



Speech

Financial inclusion

# « 10 years of the Observatory for Banking Inclusion: an example of collective efficiency »

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Paris – 31 March 2025

Speech by François Villeroy de Galhau, Governor of the Banque de France

The Chairman of the Cour des Comptes, dear Pierre,  
Ladies and gentlemen,

I am delighted to be here with you to celebrate the tenth anniversary of the *Observatoire de l'inclusion bancaire* (OIB – Observatory for Banking Inclusion). It is a great pleasure to welcome the Chairman of the *Cour des comptes* (Court of Auditors), Pierre Moscovici, who, as Minister of Finance, introduced the 2013 Banking Law that led to the creation of the Observatory.

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La naissance de l'observatoire de l'inclusion bancaire (OIB) ...

I have played my own modest part in this collective endeavour by chairing 21 of the 25 meetings of the OIB since September 2014. The Observatory was born out of a strong conviction – perhaps contrary to the commonly-held view – that finance and banks can act as a lever for social inclusion. Let me be clear: the Banque de France, which is often associated with sovereign missions (money and financial stability), is also proud to have social missions, which are essential for our Network and for me as Governor.

In 10 years, the Observatory has made significant progress. Unfortunately, in France and in Europe – unlike in the United States – we are quicker to lament our failures than to acknowledge our successes. So, this morning, it is a pleasure to celebrate a collective source of pride and, allow me to draw some broader lessons for public policy in our country at a time fraught with doubt. Effective public policy requires at least three ingredients: sustained action (I), quantified assessment (II), and a partnership and regional approach (III). However, we can't afford to rest on our laurels, so I will conclude with some forward-looking comments (IV).

## I. Sustained action and perseverance

The creation of the OIB in 2014 was part of the long history of banking and financial inclusion in France in two main areas: access to banking services and the protection of the most vulnerable consumers of financial services.

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... S'INSÈRE DANS L'HISTOIRE DE L'INCLUSION BANCAIRE ET FINANCIÈRE

<p><b>Accéder aux services bancaires</b></p>	<p><b>Protéger les consommateurs de services financiers en situation de fragilité</b></p>
<ul style="list-style-type: none"><li>▶ Procédure de droit au compte à partir de 1984</li><li>▶ Un besoin réel, même si la France bénéficie d'un des taux de bancarisation les plus élevés d'Europe (99,2%)</li></ul>	<ul style="list-style-type: none"><li>▶ Prévention et traitement des situations de surendettement depuis la loi Neiertz (1989), complétée par les lois Lagarde (2010) et Hamon (2014)</li><li>▶ Le dispositif le plus abouti d'Europe en termes de surendettement des ménages</li></ul>

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... S'insère dans l'histoire de l'inclusion bancaire et financière

From the time that the 1984 Banking Law was introduced by Jacques Delors – almost 30 years before the equivalent European law – the right to a basic bank account procedure was created to guarantee access to banking services for all. The Banque de France implements this procedure, which allows anyone who has been refused an account by a bank to be designated an establishment that will provide basic banking services free of charge. Even though France has one of Europe's highest levels of access to banking services at 99.2%, the right to a basic bank account procedure continues to meet a real need: 29,300 designations were issued in 2024. I note that this number is steadily decreasing (down by 57% from the peak of 2015), which attests to a higher rate of access.

Banking inclusion also means protecting the most vulnerable consumers of financial services. In 1989, the Neiertz Act<sup>i</sup> introduced a collective procedure for handling cases of household overindebtedness from an overall perspective. This procedure was then regularly enhanced – with considerable cross-party consensus – by the Lagarde Act<sup>ii</sup> in 2010 – on revolving credit in particular – followed by the Hamon Act<sup>iii</sup> in 2014 on the search for lasting solutions to limit recurring applications. France now has Europe's most advanced system for preventing and dealing with overindebtedness.

## **II. Quantified assessment: commitments and impact on bank charges**

I have spoken about the long term. Let us now turn to the present and the significant progress that has been enabled by the OIB in three areas: figures, commitments and results.

First off, *figures* are essential: the financial vulnerability of households is detected by credit institutions using mechanisms implemented by the Observatory. Consequently, 4.3 million people were identified as financially vulnerable in December 2023 (up by 86% compared to 2015). This sharp increase does not point to a deterioration, but to a much more effective identification of vulnerable situations. Moreover, it is a preliminary step in the implementation of appropriate protective measures, particularly in terms of bank charges. These figures have elicited *commitments* from credit institutions and public authorities. Several recent examples bear this out. In 2018, banks committed to providing the vulnerable customer solution more widely and to cap payment incident fees. In 2020, these commitments were incorporated into the second version of the Banking inclusion and prevention of overindebtedness charter, which caps payment incident fees at EUR 20 per month and EUR 200 per year for beneficiaries of the vulnerable customer solution, and at EUR 25 per month for financially vulnerable customers. The Decree of 20 July 2020<sup>iv</sup> also made it possible to modify the criteria for detecting situations of financial vulnerability by allowing earlier and broader identification of the customers concerned.

These commitments have produced concrete *results*. Financially vulnerable customers are being detected at an increasingly early stage and increasing numbers of financially vulnerable people are applying for the vulnerable customer solution. Beneficiaries of this offering, which protects vulnerable customers who apply for it, numbered over a million at the end of 2023, i.e. a 320% increase compared with 2015.

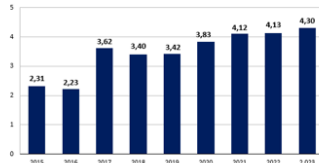


**DES RÉSULTATS CONCRETS EN MATIÈRE DE DÉTECTION ET D'ACCOMPAGNEMENT DE LA CLIENTÈLE FINANCIÈREMENT FRAGILE...**

► +86% de clients détectés comme financièrement fragiles entre 2015 et 2023

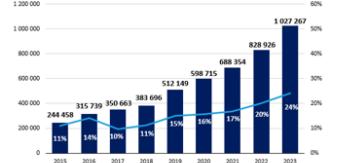
► +320% de bénéficiaires de l'offre spécifique clientèle fragile (OCF) entre 2015 et 2023

Clients fragiles dans les établissements teneurs de comptes de dépôt au 31 décembre (en millions de clients fragiles)



Source : Banque de France

Bénéficiaires de l'offre spécifique au 31 décembre et taux d'équipement des personnes fragiles (nombre en unités, taux en %)



Source : Banque de France

Des résultats concrets en matière de détection et d'accompagnement de la clientèle financièrement fragile...

Bank charges for financially vulnerable customers have fallen significantly: down 32% between 2018 and 2023 on all account-related bank charges, from EUR 304 to EUR 207 per year; and down 25% between 2019 and 2023 on payment incident fees, from EUR 151 to EUR 113.



**...ET UNE BAISSÉ SIGNIFICATIVE DES FRAIS BANCAIRES DES PLUS FRAGILES FINANCIÈREMENT**

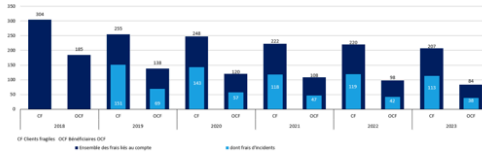
► Pour l'ensemble des clients fragiles

► Pour les bénéficiaires de l'OCF

- Entre 2018 et 2023, -32% sur l'ensemble des frais bancaires liés au compte
- Entre 2019 et 2023, -25% sur les frais d'incidents bancaires

- Entre 2018 et 2023, -55% sur l'ensemble des frais bancaires liés au compte
- Entre 2019 et 2023, -45% sur les frais d'incidents bancaires

Frais bancaires annuels liés au compte au 31 décembre par année



OCF Clients fragiles - OCF Bénéficiaires OCF  
 ■ Ensemble des frais liés au compte  
 ■ Frais d'incidents

Note : OCF, Offre Clientèle Fragile.  
 Source : Banque de France

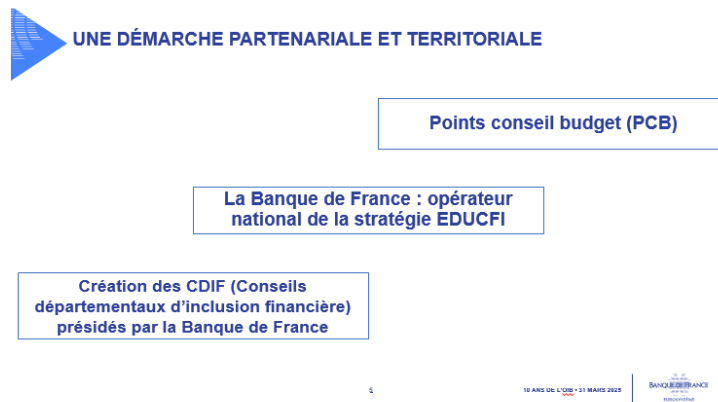
...Et une baisse significative des frais bancaires des plus fragiles financièrement

The problem of bank charges was extremely sensitive and often made it into the media. It has not disappeared, but it has been significantly improved.

### III. A partnership and regional approach

The OIB also embodies the success of a partnership and regional approach to preventing financial exclusion. It is neither so common nor so easy to bring together three very different parties on a regular basis: the six main banking institutions; six welfare associations and organisations; and the public authorities. Allow me to highlight three of their collective achievements.

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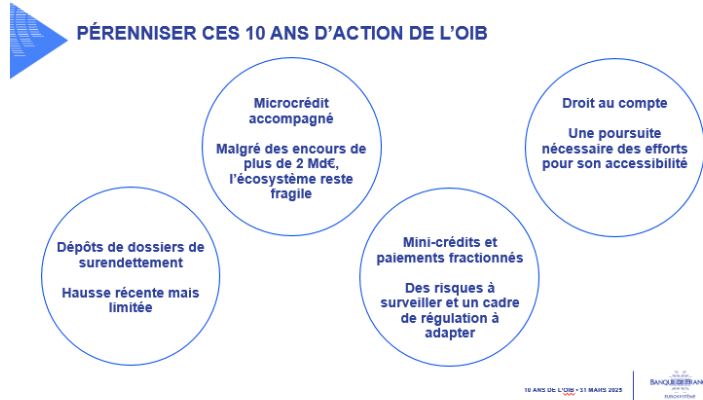
Une démarche partenariale et territoriale

The creation in 2022 of the departmental financial inclusion councils (CDIF), above all, enabled the actions of the OIB to be effectively deployed at the regional level and local difficulties and initiatives to be identified more effectively. The EDUCFI initiatives of the Banque de France, the steering body for France's financial literacy strategy since 2016, are also based on a partnership approach. These initiatives have helped to raise awareness of EDUCFI tools and services among a large number of financial inclusion stakeholders: 9,600 teachers, 30,000 social workers and 3,500 business support staff in 2024. During Financial Education Week, which this year took place from 17 to 23 March, the Banque de France and its partners organised more than 500 budgeting and financial education workshops throughout the country. This week – whose theme was to encourage young people in particular to be careful with their finances – was widely publicised in the media and on social networks, testifying to French citizens' increased interest in developing their financial knowledge. Lastly, I will touch on the 500 Budget Management Advice Offices (PCBs) set up throughout France since 2021: these organisations approved by the state and run largely by associations or CCASs that are members of the OIB, enable all people to benefit from personalised, free and confidential guidance.

## **IV. Building for the future**

We now need to ensure that the substantial progress achieved through the OIB's actions is sustained, while remaining vigilant in the face of the current situation of overindebtedness and emerging risks.





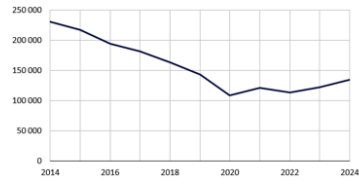
## Pérenniser ces 10 ans d'action de l'OIB

I will start with some relatively encouraging news about the number of applications to the household debt commissions. Over the first two months of 2025, the slower increase in the number of applications observed at the end of 2024 was confirmed, 3% higher than during the same period at the start of 2024. We are expecting a similar modest increase for 2025 as a whole. The positive effects of the decline in inflation – with the attendant gains in purchasing power – should offset the less favourable labour market outlook. These developments are nevertheless part of a long-term downward trend in the number of applications: in 2024, there were significantly fewer than in the pre-pandemic period (-6%) and the number was well below the level of 10 years ago (-42% compared to 2024).<sup>vi</sup>



## L'ÉVOLUTION DES DÉPÔTS DE DOSSIERS DE SURENDETTEMENT

Dépôts annuels de dossiers de surendettement (en unités)



Source : Banque de France.

- ▶ Une progression récente qui suit une baisse quasi continue depuis 2014
- ▶ -6 % par rapport à 2019 et -42 % par rapport à 2014

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BANQUE DE FRANCE  
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L'évolution des dépôts de dossiers de surendettement

Beyond these cyclical factors, I would like to mention three points of vigilance. The increasing dissemination of new products, such as microloans and payment in instalments, poses increased risks to vulnerable populations, including the very young. The transposition of the recent directive on consumer credit should provide a better framework for these new forms of credit. And I would recommend systematic consultation of the National Database of Household Credit Repayment Incidents by all parties before granting loans. This would help to improve consumer protection and prevent financial difficulties and overindebtedness. Microcredit is also an effective tool for financial inclusion, with outstanding loans exceeding EUR 2 billion at the end of 2023. We are therefore carefully monitoring changes in the ecosystem and the recent warnings about funding assistance to microloan beneficiaries. This assistance is currently provided by associations and social welfare agencies that support the beneficiary throughout the process. Let me reiterate that it is the key feature and the key to the success of the French microcredit system. Lastly, with regard to the right to a bank account, the Banque de France is now ready to move to paperless designation letters – as recommended by the Cour des comptes<sup>vii</sup> in 2021 – to further speed up a procedure that has already been greatly simplified in recent years: banks must now do their part by adhering to this project by the end of 2025. I hope that voluntary action here will prevent us from having to use compulsory measures.

I will finish with these words by Victor Hugo: "for as long as the possible is not done, our duty will never be fulfilled".<sup>viii</sup> We are currently experiencing a historical turning point in the world, and our country's response may not live up to the occasion, nor to our duty, and I do not say this lightly. In its own modest way, the OIB's first ten years have nevertheless shown us how to raise the level of our debate and action: through persistence and staying power; quantified evaluation, from ex ante observations to results; a partnership and regional approach; and constant vigilance for the future. The OIB has been able to extend its timeframe beyond day-to-day concerns, bring together different parties and move beyond the usual French-style squabbling. More broadly, you can count on the Banque de France – and no doubt, dear Pierre, on the Cour des Comptes – to foster this spirit more than ever, thanks to its independence and its stability missions.

<sup>i</sup>Law No. 89-1010 of 31 December 1989, on the prevention and resolution of difficulties relating to the overindebtedness of individuals

<sup>ii</sup>Law No. 2010-737 of 1 July 2010, on the reform of consumer credit

<sup>iii</sup>Law No. 2014-344 of 17 March 2014 on consumption

<sup>iv</sup>Decree No. 2020-889 of 20 July 2020 amending the conditions used by credit institutions to assess the financial vulnerability of their account holder customers.

<sup>v</sup>Social action community centre

<sup>vi</sup>Banque de France, [Enquête typologique sur le surendettement des ménages en 2024](#), February 2025

<sup>vii</sup>Fichier national des incidents de remboursement des crédits aux particuliers

<sup>viii</sup>Cour des comptes, « Les politiques publiques en faveur de l'inclusion bancaire et de la prévention du surendettement : des outils adaptés, une mise en œuvre à conforter », *2021 Annual Public Report – Vol.II*, April 2021

<sup>ix</sup>Hugo (V.), [« Détruire la misère »](#), speech, 9 July 1849