

Study on financial services provision and prevention of financial exclusion

COUNTRY REPORT STAGE I: QUESTIONNAIRE *THE NETHERLANDS*

PRELIMINARY QUESTIONS

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

Q.1.1.: Is there a problem of financial exclusion in your country (in broad terms, for details see Q.2.)?

Yes

No

Q.1.1.1.: 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) :

The Netherlands ranks amongst the very best countries of the EU regarding financial inclusion : about 99% of the population has a personal current account, giro account or similar. In other words, less than one per cent of the population is unbanked.

The main reasons for this are the following :

- universally high standard of living: although the growth of the Dutch economy lies under that of the EU since a few years, the GDP (Gross Domestic Product) still was, in 2004, 25 per cent above the EU 25 average. Therefore, the Netherlands are amongst the richest EU countries;
- high social benefits coverage: among other, the total health expenditure represents 9.8% of the GDP (the second highest rate in the UE, after Denmark);
- high financial products coverage: anyone can find bank services within a radius of 5 kilometers;
- universal and non-discriminatory banking: most of the actions are taken on a local level, in cooperation with the stakeholders (bankers' association, consumers' organization, municipalities, organizations providing social assistance), tailor-made for any relevant group of the population (youth, elderly, migrants, etc.).

➔ Financial inclusion of about the whole population is a consequence of the policies ran in a rich and highly urbanized country as well as in a social market economy, tackling the issues on a local level in dialogue with al the stakeholders.

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<p>Q.1.2.: Is there currently a public debate on financial exclusion in your country? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Debate limited to specific issues or involving only few parts <input type="checkbox"/></p> <p>Q.1.2.1.: If yes, please <u>give brief details</u> of what this covers: <u>n.a.</u></p> <p>Q.1.2.2.: If yes, who are the players involved in that debate in your country? <u>The players involved in financial inclusion are, mainly :</u> National government <input checked="" type="checkbox"/> Regional government <input checked="" type="checkbox"/> Municipalities <input checked="" type="checkbox"/> Commercial financial service providers and their associations <input checked="" type="checkbox"/> (<u>NVB – Nederlandse Vereniging van Banken – Dutch Bankers' Association</u>) Not-for profit financial service providers <input type="checkbox"/> Consumers' associations <input checked="" type="checkbox"/> (<u>ConsumentenBond – Consumers' Organization</u>) Academics <input checked="" type="checkbox"/> Non governmental agencies <input type="checkbox"/> Others (describe): <u>Organizations providing social services</u></p>																		
<p>Q.1.3.: What are the sources of data available related to the levels of financial exclusion (or to financial inclusion) in your country? <u>Eurodata Barometer, EU-SILC, CBS (Centraal Bureau voor Statistiek), SCP (Sociaal en Cultureel Planbureau).</u></p> <p><u>There is very little literature related to financial exclusion because actions are mostly local and very practical.</u></p> <p><i>Please, send an electronic or paper version of all relevant data/report(s) to RFA if not yet listed in the bibliography available on fininc.eu.</i> <u>An electronic version has been sent whenever possible. Otherwise, a paper version has been given.</u></p> <p>Q.1.3.1.: Sources of data available related to overall levels of financial exclusion:</p> <table><tr><td>Official European data</td><td><input checked="" type="checkbox"/></td><td>details on periodicity: <u>yearly basis</u></td></tr><tr><td>Official national data</td><td><input type="checkbox"/></td><td>details on periodicity:</td></tr><tr><td>Official regional data</td><td><input type="checkbox"/></td><td>details on periodicity:</td></tr><tr><td>Academic reports</td><td><input checked="" type="checkbox"/></td><td>details on periodicity: <u>sporadically</u></td></tr><tr><td>Financial sector reports</td><td><input type="checkbox"/></td><td>details on periodicity:</td></tr><tr><td>Non governmental organization reports</td><td><input type="checkbox"/></td><td>details on periodicity:</td></tr></table> <p>Others (describe): <u>n.a.</u></p>	Official European data	<input checked="" type="checkbox"/>	details on periodicity: <u>yearly basis</u>	Official national data	<input type="checkbox"/>	details on periodicity:	Official regional data	<input type="checkbox"/>	details on periodicity:	Academic reports	<input checked="" type="checkbox"/>	details on periodicity: <u>sporadically</u>	Financial sector reports	<input type="checkbox"/>	details on periodicity:	Non governmental organization reports	<input type="checkbox"/>	details on periodicity:
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Financial sector reports	<input type="checkbox"/>	details on periodicity:																
Non governmental organization reports	<input type="checkbox"/>	details on periodicity:																

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Specify how the exclusion is measured/estimated : n.a.

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

Official European data	<input checked="" type="checkbox"/>	details on periodicity: <u>yearly basis</u>
Official national data	<input type="checkbox"/>	details on periodicity:
Official regional data	<input type="checkbox"/>	details on periodicity:
Academic reports	<input type="checkbox"/>	details on periodicity:
Financial sector reports	<input checked="" type="checkbox"/>	details on periodicity: <u>yearly basis</u>
Non governmental organization reports	<input checked="" type="checkbox"/>	details on periodicity: <u>yearly basis</u>

Others (describe): n.a.

Specify how the exclusion is measured/estimated:

No indicators not specifically focused on financial exclusion.

The main indicators used are the following :

- percentage of the population having a bank account;
- geographical coverage of banking services;
- number of bank offices;
- number of ATM terminals and POS terminals;
- number of payment cards in circulation.

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

Official European data	<input checked="" type="checkbox"/>	details on periodicity: <u>yearly basis</u>
Official national data	<input type="checkbox"/>	details on periodicity:
Official regional data	<input type="checkbox"/>	details on periodicity:
Academic reports	<input type="checkbox"/>	details on periodicity:
Financial sector reports	<input checked="" type="checkbox"/>	details on periodicity: <u>yearly basis</u>
Non governmental organization reports	<input checked="" type="checkbox"/>	details on periodicity: <u>yearly basis</u>

Others (describe): n.a.

Specify how the exclusion is measured/estimated:

No indicators not specifically focused on financial exclusion.

The main indicators used are the following :

- number of credit cards in circulation
- amount of credits granted

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

Official European data	<input checked="" type="checkbox"/>	details on periodicity: <u>yearly basis</u>
Official national data	<input type="checkbox"/>	details on periodicity:
Official regional data	<input type="checkbox"/>	details on periodicity:
Academic reports	<input type="checkbox"/>	details on periodicity:
Financial sector reports	<input checked="" type="checkbox"/>	details on periodicity: <u>yearly basis</u>
Non governmental organization reports	<input type="checkbox"/>	details on periodicity:

Others (describe): n.a.

Specify how the exclusion is measured/estimated: n.a.

No indicators not specifically focused on financial exclusion.

The main indicators used are the following :

- percentage of the population having a savings account;
- amount of money in savings account.

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

Official European data	<input type="checkbox"/>	details on periodicity:
Official national data	<input type="checkbox"/>	details on periodicity:
Official regional data	<input type="checkbox"/>	details on periodicity:
Academic reports	<input type="checkbox"/>	details on periodicity:
Financial sector reports	<input type="checkbox"/>	details on periodicity:
Non governmental organization reports	<input type="checkbox"/>	details on periodicity:
Others (describe): n.a.		

NATIONAL CONTEXT OF FINANCIAL SERVICES

Q.2. Banking transactions

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

yes
no

Banks offer a wide range of products and services, which are widely spread and used in the Netherlands.

According to the Eurobarometer 60.2, only 1 per cent of individuals do not have a transaction bank account, the best score in the EU 15. Given that some people choose not to have a bank account, the Netherlands can be considered fully banked.

According to the ECB Blue Book 2006, about 31 750 000 payment cards circulated in the Netherlands in 2005. This means that each inhabitant has an average of 1.95 payment cards.

Between 1999 and 2003, many bank branches have been closed, so that the country accounted 3800 in 2004 (against more than 6000 in 1999). In 2005 and 2006, this number stabilized to 3700. On the other hand, the number of ATM terminals grew rapidly (around 7500, not taking into account the 206 000 POS terminals).

The NVB (*Nederlandse Vereniging van Banken* – Dutch Association of Banks) issued a survey (in 2006) according to which 99.8% of the Dutch population live within a radius of 5 kilometers from any bank service. Although the Association may not be considered as independent, its figure is confirmed, on the one hand, by the Eurobarometer data according to which 99% of the Dutch population is banked and, on the other hand, by the 2006 ECB Blue Book which states the existence of 7520 ATM terminals in the country (41 526 km²), i.e. an ATM terminal in a radius of 5.52 kilometers on average.

➔ Like in most European countries, people most at risk of financial exclusion are the elderly, the disabled, the new Dutch, the illiterates. Yet, these groups have been taken care of on a local level (see below). Nowadays, people without a fixed residence or place to stay and people in situation of overindebtedness are considered to be the group of

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population most at risk of not having a current account.

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

yes

no

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

Every client opening a transactions bank account receives a payment card, even in the case of a 'basic banking services account' (see below). All payment cards combine a cash function and a payment function. Moreover, one card on two also offers an e-money function.

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

- Unbanked yes no (less than one per cent – see above)

- Marginally banked yes 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 no

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

- 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

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

- Make remittances

- Receive regular bank account statements

All those services are offered with any transactions bank account, even with the 'basic banking services account' (see below).

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

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

- Make remittances

- Receive regular bank account statements

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Banks develop creative solutions for instance to explain to the elderly clients how to get used to phone or computer banking or to encourage an illiterate client to follow reading lessons.

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?

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

As already mentioned, 99% of the population is banked. It means that about 160 000 individuals do not have a bank account. Among these persons, we find people who choose not to get banked and, although exceptional, people who are refused to get a bank account because of proven money laundering or fraud for instance.

In the Netherlands, there are a few credit companies. Like banks, they have to comply with the legal requirements (*Wet Financieel Toezicht* – Law on Financial Control). These companies have to get an official agreement from the Authority of Financial Markets (*Autoriteit Financiële Markten*). This office controls the granting of credits and can sanction them in case of infraction.

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

n.a.

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?

Describe briefly:

- The savings banks/postal banks/public owned banks existing in your country
- The kind of services they provide (cheque cashing, bill-payment, remittances services...) and (if possible) some indications of the number of customers and/or number of service outlets they have
- How their costs and terms and conditions differ from the rest of the mainstream market commercial banks

The Postbank is part of ING Bank. It offers the same banking services than the mainstream banks, i.e.:

- reception of electronic funds,
- possibility to get cash,

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- safe money storage,
- electronic payment for goods and services,
- reception of regular bank account statements.

Moreover, the Postbank is an authorized agent of Western Union, used to make remittance transfers.

Its main distribution channels are mail, the internet and the post office network.

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

n.a.

Q.3. Credit

Q.3.1.: 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*

yes

no

If yes, what are the main barriers :

One Dutch person on five has no credit card, while more than one on three lives the same situation within EU 15. As such, the Netherlands come in the fourth position within Europe, after France, Denmark and Luxembourg.

Q.3.1.1.: 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*

yes

no

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

Although no study refers to this particular issue, the deliberate subscription of a credit outside the prime credit market might be a necessity for the individuals who have been refused a bank account for exceptional reasons such as fraud, money laundering, etc.

On the other hand, overindebtedness might result into such a decision as well. In order to tackle this issue, the NVB (bankers' association), the VFN – *Vereniging van Financieringsondernemingen in Nederland* – Association of funding providers in the Netherlands) and the NWK (*Vereniging van Volkskrediebanken* – Association of credit institutions) decided, in 2006, to cooperate in order to cope with the issue of overindebtedness. The idea is to standardize their procedures in order to allow the creditors to decide faster whether they will be part of an out-of-court settlement. This should help to at least slow down the vicious circle of overindebtedness and prevent the

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clients from sub-prime credit.

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

n.a.

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

The credit players are : - banks and credit card companies: 65.5% of the market share;
- credit companies: 29.5% of the market share;
- Post Offices: 4.0% of the market share;
- Municipal credit banks: 1.0% of the market share.

Since 2000, the granting of credit is decreasing within every market player, except for the banks and card companies. The increase there is partly due to the growing market share of credits via credit cards.

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

Yes

No

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)

n.a.

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

Yes

No

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

In the Netherlands, "price caps are imposed on the interest rate that can be charged on credit which may act as a consumer protection measure by preventing excessive prices from being charged : [...] prices for borrowing on credit cards are regulated with the maximum interest rate constrained to be no greater than 17% above the base rate. The

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rationale behind the regulation is to protect consumers, as there are only four to five credit card providers in the Netherlands.¹

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

Specify: n.a.

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

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

➤ At banking sector level? Yes no
If yes, is it Publicly run or privately run
Voluntary or mandatory

➤ Individually within each credit provider? Yes no
If yes, is it Publicly run or privately run
Voluntary or mandatory

➤ At another level (explain) : n.a.

Until the years 1960, had each credit institution its own client database. It has then been decided to create one central registration office for the whole country and for the use of any professional player.

Since the BKR (*Bureau Krediet Registratie* – Credit Registration Office) has been set up, the credit provider is legally required to refer to before granting any credit of € 250,- or more.

Each time a client asks for a credit, the financial institution asks BKR whether the client already has outstanding credits.

The BKR has developed a central Credit Information System (*Centraal Krediet Informatiesysteem* (CKI)): all payment requirements of any Dutch consumers who has a credit or had one within the last 5 years. As such the BKR has information on all existing credits, and not only credits with problems.

¹ An assessment of the extent of an identified need for simplified, standard financial services products, report for the European Commission, Charles River Associates, December 2004, page 63.

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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
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) : **n.a.**

According to BKR, 94% of the consumers meet no reimbursement problem.

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?

Yes **X**

No

Specify:

Credits remains within the CKI database from the moment they are granted. The information about the credit are withdrawn 5 years after the last reimbursement of the credit.

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

Yes

No

n.a.

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:

The files cover all the financial institutions (see Q.3.5.1.).

Q.3.6.: 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:

To our knowledge, there is no law or code of conduct regarding responsible lending in the Netherlands. The only legal measure applied is, as mentioned above (question 3.4.), that price caps are imposed on the interest rate that can be charged on credit.

Q.3.6.1.: Describe briefly the principles of the existing measures regarding responsible lending

n.a..

Q.3.6.2.: Are the above mentioned registers/files part of a responsible lending strategy or do they meet mostly other needs? - Specify:

n.a.

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?

yes

no

If yes, what are the main barriers:

28 per cent of the population has no savings account. This percentage lies below the EU average of 30 per cent, meaning that more individuals have a savings account in the Netherlands than in most EU countries.

In other words, almost three quarters of the population has a savings account: fixed expenditures account, Internet savings account, revenue savings account, investment account, etc.

The market offers a large range of savings accounts, within mainstream providers. They compete on the provision of higher interest rates and lower lock-in periods.

On the basis of the market offering on the one hand, and the high number of individuals having a savings account on the other hand, it can be asserted that this market is not a cause of particular concern.

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?

yes

no

If yes, what are the main reasons:

As mentioned above, the market offers a range of savings products and the geographical accessibility of banking services are large enough to enable any person to open a savings account. Some persons are not in a position of opening and using a savings account, due to their financial situation (too low financial resources, (over)indebtedness), etc.

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

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- 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

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

- Jaarverslag Nederlandse Vereniging van Banken.

- *An assessment of the extent of an identified need for simplified, standard financial services products*, report for the European Commission, Charles River Associates, December 2004.

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?

10,6% of the population is at risk of poverty

This is one of the weakest percentage in the EU. The Netherlands ranks amongst the richest country of the EU, with Luxembourg. The percentage of the population at risk of poverty lies largely below the European average. 86% of the population is considered as encountering no financial difficulty; 97% lacks no durable goods; as far as housing conditions are concerned, the Netherlands come to the fourth place with 'only' 79% of the population encountering no problem in their housing conditions.

If financial exclusion is not analyzed as such, social exclusion, on the opposite, is thoroughly being taken care off.

The country developed a strategic approach, with well-defined objectives, target groups and budget. This approach is developed on the identification of plurality of risks of poverty and on the analysis of the risk of transmission of poverty from one generation to the other. Moreover, the system of welfare payment lies in the hand of the municipalities.

For example, measures have been taken to include ethnic minorities: municipalities where a high percentage of the population comes from ethnic minorities receive extra integration credits, which have to be assigned, in priority, to parents and unemployed.

On the other hand, it has been observed that lone parents risk to lose an important part of their revenues when leaving social welfare to get a job. As a consequence, additional parental benefit has been created for them in order to make employment more attractive.

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For the migrants, projects of compulsory ‘integration lessons’ have been set up. Yet, long waiting lists and the high number of withdrawals slow the process and interfere with the expected results. At a second stage, measures are, therefore, taken to solve those practical issues.

Municipalities have created consultative organism, composed of persons benefiting from welfare payments.

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

0 – 17 : 15%

16-24 % below ARPT²

24-49 % below ARPT

50-64 % below ARPT

65+ % below ARPT

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

Females % below ARPT

Males % below ARPT

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

At work % below ARPT

Unemployed % below ARPT (total unemployment rate: 6%)

Total inactive % below ARPT (total inactive rate: 14.2%)

Both the global employment rate (74.4%) and the female employment rate (66.2%) are higher than the Lisbon objectives. Yet, the number of inactive remains too high, and the unemployment rate is constantly rising (currently at 6%).

Q.6. Links between financial exclusion and over indebtedness

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

No

Yes

De ministry of Social affairs and Employment has established that between 101 000 and 158 000 households can not pay their bills. Those persons should get help through de NVVK (*Nederlandse Vereniging voor Volkskrediet* – Dutch Association for Credit to People): in 2006, 46 000 families got help there to cope with their debts; but not everyone addresses the NVVK.

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<p>The issue of over indebtedness reaches less than one per cent of the Dutch population. It is therefore considered as one of the main issues in the country: all stakeholders are involved. Yet, the relationship between over-indebtedness and financial exclusion is not analyzed.</p>
<p>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. n.a.</p>
<p>Q.7. Links between financial exclusion and social exclusion</p>
<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 <input checked="" type="checkbox"/> Yes <input type="checkbox"/></p> <p>To our knowledge, no particular study has been focused on the links between social exclusion and financial exclusion. As already mentioned, the Netherlands have mostly tackled the problem of poverty. To do so, it has been worked on each target group that can potentially become socially and/or economically excluded: minorities, foreigners, unemployed, recipients from social benefits, etc.</p>
<p>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,...)</p> <p>The CBS/SCP (<i>Centraal Bureau voor Statistiek / Sociaal en Cultureel Planbureau</i>) and universities edit regular reports on poverty :</p> <ul style="list-style-type: none">- CBS/SCP (2000). <i>Armoedemonitor 2000</i>, Den Haag;- CBS/SCP (2002). <i>Armoedebericht 2002</i>, Voorburg/Heerlen;- CBS/SCP (2004). <i>Equivalentiefactoren 1995-2000</i>, Voorburg/Heerlen;- CBS/SCP (2005). <i>Armoedemonitor 2005</i>, Den Haag;- Dagevos (2001). <i>Rapportage minderheden, deel II: meer werk</i>, Den Haag.- Jehoel-Gijsbers G. & Hoff S (2001). <i>Ontwikkelingen in reïntegratie van uitkeringsontvangers</i>. Werkdocument 75, Den Haag.- Soede A. (2006). <i>Naar een nieuwe armoedegrens?</i>, SCP, Den Haag;- Uunk W. (2001) . <i>Concentratie en achterstand; over de samenhang tussen etnische concentratie en de sociaal-economische posities onder allochtonen en autochtonen</i>. Assen.
<p>FINANCIAL EXCLUSION (F.E.)</p>
<p>Q.8. Levels of financial exclusion.</p>
<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 <input checked="" type="checkbox"/> Yes <input type="checkbox"/></p>
<p>Q.8.1.2.: If yes, please give full details of data source(s) for our bibliography, briefly</p>

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<p>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 .</p> <p>Please refer to question 5 on social inclusion: financial exclusion is not analyzed as such in the Netherlands.</p> <p>On the opposite, poverty and social exclusion are being tackled; social welfare are automated (see question 16) and paid by the municipalities. As a consequence, these measures tackled financial exclusion.</p>
<p>Q.8.2.1.: Are there any national survey(s) data regarding the extent and causes of credit exclusion in your country?</p> <p>No <input checked="" type="checkbox"/></p> <p>Yes <input type="checkbox"/></p> <p>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.</p> <p>n.a.</p>
<p>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?</p> <p>No <input checked="" type="checkbox"/></p> <p>Yes <input type="checkbox"/></p> <p>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.</p> <p>n.a.</p>
<p>Q.8.4.1.: Do you have any other specific comments regarding the Eurobarometer data analysis for your country?</p> <p>No <input checked="" type="checkbox"/></p> <p>Yes <input type="checkbox"/></p> <p>Q.8.4.2.: If yes, what are your <u>comments</u>?</p> <p>n.a.</p>
<p>Q.9. People most likely to be financially excluded</p>
<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?</p> <p>No <input checked="" type="checkbox"/></p> <p>Yes <input type="checkbox"/></p>

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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?

Please refer to question 5 on social inclusion: financial exclusion is not analyzed as such in the Netherlands.

The groups of population at risk of poverty are the following :

- young people with low qualification,
- elderly,
- lone parents,
- ethnic minorities,
- migrants.

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

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?

n.a.

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

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?

n.a.

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

No

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?

n.a.

CAUSES AND CONSEQUENCES OF FINANCIAL EXCLUSION

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

As far as societal factors are concerned, the Netherlands are a mix of a liberal market (lot of competition, low government regulation) with a social policy (broad social assistance, fight to decrease the income inequalities).

Supply factors are taken care of by the financial sector (see question 13 and 14): financial services cover the whole country; the basic bank account offers a complete range of services at a minimum price; local actions with the social players ensures that each group at risk is being taken care of.

On the demand factors, the cooperation between the financial sector and the social welfare organizations ease the inclusion of almost the whole population. This is, according to us, one of the success factor in tacking exclusion in the country.

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.
[see above.](#)

Q.11. Causes and consequences of financial exclusion

Q.11.1.: Do you have any comments regarding the specific causes and consequences of financial exclusion related to your country?

No
Yes

Q.11.1.1.: If yes, describe briefly what are those comments?

[See question 10.](#)

Q.11.2.: Do you have any data sources regarding the specific causes and consequences of financial exclusion related to your country?

No
Yes

Q.11.2.1.: 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.

[n.a.](#)

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

n.a.

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

A system of simplified bank accounts with payment means has been developed in 2001 in order to overcome the problems of financial exclusion: the basic banking service (convenant'pakket primaire betaaldiensten) has been set up in order to help people without a bank account to get one. Although banks are not legally required to offer a bank account to anyone, the Code of Conduct states that a bank may not refuse to open a bank account to any customer, not even the client is recorded at the Credit Registration Office. The services offered include the ability to make cash withdrawals at the counter (there is no restriction on the number or value of transactions), to pay electronically, to get regular statements of accounts, and to save money. Each individual benefiting from the basic banking service receives a bankcard to enable him/her to withdraw cash and to pay electronically to a point-of-sale. No credit facilities are offered through the basic bank account. If, for exceptional reasons (fraud, money laundering, etc.), a client is refused and if a basic bank account is closed by the bank, it has to be motivated in writing.

In the Netherlands, banks and their representative Organization look for tailor-made and local solutions. To do so, they work with all stakeholders:

- the NVB (Bankers' Association) and the Salvation Army cooperated to the writing of the basic payment services agreement. Since then, the NVB regularly realizes quality evaluations of the way the basic payment services agreement is applied. The aim is to check how the remaining issues recorded in the previous evaluation have decreased or increased. On this basis, the evaluation report is

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used to start up a new dialogue between the banks and the aid services providers in order to decide on how the issues will be dealt with. Moreover, in order to improve information, price transparency and comparability, the consumers' organization regularly publishes and compares information on bank account and card fees for its members and the public at large.²

- banks also develop creative solutions to reach the target groups at risk of financial exclusion: the Rabobank, for instance, has developed a brochure 'Step by step banking'. It is aimed at the clients who have to get used to phone or computer banking. The bank also trained senior persons so that they can transmit information to local banks and social care organizations. For the illiterates, the bank developed a program according to which its internal employees and retail advisors know how to start a dialogue with the client about this particular issue to lead him/her to follow reading- and writing lessons for adults;
- banks developed various alternative ways of distribution : besides 3700 branch offices and 7200 ATM terminals, they can be available, in some locations, through a 'bankbus'; elsewhere, they realized a cash-less environment; in 1560 other locations, they signed agreements with shopkeepers to enable the clients to get money;
- a workgroup has been built up (*Maatschappelijk Overleg Betalingsverkeer*), with bankers' representatives together with the Municipalities, to check whether any particular problem remains, within a number of areas, concerning the accessibility of banking services.

➔ These are tailor-made solutions for each target group, developed with all the stakeholders (banks, associations, consumers' representatives, social care organizations, etc.) and locally applied.

Banks improve financial inclusion by way of analyzing the particular issue of each region, each municipality, each target group. This work is done in open discussion with any stakeholder in order to listen to and take into account the point of view and the constraints of each market player.

As a consequence, banks have developed special products (such as the basic bank account), they have promoted physical access to bank services, they are continually working on the target groups at risk (elderly, new Dutch, migrants, etc).

Q.14.Voluntary Charters and codes of practices

In the Netherlands, the government has encouraged banks associations to develop voluntary charters to tackle financial exclusion, mainly through promises to offer basic

² *Expert Group on customer mobility in relation to bank accounts – report*. European Commission, Internal Market and Services DG, Financial institutions, retail issues, consumer policy and payment systems; Brussels, June 2007.

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bank accounts (see above).

Also, a Code has been set up in order to help clients switch from one bank to another. To do so, they have to be able to estimate the costs and benefits of such a move. Therefore, a ‘Dutch Switch Support Service’ has been created to reduce the time necessary for the switching and to ease the procedure.

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

The national action plan sets well-defined objectives and budgets relative to social inclusion (see question 5): employment of the groups of population most at risk of poverty, high labour participation thanks to part time jobs, job opportunity for the elderly, minimum financial resources to ensure a decent life to everyone, fight against education’s inequalities through prevention and life-long training, decent housing for everyone, improvement of public services to have them match the local and individual needs. This program indirectly fights again financial exclusion.

No direct policy measures are taken to tackle financial exclusion.

Q.16.Government as a facilitator

In the Netherlands, municipalities are responsible for the payment of social welfare as well as for the application of the reintegration measures. Now, welfare payments are automated.

As a consequence, any individual receiving any social benefit needs to open a bank account. He or she gets information to do so from the social organization from which he will receive social welfare. This positively contributes to tackle and largely solve the issue of financial exclusion.

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Q.17. Government as a legislator

In the Netherlands, the voluntary code relative to the basic bank services has been discussed at the Chamber and is backed up with legislation.

The law Crone (2006), on the proposal of deputy Crone, aims at the accessibility of banks, both geographically and ergonomically. According to this proposal, the Minister of Finance can apply to banks requirements of price, access and security, for all payment- and savings services. In case of insufficient accessibility, the minister of Finance can also require from a bank to propose those services in a determined area.

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.

Full bibliography

- CBS/SCP (2000). *Armoedemonitor 2000*, Den Haag;
- CBS/SCP (2002). *Armoedebericht 2002*, Voorburg/Heerlen;
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- Charles River Associates, *An assessment of the extent of an identified need for simplified, standard financial services products*, report for the European Commission, December 2004.
- Dagevos (2001). *Rapportage minderheden, deel II: meer werk*, Den Haag.
- European Commission, Internal Market and Services DG, Financial Institutions, *Expert Group on Customer Mobility in relation to bank accounts*, June 2007;
- Guio A.-C., *Pauvreté monétaire et exclusion sociale dans l'UE25*, in Eurostat 13/2005;
- Guio A.-C., *La privation matérielle dans l'UE*, in Eurostat 21/2005;
- Jehoel-Gijsbers G. & Hoff S (2001). *Ontwikkelingen in reïntegratie van uitkeringsontvangers*. Werkdocument 75, Den Haag.
- NVB (2006) *Jaarverslag Nederlandse Vereniging van Banken*, Amsterdam.
- Soede A. (2006). *Naar een nieuwe armoedegrens?*, SCP, Den Haag;
- Uunk W. (2001) . *Concentratie en achterstand; over de samenhang tussen etnische concentratie en de sociaal-economische posities onder allochtonen en autochtonen*. Assen.

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
Labour market changes	Access	(-) more flexible markets mean less stable incomes and, often, less creditworthiness	Banking; Credit
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
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
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
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;
Income inequalities	Access	(-) higher income inequalities and literacy disparity are normally associated with greater difficulties of access	Banking, Credit
Supply factors			
Geographical access	Access	(-) / (+)	Banking; Savings
Risk assessment	Access	(-) / (+)	Banking; Credit
Price	Access; Use	(-) / (+)	Banking; Credit
Product design (terms and conditions)	Access; Use	(-) / (+)	Banking; Credit
Service delivery (eg internet)	Access; Use	(-) / (+)	Banking; Credit; Savings
Complexity of choice	Access	(-) / (+)	Savings
Marketing	Access	(-) / (+)	Banking; Credit; Savings
		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	

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Demand factors				
Belief that not for poor	Access	(-)	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 banking system may reduce their negative impact.	Banking; Credit; Savings
Fear of loss of financial control	Access	(-)		Banking; Credit
Mistrust of providers	Access	(-)		Banking; Credit; Savings
Concern about costs	Access; Use	(-)		Banking; Credit
Preference for alternative providers and cultural factors	Access	(-)		Banking; Credit; Savings
Religion	Access	(-)		Banking; Credit; Savings
Opposition to use	Access	(-)		Credit

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

Development of new products and services by mainstream providers

Country	Year of first introduction	Name	Main provisions	Other notes and criticism
THE NETHERLANDS			<p>In the Netherlands, banks and their representative Organization look for <u>taylor-made</u> and <u>local</u> solutions. To do so, they work <u>with all stakeholders</u>:</p> <p>banks develop creative solutions to reach the target groups at risk of financial exclusion: the Rabobank, for instance, has developed a brochure 'Step by step banking'. It is aimed at the clients who have to get used to phone or computer banking. The bank also trained senior</p>	

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	2000-2004	<p>Alternative ways of distribution</p> <p>Payment circulation society consultation <i>(Maatschappelijk Overleg Betalingsverkeer)</i></p>	<p>persons so that they can transmit information to local banks and social care organizations. For the illiterates, the bank developed a program according to which its internal employees and retail advisors know how to start a dialogue with the client about this particular issue to lead him/her to follow reading- and writing lessons for adults;</p> <p>banks developed various alternative ways of distribution : besides 3700 branch offices and 7200 ATM terminals, they can be available, in some locations, through a 'bankbus'; elsewhere, they realized a cash-less environment; in 1560 other locations, they signed agreements with shopkeepers to enable the clients to get money;</p> <p>a workgroup has been built up, with bankers' representatives together with the Municipalities, to check whether any particular problem remains, within a number of areas, concerning the accessibility of banking services.</p>	
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Voluntary charters and codes of practice

Country	Year of first introduction	Name	Main provisions	Other notes and criticism
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<p>THE NEHTERLANDS</p>	<p>2001</p>	<p>Basic payment services package agreement (<i>convenant'pakket primaire betaaldiensten</i>)</p>	<p>A system of simplified bank accounts with payment means has been developed in 2001 in order to overcome the problems of financial exclusion: <u>the basic banking service</u> has been set up in order to help people without a bank account to get one. Although banks are not legally required to offer a bank account to anyone, the Code of Conduct states that a bank may not refuse to open a bank account to any customer, not even the client is recorded at the Credit Registration Office. The services offered include the ability to make cash withdrawals at the counter (there is no restriction on the number or value of transactions), to pay electronically, to get regular statements of accounts, and to save money. Each individual benefiting from the basic banking service receives a bankcard to enable him/her to withdraw cash and to pay electronically to a point-of-sale. No credit facilities are offered through the basic bank account. If, for exceptional reasons (fraud, money laundering, etc.), a client is refused and if a basic bank account is closed by the bank, it has to be motivated in writing.</p>	
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ANNEX 3 - Q.15.,16.,17.: GOVERNMENT RESPONSE FOR FINANCIAL INCLUSION

Government intervention (as facilitator)

Country	Name of the Initiative	Main provisions	
<p>THE NETHERLANDS</p>		<p>No direct policy measures are taken to tackle financial exclusion.</p> <p>The national action plan sets well-defined objectives and budgets relative to social inclusion (see question 5): employment of the groups of population most at risk of poverty, high labour participation thanks to part time jobs, job opportunity for the elderly, minimum financial resources to ensure a decent life to everyone, fight against education's inequalities through prevention and life-long training, decent housing for everyone, improvement of public services to have them match the local and individual needs. This program indirectly fights against financial exclusion.</p> <p>In the Netherlands, municipalities are responsible for the payment of social welfare as well as for the application of the reintegration measures. Now, welfare payments are automated.</p> <p>As a consequence, any individual receiving any social benefit needs to open a bank account. He or she gets information to do so from the social organization from which he will receive social welfare. This positively contributes to tackle and largely solve the issue of financial exclusion.</p>	

Government intervention (as legislator)

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

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<p>THE NETHERLANDS</p>		<p>The law Crone (2006), on the proposal of deputy Crone, aims at the accessibility of banks, both geographically and ergonomically. According to this proposal, the Minister of Finance can apply to banks requirements of price, access and security, for all payment- and savings services. In case of insufficient accessibility, the minister of Finance can also require from a bank to propose those services in a determined area.</p>		
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