3.: Sources of data available related to levels of credit exclusion:

Official European data details on periodicity :
Official national data details on periodicity :
Official regional data details on periodicity :
Academic reports details on periodicity :
Financial sector reports details on periodicity :
Non governmental organization reports details on periodicity :
Others (describe) :

Specify how the exclusion is measured/estimated :

Q.1.3.4.: Sources of data available related to levels of savings exclusion:

Official European data details on periodicity :
Official national data details on periodicity :
Official regional data details on periodicity :
Academic reports details on periodicity :
Financial sector reports details on periodicity :
Non governmental organization reports details on periodicity :
Others (describe) :

Specify how the exclusion is measured/estimated :

Q.1.3.5.: Sources of data/statistics available related to use of financial services other than mentioned above:

Official European data details on periodicity :
Official national data details on periodicity :
Official regional data details on periodicity :
Academic reports details on periodicity :
Financial sector reports details on periodicity :
Non governmental organization reports details on periodicity :
Others (describe) :

NATIONAL CONTEXT OF FINANCIAL SERVICES

Q.2. Banking transactions

Q.2.1.: Is there a problem of financial exclusion regarding transaction of banking services in your country?

Refer to point 1.1.1. of OP

yes (X)

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no

Q.2.1.1.: Is the distinction between unbanked/marginally banked people relevant to your country?

*(Unbanked people are the people with no banking relationships at all
Marginally banked people are people with a deposit account that has no electronic payment facilities, no payment card or cheque book and no means of remitting money, OR people who do have these facilities but make little or no use of them.)*

Yes (X)

no

If that distinction is not relevant in your country, explain:

Q.2.1.2.: Are they people in your country that are

- Unbanked yes (X) no

- Marginally banked yes (X) no

- Informally served (*that for some services rely on alternative financial providers which charge high costs, offer little information and poor terms with reference to the consumer rights*)?

yes (X) no

Q 2.1.3.: Which types of banking service are there particular difficulties accessing (tick relevant boxes)?

- Receive regular electronic payment of funds such as wages, pensions or social assistance (X)

- Convert cheques or vouchers into cash (X)

- Store money safely until it needs to be withdrawn (X)

- Pay for goods and services other than in cash (X)

- Pay bills electronically (via self-banking or desk officer) (X)

- Make remittances (X)

- Receive regular bank account statements (X)

Q 2.1.4.: Which types of banking service are there particular difficulties to use (tick relevant boxes) ?

- Receive regular electronic payment of funds such as wages, pensions or social assistance

- Convert cheques or vouchers into cash

- Store money safely until it needs to be withdrawn

- Pay for goods and services other than in cash

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- Pay bills electronically (via self-banking or desk officer)
- Make remittances
- Receive regular bank account statements

Q.2.2.: Where do people go to access to those services if they are refused by/ have difficulties accessing/choose not to use mainstream providers?

Mainstream providers are all institutions legally recognized as banks: savings banks and postal banks and public owned banks may, in that respect, be considered as mainstream providers

Describe briefly:

- The kind of alternative providers existing in your country (not for profit and/or commercial providers) and (if possible) some indications of the number of customers and/or number of service outlets they have
- The kind of services they provide (cheque cashing, bill-payment, remittances services...)
- How their costs and terms and conditions differ from those in mainstream market commercial banks

In Austria the retail bank “Bank Austria” and some municipal or co-operative banks such as “Raiffeisen Bank” and “Erste Bank”) voluntarily provide accounts for over-indebted people without overdraft possibility. However there is no legal basis for that service, and most banks exclude these people.

Source: ASB Schuldnerberatungen GmbH, GP Forschungsgruppe, SKEF- Society for Promotion of Financial Education (PL) and Observatoire du Cr dit de l’Endettement: Report on the Survey on „Better access to financial services for people experiencing poverty and social exclusion”. Ref.No.: VS/2005/0363. Accounting No.: SI2.414444. not published p. 10.

The «Zweite Sparkasse» is a foundation which was initiated and financed by „Die Erste  sterreichische Spar-Casse Privatstiftung“ in 2006. The «Zweite Sparkasse» offers a credit account limited to three years with a bank customer card without overdraft possibility for people who have been caught in financial distress and who therefore do not dispose of an access to financial services anymore. The purpose of this limitation is that the offer is not supposed to be a permanent solution, but that it is the basis for a long-lasting correlation with the bank. The current account bears an interest of 0.5 per cent and is free of charge. Every three months a security deposit amounting to 9 Euros has to be paid in order to finance partly the costs for bank statements, transfers, standing orders and bank customer card as well as internet banking. This amount is returned to the customers at no interest. The precondition for opening such an account is that the people concerned are taken care of by the debt advice or the Caritas.

The «Zweite Sparkasse» is run by voluntary and retired staff of the «Erste Bank» in cooperation with social welfare facilities such as Caritas and the debt advices. In the

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beginning the project is limited to Vienna, however, it is supposed to be extended to the other federal States.

The «Zweite Sparkasse» has more than 300 customers (as of February 2007)

The Chamber of Working Staff assumes that 300.000 people do not dispose of a current account. The debt advice centers mention about 12.000 persons without an access to a current account, who are clients of debt advice centers.

People without a current account can effect cash remittances by a payment form. However, according to a test by the Chamber of Working Staff 13 credit institutions in Vienna demanded fees ranging from 0,75 to 5 Euros for this purpose in 2004, depending on whether the payment was effected through the bank of the beneficiary or by a third bank. On average, the fee for a transfer amounted to 1.35 €, when being paid directly to the account of the beneficiary or 2.91 € when being deposited in a third bank

Source:

- Seiser, Michaela: Die Sparkasse, die überflüssig werden will; Österreichs «Zweite Bank» vergibt Konten an Bedürftige. In: Frankfurter Allgemeine Zeitung. 22.02.2007, S. 18.
- DIE ERSTE österreichische Spar-Casse Privatstiftung: Die Bank für Menschen ohne Bank: <http://www.erstestiftung.org/press/archive/20061123+zweite/de>
- Kemmetmüller, Maria: Zweite Sparkasse am Start. In: ASB-Informationen Nr. 57. Wien 2007.
- Caritas Österreich: Neues Projekt von ERSTE BANK und Caritas. Bank für Menschen ohne Bank. In: http://www.caritas.at/presse/presse_183_1676.html (as of 26.05.2007).
- Arbeiterkammer: AK Test: Saftige Spesen bei Bareinzahlung mit Erlagschein (1) 11/2004. <http://www.arbeiterkammer.at/www-192-IP-18534.html>.
- Verein für Konsumenteninformation: "Zweite Sparkasse" in Wien eröffnet. Innovativ: Konten für schwer verschuldete Menschen. In: <http://www.konsument.at/konsument/detail.asp?category=Geld+%2B+Versicherung&cookie%5Ftest=1&id=29222&MSCSProfile=36A36B70A73B04F864DA720A1C0479B1C76277AFC3EB272D5893DBEF64ED84299DCBCCA7E216FA6438ACD3A9CBC51DF172CBB8F5A4CE2D671DB85F396AD8D3E6AF0F0A452382619343B5483D18E883FB8A7D642B12A39E52E24557CAF9EEE8B895C5D02FC3D11992C224B309A2A5AC0A0040A6427555C28D2200801B007908CDD84DA47392724E3>. (as of 25.05.2007).

Please give full details of data source(s) for our bibliography and briefly describe the findings:

Arbeiterkammer: AK Test: Saftige Spesen bei Bareinzahlung mit Erlagschein (1) 11/2004. <http://www.arbeiterkammer.at/www-192-IP-18534.html>.

In a test the costs for a cash transfer in 13 credit institutions in Vienna were compared in October, 2004.

Caritas Österreich: Neues Projekt von ERSTE BANK und Caritas. Bank für Menschen ohne Bank. In: http://www.caritas.at/presse/presse_183_1676.html (as of 26.05.2007).

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Report on the «Zweite Sparkasse»

DIE ERSTE österreichische Spar-Casse Privatstiftung: Die Bank für Menschen ohne Bank: <http://www.erstestiftung.org/press/archive/20061123+zweite/de>
Article on the foundation of the „Zweite Sparkasse“ in Vienna in November, 2006.

Kemmetmüller, Maria: Zweite Sparkasse am Start. In: ASB-Informationen Nr. 57. Wien 2007.
Article on the „Zweite Sparkasse“

Seiser, Michaela: Die Sparkasse, die überflüssig werden will; Österreichs «Zweite Bank» vergibt Konten an Bedürftige. In: Frankfurter Allgemeine Zeitung. 22.02.2007, S. 18.
Article on the „Zweite Sparkasse“

Verein für Konsumenteninformation: "Zweite Sparkasse" in Wien eröffnet. Innovativ: Konten für schwer verschuldete Menschen. In:
<http://www.konsument.at/konsument/detail.asp?category=Geld+%2B+Versicherung&cookie%5Ftest=1&id=29222&MSCSProfile=36A36B70A73B04F864DA720A1C0479B1C76277AFC3EB272D5893DBEF64ED84299DCBCCA7E216FA6438ACD3A9CBC51DF172CBB8F5A4CE2D671DB85F396AD8D3E6AF0F0A452382619343B5483D18E883FB8A7D642B12A39E52E24557CAF9EEE8B895C5D02FC3D11992CC224B309A2A5AC0A0040A6427555C28D2200801B007908CDD84DA47392724E3>. (as of 25.05.2007).
Report on the «Zweite Sparkasse»

Q.2.3. How important is the role of savings banks and/or postal banks in meeting the needs of people to access to those services?

Number of credit institutes in 2005

	Central institutions	branches
Aktienbanken und Bankiers	44	877
Savings banks sector	57	1.006
Landeshypothekenbanken	10	166
Raiffeisensektor	576	1704
Volksbankensektor	68	482
building societys	4	52
Sonderbanken	96	26
BWG-Zweigstellen ¹⁾	25	4
altogether	880	4.317

¹⁾ branches of foreign banks

Source:

- STATISTIK AUSTRIA. Bundesanstalt Statistik Österreich: Statistisches Jahrbuch 2007: http://www.statistik.at/jahrbuch_2007/pdf/K30.pdf

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- Österreichische Nationalbank: Bankenstatistisches Jahrbuch. Sonderheft Statistiken. Vienna 2006. p. 39.

Number of employees in 2005

	Employees	Employees per bank ²⁾
Aktienbanken und Bankiers	22.552	513
Savings banks sector	15.296	268
Landeshypothekenbanken	4.146	415
Raiffeisensektor	22.396	39
Volksbankensektor	5.869	86
building societys	2.002	501
Sonderbanken	3.637	38
BWG-Zweigstellen ¹⁾	549	6
altogether	75.166	85

¹⁾ Branches of foreign bank
²⁾ According to own calculations : Österreichische Nationalbank: Bankenstatistisches Jahrbuch. Sonderheft Statistiken. Vienna 2006. pp.. 11 and 39 f..

Source:

Österreichische Nationalbank: Bankenstatistisches Jahrbuch. Sonderheft Statistiken. Vienna 2006. pp. 11 and 40.

The banks in Austria can be divided into mutual savings banks (Raiffeisen group and credit unions) and private banks. Savings banks were founded as associations partly by municipalities, they are, however, independent institutions. The group of savings banks is composed of the First Bank for the Austrian Savings Banks Inc. as the leading bank of the sector, the 56 savings banks of the federal States and their subsidiaries. In general, it is not possible to differentiate the banking environment in Austria with regard to mere investment banks. Possibilities for making investments and saving money are a product of, for instance, current accounts and credits offered by all institutes. In general, possibilities for transactions with types of saving and investing are excluded, they only serve as a means of saving money.

Source:

- ERSTE Sparkasse: Rechtsform. In:
http://www.sparkasse.at/sPortal/sportal.portal?_nfpb=true&_windowLabel=LABEL_MENU&_urlType=action&LABEL_MENU_sh=50f1135a64d1d76f2a83b46d50147219&LABEL_MENU_zz=26526.8325214827&LABEL_MENU_pc=1&cci=Channels/Sparkassengruppe/Strukturcontents/sg_pg_Wir_ueber_uns.akp&desk=sparkasseat_de_0009&navigationLink=TRUE&menu_isContentInMaster=TRUEtrue&menu_navigationId=021285735707992190000146&menu_chronicleId=09002ee28001902a&navigationId=021285735707992190000146. (as of: 28.05.2007).
- ERSTE Sparkasse: Sparkassenrecht. In:
http://www.sparkasse.at/sPortal/sportal.portal?_nfpb=true&_windowLabel=LABEL_MENU&_urlType=action&LABEL_MENU_sh=072f4beb82fd493ed69526d5

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2bba7bf7&LABEL_MENU_zz=56884.047032233&LABEL_MENU_pc=8&cci=09002ee28001902a&desk=sparkasseat_de_0009&navigationLink=TRUE&menu_isContentInMaster=TRUEtrue&menu_navigationId=021285735708142190000146&menu_chronicleId=09002ee28001c320&navigationId=021285735708142190000146. (as of: 28.05.2007).

- ERSTE Sparkasse: Sparkassengruppe. In:
http://www.sparkasse.at/sPortal/sportal.portal?_nfpb=true&_windowLabel=LABEL_MENU&_urlType=action&LABEL_MENU_sh=bc594448e1d63a5b1eba5a455a7de78b&LABEL_MENU_zz=95000.82975398398&LABEL_MENU_pc=9&cci=09002ee28001c320&desk=sparkasseat_de_0009&navigationLink=TRUE&menu_isContentInMaster=TRUEtrue&menu_navigationId=021285735707912190000146&menu_chronicleId=09002ee280018fc0&navigationId=021285735707912190000146. (as of: 28.05.2007).
- Österreichischer Raiffeisenverband: Raiffeisengruppe in Österreich. In:
<http://www.raiffeisenverband.at/gruppe.php?id=1>. (as of: 28.05.2007).
- Volksbank: Die Volksbank Gruppe. In:
http://www.volksbank.at/m101/volksbank/zib/de/individuelle_seite/regionale_Inhalte/volksbank_gruppe/vb_gruppe_entstehung.jsp?locincl=/&menu1=1&menu2=1&menu3=1&menu1name=Volksbank%20Gruppe&menu1link=/de/uebersichtsseite/volksbank_gruppe.jsp&menu2name=Unternehmensstruktur&menu2link=zib/de/individuelle_seite/zentrale_Inhalte/vb_gruppe/struktur_vb_gruppe.jsp&menu3name=Entstehung&menu3link=zib/de/individuelle_seite/regionale_Inhalte/volksbank_gruppe/vb_gruppe_entstehung.jsp&bc=navi&loclink=/m101/volksbank. (as of 28.05.2007)

Please give full details of data source(s) for our bibliography and briefly describe the findings:

ERSTE Sparkasse: <http://www.sparkasse.at> (as of 28.05.2007).

The home page offers a survey on the structure of the savings banks in Austria.

Österreichische Nationalbank: Bankenstatistisches Jahrbuch. Sonderheft Statistiken. Vienna 2006. p. 11 and p.. 40.

The yearbook contains information on the financial situation and development of Austria.

Österreichischer Raiffeisenverband: Raiffeisengruppe in Österreich. In:

<http://www.raiffeisenverband.at/gruppe.php?id=1>. (as of: 28.05.2007).

Home page of the Raiffeisen-Association respectively the Raiffeisen-group in Austria.

STATISTIK AUSTRIA. Bundesanstalt Statistik Österreich: Statistisches Jahrbuch 2007: http://www.statistik.at/jahrbuch_2007/pdf/K30.pdf

The Yearbook of Statistics contains comprehensive basic data on the situation and the development of Austria.

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Volksbank: Die Volksbank Gruppe. In:

http://www.volksbank.at/m101/volksbank/zib/de/individuelle_seite/regionale_Inhalte/volksbank_gruppe/vb_gruppe_entstehung.jsp?locincl=/&menu1=1&menu2=1&menu3=1&menu1name=Volksbank%20Gruppe&menu1link=/de/uebersichtsseite/volksbank_gruppe.jsp&menu2name=Unternehmensstruktur&menu2link=zib/de/individuelle_seite/zentrale_Inhalte/vb_gruppe/struktur_vb_gruppe.jsp&menu3name=Entstehung&menu3link=zib/de/individuelle_seite/regionale_Inhalte/volksbank_gruppe/vb_gruppe_entstehung.jsp&bc=navi&locink=/m101/volksbank. (as of 28.05.2007)

Verband der Österreichischen Volksbanken.

Q.3. Credit

Q.3.1.1.: Is there a problem of some people not having access to credit/choosing not to use credit in the prime credit market in your country?

Prime credit market: *low cost credit with good terms and conditions available to people with medium and high incomes*

Refer to point 1.1.3. of OP

yes (X)

no

If yes, what are the main barriers :

The main reasons are moderate incomes, the absence of identification cards and negative entries in data files on credit rating as well as overindebtedness.

Source: ASB Schuldnerberatungen GmbH, GP Forschungsgruppe, SKEF- Society for Promotion of Financial Education (PL) and Observatoire du Cr dit de l'Endettement: Report on the Survey „Better access to financial services for people experiencing poverty and social exclusion”. Ref.No.: VS/2005/0363. Accounting No.: SI2.414444. not published p. 27 f.

Q.3.1.2.: Is there a problem of some people choosing deliberately to subscribe a credit in the sub-prime credit market in your country?

Sub-prime credit market: *credit with high risk, high interests and poor conditions*

Refer to point 1.1.3. of OP

yes

no (X)

If yes, what are the reasons for them to do so?

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Please give full details of data source(s) for our bibliography and briefly describe the findings :

Q.3.2.: Where do people go to access to credit if they are refused by or choose not to use the prime credit market?

Describe briefly :

- The kind of alternative credit providers existing in your country (not for profit and/or commercial organizations , sub-prime lenders, ...) and (if possible) some indications of the number of customers and/or number of service outlets they have
- The services they provide
- How their costs and terms and conditions differ from those in the prime credit market

In Austria it is – exempt from the banks - only possible to be granted a loan at the pawnbroker's. The trade of pawnbroking is subject to the trade regulations for pawnbrokers.

Source: <http://wko.at/ooe/finanzdienstleister/download/Pfandleiher.pdf> (as of 12.06.2007).

The most important pawnbroker in Austria is Dorotheum GmbH & Co KG. The amount of the loan granted corresponds to 60 % to 80 % of the current market value of the loaned object. Additionally, costs thereby incurred are interests amounting to 0.5 % every half month and fees amounting to 0.75 % every half month for storage and insurance of the object as well as a small fee for the pawn ticket.

Source: Dorotheum. FAQ. In: <http://www.dorotheum.at/pfand/faq.html#c1377> (as of 2.6.2007)

Q.3.3.: As far as you are aware of, is there a problem of illegal lending in your country?

Yes

No (X)

Limited to specific cases/areas

If yes, please describe what you know about illegal lending and give full details of data source(s) for our bibliography (if existing)

Q.3.4.: Is there a usury rate ceiling in your country?

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Yes (X)

No

Q.3.4.1.: If yes, please give details of the product(s) concerned, and the ceiling that applies to it/them?

The usury law has existed in Austria since 1949, it is, however, of little practical importance. According to § 879 ABGB and §§ 154 and 155 StGB usury subject to penalty. **Following § 879 ABGB and §§ 154 and 155 StGB usury is prohibited by law.**

Source:

<http://www.ris.bka.gv.at/bundesrecht/>. **Schlagwort:** „Wucher“. (as of 5.6.2007).

Internet4Jurists: Allgemeines Bürgerliches Gesetzbuch. In:

<http://www.internet4jurists.at/gesetze/gesetze.htm>. (as of 5.6.2007).

Q.3.4.2.: Is there a concern of rate ceiling as a cause of credit exclusion in your country or other criticism?

Yes

No (X)

Specify:

Q.3.5.: Credit referencing and files registering (regarding the dishonoured cheques or other payment instruments) in your country

Q.3.5.1. Is there a positive credit database (listing all outstanding credits) implemented

➤ At national level? Yes no (X)

If yes, is it Publicly run or privately run
Voluntary or mandatory

➤ At banking sector level? Yes no (X)

If yes, is it Publicly run or privately run
Voluntary or mandatory

➤ Individually within each credit provider? Yes no (X)

If yes, is it Publicly run or privately run
Voluntary or mandatory

➤ At another level (explain) :

The KVS (Kreditschutzverband) also retains positive criteria in the data file on credit rating KKE (KonsumentenKreditEvidenz) like, for example, the contractual reimbursement of credits.

Source:

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- Kreditschutzverband von 1870: KSV-Privatinformationen, Prävention für Banken, Leasing und Versicherung.
<http://www.ksv.at/KSV/1870/de/pdf/802FolderKKE.pdf> (as of 24.05.2007).
- Kreditschutzverband von 1870: Was ist die KonsumentenKreditEvidenz? IN:
<http://www.ksv.at/KSV/1870/de/4privatpersonen/4fragenantworten/1konsumente nkreditevidenz/index.html>. (as of 24.05.2007).

Q.3.5.2.: Is there a negative credit database (listing details of bankruptcies/court judgments which are normally publicly available information as well as details of all credit commitments that are in default) implemented

- At national level? Yes no (X)
- If yes, is it Publicly run or privately run
Voluntary or mandatory
- At banking sector level? Yes (X) no
If yes, is it Publicly run or privately run (X)
Voluntary (X) or mandatory
- Individually within each credit provider? Yes no (X)
If yes, is it Publicly run or privately run
Voluntary or mandatory
- At another level (explain) :

There is no uniform database in Austria. The most important databases are the warning lists of the credit institutions and the data files on credit rating of the KSV (Kreditschutzverband).

There are two different types of data files on credit rating in Austria :

1. Bound on the basis of § 39 para. 1 BWG (Bankwesengesetz) to dispose of control procedures which are suitable for the type, the extent and the complexity of the banking transactions. For this purpose credit institutions can jointly (§ 39 para. 2a BWG) develop rating modes to classify risks like, for instance, risk of granting a credit, and also exchange modes as well as data. However, the modes must be approved by the FMA (supervisory body of financial markets) and the exchange is only permitted between credit institutions. The data are subject to the banking secrecy. On this basis a « black list » exists in Austria, a warning list between the banks. In the case of private persons this list includes data on the illegal use of bank customer cards or credit cards, illegal drawing of cheques, amortization respectively prosecution after an eligible default of payment with current accounts, credits and credit cards.

Source:

- Bundeskanzleramt Österreich: Rechtsinformationssystem: In:
<http://www.ris.bka.gv.at/bundesrecht/> (as of 28.05.2007).
- Kreditschutzverband von 1870: Was ist die Warnliste der österreichischen

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Kreditinstitute? In:

<http://www.ksv.at/KSV/1870/de/4privatpersonen/4fragenantworten/3warnliste/index.html> (as of 28.05.2007)

- Kreditschutzverband von 1870: KSV-Privatinformationen, Prävention für Banken, Leasing und Versicherung.
<http://www.ksv.at/KSV/1870/de/pdf/802FolderKKE.pdf> (as of 24.05.2007).
- Schuldnerberatung Oberösterreich: Schuldenlexikon von A bis Z. Konsumentencredit-Evidenz (auch Kleinkreditkataster oder Kleinkredit-Evidenz).
In:
http://www.ooe.schuldnerberatung.at/_helfer/lexikon.php?menu=3&look4=K#ch2
- (as of 23.05.2007).

2. In addition to this « black list » there are numerous private businesses running data files on credit rating. The KSV is the market leader. It runs two data files on credit rating.: the KKE (KonsumentenKreditEvidenz) and the WKE (WarenKreditEvidenz). Banks, leasing companies and insurances are contractual partners to the KKE. The KKE includes personal data, data on financing as well as on the amount of credits, the start and the expected maturity, repayment agreement upon termination of the loan, positive information, i.e. it informs on whether a credit is repaid according to contract, and also negative information, such as reminders, place due, etc. The WKE addresses economic systems granting credits for merchandises. It is a database containing merely negative information.

Further data files on credit rating are, among others, run by : „D&B Österreich“, „Crediteform Austria“, „WISUR Wirtschaftsinformationen“. These institutions run at the same time collection services. A complete overview on the data files on credit rating can be found under http://www2.argedaten.at/php/cms_monitor.php?q=LIST-BONITAET.

Source:

- Kreditschutzverband von 1870: KSV-Privatinformationen, Prävention für Banken, Leasing und Versicherung.
<http://www.ksv.at/KSV/1870/de/pdf/802FolderKKE.pdf> (as of 24.05.2007).
- Kreditschutzverband von 1870: Was ist die KonsumentenKreditEvidenz? IN:
<http://www.ksv.at/KSV/1870/de/4privatpersonen/4fragenantworten/1konsumentenkreditevidenz/index.html>. (as of 24.05.2007).
- Kreditschutzverband von 1870: Was ist die WarenKreditEvidenz? In:
<http://www.ksv.at/KSV/1870/de/4privatpersonen/4fragenantworten/2warenkreditevidenz/index.html>. (as of 24.05.2007).
- ARGE DATEN - Österreichische Gesellschaft für Datenschutz: Wirtschaftsauskunftsdienste, Kredit- und Gläubigerschutzverbände die eigene Datenbestände ("Schwarze Listen", Bonitätsinformationen) verwalten. In:
http://www2.argedaten.at/php/cms_monitor.php?q=LIST-BONITAET. (as of 25.05.2007)

Q.3.5.3.: Are there rules limiting the time span of the negative database memory in order to avoid the risk of lifelong exclusion?

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Yes

No (X)

Specify:

The KSV (Association on the Protection of Credits Kreditschutzverband) holds the legal opinion that data can be deleted from the data file held between the banks only ten years after the date of payment.

There is no detailed legal regulation.

A deletion of the data in the other data files on credit rating is effected.

In case the non-existence of a claim has become legally binding this entry must be deleted immediately. Upon receipt of the final payment the deletion is effected after three years and in case of another kind of clearance after seven years. However, according to ARGE data it is unclear, when this deadline starts.

Reasons for the deletion regarding consumer protection are not obvious.

The deletion and/or the revision of data can only be induced by the company issuing the data.

Source:

- ARGE DATEN - Österreichische Gesellschaft für Datenschutz: Auf Einträge in "schwarzen Listen" richtig reagieren. In: http://www2.argedaten.at/php/cms_monitor.php?q=PUB-TEXT-ARGEDATEN&s=79491tw (as of: 25.05.2007).
- ARGE DATEN - Österreichische Gesellschaft für Datenschutz: Schwarze Listen der „Schutzverbände“ – Bessere Schutz für Betroffene. In: http://www2.argedaten.at/php/cms_monitor.php?q=PUB-TEXT-ARGEDATEN&s=92610qsu. (as of 28.05.2007).
- Schuldnerberatung Oberösterreich: Schuldenlexikon von A bis Z. Konsumentencredit-Evidenz (auch Kleinkreditkataster oder Kleinkredit-Evidenz). In: http://www.ooe.schuldnerberatung.at/_helfer/lexikon.php?menu=3&look4=K#ch2 - (as of 23.05.2007).

Q. 3.5.4.: Are positive and negative information contained in the same database(s)?

Yes (X)

No

The KVS (Kreditschutzverband) records positive and negative criteria on the creditworthiness of its customers in the data file on credit rating KKE (KonsumentenKreditEvidenz).

Source:

- Kreditschutzverband von 1870: KSV-Privatinformationen, Prävention für Banken, Leasing und Versicherung. <http://www.ksv.at/KSV/1870/de/pdf/802FolderKKE.pdf> (as of 24.05.2007).
- Kreditschutzverband von 1870: Was ist die KonsumentenKreditEvidenz? In:

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<http://www.ksv.at/KSV/1870/de/4privatpersonen/4fragenantworten/1konsumentencreditevidenz/index.html>. (as of 24.05.2007).

Q. 3.5.5.: Do the mentioned registers/files cover all the financial institutions and all the credit transactions or are they limited to some categories? - Specify:

In the warning list circulating between the banks all data referring to credits are filed ; these are only accessible to banks as the latter are subject to banking secrecy. The data of the Kreditschutzverband (KSV) in the KKE (Konsumentencreditevidenz) and the WKE (Warencreditevidenz) contain the data enabling a credit assessment of a customer according to the purpose of the KSV. They are all accessible to the contractual partners of the KSV. In case of the KKE relevant data for banks, leasing companies and insurances are concerned, whereas the WKE deals with data for the the institutions granting credit.

It has to be noted that there is no complete and uniform data file on credit rating in Austria. Similarly, there are no precise legal provisions as to which data may be stored and which data may be circulated ; therefore the collection of data requires the assent of the person concerned. In case the stored data of a person lead to disputes this is noted, as the data can only be changed or deleted in the place where the data are stored.

Source:

- ARGE DATEN - Österreichische Gesellschaft für Datenschutz: Wirtschaftsdatenbank des KSV ohne gesetzliche Anordnung. In: http://www2.argedaten.at/php/cms_monitor.php?q=PUB-TEXT-ARGEDATEN&s=66586cqq. (as of 29.05.2007).
- ARGE DATEN - Österreichische Gesellschaft für Datenschutz: Wie sind Daten zu behandeln, die im Rahmen von Datenschutzverfahren übermittelt wurden? In: http://www2.argedaten.at/php/cms_monitor.php?q=PUB-TEXT-ARGEDATEN&s=82029tto. (as of: 28.05.2007).
- Bundeskanzleramt Österreich: Rechtsinformationssystem: In: <http://www.ris.bka.gv.at/bundesrecht/> (as of 28.05.2007).
- Kreditschutzverband von 1870: KSV-Privatinformationen, Prävention für Banken, Leasing und Versicherung. <http://www.ksv.at/KSV/1870/de/pdf/802FolderKKE.pdf> (as of 24.05.2007).
- Kreditschutzverband von 1870: Was ist die KonsumentenKreditEvidenz? In: <http://www.ksv.at/KSV/1870/de/4privatpersonen/4fragenantworten/1konsumentencreditevidenz/index.html>. (as of 24.05.2007).

Q.3.6.1.: How is responsible lending ensured in your country?

It is ensured by a law yes no (X)

It is ensured by a code of conduct within the banking sector yes no (X)

It is implemented individually within some prime credit lenders yes no (X)

It is implemented individually within some alternative credit providers yes no (X)

It is not at all organized in my country yes no (X)

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Specify:

There are no legal provisions in Austria regarding responsible granting of credits. However, the law for the protection of consumers obliges the creditors to advise the beneficiaries and guarantors of the risks, the duties and the costs in reference to the credit.

Source: .ASB Schuldnerberatungen GmbH, GP Forschungsgruppe, SKEF- Society for Promotion of Financial Education (PL) und Oberservatoire du Cr dit de l'Endettement: Report on the Survey von „Better access to financial services for people experiencing poverty and social exclusion”. Ref.No.: VS/2005/0363. Accounting No.: SI2.414444. not published. .S. 24 ff.

Q.3.6.2.: Describe briefly the principles of the existing measures regarding responsible lending

In Austria the bank has to inform debtors and guarantors about risks and about their duties concerning the credit and additional costs.

Source: .ASB Schuldnerberatungen GmbH, GP Forschungsgruppe, SKEF- Society for Promotion of Financial Education (PL) und Oberservatoire du Cr dit de l'Endettement: Report on the Survey „Better access to financial services for people experiencing poverty and social exclusion”. Ref.No.: VS/2005/0363. Accounting No.: SI2.414444. not published. .S. 24ff.

Internet4Jurists: Konsumentenschutzgesetz. In:
http://www.internet4jurists.at/gesetze/bg_kschg01.htm (as of 8.6.2007).

Q.3.6.3.: Are the above mentioned registers/file part of a responsible lending strategy or do they meet mostly other needs? - Specify:

No

Q.4. Savings

Q.4.1.: Is there a problem of some people not being able to open/choosing not to open a savings account with a bank or similar provider in your country?

Refer to point 1.1.2. of OP

yes (X)

no

If yes, what are the main barriers:

In case a person does not dispose of a current account, he/she will also be denied access to possibilities of financial investment. Further reasons are low incomes or poor means of saving money, as these persons are not profitable for banks and/or the fees are so high that saving from small amounts becomes uneconomical.

Source: Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the Austrian debt advice centres, 2007.06.07.

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Q.4.2.: Is there a problem of some people choosing not to make their savings deposits in a bank or similar provider in your country?

Refer to point 1.1.2. of OP

yes

no

If yes, what are the main reasons:

It is assumed that such a problem exists but there are no data for this. As a matter of principle banks are not interested in customers with low income.

Source: Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the Austrian debt advice centres, 2007.06.07.

Q.4.3.: Where do people go to make savings deposits when they unable to or choose not to open a savings account with a bank or similar provider?

- Describe briefly the kind of alternative savings providers (non profit or commercial organization, informal savings groups) existing in your country and the services they provide.
- Describe briefly the other ways people use to make savings when they don't save through a formal or informal provider

People not disposing of an access to potential savings are offered a so-called « setup account » by the project « Zweite Sparkasse » in the framework of this project . This is a cost-free savings account at an interest rate of 1.625 % not allowing any other transactions.

Source:

- Kemmetmüller, Maria: Zweite Sparkasse am Start. In: ASB-Informationen Nr. 57. Wien 2007.
- Simonitsch, Wolfgang: Der "Gutbanker". Ein Herz für Pleitiers. In: Süddeutsche.de. 06.12.2006. (as of 27.05.2007)
- Verein für Konsumenteninformation: "Zweite Sparkasse" in Wien eröffnet. Innovativ: Konten für schwer verschuldete Menschen. In: <http://www.konsument.at/konsument/detail.asp?category=Geld+%2B+Versicherung&cookie%5Ftest=1&id=29222&MSCSProfile=36A36B70A73B04F864DA720A1C0479B1C76277AFC3EB272D5893DBEF64ED84299DCBCCA7E216FA6438ACD3A9CBC51DF172CBB8F5A4CE2D671DB85F396AD8D3E6AF0F0A452382619343B5483D18E883FB8A7D642B12A39E52E24557CAF9EEE8B895C5D02FC3D11992CC224B309A2A5AC0A0040A6427555C28D2200801B007908CDD84DA47392724E3>. (as of: 25.05.2007).

Please give full details of data source(s) for our bibliography

Kemmetmüller, Maria: Zweite Sparkasse am Start. In: ASB-Informationen Nr. 57. Wien

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2007.

Article on the «Zweite Sparkasse», its offer of a current account on the basis of a credit and its savings account.

Simonitsch, Wolfgang: Der "Gutbanker". Ein Herz für Pleitiers. In: Süddeutsche.de. 06.12.2006. (as of 27.05.2007)

Article on the «Zweite Sparkasse», its offer of a current account on the basis of a credit and its savings account.

Verein für Konsumenteninformation: "Zweite Sparkasse" in Wien eröffnet. Innovativ: Konten für schwer verschuldete Menschen. In:

<http://www.konsument.at/konsument/detail.asp?category=Geld+%2B+Versicherung&cookie%5Ftest=1&id=29222&MSCSPProfile=36A36B70A73B04F864DA720A1C0479B1C76277AFC3EB272D5893DBEF64ED84299DCBCCA7E216FA6438ACD3A9CBC51DF172CBB8F5A4CE2D671DB85F396AD8D3E6AF0F0A452382619343B5483D18E883FB8A7D642B12A39E52E24557CAF9EEE8B895C5D02FC3D11992CC224B309A2A5AC0A0040A6427555C28D2200801B007908CDD84DA47392724E3>. (as of: 25.05.2007).

Article on the «Zweite Sparkasse», its offer of a current account on the basis of a credit and its savings account.

SOCIAL EXCLUSION AND POVERTY

Q.5. people exposed to social exclusion

*For this section, please refer to **EU-SILC** (European Union – Statistics on Income and Living Conditions) results regarding your country for **year 2005***

Q.5.1.: What percentage of the population is at risk of poverty (below 60% of the national median income) in your country?

12,3 % of the population is at risk of poverty

Q.5.2.1.: What is the risk of poverty rate by age in your country? (% below at risk of poverty threshold-ARPT)

16-24	12,9	% below ARPT
25-49	11,2	% below ARPT
50-64	9,8	% below ARPT
65+	14,2	% below ARPT

Q.5.2.2.: What is the risk of poverty rate by gender in your country?

Females	11,5	% below ARPT
Males	13,1	% below ARPT

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Q.5.2.3.: What is the risk of poverty rate by most frequent economic activity?

At work	6,7 % below ARPT
Unemployed	46,9 % below ARPT
Total inactive	12,1 % below ARPT

Q.6. Links between financial exclusion and over indebtedness

Do read and refer to point 4.3. of O.P.

Q.6.1.: Have any research/studies carried out in your country explored the relationships between over-indebtedness and financial exclusion?

No (X) (mostly not)

Yes

Q.6.2.: If yes, please give full details of the data source for our bibliography, briefly describe the findings and compare it to statements made in point 4.3. of the O.P.

ASB-Informationen (2006): Finanzielle Ausgrenzung vermeiden. Nr. 55.
Restrictions in the access to financial services affect especially those persons, who have to live with a low income or who live in poverty. The current ASB-Information illustrates the concrete situation in different countries.

Q.7. Links between financial exclusion and social exclusion

Do read and refer to point 4.2. of O.P.

Q.7.1.: Have any research/studies carried out in your country explored the causal link between financial exclusion and the broader phenomenon of social exclusion?

No

Yes (X)

Q.7.2.: If yes, please give full details of data source(s) for our bibliography, briefly describe the findings and compare them to statements made in point 4.2. of the O.P. (are the conclusion similar, different,...)

It seems as if the Austrian research on poverty, the same as the German one, has not yet declared the topic Poverty/ Social Exclusion and Debt/ Overindebtedness as a central research topic within the research on poverty. In the report on „Research on Poverty in Austria“ from the *Poverty Research Group* of the University in Salzburg (<http://www.uni-salzburg.at/pls/portal/docs/1/479476.PDF>) for example overindebtedness is only mentioned in relation to Children and Youth Poverty as one cause, and in relation to Underdeveloped Countries.

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Surveys are more often than in Germany operated by debt counseling services. The following surveys are mentionable:

AK Wien/ ARGE Schuldnerberatungen – ASB (2000): Vom Schuldenregulierungsverfahren ausgeschlossen. o.V.: Wien.

The study focuses on the target group women and “small debtors”. People of these groups remain caught in the debt spiral because the private concurs gives them no option for debt relief.

ASB Informationen 53 (2005): Arm, überschuldet und ausgegrenzt.

Links between overindebtedness, poverty and social exclusion became as obvious in the daily practice of debt counselling services as in the European and national social reports and in the current youth studies. They illustrate that the combat on poverty and overindebtedness has to go hand in hand. And they also show, that poverty the same as overindebtedness can be avoided.

ARGE Schuldnerberatungen – ASB (1999): Die wirtschaftliche Situation überschuldeter Frauen... Eine Untersuchung im Auftrag des Bundeskanzleramtes, Abteilung Frauenangelegenheiten. o.V.: Linz.

The percentage of women on the debt counselling clientele is 42 %. The percentage of divorced women is with 35 % five times as high as it would accord to the share of the population. 31 % of the women, who come to debt advice services, are single parent. 41 % of the women are without any income, they have to live on aid money or alimony. 51 % of the women have a net income which lies below the distraint limit. Besides the detailed numbers, the study presents causes of overindebtedness and related to that mechanisms of exclusion and creditor groups.

Breuer, Klara (2006): Alleinverantwortlich für Alles – Lebenslagen von Alleinerziehenden, in: Der Armut ein Gesicht geben - Lebenslagen von armutsgefährdeten Menschen. Heft 51. S. 26-38.

The situation of single parents is characterized by a high danger of poverty; almost every third person has to face this danger. Biographies of single parents are represented, the danger of social exclusion respectively being excluded – also through debts and overindebtedness – and possible solutions.

Bundesministerium für soziale Sicherheit, Generationen und Konsumentenschutz (2004): Ausweg gesucht! Schulden und Privatkonkurs. Berger: Horn.

<https://broschuerenservice.bmsk.gv.at/PubAttachments/privatkonkurs.pdf>

The number of overindebted households in Austria is increasing, the mountain of debts is growing. Modified living conditions such as unemployment, illnesses and divorces play an important role. The possibility to file for personal bankruptcy and thus to take up a new economic start is introduced.

A first guideline on the proceedings of personal bankruptcy can be found under

<https://broschuerenservice.bmsk.gv.at/PubAttachments/PLEITE.pdf>.

Gabanyi, Annamaria/ Fritz Hemedinger/ Markus Lehner (2007): Jugendverschuldung.

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Analyse und Präventionsansätze. o.V.: Linz.

In many cases the foundation for debts and overindebtedness was laid during adolescence and during childhood. Every fifth of the clientele of debt advice is younger than 25 years, the share in this group of persons has been expressed in an alarming height during the past few years. A result of the study is that – contrary to teaching at school – parental ideals, life style and educational measures of the family of origin influence a person strongly. The topic of exclusion exists at the utmost among the adolescents, in fact, if one does not dispose of the necessary status symbols. ■

Höpfl, Thomas/ Christine Stelzer-Orthofer/ unter Mitarbeit von Sonja Kober (o.J.): Kurzbericht: Die bedürftige Wohlstandsgesellschaft. Politik und prekäre Lebenslagen als Armutursachen. isw: Linz. <http://www.isw-linz.at/media/files/Forschungsberichte/KF-Band48.pdf>

In the study the following questions are pursued: What is meant by “new poverty”, which periods of life and segments are concerned, what are the political causes for poverty, how can the new term „precarious poverty“ be understood and described? With recourse to the multiplicity of factors causing poverty the sphere of life and the risk area of overindebtedness are given special attention. Poverty caused by overindebtedness is a complex problem. Overindebted and indebted people are not necessarily classical outsiders. This results in the demand for an abolishment of bails of private persons as well as for the abolishment of the possibility to put wages in pawn. ■

Nistelberger, Alexander/ Noemi Csorba/ Veronika Wetzelhütter (2006): Vergleich der Schuldnerberatung Österreich mit der bevorrechteten Schuldnerberatung des Fonds Soziales Wien. Forschungswerkstatt Armut und Verschuldung. http://www.schuldnerberatung-wien.at/export/sites/default/schuldnerberatung.at/Studien/FW_Institutionenvergleich.pdf

Due to an increase of overindebted persons many people regard the privileged debt advices as their last chance. Because of the waiting period which mostly lasts four months the market of commercial debt advice prospers. Therefore the study investigates primarily the debt advice market, not the individual perspective of the overindebted people. ■

Österreichische Gesellschaft für Politikberatung und Politikentwicklung (2004): Armut- und Reichtumsbericht für Österreich. www.politikberatung.or.at

The Austrian report on poverty and wealth refers to the debts caused by the economy and the State – where the liabilities and debts are higher than the financial assets – as well as to the debts caused by private persons and by business financing – where the financial assets are higher than the liabilities and debts. In case of private households a significant rise in overindebtedness and insolvency linked with an increasing financial and social exclusion is noted. ■

Republik Österreich (2003): 2. Nationaler Aktionsplan für soziale Eingliederung 2003-2005. Wien sowie *Bundesministerium für soziale Sicherheit, Generationen und Konsumentenschutz im Auftrag des Ministerrates (2005): Umsetzungsbericht. 2. Nationaler Aktionsplan für soziale Eingliederung 2003-2005*. Wien.

In the implementation report the political declaration of intent demanding to support debt advices and avoid exclusion by means of prevention is mentioned again.

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See also annex B: Contribution of the federal States to the NAPincl 2003-2005. The implementation report and the updating introduce the institution of debt advice in the framework of help for overindebted people respectively for people threatened by overindebtedness.

Salzburger Netzwerk gegen Armut und soziale Ausgrenzung (2004): Programm zur Prävention, Minderung und Bekämpfung sozialer Ausgrenzung im Bundesland Salzburg 2004-2009. <http://www.salzburger-armutskonferenz.at/Regierungsprogramm%20Soziale%20Eingliederung.pdf>

There is a chapter in this – very political – paper including a political declaration of intent with measures for prevention and a combat against indebtedness and social exclusion.

Schuldnerberatung Tirol (o.J.): Studie zum Thema „Lohnexekution/Verschuldung“. o.V.: Tirol.

Employers were polled on the employment of staff members facing debts and garnishment of wages. In the course of interviews with employees questions were raised on debts causing problems to take up a position, on experiences with a garnishment of wages and on the proceeding of an adjustment of claims. In these experiences exclusion refers to existing debts and thus possibly (existing) (tendencies of) exclusion.

FINANCIAL EXCLUSION (F.E.)

Q.8.Levels of financial exclusion

Do read and refer to point 2 of O.P.

Q.8.1.1.: Are there any national survey(s) data regarding the extent and causes of transaction banking exclusion in your country?

No

Yes (X)

Q.8.1.2.: If yes, please give full details of data source(s) for our bibliography, briefly describe the findings (extent, who is affected, causes and consequences) and compare them to statements made in the Euro barometer data analysis for your country (*Table 2 levels of financial exclusion in individual EU 15 Countries in O.P. **new tables about EU 27 coming soon***)

There are no reliable figures regarding the issue of exclusion from access to an account.

1) There is a market survey of the Bank Austria Creditanstalt in which a European comparison regarding the usage of financial services has been done. However it has to be mentioned that the surveys object of investigation is the population from an age of fifteen, what to a large extent constricts its informative value. According to the survey in the year 2005 98% of the Austrian population in the age from 15 years had a relationship with a bank and 93% possessed some form of an account.

Bank Austria Creditanstalt. 2006 [Lecture at the Annual Meeting 2006, European Bank for Reconstruction and Development, London May 21th 2006]

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2) The chamber of labour (the compulsory representation of interests of the employees in Austria) estimates a number of 300.000 persons with no access to a banking account in the year 2004. (These figures seem to be estimated on the basis of the number of over-indebted people in Austria.)

<http://help.orf.at/?story=1990> [as of 28.05.2007]

3) Experts of the debt counselling organisations in Austria know about a minimum number of 12.000 people without access to a banking account. (Anyhow they estimate that in reality the number is much higher.)

ASB Schuldnerberatungen GmbH: Report on the Survey on “Better access to financial services for people experiencing poverty and social exclusion”. Projektbericht FES- Financial education and better access to adequate financial services. Linz, 2006.

4) ASB Schuldnerberatungen GmbH conducted a survey among clients in debt counselling organisations regarding causes and consequences of not having a banking account. The analysis incorporated 197 returned questionnaires. According to this survey the main reasons (45%) why banks refused to open or cancelled a banking account was a negative criteria at the “Kreditschutzverband” (association for credit assurance). Other reasons were over-indebtedness (25%), the process of consumer insolvency (18%) or an overdrawn account (15%).

Horak, G.; Kemmetmüller, M.: Kein Recht auf ein Girokonto! In: ASB-Informationen. 55/2006. S. 16-18.

For Ireland, Spain and UK please comment points 2.2.1., 2.2.2., 2.2.3. or 2.2.4. of O.P. regarding national surveys and name and describe other existing surveys.

Q.8.2.1.: Are there any national survey(s) data regarding the extent and causes of credit exclusion in your country?

No

Yes (X)

Q.8.2.2.: If yes, please give full details of data source(s) for our bibliography, briefly describe the findings (extent, who is affected, causes and consequences) and compare them to statements made in the Euro barometer data analysis for your country (**Table 2 levels of financial exclusion in individual EU 15 Countries in O.P. new tables about EU 27 coming soon**)

1) As well according to the Bank Austria Creditanstalt survey in the year 2005 20% of the Austrian population from the age of 15 had a credit (except overdraft credits). The survey doesn't give answers on the question how many people have no credit at all.

Bank Austria Creditanstalt. 2006 [Lecture at the Annual Meeting 2006, European Bank for Reconstruction and Development, London May 21th 2006]

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2) According to an analysis of Beer et al (2006) 40% of Austrian households have a consumer credit or a credit for residential purposes. Of those credits 30% are consumer credits, almost 60% are for residential purposes and over 10% are credits for both purposes. There is no information about how many people don't have a credit at all.

Beer, Chr.; Mooselchner, P.; Schürz, M.; Wagner, K.: Das Geldvermögen privater Haushalte in Österreich: eine Analyse auf Basis von Mikrodaten. In: Geldpolitik & Wirtschaft Q 2, 2006. S. 101-116.

3) Experts of the debt counselling organisations in Austria see a low income, a lack of identity card and a negative registration in databases as the main reasons for not having access to credit.

ASB Schuldnerberatungen GmbH: Report on the Survey on "Better access to financial services for people experiencing poverty and social exclusion". Projektbericht FES-Financial education and better access to adequate financial services. Linz, 2006. S. 19.

Q.8.3.1.: Are there any national survey(s) regarding the extent and causes of people who lack savings and/or cannot open a savings account with a bank or a similar organization in your country?

No

Yes (X)

Q.8.3.2.: If yes, please give full details of data source(s) for our bibliography, briefly describe the findings (extent, who is affected, causes and consequences) and compare them to statements made in the Euro barometer data analysis for your country (**Table 2 levels of financial exclusion in individual EU 15 Countries in O.P. new tables about EU 27 coming soon**)

1) According to the Bank Austria Creditanstalt survey 85% of the population 15+ possessed some type of bank deposit.

Bank Austria Creditanstalt. 2006 [Lecture at the Annual Meeting 2006, European Bank for Reconstruction and Development, London May 21th 2006]

2) An analysis of Beer et al. (2006) regarding the financial assets of private households in Austria comes to the conclusion that 5% of households are not able to save at all. It has to be stated that these numbers don't give hints regarding the levels of financial exclusion because f. e. people that declared to save may use their basic banking account for saving.

Beer, Chr.; Mooselchner, P.; Schürz, M.; Wagner, K.: Das Geldvermögen privater Haushalte in Österreich: eine Analyse auf Basis von Mikrodaten. In: Geldpolitik & Wirtschaft Q 2, 2006. S. 101-116.

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Q.8.4.1.: Do you have any other specific comments regarding the Eurobarometer data analysis for your country (*Table 2 levels of financial exclusion in individual EU 15 Countries in O.P. new tables about EU 27 coming soon*)

No (X)

Yes

Q.8.4.2.: If yes, what are your comments?

Q.9. People most likely to be financially excluded

Do read and refer to point 3 of O.P.

Q.9.1.1.: Is there any research describing the types of people most likely to be financially excluded (overall financial exclusion) in your country?

No (X)

Yes

Q.9.1.2.: If yes, please give full details of data source(s) for our bibliography, briefly describe the findings and compare them to statements made in the general Euro barometer data analysis? (*Table 3 in O.P “ Types of people likely to be financially excluded in the EU 15 new tables about EU 27 coming soon*)
)

Q.9.2.1.: Is there any research describing the types of people most likely to be excluded from banking transactions in your country?

No

Yes (X)

Q.9.2.2.: If yes, please give full details of data source(s) for our bibliography, briefly describe the findings and compare them to statements made in the general Euro barometer data analysis ? (*Table 3 in O.P “ Types of people likely to be financially excluded in the EU 15 new tables about EU 27 coming soon*)

1) The chamber of labor names over-indebted persons and pensioners as the people most likely to be excluded from banking transaction.

<http://help.orf.at/?story=1990> [as of 31.05.2007]

2) Experts of the debt counselling organisations in Austria describe the people most likely not to have access to an account as over-indebted person, persons with low income and persons with negative criteria in registration offices.

ASB Schuldnerberatungen GmbH: Report on the Survey on “Better access to financial services for people experiencing poverty and social exclusion”. Projektbericht FES- Financial education and better access to adequate financial services. Linz, 2006.

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Q.9.3.1.: Is there any research describing the types of people most likely to be excluded from credit in your country?

No

Yes (X)

According to experts of the debt counseling organizations in Austria people most likely to be excluded are over-indebted people, people with low income and people having negative criteria in registration offices.

Q.9.3.2.: If yes, please give full details of data source(s) for our bibliography, briefly describe the findings and compare them to statements made in the general Euro barometer data analysis? (*Table 3 in O.P “ Types of people likely to be financially excluded in the EU 15 new tables about EU 27 coming soon)*

ASB Schuldnerberatungen GmbH: Report on the Survey on “Better access to financial services for people experiencing poverty and social exclusion”. Projektbericht FES-Financial education and better access to adequate financial services. Linz, 2006. S.28.

Q.9.4.1.: Is there any research describing the types of people most likely to be excluded from savings in your country?

No (X)

Yes

Q.9.4.2.: If yes, please give full details of data source(s) for our bibliography, briefly describe the findings and compare them to statements made in the general Euro barometer data analysis ? (*Table 3 in O.P “ Types of people likely to be financially excluded in the EU 15 new tables about EU 27 coming soon)*

CAUSES AND CONSEQUENCES OF FINANCIAL EXCLUSION

Please, read and refer to point 4 of O.P.

Q.10. Factors affecting difficulty of access or use of financial services in your country

Q.10.1.: Comment on all factors affecting difficulty of access or use in your country

Use table 6 of O.P.: Factors affecting difficulty of access or use. (ANNEX 1)

Add in that document other causes of exclusion that exist in your country and comment ALL causes relevant to your country.

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Q.10.2.: Give full details of the data source for our bibliography, briefly describe the findings and compare it to statements made in point 4 of the O.P.

Q.11. Causes and consequences of financial exclusion

Q.11.1.1.: Do you have any comments regarding the specific causes and consequences of financial exclusion related to your country?

To answer refer and compare with the content of point 4 of O.P

No (X)

Yes

Q.11.1.2.: If yes, describe briefly what are those comments?

Q.11.2.1.: Do you have any data sources regarding the specific causes and consequences of financial exclusion related to your country?

No (X)

Yes

Q.11.2.2.: If yes, please give full details of the data source for our bibliography, briefly describe the findings and compare it to statements made in point 4 of the O.P.

MARKET RESPONSE FOR FINANCIAL INCLUSION

Please look at the annex II of the overview paper table called “a synthesis of the main experiences of responses”.

1. *Check in the document if your country is already mentioned in the table*

- *If it is, copy-paste all the paragraphs related to your country in **ANNEX 2 (enclosed to this questionnaire)**, check whether the information about your country is adequate, comment, and add ALL missing information*
- *If not, fill in **ANNEX 2 (enclosed to this questionnaire)** with all relevant information and comments*

2. *Add full details of data source(s) for our bibliography under Q 12, Q13, Q14.*

Q.12.Provision of services by alternative providers

Q.13.Development of new products and services by mainstream providers

Q.14. Voluntary Charters and codes of practices

GOVERNMENT RESPONSE FOR FINANCIAL INCLUSION

Please look at the annex II of the overview paper table called “a synthesis of the main experiences of responses”.

1. *Check in the document if your country is already mentioned in the table*
 - *If it is, copy-paste all the paragraphs related to your country in **ANNEX 2 (enclosed to this questionnaire)**, check whether the information about your country is adequate, comment and add ALL missing information*
 - *If not, fill in **ANNEX 2 (enclosed to this questionnaire)** with all relevant information and comments*

2. *Add full details of data source(s) for our bibliography below under **Q. 15., Q.16., Q.17.***

Q.15. Policy measures

Q.16. Government as a facilitator

1) Financial education/ prevention of over-indebtedness

Financial education contributes in different ways to the prevention of financial exclusion: On the one hand financial education aims at the prevention of over-indebtedness, which is an important cause of financial exclusion. Secondly financial education is oriented at the idea of emancipation, informs about persons rights and in doing so helps people that are financially excluded to advocate on behalf of their rights. Thirdly financial education should show up possibilities of a productive, rational use of credit and may therefore prevent financial exclusion because of a lack of knowledge or experience in the field of financial services. Anyhow these three chances have to be evaluated with regard to the absence of legal provisions (no legal right to an account) and the increasing lack of transparency of financial services. Otherwise there may be the danger to shift structural questions to the responsibility of the individual.

Example of a project: „The Cash“

Austrian experts in the field of financial education have developed a DVD picking up the themes of money and debts. The short film shall contribute to prevent over-indebtedness. Well-known Austrian comedians participated in the production. The DVDs aim is to support youths in developing a responsible, reasonable approach to money without moralizing and by using youth language.

Umbrella organisation of the Austrian debt advice centres:

http://www.schuldnerberatung.at/equal/newssystem/schuldnerberatung-praevention_cash.php

Example of a project: Vorarlberger Finanzführerschein

On the initiative of the provincial government Vorarlberg a “financial driving licence” has been developed. The project started in the year 2006 and aims at motivating children and youths to deal with the issues of finances, consumption, debts and debt counselling. Different organisations as f. e. banks, debt counselling organisations etc. offer age-specific workshops. After participating in a certain number of workshops the children and youths get a “driving license”. The cooperation of different organisations makes it possible to treat the subject from very different perspectives.

www.fitfuersgeld.at

2) Adressing over-indebtedness: insolvency legislation

Over-indebtedness is an important cause for financial exclusion. Therefore the possibility for consumer insolvency (existing since 1995) is a long term measure to promote financial inclusion. On the other hand consumer insolvency is one reason for banks to refuse or cancel a banking account. According to the federal ministry of social security, generations and consumer protection in the period between 1995 and 2003 ca. 25.000 persons have applied for consumer insolvency.

Bundesministerium für soziale Sicherheit, Generationen und Konsumentenschutz:
Pleite? Schulden und Privatkonkurs.

<http://www.bmsk.gv.at/cms/site/attachments/2/9/3/CH0036/CMS1091089868037/pleite.pdf> [as of 22.05.2007]

Example of a project: Finanzcoaching

With regard to the possibility of consumer insolvency the question of advice for over-indebted people is an important subject f. e. with regard to quantity and quality of advice and accessibility of counselling. “Financial coaching” is a project whose aim is to facilitate access to debt counselling for over-indebted people. It is coordinated by the ASB Schuldnerberatungen GmbH (www.schuldnerberatung.at) and wants to restructure the cooperation between debt counselling and other social organisations. The project is financially supported by the federal ministry of social security, generations and consumer protection and the Employment market service Austria. Employees of social organisations attend workshops that shall enable them to counsel over-indebted clients and prepare the process of consumer insolvency by the means of a manual. This “Finanzcheck” in addition contains measures for a first crisis intervention (“Existenzsicherung”) and an analysis of possibilities to increase income and decrease expenditures. The consumer insolvency itself is of course organized and accompanied by a debt counselling organisation but the clients further on get support by the counsellor who did the “Finanzcheck”. The projects aim is to enable a low-threshold access to debt counselling.

Umbrella organisation of the Austrian debt advice centres: FINANZCOACHING.
Ein Modell für die Kooperation zwischen Schuldnerberatungen und sozialen Einrichtungen.

http://www.schuldnerberatung.at/equal/newssystem/Flyer_FinanzCoaching_soz.pdf [as of 22.05.2007]

3) How can the Internet Contribute to a Diminishment of Processes of Financial Exclusion?

At the end of 2006 67 % of all Austrians disposed of an access to the internet, 62 % of them also used the internet regularly (Cp. Medienforschung ORF – Austrian Internet Monitor (AIM) – 4. quarter 2006, http://mediaresearch.orf.at/c_internet/console/blank.htm?c_internet_aim [18.05.2007]). Thus Austria is ranked among the upper third in the comparison of European countries (Cp. Medienforschung ORF – Austrian Internet Monitor (AIM) – 4. quarter 2006, http://mediaresearch.orf.at/c_internet/console/blank.htm?c_internet_aim [18.05.2007]). Already 47 % of the Austrians with a budget containing a net income of less than 1.400 € use the internet (Cp. GfK Austria http://www.integral.co.at/dImages/AIM_Consumer_-_Q4_2006.pdf), 46 % of the users of internet perform their financial affairs via online banking, which corresponds to 1.93 million persons older than 14 (Cp. Medienforschung ORF – Austrian Internet Monitor (AIM) – 4. quarter 2006, http://mediaresearch.orf.at/c_internet/console/blank.htm?c_internet_aim [18.05.2007]).

The internet offers new possibilities to grant unprivileged citizens access to financial services respectively financial products. In this connection the extensive access to manifold information on certain financial offers has to be mentioned. These financial offers are not only published in the net by way of online advertising by the respective providers, but furthermore they offer a fundamental basis for comparative and evaluative consumer information which is made available on the internet by numerous institutions and private persons – mostly at no cost at all.

Offers of financial accumulation on the internet go one step further. Often published in the form of guidebooks or interactive question-answer-forms they supply the interested consumer with new learning locations to acquire competence in financial questions. Here, for example, low-threshold knowledge in the planning of budgets or in consumer law can be transported.

Moreover, the internet as a meeting point for people with the same interests or questions can not only promote the interchange between consumers, for instance in discussion forums, but it is also often able to provide concrete assistance in questions of access to financial services. In such a virtual “community” problems and possible solutions of other consumers can be read up and the experience with one’s own problems can be introduced (described) so that new “solidary communities” can arise.

Causes for processes of financial exclusion frequently originate from the fact that many people have to face the difficulty that they cannot visit the next bank. Thus (insofar) online banking contributes to the purpose that, for example, people with limited mobility for reasons of being physically handicapped or people with unfavourable working hours can nevertheless participate in economic life in a comfortable way.

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3.1.) Which Offers on the Internet are there in Austria to Diminish Financial Exclusion?

3.1.1) State-run Internet Offers and State-run Promotion of Online Content

At present there are no State-run internet offers in Austria explicitly making financial exclusion a subject of discussion or contributing to its prevention.

As a result of a study on restructuring consumer protection the Austrian “Federal Ministry of Social Affairs and the Protection of Consumers” (Can be found on the internet under <http://www.bmsk.gv.at>), has, however, revealed a “need of competent information on matters of consumer protection and networking of the institutions concerned with these matters”

(<http://www.bmsk.gv.at/cms/site/detail.htm?channel=CH0632&doc=CMS1142933712705> [22.05.2007]). As a consequence, this resulted in a financial basis for the website www.verbraucherrecht.at (see chapter 3.1.3.1).

The “Federal Ministry of Social Affairs and the Protection of Consumers” provided further financial aid, for instance, for the development of a “book of household accounts” (http://www.ooe.schuldnerberatung.at/_helfer/downloads.php?menu=3) through the Debt Advice (debt consulting service, debt counselling) in Upper Austria. This book of household accounts can be obtained free of charge through the internet and supports a realistic self-assessment concerning one’s own situation of revenues and expenses.

Besides, the Ministry arranges competitions for pupils to promote creation of consciousness concerning consumer rights / consumer duties / consumer possibilities. The competition of 2006/2007 entitled “www – values – goods – worlds” is devoted to the examination of chances and possibilities of the internet from the viewpoint of young consumers

(<http://www.bmsk.gv.at/cms/site/detail.htm?channel=CH0720&doc=CMS1157092279526> [22.05.2007]).

3.1.2) Services on the Internet of the Bank Economy – Financial Sector

With their services on the internet the banks and savings banks in Austria supply broad information around their financial products. Their objective is, first of all, to present their products to interested customers in a way which is effective in advertising.

Furthermore, many banks and savings banks use the internet to provide possibilities of establishing contact via e-mail respectively contact forms based on the web. Assistance through chat or discussion forums aiming at the group of “simple customers” is not supplied by the banks. Some banks offer interactive calculation services, for instance, the Immo-Bank offers a “calculator figuring credit” (<http://www.immo-bank.at/kredit.asp>), the Bawa-Bank offers a “calculator figuring the budget”

(https://onlineservices.bawag.com/bkredit/cl0011/ca0019_KreditrechnerCS/cl0011ca0019in0001budget.jsp) or the Austrian Credit Union (Volksbank), which offers a professionally designed “living-a-dream advisor”

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(http://www.volksbank.at/m101/volksbank/de/individuelle_seite/private_wohnbau/wohntraum_be_rater.jsp). These services, however, do at present not yet replace direct consulting by a banker, but are only able to provide first clues for the further process of decision.

In co-operation with Caritas Austria (<http://www.sparkasse.at/erstebank>) and the governing body of the Debt Advice in Austria (ASB) (<http://www.caritas.at/>) the “First Bank” of the Austrian Savings Banks Inc. (<http://www.schuldnerberatung.at>) has started an extraordinary social project. The “Second Savings Bank”

(http://www.sparkasse.at/erstebank?w_webc_url=Channels/Konto_-_Karten/Strukturcontents/pk_zweite_spk_pg_Content.akp) newly founded in Vienna enables people in social distress to open a current account free of charge. Since the beginning of October 2006 the new bank has been offering so-called basic accounts which do not dispose of an overdraft facility. With this account people also have the possibility of participating in online-banking. The prerequisite for opening an account is that the persons concerned are taken care of by the Debt Advice or the Caritas in Vienna. The bank is solely run by honorary members. Since March 2007 the “Second Savings Bank” has also offered a cost-free accident insurance for people who have run into financial distress and who do not dispose of financial access to the common insurance benefits. Moreover, there is the possibility to call upon gratuitous legal advice every three months.

After the “Second Savings Bank” in Vienna has already opened basic accounts for 700 people within a few months it is now planned to establish such a “bank for people without a bank” in each federal State in Austria (<http://derstandard.at/?url=?id=2887825>).

The possibility to participate in online-banking included in the offer of the “Second Savings Bank” has to be pointed out particularly (Vgl. Pressemeldung unter <http://www.konsument.at/konsument/detail.asp?category=Geld+%2B+Versicherung&id=29222>). Frequently, it is especially the overindebted customers who are confronted with the constraint that the “privilege” online-banking will not be granted anymore after the first financial difficulties have occurred.

3.1.3) Internet Offers by Other Providers (Non-Governmental Agencies)

In particular, the sector of non-governmental and non-commercial institutions and initiatives provides helpful internet offers with offers of financial accumulation.

3.1.3.1) Example: Association for the Information of Consumers (VKI) – Law Department www.konsument.at and www.verbraucherrecht.at

The Association for the Information of Consumers offers Austria’s only test magazine for consumers. As the association declares itself, its objective is, above all, to reveal nuisances towards consumers and to help enforcing the rights of consumers. It examines and compares commodities and services of different providers. Apart from the tests of commodities reports, hints and trends for consumers are offered here. The publication is effected without announcement so as to guarantee independence from the providers. All tests and reports can also be recalled online – partly with costs, however.

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The department of law of the Association for the Information of Consumers has specialized on the rights of consumers in Austria and the European Union. It conducts test cases and class action suits, documents legal norms and sentences and information on the latest developments and gives helpful hints on the everyday life of the consumers.

This information is made available on the online platform at www.verbraucherrecht.at which was established for this purpose with a subsidy of the Federal Ministry of Social Affairs and the Protection of Consumers at the beginning of 2005. Among others, the latest product characteristics concerning topical problems, online questionnaires relating to actions performed, presentation of sentences relevant for the rights of consumers including sentences in full text as well as sample letters are made available. Moreover, the consumer finds the possibility to carry out an estimate of his interest on savings through the internet (http://www.verbraucherrecht.at/aktionen/aktion_sparbuch_2007 [22.05.2007]). Thus, the owner of a savings book can calculate himself if the adjustment of the interest on his savings performed by his bank was effected correctly.

3.1.3.2) Example: Facility for Prevention “Klartext” <http://www.klartext.at>

In 1999 the Debt Advice Upper Austria created the specialist department for prevention “Klartext”. The objective of this specialist department for prevention is to impart abilities regarding one’s own financial resources and possibilities (budgeting, budget management, financial planning, talking about money, getting along with one’s income, thus prevention of debt problems to the individual), to become aware of one’s consumer behaviour, to point out and to impart correlations between one’s own consumer behaviour and the influence on society and the exertion of influence on structural framework (vgl. Konzept von Klartext <http://www.klartext.at/downloads/konzept.pdf> [22.05.2007]). The facility is financed by means of the social department of the Federal State of Upper Austria (<http://www.ooe.gv.at/>) and the service of the labour market of Austria (<http://www.ams.or.at/neu/>).

Besides broad information the homepage also offers the two small online-modules “calculator of the costs for mobile phones” and “calculator of the costs for smoking” (<http://www.klartext.at/rechner.htm#>). Furthermore, on its home page entitled “debt suitcase online” (<http://www.schuldenkoffer.at>) “Klartext” offers teaching material on the topic “handling of money and consumption” which can be recalled online free of charge by multipliers who work with young people over the age of 13 at school or in non-school related activities. The example of “Klartext” shows the current efforts of many institutions on how the developed offers of information and learning opportunities are at present made available on the internet in order to be recalled and how they strive for a transformation of the respective contents to be suitable for the internet.

3.1.3.3) Example: Association for Prophylactic Social Work www.schuldnerhilfe.at

In its function as a preferential debt advisor and acknowledged family counselling centre the Association of Prophylactic Social Work from Linz also provides offers of financial

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accumulation in the framework of its prevention work. Among the services the homepage www.schuldnerhilfe.at has to offer the cost-free recall of the journal “Geizhals” appearing about three times a year is especially worth mentioning (<http://www.schulden.at/index.php?GEIZHALSZEITUNG>). In this journal hints for a careful and economical handling with the own financial resources are presented. Moreover, small tables for calculation like, for instance, a “budget planner” and a “check of the costs for a car” can be recalled (<http://www.schulden.at/index.php?SERVICE%2FINFO:Downloads>). However, unfortunately further offers of financial accumulation through the internet are currently not at disposal. Regrettably, communication through chat or discussions forums is not offered yet to the target group, either.

3.1.3.4 Example: IfS Debt Advice www.fitfuersgeld.at

The home page www.fitfuersgeld.at offered by the IfS Debt Advice provides offers of financial accumulation around the topic of money. Its principal item is the “financial driving licence” which is supposed to prepare children and adolescents for a correct handling of money. Principal items of the “financial driving licence” are different focal points of learning composed of modules, which have to be carried out by the participants according to their age (<http://www.fitfuersgeld.at/Modul-Stufe-L.39.0.html>). The website informs in detail on the contents and on organizational questions of achieving the “financial driving licence”.

Furthermore, the home page provides an interesting online quiz similar to the financial driving licence. Through this quiz the adolescents are able to find out how well they are familiar with money matters and what kind of “type” they are in relation to the handling and spending of money. And at the same time, without one noticing it, helpful information and hints are imparted in order to help getting along with the money in the best possible way and to prevent debts. Moreover, an online game for adolescents is offered on the home page which leads through the jungle of financing a car by way of a riddle rally.

3.2) Overall View at the Internet Offers in Austria

At present the Austrian government offers no State-run internet offers to prevent processes of financial exclusion, it supports, however, some small projects of debt advice.

The banks and savings banks use the internet almost exclusively as a publicity for their products and services. The focus concentrates, above all, on the solvent customer. The joint project “Second Savings Bank” is a commendable exception which provides – accompanied by the Debt Advice – an account suitable for online banking for a financially excluded group of people. Being able to participate in online banking represents an important contribution to financial inclusion for people with limited mobility.

In addition, helpful support is almost exclusively provided on the internet by offers of non-governmental and non-commercial institutions. Above all, the Association for the

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Information of Consumers and the Debt Advices give helpful hints and provide information on the promotion of financial inclusion.

The potential of the medium internet to face processes of financial exclusion is, however, by far not tapped in Austria. Only in exceptional cases do the State as well as the banks and also social helplines use the advantages of online communication. In addition to a support independent of room and time the internet offers, above all, a necessary low-threshold access to the group of excluded citizens which could so far not be reached through offers of information and education.

Q.17. Government as a legislator

In Austria there is no law regarding the access to a basic banking account. The debt counselling organisations in Austria continuously emphasize their political claim for a right of a basic banking account.

Grohs, H. W.: Erfahrungen zur Schuldenregulierung und rechtliche Verbesserungen aus konsumentenpolitischer Sicht. Paper eines Arbeitskreistreffens in Wien, 2003.

Kaiser, Sven (Deutsche Ausgleichsbank): Der Kontrahierungszwang beim Girokonto in Europa. Ein rechtstvergleichender Überblick. In: vur-Online. Online-Ausgabe der Zeitschrift Verbraucher und Recht. <http://www.vur-online.de/beitrag/8.html> [as of 30.05.2007]

In Austria there is no legislative approach to responsible lending.

ASB Schuldnerberatungen GmbH u.a.: Report on the survey on « Better access to financial services for people experiencing poverty and social exclusion» Linz, 2006.

Q.18. Please use a separate sheet of paper to **tell us anything else you think should be included in our report** about the topic of financial exclusion in your country

Thank you very much for your help. It is much appreciated.

Country report questionnaire to be handed in to RFA on the 10th of June.

ANNEX 1 - Q.10.1: FACTORS AFFECTING DIFFICULTY OF ACCESS OR USE IN YOUR COUNTRY

Add in this document other causes of exclusion that exist in your country and comment ALL causes relevant to your country

	Access or use	The possible relationship*	Type of service affected**
Societal factors			
Liberalisation of markets	Access	(+) increased competition may result in more attention been paid to all market segments or (-) less attention to marginal market segments (-) levelling the regulation of different banking/financial institutions generally resulted in the disappearance of types of financial institutions which traditionally served people on low incomes	Banking**, Credit; Savings
<p>Because of the liberalisation of the finance market, there was a strengthening of the competition. Thus financial services concentrate over all on wealthy clients and clients with a high income respectively. In return the poorer population groups, for the reason of low profit, become less interesting.</p> <p>Source: Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the Austrian debt advice centres, 2007.06.07.</p>			
Labour market changes	Access	(-) more flexible markets mean less stable incomes and, often, less creditworthiness	Banking; Credit
<p>Especially persons without an account get into problems. Because of the difficulties which arise by paying out the salary without an account, it is hard to find an employer.</p> <p>Source: Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the Austrian debt advice centres, 2007.06.07.</p>			
Money laundering rules/Identity checks	Access; Use	(-) preventing the use of the financial system for money laundering and financing of terrorism brings a greater bureaucracy to financial transactions	Banking; Savings
<p>In order to combat money laundering and the finance of terrorism, credit institutes are obliged to check and to report suspicious money transactions (§§ 39-41 BWG). However, these are just bank internal tasks, which do not have an effect on the consumers.</p> <p>Source:</p> <ul style="list-style-type: none"> Wirtschaftskammern Österreich: Bankwesengesetz (BWG). In: http://wko.at/finanzdienstleister/bankwesengesetz.pdf (as 			

Country report questionnaire to be handed in to RFA on the 10th of June.

<p>of 8.6.2007).</p> <ul style="list-style-type: none"> • Bundeskanzleramt Österreich: Bankwesengesetz. In: http://www.ris.bka.gv.at/bundesrecht/ Schlagwort: Bankwesengesetz (as of 8.6.2007). • Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the Austrian debt advice centres, 2007.06.07. 			
Fiscal policy	Access; Use	(-) duties and taxes on banking services may represent a heavy burden for people on low incomes people, reducing the convenience of using the services, (+) but fiscal measures can provide incentives (reducing cost or granting fiscal advantages) for financial inclusion	Banking; Savings, Credit
<p>In Austria there is an so called credit tax, or fee of a legal transaction due (§ 3 consumers credit order). This is about an non-recurring charge in the amount of 0,8 % of the credit amount. Because the credit tax is not due when a drawing credit is used, the credit institutes promote the possibilities of overdrawing of the saving account. However the interests of the bank are much higher in the case of drawing credits than in the case of consumer credits.</p> <p>Source:</p> <ul style="list-style-type: none"> • Bundeskanzleramt Österreich: Bankwesengesetz. In: http://www.ris.bka.gv.at/bundesrecht/ Schlagwort: Rechtsgeschäftsgebühr (as of 8.6.2007). • Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the Austrian debt advice centres, 2007.06.07. 			
Social assistance	Access; Use	(-) paying social assistance in cash can deter people from opening a bank account (+) but antipoverty policies can facilitate financial inclusion	Banking; Credit, Savings
<p>In Austria it is possible to pay out the unemployment benefit or the social aid in general in cash. However the transaction with a saving account would be much easier and much cheaper for the administration.</p> <p>Source: Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the Austrian debt advice centres, 2007.06.07.</p>			

Country report questionnaire to be handed in to RFA on the 10th of June.

Demographic changes	Access; Use	(-) older people generally suffer more from the technological divide (+) young people have a higher propensity to use credit, but (-) their risk of over-indebtedness is higher and may lead to exclusion.	Banking; Credit;
<p>The usage of the new options for using the financial services by the technological modification, like the internet banking implies at first an internet access. In Austria the usage of the internet banking for bank transactions is less expensive than using the service agencies. The fee for the account statement for example is cheaper by the internet than by the statement printer in the agencies.</p> <p>In Austria there is a trend observable which goes to a credit society. For more and more people the financing by credit becomes a matter of course. However there is not only the financing of long-lasting consumer goods by credits, but also more and more the financing of non-durable goods like vacations which are also payed by credit. Therefore this form of credit usage poses a risk for overindebedess, because in the case of a financial crises there is no financial countervalue for the credit.</p> <p>Source: Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the Austrian debt advice centres, 2007.06.07.</p>			
Income inequalities	Access	(-) higher income inequalities and literacy disparity are normally associated with greater difficulties of access	Banking, Credit
<p>Recipients of a low income are hardly interesting for the bank, because the bank is more interested in profitable clients than in unprofitable ones. Therefore the access for recipients of a low income is hindered.</p> <p>Source: Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the Austrian debt advice centres, 2007.06.07.</p>			
Supply factors		Generally, in the past, supply factors played a negative role (obstacles), recently sometimes new strategies of some innovative banks turned these factors positively in order to satisfy the specific needs of marginal segments	
Geographical access	Access	(-) / (+)	Banking; Savings
<p>In general banks are evenly spread over all Austria. Especially the saving banks and the Raiffeisenbanken cover the rural areas.</p> <p>Source: Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the</p>			

Country report questionnaire to be handed in to RFA on the 10th of June.

Austrian debt advice centres, 2007.06.07.			
Risk assessment	Access	(-) / (+)	Banking; Credit
<p>Before the granting of a credit or the opening of an account the bank checks the client in the “black list” of the banks or in other information files, especially in those of the KVS (See Q.3.5). If negative information exists, the credit or the granting of an account can be refused. Furthermore in the case of a private insolvency they cancel already existing accounts. A problem results from the fact, that also after a discharge of outstanding debt related to consumer insolvency the information in the files can still persist and therefore a rising of credit or an opening of an account is hindered or even not possible.</p> <p>Source: Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the Austrian debt advice centres, 2007.06.07.</p>			
Price	Access; Use	(-) / (+)	Banking; Credit
<p>In Austria there exists a non-recurring credit tax in the case of the opening of an account. The tax amounts to 0,8 % of the amount of the credit. However the fee is not relevant in the context of the access and the usage, because these are seen as given and also in their amount they are no barrier.</p> <p>Source:</p> <ul style="list-style-type: none"> • Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the Austrian debt advice centres, 2007.06.07. • Bundeskanzleramt Österreich: Bankwesengesetz. In: http://www.ris.bka.gv.at/bundesrecht/ Schlagwort: Rechtsgeschäftsgebühr (as of 8.6.2007). 			
Product design (terms and conditions)	Access; Use	(-) / (+)	Banking; Credit
<p>Creditors are by the consumers protection law obliged to inform the credit user and the citizens about the risks, the duties and the costs of the credit.</p> <p>However in Austria there exists more the problem of the transparency and the comparability of the different offers.</p> <p>Source:</p>			

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<ul style="list-style-type: none"> ASB Schuldnerberatungen GmbH, GP Forschungsgruppe, SKEF- Society for Promotion of Financial Education (PL) und Oberservatoire du Cr�dit de l'Endettement: Report on the Survey „Better access to financial services for people experiencing poverty and social exclusion”. Ref.No.: VS/2005/0363. Accounting No.: SI2.414444. not published. .S. 24 ff. Internet4Jurists: Konsumentenschutzgesetz. In: http://www.internet4jurists.at/gesetze/bg_kschg01.htm (as of 8.6.2007). Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the Austrian debt advice centres, 2007.06.07. 			
Service delivery (eg internet)	Access; Use	(-) / (+)	Banking; Credit; Savings
Complexity of choice	Access	(-) / (+)	Savings
<p>There exists variety of different products, which differ from bank to bank and which are hardly to compare. Comparable are only the <i>savings books with minimum interest rate</i>, which are relatively equal. However they have bad condition of interests.</p> <p>Source: Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the Austrian debt advice centres, 2007.06.07.</p>			
Marketing	Access	(-) / (+)	Banking; Credit; Savings
<p>The marketing of the financial services in Austria is very psychological-subtle and on an emotional level, without naming the relevant numbers or economic informations.</p> <p>Source: Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the Austrian debt advice centres, 2007.06.07.</p>			
Demand factors	Listed demand factors generally play a negative role. Initiatives to improve financial capability and literacy as well as actions aimed to encourage to develop confidence in the		

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		banking system may reduce their negative impact.	
Belief that not for poor	Access	(-)	Banking; Credit; Savings
Fear of loss of financial control	Access	(-)	Banking; Credit
<p>In the project “Second bank” it becomes obvious that lots of clients are afraid to lose control over their finances, are afraid of more attachments or in general have no trust in the financial institutes. Therefore they take of the complete amount right after the receipt of payment.</p> <p>Source: Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the Austrian debt advice centres, 2007.06.07.</p>			
Mistrust of providers	Access	(-)	Banking; Credit; Savings
<p>A survey of IMAS (Austrian International Research Institute) – whose results unfortunately are not available in the internet – shows that the financial service providers do have a very bad image in Austria and that they are not seen as trustable.</p> <p>Source: Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the Austrian debt advice centres, 2007.06.07.</p>			
Concern about costs	Access; Use	(-)	Banking; Credit
<p>It often happens that the clients think, that the costs are fix and always the same and that they take that as a given fact.</p> <p>Source: Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the Austrian debt advice centres, 2007.06.07.</p>			
Preference for alternative providers and cultural factors	Access	(-)	Banking; Credit; Savings

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Religion	Access	(-)	Banking; Credit; Savings
Opposition to use	Access	(-)	Credit
<p>In the population there partly exists a very critical attitude in the regard of credits and the usage is therefore denied. However those are population groups which can afford this attitude by being able to renounce credits. Other population groups however depend on the usage of credits and take therefore also intransparent credits to bad conditions.</p> <p>Source: Interview with Dr. Hans W. Grohs managing director ASB Schuldnerberatungen GmbH, umbrella organisation of the Austrian debt advice centres, 2007.06.07.</p>			

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ANNEX 2 - Q.12.,13.,14.: MARKET RESPONSE FOR FINANCIAL INCLUSION

Provision of services by alternative providers

Country	Year of first introduction	Name	Main provisions	Other notes and criticism
Austria	21.11.2006	Zweite Sparkasse	<p>The „Second saving bank“ is a non-profit-bank which was initiated and which is financed by the “The first Austrian Spar-Casse privat foundation”.</p> <p>The “Second saving bank” offers a credit account which is limited to three years and which has no possibility for overdrawing. This is an offer especially for persons who got into financial distress and therefore have no access to financial services. The reason for the limitation is, that the offer is not supposed to be a permanent solution, but a basis for a permanent regulated bank relationship in later times.</p> <p>The “Second saving bank” is administrated by voluntary and retired employees of the “First Bank” in cooperation with the welfare associations like the Caritas and the debt counselling services. For the beginning the project is limited to Vienna, but it is discussed if it should be dispreaded all over austria.</p> <p>The “Second bank” has (as of February 2007) 300 clients.</p> <p>Source: Seiser, Michaela: Die Sparkasse, die überflüssig werden will; Österreichs «Zweite Bank» vergibt Konten an Bedüftige. In: Frankfurter Allgemeine Zeitung. 22.02.2007, S. 18. DIE ERSTE österreichische Spar-Casse Privatstiftung: Die Bank für Menschen ohne Bank: http://www.erstestiftung.org/press/archive/20061123+zweite/de</p>	

Development of new products and services by mainstream providers

Country report questionnaire to be handed in to RFA on the 10th of June.

Country	Year of first introduction	Name	Main provisions	Other notes and criticism

Voluntary charters and codes of practice

Country	Year of first introduction	Name	Main provisions	Other notes and criticism

ANNEX 3 - Q.15.,16.,17.: GOVERNMENT RESPONSE FOR FINANCIAL INCLUSION

Government intervention (as facilitator)

Country	Name of the Initiative	Main provisions	

Government intervention (as legislator)

Country	References	Main provisions	Further details	Further provisions Elements to be analysed in order to identifying the Costs and Benefits