



CRÉSUS®

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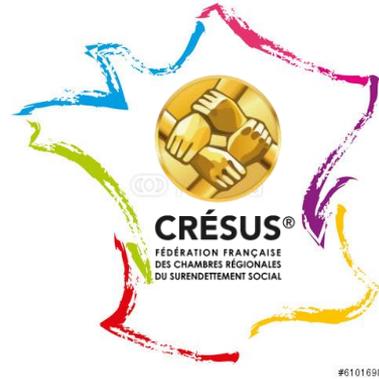
**Debt advice paid
by financial sector**



CRESUS: an eco-system



Crésus Alsace
Created in 1992
Over-indebtedness
Insolvency procedure
Microcredit
Budget support



Fédération Crésus
Created in 2004
30 NGOs
Spokesman of
CRÉBUS
associations
Technical support



Fondation Crésus
Created in 2008
Budget support
platform (Helpline)
Financial education
Micro insurance
Tech innovations



It all began with CRESUS Alsace in 1992

Originally a trial focused on **22 cross-border workers** who had been struck by the economic crisis in Germany.

CRESUS Alsace helped them:

- by **assisting with an assessment** of their financial situation
- to seek a court order to **suspend mortgage loan payments** while (temporarily) unemployed

This trial, initially planned to last for **2 years**, has evolved into a robust association comprising:

- 50 volunteers,
- 11 employees,
- almost 10,000 consultations per year



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Creation of the CRESUS Federation

In 2004, the CRESUS Federation was created to :

- facilitate the **exchange of practices**
- provide **technical support** and training sessions for volunteers

The Federation aims to allow people suffering from over-indebtedness in France to find specialized help for the difficulties they are facing.

The network is now comprised of:

- **30 independent associations** in the field
- almost **500 volunteers**
- more than **220 walk-in centres**
- more than **25,000 supported households**



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Each regional CRESUS association offers different services. These are carried out during **face to face** meetings:

- Budget **assessment**
- Making appropriate **recommendations** (social aid, appropriate procedures)
- Helping before, during and after the French over-indebtedness procedure
- Providing **legal information**
- Providing **moral support**



Each regional association is **independent from the Fédération**

Their size differs greatly:

- From **5 to 90 volunteers**
- From **0 workers to 10 employees**
- From a budget of **€500** to a budget of **€150,000** per annum

→ These regional associations are principally funded by state subsidies



« Point Conseil Budget label »:

In 2016, the government created a trial accreditation system aimed at NGOs to **help people with their financial problems.**

The organisations must adhere to a certain number of criteria, try to build a network of partners and show they are helping as many people as possible.

Annual government subsidy for accredited status: **€15,000**

→ Taking into account the average salaries in France, it does not even cover the salary costs of a worker on half-time hours



The CRESUS Federation and its members (Funding)

Project:

Building partnerships with institutions or with private local companies to :

- **Detect the financial difficulties** (of their members / workers / clients) before becoming over-indebted
- Encourage them to pay for the debt advice services offered by CRESUS

Examples:

- One association is already working with a **French Ministry** for its workers
- One regional association (CRESUS Alsace) is already working with **mutual health insurance for their clients who receive social assistance**



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The CRESUS Foundation (Prevention)

In 2008 CRESUS decided to create another programme with the goal of **preventing over-indebtedness**, by focusing on social innovation opportunities

Principal idea: Open the discussion with banks and other financial institutions to focus on the financial distress of their clients and the support they offer outside of any legal framework

Desire to be independent from the government and political decisions



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First step (2008): Call for tender of La Banque Postale which included offering support to vulnerable customers

Second step (2009): A big French credit institution which lost the call for tender decided to work with CRESUS

Third step (2010's): Negotiations of the banking inclusiveness charter



Charter on banking inclusion and prevention of over-indebtedness

Art 8.

Credit institutions, payment institutions, electronic money institutions and finance companies undertake to offer their **customers whom they have detected as being in a situation of financial fragility** appropriate internal responses, and in particular to:

- offer, by any appropriate means, **a meeting with the customer concerned** in order to discuss his or her financial difficulties;

(...)

- **if necessary, provide the customer with information on a third party that can help him or her, or even, with the customer's agreement, put him or her in touch with that third party.**

To this end, credit institutions, payment institutions, electronic money institutions and finance companies shall organise themselves internally or, **where appropriate, enter into partnerships with third parties, in particular associations, in order to facilitate customer referral**, in agreement with the customer, when the financial difficulties cannot be dealt with solely within the framework of the credit institution, payment institution, electronic money institution or finance company concerned.



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The Financial Support Platform

**Detection by
partner
(financial
institution)**



**Beneficiary agrees
to be helped by
CRESUS**



**Budget
Support
Platform**

**Loan
Mediation**

**Insurance
Mediation**

**SMEs
support**



All the debt advice services of the foundation are based on prescription.

The CRESUS Foundation is funded by creditors (banks and other financial institutions):

- A financial compensation for providing debt advice services (around € 200 per file)
- A fixed sponsorship (dependant on the size of the institution) to finance the R&D of CRESUS → which benefits from a tax reduction

→ Our support stays free for the beneficiaries



Key social innovations of CRESUS Foundation include:

- A helpline, i.e. Financial Support **Platform**
- « Dilemme » board games for financial **education**
- Technological innovation featuring a **budget management web application**
- A new initiative to promote financial empowerment via **microcredit**

At the same time as CRESUS developed its budgetary platform, it decided to develop **another way** to provide financial education with a game to complete this action in the prevention of the over-indebtedness.



Dilemme

Éducation

Entrepreneurs

Junior

Change people's relationship with money, train responsible citizens and consumers with the right tools to gain autonomy and financial independence



The « Ambassador » role

Ambassadors trained by the Dilemme team have several roles:

- The « Leader » of the session (rules, content, etc.)
 - The « Expert » regarding the public and their needs
 - The « Moderator » of debates and exchanges between players, so that it benefits the educational purpose
- 2000 Ambassadors (Bank employees, social workers, etc.)



Today, the CRESUS foundation counts:

- 15 partners among the most important banks and credit institutions in the market place
- 11 debt advisors (employees – former bankers)
- 7 employees in the Dilemme service
- 3 skills-based sponsorships
- 4 support employees (IT, HR, etc.)
- 2000 Dilemme Ambassadors



What principles for building such a structure?

- **Stay open**: We have much more to learn by working with banks and other financial institutions
- **Stay independent**: Remain a trusted third-party
- **Be pragmatic** and demonstrate the effectiveness of the activities
- **Get recognised by the state** to have an impact on government policies



The Financial Support Platform - Economical impact

McKinsey study (2011)

	Financial institution	Government
Cost avoided	Reduction in interest income, write-down of debt, legal support	Reduction in social debt
Cost reduction per file which avoids over-indebtedness	€ 16000	€ 2000
Total estimated cost savings in 2011	€ 125 million	€ 15 million



We all have the power and the duty to work for a more inclusive society!



Let's move forward together!