

Study on financial services provision and prevention of financial exclusion

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

No

Yes

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) :

Both explanations are right. We have not enough statistics data about it but qualitative data show it very clearly.

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

Yes

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:

Questions of access to credit and question of right to an account and basic banking service were on the last politic agenda. With little results except about social microcredit.

The new French president has just said he would like to restart global discussion in the financial sector. We don't know yet about what but consumers association have said that they would like universal banking service been discussed.

In France, the debate is not really well organized and structured. It is very different that

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what it is in the UK for example. We have very few academic studies on this question. That's a big problem but at least it is a subject of concern.

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

National government

Regional government

Municipalities

Commercial financial service providers and their associations

Not-for profit financial service providers

Consumers' associations

Academics

Non governmental agencies

Others (describe):

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

As said below, there is not a lot of data about financial exclusion in France.

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

Official European data details on periodicity: Eurobarometer

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 : Daniel & Simon (2001)

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 :

There is questions about access to transaction bank account, saving account, and means

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of payment. The main population is benefits users but there is comparison to the whole population.

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 : Babeau (2006)
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 :

Babeau (2006) didn't assess how many people are "credit excluded" but how many people who could sustain reimbursements are ignored by lenders. His result (600 000 people) is controversial because of the way he calculated it (he makes unscientific estimations).

http://www.banque-france.fr/ccsf/fr/infos_prat/telechar/pdf/rap_babeau_06.pdf

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 :
Daniel & Simon (2001) offer a wide and interesting perspective about the way people use financial services.
Difficulties of use:
- Payment card and checks: "Fichier central des chèques" (FCC) refers people who have had problems with their banks and who are now un-allowed to have a check book or a payment card. Periodicity: each year.
<http://www.banque-france.fr/fr/instit/services/page3c.htm>
- Credits: "Fichier des incidents de credit aux particuliers" (FICP) refers people

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who haven't reimburse for more than 3 months and/or who are over-indebted. They are now un-allowed to access to credit. Periodicity: each year.

<http://www.banque-france.fr/fr/instit/services/page3f.htm>

Also the "baromètre du surendettement" is published each month.

<http://www.banque-france.fr/fr/instit/services/page3a.htm>

Use of credit:

- Observatoire de l'endettement des ménages, Fédération bancaire française, each year.

[http://www.fbf.fr/Web/internet/content_particuliers.nsf/\(WebPageList\)/observatoire+de+l+endettement+des+menages?Open](http://www.fbf.fr/Web/internet/content_particuliers.nsf/(WebPageList)/observatoire+de+l+endettement+des+menages?Open)

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 banking services in your country?

Refer to point 1.1.1. of OP

yes
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
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 no
- Marginally banked yes no

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- 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

PS: It is data from PolicyX study about access to credit:

http://www.dti.gov.uk/ccp/topics1/consumer_finance.htm

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
- 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

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

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

There is no proper alternative provider in France. Babeau (2006) – based on PolicyX report previously mentioned – explains that 1.4% of people have access to

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informal credit.

- 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

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

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
There is no public bank in France.
Post Office (La Banque Postale) is a bank which is supposed to have no specific relations with state. It is a full services bank except for consumption credit (It is not yet allowed to do it but it could change in the next few months)
Savings Bank is a cooperative bank as Credit Agricole, Credit Mutuel and many others. They are the main financial services providers.
- 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
If you haven't any means of payment Post Office sells "mandat" to allow you to make non-cash payments.
Post office offers every financial products except consumption credit.
Cooperatives banks offer every financial products.
- How their costs and terms and conditions differ from the rest of the mainstream market commercial banks
"Mandat" of Post Office cost 5 euros.
Usually there costs are a bit less expensive but it is not systematic. Cooperatives banks could have regional banks quite expensive.

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

Sorry, there's no particular data on this point except consumers associations enquiries.

CLCV:

http://www.clcv.org/htm/document/enquete/DP_Tarifification-bancaire_07.pdf

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?

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

Sorry, in France there is no offer from a “sub-prime” market. The most expensive credit with less advice are sold by “les établissements de credit spécialisés” (Cofinoga, Cetelem, Cofidis, etc.) but they don’t go further than “near-prime” because of the usury ceiling rate.

yes

no

If yes, what are the main barriers :

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

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

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

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

Yes

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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)

I have no precise information except what was mentioned previously from Babeau (2006).

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?

There is several usury rates.

Personal loans under 1524 euros: 20,33%;

Overdrafts, revolving credit under 1524 euros: 19,25%;

Personal loans, overdrafts and revolving credit over 1524 euros: 8,72%.

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:

Some credit providers complain about the rate and ask to suppress it. They use the argument about struggle financial exclusion to make their demand more effective. All the lenders don't agree on this subject.

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

Fichier central des chèques (FCC) register dishonoured cheques or other payment instruments) at national level and publicly run. Banks decide to register or not there customers.

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

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

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

This file is named Fichier des Incidents de Crédit aux particuliers (FICP).

- 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) :

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

No

Specify:

Article L333-4 du Code la consommation: inscription to FICP can't go further than 10 years.

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

Yes

No

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:
All the financial institution which provide credit.

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

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It is ensured by a law yes no

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

It is implemented individually within some prime credit lenders yes no

It is implemented individually within some alternative credit providers yes no

It is not at all organized in my country yes no

Specify:

Law: Information obligation for credit provider and various other less important things like to have 7 days before the credit contract become effective (Code de la consommation: Article L311-1 until L311-37) (It is very different than an obligation of advice).

Prime credit lenders: Their association (Association des sociétés financiers ASF) has signed an agreement with consumers associations and public authority about a “Label Qualité Crédit” in 1997.

<http://www.asf-france.fr/asfcommunication/indexoui/rellqcpresent.htm>

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

If the borrower can make the proof that the advert or the information (contractual information) of the lender are no clear and complete, the provider can be condemn.

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

I won't say that there is in France a real responsible lending strategy even if credit providers would say that they do it responsibly.

Q.4. Savings

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

I don't really know. We have no study about that question.

yes

no

If yes, what are the main barriers:

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: Some people prefer keep there saving in cash to

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preserve them from the banks fees. They also want to avoid to appear to rich and, in consequence, not to have access to some benefits...

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?

I think they just keep there money in cash because I haven't heard about any alternative provider of saving accounts...

- 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

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?

13 % 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	18 % below ARPT
24-49	11 % below ARPT
50-64	10 % below ARPT
65+	16 % below ARPT

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

Females	14 % below ARPT
Males	12 % below ARPT

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<p>Q.5.2.3.: What is the risk of poverty rate by most frequent economic activity?</p> <p>At work 6 % below ARPT Unemployed 29 % below ARPT (= chômeur, pour non-emploi = 19) Total inactive 25 % below ARPT (retraité = 13)</p>
<p>Q.6. Links between financial exclusion and over indebtedness <i>Do read and refer to point 4.3. of O.P.</i></p>
<p>Q.6.1.: Have any research/studies carried out in your country explored the relationships between over-indebtedness and financial exclusion?</p> <p>No <input type="checkbox"/> Yes <input checked="" type="checkbox"/></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. Gloukoviezoff (2006): it is qualitative analysis. No quantitative study.</p>
<p>Q.7. Links between financial exclusion and social exclusion <i>Do read and refer to point 4.2. of O.P.</i></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?</p> <p>No <input type="checkbox"/> Yes <input checked="" type="checkbox"/></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,...) Gloukoviezoff (2004 & 2006): it is qualitative analysis. No quantitative study.</p>
<p>FINANCIAL EXCLUSION (F.E.)</p>
<p>Q.8. Levels of financial exclusion <i>Do read and refer to point 2 of O.P.</i></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?</p> <p>No <input type="checkbox"/> Yes <input checked="" type="checkbox"/></p>
<p>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</p>

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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*)

Daniel & Simon (2001).

They say that 99 % of households have access to at least one transaction bank account. They don't explore why people without transaction bank account are in this situation.

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

No

Yes

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*)

The only study is Babeau (2006) one. It doesn't really considered credit exclusion but more part of the market which is not enough explored by credit providers.

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

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*)

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

Yes

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

I am very surprise by the low level of credit exclusion in France (13%). France is one of the European countries where access to credit is the lowest (50.2%) so it is strange that

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we have a better level of credit exclusion than the UK.
I am not sure that the data from the Eurobarometer are very good about a difficult subject as this one...

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

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

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**)*

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

No

Yes

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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 I)

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

Gloukoviezoff (2004 & 2006).

I agree with most of the conclusion of the OP except the few things I have mentioned in Table 6.

So I just would like to underline that in France if people decide to self-exclude it is not only because of fears of financial products but also and most of the time because they have experienced those difficulties.

I also would like to underline that most of the difficulties listed in table 6 are source of use difficulties understand has difficulties you face when you use the products and not only cause of self-exclusion.

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 contend of point 4 of O.P

No

Yes

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

As I already said in my comments of the OP, I think we should express clearly that FE is **always** related to social exclusion as a cause **and** a consequence.

Financial exclusion could be defined as financial difficulties (access and/or use) which have negative social consequences (I understand “social” as every aspect of a normal life: self-esteem, relations with family, friends and other, employment, etc.).

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

No

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.

Gloukoviezoff (2004).

I think point 4 of the OP match my own results... (and vice-et-versa).

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

Social microcredits (since 2004 by Secours Catholique (Caritas France) and Crédit Mutuel but a lot of other NGOs and banks are now involved).

Several banks have decided to develop partnership with NGOs to lend microcredit to household but not to create any activities but to meet consumption expenses (buy or repair a car, health expenses, etc.).

Those microcredits are 50% guaranteed by states via “Fonds de Cohésion Sociale” created in 2005.

The association “Finances & Pédagogie” organise collective training about banking. They do this in some associations which help people in difficulties or in public services, enterprise, etc. where people could face financial difficulties. It is not face to face advises.

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

See social microcredit (mainstream banks are partner of it)

Q.14.Voluntary Charters and codes of practices

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Le label qualité-crédit signed between Financial services providers association (établissement de crédit spécialisés), consumer associations and public authority in 1997.

Supposed to make explicit that they give all information that a borrower could need.

Problem: nobody knows it and it doesn't add anything to the law...

More generally, in France, Charters and codes of practices have absolutely no effects. They are just communication and nothing else (see for example Charter on Banking services in 1992)

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

Fonds de Cohésion Social (2005)

It is a fund which guarantees social microcredits made by banks in partnership with NGOs. Those loans are between 500 and 3000 euros.

Q.17. Government as a legislator

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.

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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

I add comments when I don't agree or when I think something is messing.

	Access or use	The possible relationship*	Type of service affected**
Societal factors			
Liberalisation of markets	Access, Use	(+) increased competition may result in more attention been paid to all market segments or (-) less attention to marginal market segments, less attention to need of advice and flexibility of terms and conditions for poor people or people facing problems in their economic or social life. (-) 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
Not sure that it is relevant for France but I have not enough information...	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
Fiscal policy	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
Social assistance	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;
Demographic changes	Access	(-) higher income inequalities and literacy disparity are normally associated with greater difficulties of access	Banking, Credit
Income inequalities			
Supply factors			

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<p>Geographical access Risk assessment Price Product design (terms and conditions) Service delivery (eg internet) Complexity of choice Marketing Not enough advice</p>	<p>Access Access, Use Access; Use Access; Use Access; Use Access; Use Access, Use Access, Use Access, Use Access, Use</p>	<p>(-) / (+) (-) / (+) (-) / (+) (-) / (+) (-) / (+) (-) / (+) (-) / (+) (-) / (+)</p>	<p>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</p>	<p>Banking; Savings Banking; Credit Banking; Credit Banking; Credit Banking; Credit; Savings Savings Banking; Credit; Savings</p>
<p>Demand factors Belief that not for poor Fear of loss of financial control Mistrust of providers Concern about costs Preference for alternative providers and cultural factors Religion Opposition to use Not enough knowledge (but no fear) Bad past experience</p>	<p>Access Access Access Access; Use Access Access Access Access, Use Access, Use</p>	<p>(-) (-) (-) (-) (-) (-) (-) (-) (-)</p>	<p>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.</p>	<p>Banking; Credit; Savings Banking; Credit Banking; Credit; Savings Banking; Credit Banking; Credit; Savings Banking; Credit; Savings Credit</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

Development of new products and services by mainstream providers

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
FRANCE	1992	Charter on bank services established by the Comité Consultatif and signed by the Bankers' Association	It was intended to enhance the “right-to-the account” of the Law and integrate it on a voluntary basis, but it was considered too vague and ineffective. The banking services included in the basic banking offer were not based on the principle of free service. The application of this charter has been challenged by consumer associations.	For people on low incomes, it included the possibility of an ATM card as well as a free access to the ATM dispenser of the bank, the possibility of long-distance payment, the availability of relevés d’identité bancaire (RIB) or banking identity statements, and a system of cheques whose number could be limited with the customer’s agreement

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

Government intervention (as facilitator)

Country	Name of the Initiative	Main provisions	

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FRANCE	National Council to combat exclusion	Settled in September 2005	Nothing done about financial exclusion at the minute
	Financial Services Consultative Committee	<p>The agenda for the Action Plan launched in 2004 included four main objectives:</p> <ol style="list-style-type: none"> 1. the right of access to an account for all; 2. access for all to a bank card and modern payment methods; 3. targeted communication with people who are not entitled to hold a cheque account; 4. the widespread acceptance of “modern payment methods” by public services in the local area. <p>As to the first issue the Committee gave a boost to the subscription of a letter of commitment to activate a new procedure to designate a banking establishment – that gives the right to an account to the people to whom this right has been denied. Now, any bank that has refused to open such an account has to undertake formalities with the <i>Banque de France</i> and there is a stringent timescale for handling the procedure both by the bank as well as by the <i>Banque de France</i>. The client should be informed of the banking establishment nominated, within two days.</p> <p>Besides the subscription to the letter of commitment to activate the new procedure, the engagement includes training initiatives for the counter’s staff, communication campaigns organised by the Ministry for Economy addressed to the population, monitoring of the operation of the procedure.</p> <p>As to the second issue the Committee hurried up the banks to introduce these new instruments and procedures and the public sector encouraged the spread of these payment mechanisms by accepting them in the local area and providing financial support.</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
FRANCE	Law n° 84-46 of 24 January 1984 (the Banking Law)	The law introduced the right to a basic bank account	The right concerned a deposit account in which all transaction took place in cash	

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	Law n° 98-657 of 29 July 1998	The law limited the conditions under which banks limit the opening of a bank deposit account to basic banking services	It set the principle that in cases where the “right-to-an account” has been invoked the pricing of services offered should be fixed by a decree.	
	Law n° 99-532 of 25 June 1999 on saving and financial security See also CHARTER for basic bank services (1992)	It extended the “right-to-the-account” procedure to all physical and juridical people that are established in France.	It defined the range of services considered to be basic services. The basic services included are: <i>i)</i> account opening, maintenance and closure; <i>ii)</i> one change of place of residence per year; <i>iii)</i> issuing, upon request, of bank or postal identity document; <i>iv)</i> receiving bank or postal transfers; <i>v)</i> monthly statement of all transactions carried out on the account, sent to account holder’s address; <i>vi)</i> cash transactions; <i>vii)</i> collection of cheques or bank and postal money order; <i>viii)</i> deposit or withdrawal of cash at the counters of the bank where the account has been opened; <i>ix)</i> payments with withdrawal and use of inter-bank payment facilities or bank or postal money order; <i>x)</i> facilities for accessing details of balances at a distance; <i>xi)</i> a payment card requiring systematic authorisation (if provided) and, if not, a withdrawal card for weekly withdrawals at automatic teller machines of the bank where the account has been opened; <i>xii)</i> two bank cheques per month or equivalent payment mechanism providing the same service.	The supervisory body is entitled to intervene to enforce the implementation of the right. However, evidence shows that appeals have been limited in number although the banks have applied severe conditions to other services related to these accounts. In particular so-called “payment incidents” have been penalised. To combat the extremes of this practice, a further decree (see below) has established a limit to the charges that can be imposed for modest bad cheques.
	Law n° 2001-1168 of 11 December	The law introduced measures to combat the common practice of imposing severe penalties for payment	.	

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		incidents, that occurred mostly to people on low incomes, with low cultural level and poor socio-economic conditions		
	Decree n° 2006-384 of 27 March 2006 on basic banking services	The law set the mandatory obligation to all banks to offer alternative payment mechanism to persons who are not entitled to a chequebook or a credit card..	Individuals who are not considered sufficiently reliable and trusted to use fiduciary payment instruments which involve risk for the issuing bank can now use alternative payment mechanisms without resorting to cash. These are payment cards with systematic authorisation and other alternative payment mechanisms	<p><i>Is it possible to provide an assessment of the result of the diffusion and functioning of these new payment instruments and procedures?</i></p> <p>There is no assessment of the result of the law that has been carried out. Most of the banks have developed specific package people with a systematic authorisation payment card but it seems that they don't do a lot of advert about it.</p>