



***Financial competence  
framework for adults in the  
European Union***

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# **1. *Explanatory note***

## 1.1. Introduction

### 1.1.1. *The context and objectives of the financial competence framework*

**This document presents the joint EU/OECD-INFE financial competence framework for adults.** In the 2020 Capital Markets Union Action Plan<sup>1</sup>, the European Commission committed to conducting a feasibility assessment on the development of an EU financial competence framework. Following the publication of the results of the feasibility assessment<sup>2</sup> in 2021, the Commission and the OECD-INFE (OECD International Network for Financial Education) started a collaboration to develop a **joint EU/OECD-INFE financial competence frameworks for adults**. The joint project was launched by an online conference on 26 April 2021<sup>3</sup>. In 2022, work will also start on a joint framework for youth. The two frameworks build on the existing OECD/INFE financial literacy core competences frameworks<sup>4</sup>, and updated them with digital and sustainable finance competences and competences relevant for resilience. Competences are also adapted to the EU context, where necessary.

Financial literacy refers to a combination of financial awareness, knowledge, skills, attitudes and behaviours necessary to make sound financial decisions and ultimately achieve individual financial well-being<sup>5</sup>. The objective of the EU/OECD-INFE financial competence framework for adults is to promote a shared understanding of financial competences for adults amongst Member States and national authorities, educational institutions, industry and individuals. In addition, it provides a basis for a more coordinated approach among EU and national policymakers. By supporting efforts to improve financial literacy, the framework aims at contributing to the overall goal of improving individual financial well-being.

The framework focuses on competences pertaining to personal finance and does not touch upon competences already covered in other existing frameworks, such as the European Digital Competence Framework for Citizens (DigComp)<sup>6</sup>, the European

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<sup>1</sup> A Capital Markets Union for people and businesses – new action plan, COM/2020/590 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2020:590:FIN>

<sup>2</sup> Joint EU/OECD-INFE report on the results of the feasibility assessment for the development of a financial competence framework in the EU: [https://ec.europa.eu/info/sites/default/files/business\\_economy\\_euro/banking\\_and\\_finance/documents/210408-report-financial-competence-framework\\_en.pdf](https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/210408-report-financial-competence-framework_en.pdf), April 2021.

<sup>3</sup> [https://ec.europa.eu/info/events/finance-210426-eu-financial-competence-framework\\_en](https://ec.europa.eu/info/events/finance-210426-eu-financial-competence-framework_en)

<sup>4</sup> G20/OECD INFE Core Competencies Framework on financial literacy for Adults (aged 18+): <https://www.oecd.org/daf/fin/financial-education/Core-Competencies-Framework-Adults.pdf> and OECD/INFE Core Competencies Framework on financial literacy for Youth (aged 15 to 18): <https://www.oecd.org/daf/fin/financial-education/Core-Competencies-Framework-Youth.pdf>

<sup>5</sup> Recommendation of the OECD Council on Financial Literacy, 29 October 2020; <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0461>. This definition is in line with the EU Council Recommendation's definition of "competence"; Council Recommendation of 22 May 2018 on key competences for lifelong learning: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.C\\_2018.189.01.0001.01.ENG](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.C_2018.189.01.0001.01.ENG)

<sup>6</sup> [DigComp | EU Science Hub \(europa.eu\)](https://ec.europa.eu/digital-competence-framework/)

Entrepreneurship Competence Framework (EntreComp)<sup>7</sup>, and the OECD/INFE Core Competencies Framework on financial literacy for MSMEs<sup>8</sup>, rather it complements them.

The EU/OECD-INFE financial competence framework is made available for voluntary uptake in the EU by public authorities, private bodies and the civil society. The framework could be used to support the development of national financial literacy policies and initiatives.

More concretely, the framework is not intended as a curriculum, rather as a conceptual basis on which to build a variety of financial education policies and measures. The framework provides a set of outcome-based competences that can be used to:

- support the **development, implementation and update of national financial literacy strategies**.
- support the **design of financial education programmes and the development of financial education learning materials and tools**. It could also support the inclusion of financial education in curricula for higher education institutions, inform the design of teachers' adult trainings and support learning materials and programmes specifically designed to help financially vulnerable groups. It could also underpin the setup of private or public awareness-raising campaigns.
- facilitate the **assessment of financial literacy levels and the evaluation of financial literacy initiatives**. For instance, it can be used as a basis to develop financial literacy indicators that could assess the effectiveness of national financial literacy initiatives.

As described in Section 2.3, the framework is made available in two versions: a printable Word version including all competences, and an Excel version that allows users to navigate through and filter competences in the framework according to their needs.

### *1.1.2. Possible use cases*

When using the framework to develop policies and initiatives, policy makers and programme designers may need to identify a selection of the most relevant competences in the framework to design programmes, resources and tools that are tailored to the specific needs of participants. This framework is a tool to support policy makers and practitioners in the creation of their own policies and programmes, rather than a curriculum, but it can easily be adapted to address the needs of specific life situations or target groups.

For instance, **future users of the framework will be able to select and extract the most relevant competences for some specific “life stages”**. An individual receiving his or her first salary will need to acquire a set of competences pertaining to financial records (filing payslips for future reference), to saving (understanding the importance of regularly putting money aside) and to pension (understanding the

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<sup>7</sup> <https://ec.europa.eu/social/main.jsp?catId=1317&langId=en>

<sup>8</sup> <https://www.oecd.org/finance/financial-education/OECD-INFE-core-competencies-framework-on-financial-literacy-for-MSMEs.pdf>

importance of pension planning from a young age). Another example includes taking on a mortgage to purchase one's first property: this important financial decision implies an understanding of the main features of the mortgage as a financial product and understanding the financial implications of this commitment, including the impact on future disposable income, and the consequences of not repaying the loan (e.g., foreclosure).

**Another possible use of the framework can be to select and extract the most relevant competences for some specific target groups**, such as women, seniors, young people, low-income groups or other groups who may be financially vulnerable. The prioritisation of specific target groups for the implementation of the framework in tailored trainings is likely to differ, to some extent, from one Member State to another and will depend on local (national or regional) conditions.

### *1.1.3. The development of the financial competence framework*

The success of the EU/OECD-INFE financial competence framework will depend on the ability to build a common understanding and generate willingness from the Member States and stakeholders to use the framework in order to inform and contribute to financial literacy policies and initiatives. **It was therefore essential to engage from an early stage with the institutions and organisations that will ultimately use the framework.** Therefore, **Member States and stakeholders played a key role throughout the development of the framework:**

- A dedicated subgroup of the **EU Government Expert Group on Retail Financial Services** (GEGRFS) was set up to support the development of the competence framework. The subgroup is composed of experts from national authorities responsible for financial literacy policies. Some members of the subgroup are also members of the OECD/INFE. The GEGRFS subgroup met five times between June 2021 and December 2021 to develop the framework.
- In addition, a **technical discussion with experts** was organised in October 2021 to explore the usability of the draft competence framework amongst practitioners (adult educators, consumer organisations, and industry representatives engaged in financial literacy programmes), and identify whether and how the framework could be revised to make it more user-friendly and easier to implement in concrete educational initiatives.

## **1.2. Navigating the financial competence framework**

### *1.2.1. The structure of the framework*

The joint EU/OECD-INFE financial competence framework divides the competences into four content areas: **money and transactions, planning and managing finances, risks and reward, and financial landscape**<sup>9</sup>. These content areas have then been further divided into topics and subtopics.

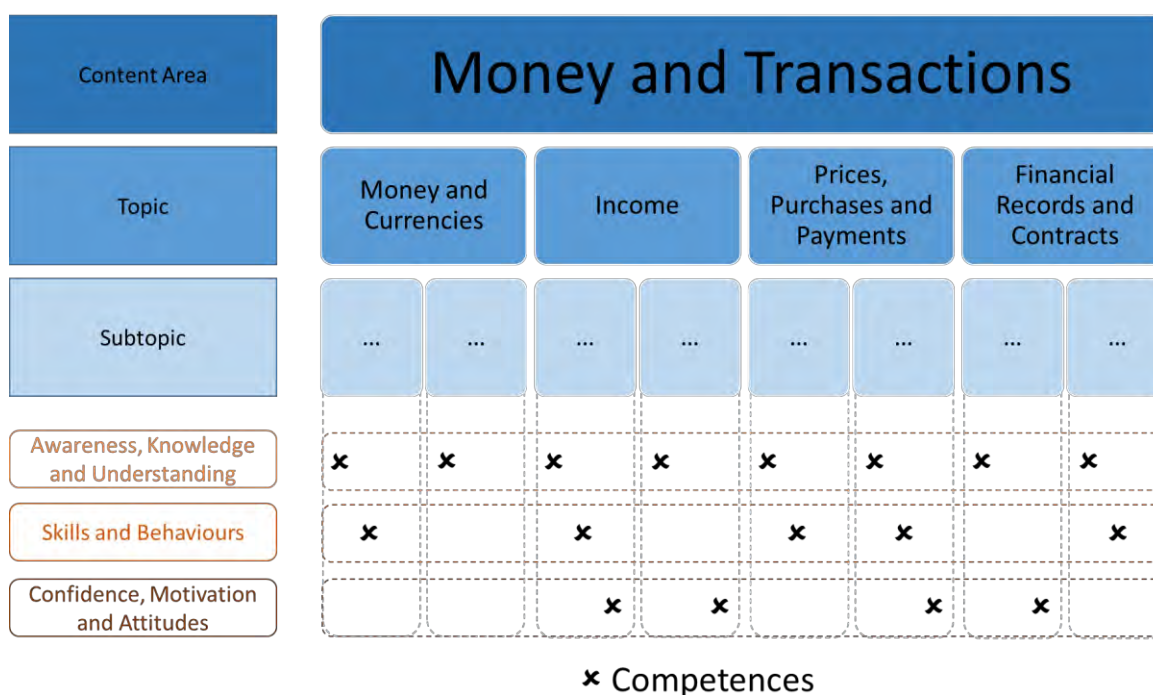
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<sup>9</sup> This structure is in line with the previous OECD/INFE Competence Framework for Adults.

For each competence, three dimensions are considered: **(i) awareness/knowledge/understanding**; **(ii) skills/behaviour**; and **(iii) confidence/motivation/attitudes**. The first dimension **awareness/knowledge/understanding** covers competences that are related to knowledge or informational aspects (to be aware of certain information or to be knowledgeable about a topic). The second dimension **skills/behaviour** describes competences related to actions and skills that have the objective of improving individual financial well-being. The third category **confidence/motivation/attitudes** seeks to capture the internal decision-making that supports or hinders financial behaviour to achieve or maintain financial well-being.

Figure 2.1 provides a schematic representation and an example of how each content area and dimension are organised within the framework. It is important to take into consideration that many competences may be relevant across different content areas and that they have not been repeated in order to avoid overlaps.

**Figure 2.1: Schematic representation of competences in content area “Money and Transactions”.**



- Content area 1: Money and transactions

This content area covers the knowledge, skills and attitudes related to: the different forms of money and currencies; income; prices, payments and purchases; and the importance of financial records and contracts.

The main goal of this content area is to establish and identify the competences necessary to understand the different characteristics of money, how to obtain it as income, how to exchange it for goods and services and the importance of keeping track and having records of how it is obtained and exchanged.

These topics cover some of the most basic and fundamental competences. Understanding the characteristics of money is very important, as money underpins



financial well-being and it can take different forms. The *income-related competences* are essential for financial resilience and are relevant for many other competences such as budgeting, saving and retirement.

Competences in the section on *prices, purchases and payments* aim to cover areas related to exchanging money for services and products and transferring money. An individual with these competences would seek the most advantageous prices for products and services, and the most efficient methods to purchase them.

Finally, the last section covers *financial contracts and records*, which are fundamental to keep track of financial transactions and agreements signed by the individual. The competences in this section refer to knowledge related to requesting, maintaining and understanding financial records and contracts.

- Content area 2: Planning and managing finances

This content area covers the knowledge, skills and attitudes related to budgeting; managing income and expenditure; saving; investing; longer term planning; retirement; credit; debt and debt management.

The main goal of this content area is to establish competences for *managing the financial situation* of an individual or household in the short and long term. This not only includes managing income and expenditure on a day-to-day basis but also planning for the future; it covers competences related to both saving and investments, and credit and debt management.

Managing income and expenditure relies on budgeting and accurate management of incoming and outgoing money. The competences in the budgeting, managing income and expenditure section pay particular attention to the importance of planning and keeping control of money in-flows and out-flows. They also highlight how the use of budgeting tools can help.

*Saving or investing* are also important aspects of planning and managing finances. The content area includes competences that emphasise the importance of putting money aside, how to do it and what types of products can be used for this aim. In addition, the basics of investing, diversification and sustainable investment are also covered.

To achieve financial well-being, the individual should look beyond short-term considerations and take into account long-term financial needs. Hence, the content area also includes competences related to *retirement, long-term planning and asset building*.

Finally, the last sections in this content area focus on credit and debt management. Competences in these sections aim to make individuals aware of positive and negative aspects of credit, when it is advisable to apply for credit, how to avoid financial hardship related to debt and how to overcome situations of over-indebtedness.

- Content area 3: Risk and reward

This content area covers the knowledge, skills and attitudes related to the identification of risks; financial safety nets; insurance; and balancing risk and reward.

The objective of this content area is to cover competences related to assessing risks, understanding how to mitigate them through insurance and financial safety nets, and understanding the trade-offs of assuming risk.

To identify risks properly is important for the financial well-being of an individual, as being aware of risks is fundamental when taking financial and other types of decisions. The competences in the first section cover the basics and sources of risk, including risks inherent in financial products and risk that can be hedged and insured against.

Depending on people's preferences and circumstances, it may also be important to mitigate risks. Therefore, the section covers competences related to financial safety nets and insurance. These competences can help reduce both the risk and unexpected negative shocks that can affect financial well-being.

Risk is also a fundamental concept in investment, as higher expected or required return tend to lead to a higher risk. The section therefore also covers investment-related competences.

- Content area 4: Financial landscape

This content area covers the knowledge, skills and attitudes related to regulation and consumer protection; rights and responsibilities of consumers; the use of financial education, financial information and financial advice; financial products and services; scams and fraud; understanding of tax and public spending; and external influences on financial decisions.

This content area covers the characteristics and features of the financial world. The first set of competences relates to consumer protection and the rights and responsibilities of consumers. Rules on consumer protection help consumers preserve their financial well-being. Individuals should be aware of the obligations they assume when purchasing products or services.

It is important that adults are able to access trustworthy financial information, education and advice. The competences in this section cover competences related to the ability to find such information from verified sources, the role of financial education, as well as when and where to seek financial advice.

The financial landscape is largely influenced by the available financial products and services. A group of competences focuses on general characteristics of financial products and services. The section looks at the information that needs to be disclosed and includes competences related to the suitability of products and services.

Scams and fraud are becoming more prevalent throughout the financial landscape and can have significant financial consequences. In order to maintain financial well-being, adults should be aware of the existence of scams and fraud. The section contains competences related to the awareness and ability of individuals to react to fraudulent situations, including the ability to report scams and fraud to the relevant authority.

Taxes are an indispensable part of the financial landscape that individuals have to deal with during their life. Competences in this section relate to the need for individuals to be aware of the importance of taxes, their ability to file tax forms and the awareness of

consequences if they fail to do so. The section also covers competences related to public spending for individuals to be aware what taxes are used for.

The last set of competences focuses on external influences. Individuals must be aware that their financial decision-making can be influenced by external factors, and that their financial decisions can have an impact on the society at large. The competences in this section focus on the awareness of such factors and of the importance of developing strategies to mitigate them, where possible.

### 1.2.2. *Cross-cutting dimensions of the framework*

- Digital financial competences

The original G20/OECD INFE Core competencies framework on financial literacy for adults was published in 2016. Since then, the digitalisation of finance and communication has rapidly increased, having been accelerated even further by the COVID-19 pandemic. Goods and services, including financial products and services, are now increasingly being offered through digital means, threatening to leave behind people who do not have the knowledge, skills and attitudes to use them safely.

The new EU/OECD-INFE framework better integrates digital financial competences, also taking into account recent developments. Digital financial competences refer to competences related to digital financial services, digital tools relevant for personal finance, digital assets or any other competence related to digital media with relevance for personal finance. Digital competences are cross-cutting and relevant across the framework. These competences are therefore integrated horizontally throughout the content areas and sections instead of being grouped in a specific section on digital financial competences. Particular attention has been devoted to formulating competences in a flexible way to take into account potential future developments.

Examples of digital financial competences that have been added include competences on digital currencies, digital tools and payment methods, crypto-assets, personal data and personal data protection, digital financial products and services, robo advice, online scams and fraud, and cyber risks.

To make it easier to trace digital financial competences, they have been flagged in blue in the printable version of the framework<sup>10</sup>.

- Sustainable finance competences

Sustainability concerns have increasingly become more relevant for personal finance and there is currently a strong surge in sustainable financial products and services. In the EU, regulation related to sustainable finance, and notably to sustainability disclosures, is being developed at a high pace. This offers more opportunities for individuals to align their financial decisions with their sustainability preferences, which may also have broader societal implications. However, it may also increase complexity of the financial landscape in which they have to take their decisions. Adults should develop the knowledge, attitudes and skills that are necessary to make sound financial

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<sup>10</sup> In some cases, there may be no specific mention of digital or online in the competence but since there is a relevant digital dimension to the competence that should be taken into account by users it has been flagged as blue.

decisions that account for their sustainability (environmental, social and governance) preferences.

Sustainable finance competences were covered to a limited extent in the 2016 G20/OECD INFE Core competencies framework on financial literacy for adults. They have now been better integrated in the new EU/OECD-INFE framework. The sustainable finance competences are formulated in a way to also accommodate expected developments. This is particularly challenging in view of the high pace of developments in the field of sustainable finance and the technical nature of some of the competences.

Similarly to digital financial competences, sustainable finance competences are incorporated horizontally throughout the framework as sustainable finance is relevant to several aspects of personal finance, including beyond investment.

Some of the most relevant sustainable finance competences that have been added refer to environmental impact of purchases, sustainability characteristics of investment products, sustainable investment, greenwashing, climate-related risks and sustainability labels.

To make sustainable finance competences easier to identify in the framework they have been flagged in green in the printable version of the framework.

- Financial resilience

The COVID-19 pandemic has further increased the need for improving households' financial resilience and for tackling financial vulnerability. According to Eurostat data, one third of EU households were not able to face an unexpected expense in normal times, let alone during the pandemic. The OECD/INFE 2020 International Survey of Adult Financial Literacy<sup>11</sup> showed that already before the pandemic, about one in three adults in participating OECD countries were worrying about paying for normal living expenses. Financial literacy can help individuals build up their financial resilience. Levels of financial literacy, however, continue to vary significantly between the groups of population, with the least financially literate groups being potentially more financially vulnerable and less financially resilient.

For the purpose of this framework, financial resilience is defined as the ability of individuals or households to resist, cope with and recover from negative shocks with financial consequences<sup>12</sup>. These shocks can be both macro (general) and micro (individual-specific). Important considerations in this respect are the prevention of (preventive action) and quick recovery from (capability to withstand) serious negative financial effects of shocks. Hence, financial resilience covers a wide universe of competences.

The EU/OECD-INFE financial competence framework for adults identifies the competences most relevant to financial resilience. This can help national governments

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<sup>11</sup> <https://www.oecd.org/financial/education/oecd-infe-2020-international-survey-of-adult-financial-literacy.pdf>

<sup>12</sup> This definition is consistent with the one used in the G20/OECD-INFE Report on Supporting Financial Resilience and Transformation through Digital Financial Literacy <https://www.oecd.org/finance/financial-education/supporting-financial-resilience-and-transformation-through-digital-financial-literacy.htm>

and relevant stakeholders use the framework for the development of policies and measures specifically aimed at building financial resilience, in particular of financially vulnerable groups. Competences relevant to financial resilience are not highlighted in the printable version of the framework, but are tagged in the Excel version.

- Essential competences

While the framework covers a wide range of competences that are relevant for individuals, not all of them are necessarily considered essential. Moreover, the OECD/INFE 2020 International Survey of Adult Financial Literacy<sup>13</sup> and previous OECD/INFE financial literacy surveys of adults highlighted the large heterogeneity of financial literacy levels not only across but especially within countries.

In order to make the framework easier to navigate and use for policy makers and practitioners, it specifies competences that are particularly relevant to: **(i) daily life and/or to current or future financial well-being; and to (ii) a majority of the adult population.** For instance, most of the competences in the ‘money and transactions’, ‘planning and managing finances’ or ‘financial landscape’ content area, as well as some competences in the “risk and reward” content area (e.g. insurance and safety nets) are relevant for the daily life of most adults (i.e. relevant for (i) and (ii)). In contrast, competences related to foreign exchange are relevant only for certain adults (i.e. only relevant for (i)).

This categorisation of competences illustrates how users can select certain competences to distinguish “essential” competences from more “advanced” or “expert” competences. This categorisation is not highlighted in the printable version of the framework, but only in the Excel version.

### 1.2.3. Tool to filter competences according to user’s needs

The printable version of the framework is complemented by an Excel version to make it easier for users to navigate and filter competences according to their needs.

Five tags are applied to corresponding competences. These tags are (1) digital financial competence; (2) sustainable finance competence; (3) competence relevant for financial resilience; (4) competence relevant for daily life and/or current or future financial well-being and (5) competence relevant to a large majority of the adult population. In addition, metadata is included for each competence (ID number to match the word version of the framework, content area, topic, subtopic, and whether it is an awareness/knowledge/ understanding, skill/behaviour or confidence/motivation/attitude).

Policy makers and practitioners can apply tags according to their needs and filter competences that are most useful to them. They can for instance select only competences from a specific sub-topic (for instance “basics of risk”) or with a specific tag (for instance, competences with a sustainable finance dimension, or competences relevant to financial resilience). Tags are cumulative, so it is possible to filter out all competences which are relevant to a large majority of the population, which are relevant

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<sup>13</sup> <https://www.oecd.org/financial/education/oecd-infe-2020-international-survey-of-adult-financial-literacy.pdf>

to daily life and/or current or future financial well-being, and which have a sustainable finance dimension, if one wants to create learning material about the essential aspects of sustainable finance.

In the future, additional tags could be considered, while users are invited to implement additional tags to adjust the framework to their needs. For instance, competences can be tagged to identify specific use cases, such as important financial decisions in life.

### **1.3. Next steps**

#### *1.3.1. Facilitating the uptake of the financial competence framework for adults*

The finalisation of the EU/OECD-INFE financial competence framework for adults is only the beginning. The next step will relate to the dissemination and facilitation of the uptake of the framework amongst Member States and stakeholders, including through **targeted exchanges in 2022**. The objective will be to support the use of the framework in concrete policies, tools and educational materials, and to offer a platform for policy makers and stakeholders to exchange good practices and lessons learnt when taking up the framework.

#### *1.3.2. Developing a financial competence framework for children and youth (under 18 years old)*

In 2022, the Commission services and OECD, in cooperation with Member States, will start working on the financial competence framework for children and youth (individuals under 18). The framework is expected to be finished by 2023.

## 2. *Financial competence framework for adults in the European Union*

### LEGEND

<b>Blue</b>	Suggestions for competences that make reference to digital finance and digital delivery of financial information, education and advice
<b>Green</b>	Suggestions for competences that make reference to sustainable finance
<i>Italic</i>	Concepts defined in the glossary

# 1. MONEY AND TRANSACTIONS





Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
1.1 Money and Currencies	<p><b>Forms and use of Money</b></p> <ol style="list-style-type: none"> <li>1. <b>Aware</b> that money can take different forms</li> <li>2. <b>Understands</b> the meaning of legal tender</li> </ol>	<ol style="list-style-type: none"> <li>3. <b>Can use and store</b> money safely in all its forms</li> <li>4. <b>Takes into account</b> the relative advantages and disadvantages of different forms of money when choosing which to use</li> </ol>	<ol style="list-style-type: none"> <li>5. <b>Motivated</b> to learn about different forms of money</li> <li>6. <b>Confident</b> in using different forms of money</li> </ol>
	<p><b>Notes and Coins</b></p> <ol style="list-style-type: none"> <li>7. <b>Knows how</b> to identify genuine notes and coins</li> <li>8. <b>Aware</b> that currencies or specific notes and coins may become obsolete over time as official money/means of payment</li> </ol>	<ol style="list-style-type: none"> <li>9. <b>Takes appropriate action</b> if notes or coins are thought to be counterfeit</li> <li>10. <b>Exchanges</b> obsolete notes and coins for new ones within time limit set for such an exchange</li> </ol>	<ol style="list-style-type: none"> <li>11. <b>Has developed the right attitude</b> when confronted with counterfeit money</li> </ol>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
<b>1.1 Money and Currencies</b>	<p><b>Foreign Exchange</b></p> <p>12. <b>Knows how</b> to apply exchange rates to convert currencies</p> <p>13. <b>Knows</b> that transaction fees, commission and exchange rates vary across time and providers</p> <p>14. <b>Understands</b> the impact of varying exchange rates on remittances, foreign travel or foreign purchases</p> <p>15. <b>Aware</b> of the existence of currency converter tools</p>	<p>16. <b>Can convert</b> prices expressed in different currencies</p> <p>17. <b>Takes into account</b> fees and the exchange rate when deciding how to remit or exchange money</p>	<p>18. <b>Confident</b> to handle transactions in different currencies</p> <p>19. <b>Compares</b> exchange rates from different providers in search for the best quotation</p>
<b>1.2 Income</b>	<p><b>Sources of Income</b></p> <p>20. <b>Knows</b> about the sources of earned and unearned income, including available government benefits and the requirements for receiving them</p> <p>21. <b>Understands</b> why an individual's net income may fluctuate</p> <p>22. <b>Can identify</b> legal ways to increase income</p> <p>23. <b>Understands</b> how assets or investments can provide a source of income</p>	<p>24. <b>Declares</b> all sources of income to tax authorities</p>	<p>25. <b>Comfortable</b> discussing income with others when necessary</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
1.2 Income	<p><b>Pay Slips and Income Statements</b></p> <p>26. <b>Understands</b> the entries on a payslip and income statement</p> <p>27. <b>Understands</b> how to access, store and keep track of relevant information regarding a person's income</p> <p>28. <b>Understands</b> the difference between gross and net income</p> <p>29. <b>Understands</b> that some automatic deductions from pay may be earmarked for building assets/providing rights or paying expenses</p>	<p>30. <b>Checks</b> payslips and income statements and files them for future reference</p> <p>31. <b>Checks</b> actual income against expected income and seeks to analyse why they might differ</p> <p>32. <b>Uses</b> gross or net income as appropriate when making decisions</p> <p>33. <b>Takes into account</b> the full pay package, including contributions to savings or insurance where relevant, when comparing current income to alternatives</p>	
	<p><b>Income needs</b></p> <p>34. <b>Understands</b> that expenditure should ideally not exceed income</p> <p>35. <b>Aware</b> that it is important to have sufficient income when retired</p>	<p>36. <b>Assesses</b> current income needs and seeks ways to gain sufficient income to cover these needs</p> <p>37. <b>Makes a realistic assessment</b> of expected income</p> <p>38. <b>Sets aside</b> some income for retirement</p>	<p>39. <b>Motivated</b> to find a way to generate sufficient income to preserve current and future standard of living</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
1.2 Income	<p><b>Impact of careers path on income</b></p> <p>40. <b>Aware</b> that different jobs and career paths, including entrepreneurship, are associated with different levels of income over time</p>	<p>41. <b>Takes practical steps</b> to pursue a certain career or business idea, if relevant</p>	<p>42. <b>Confident</b> to pursue a career choice or business idea and consider a job change, if relevant</p>
1.3 Prices, Purchases and Payments	<p><b>Prices</b></p> <p>43. <b>Knows how</b> to calculate and interpret meaningful unit prices of purchases, where relevant</p> <p>44. <b>Knows</b> that the same goods or services may be priced differently depending on a variety of factors, such as the vendor, the location or the time of purchase</p> <p>45. <b>Knows</b> that the purchasing power of money can vary over time due to inflation</p> <p>46. <b>Knows</b> that price is not the only relevant criterion to buy a specific product and that quality, terms and conditions also matter</p> <p>47. <b>Knows</b> that the actual cost of a good or service may depend on factors such as taxes, exchange rates, shipping costs and customs' duties (if ordered from outside the EU)</p> <p>48. <b>Knows how</b> to calculate the final consumer price where this is not stated on the price ticket of an item</p>	<p>50. <b>Calculates or estimates</b> the final price of a good or service</p> <p>51. <b>Seeks ways</b> to manage the impact of inflation on money held</p> <p>52. <b>Seeks</b> to buy goods and services at a fair price</p>	<p>53. <b>Confident</b> to negotiate a fair price</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
1.3 Prices, Purchases and Payments	<p>49. <b>Knows</b> that when purchasing products online, the price of identical goods or services may be different according to i.a. the consulted website or browsing history, the shipping conditions applied, or the location from where the purchase is made</p>		
	<p><b>Price Comparison</b></p> <p>54. <b>Understands</b> that information obtained through cost comparison tools available online may be incomplete, inaccurate or partial</p>	<p>55. <b>Compares</b> the prices of similar goods sold through different channels (including brick-and-mortar and online providers)</p> <p>56. <b>Able to use</b> reliable online comparison tools, when available, that compare price, quality, terms and conditions of goods and services</p>	<p>57. <b>Confident</b> to make decisions using information from reliable (online) price comparison tools developed by <i>impartial</i> providers.</p>
	<p><b>Purchases</b></p> <p>58. <b>Understands</b> that money spent to purchase a certain good or service is no longer available for something else (the concept of opportunity cost)</p> <p>59. <b>Understands</b> that irreversible costs made in the past should not influence purchase decisions today (applying the concept of sunk cost)</p>	<p>64. <b>Considers</b> the overall value or utility of a potential purchase as well as its price</p> <p>65. <b>Where relevant and provided for in law, returns</b> purchases made online or through other types of distance selling within the timeframe specified by law for a full refund</p> <p>66. <b>Develops strategies</b> to avoid or minimise overspending, impulsive shopping and other unintended consequences of advertising and social pressure</p>	<p>69. <b>Confident</b> to use the right to return purchases made online or through other types of distance selling, within the timeframe specified by law for a full refund, where relevant and provided for in law</p> <p>70. <b>Confident</b> to say no to a sales offer that is unsatisfactory or unwanted, including online offers (i.e. pop-ups, online ads)</p> <p>71. <b>Confident</b> to resist pressure to make unplanned purchases</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
<b>1.3 Prices, Purchases and Payments</b>	<p>60. <b>Knows</b> that there can be substitutes for products, in some case including second-hand or refurbished ones, and services that may cost less than the one originally identified</p> <p>61. <b>Knows</b> that there can be complementary products and services necessary to use certain products or services</p> <p>62. <b>Knows</b> applicable consumer rights when making purchases, especially online (i.e. return policies, information disclosure)</p> <p>63. <b>Recognises</b> that adverts, special offers and the media can have a powerful impact on one's perceived desirability of particular purchases</p>	<p>67. <b>Takes steps</b> to make informed purchases</p> <p>68. <b>Considers</b> sustainable alternatives to new purchases, such as reusing and recycling</p>	
	<p><b>Payment Methods and Transferring Money</b></p> <p>72. <b>Understands</b> the difference between various payments methods and knows how to use them safely (e.g. debit or credit card, online transfer services, bank transfer to a retail account, mobile/digital wallet, instant payment)</p> <p>73. <b>Knows how</b> to assess the potential risks and benefits of different payment methods</p>	<p>80. <b>Uses</b> appropriate methods and technologies to make payments, taking into account the overall cost, risk and personal convenience of the method chosen</p> <p>81. <b>Able</b> to execute online payments on different payment facilities, following digital security measures</p> <p>82. <b>Takes steps</b> to use a <i>payment account with basic features</i>, if eligible</p>	<p>84. <b>Motivated</b> to learn about different payment and transfer methods</p> <p>85. <b>Confident</b> to use different payment and transfer methods and to choose the best ways to transfer money, while considering costs and risks</p> <p>86. <b>Confident</b> to request the opening of a <i>payment account with basic features</i>, if eligible</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
<b>1.3 Prices, Purchases and Payments</b>	<p>74. <b>Aware</b> that some methods of payment are a form of borrowing and understands how this will affect the overall price paid and that different types of transaction have different implications for cash-flow</p> <p>75. <b>Knows</b> basic anti-money-laundering rules with respect to the use of cash and payments and complies with them</p> <p>76. <b>Aware</b> that in the EU there is a right to a <i>payment account with basic features</i> regardless of a person's place of residence or financial situation</p> <p>77. <b>Aware</b> that EU rules allow consumers to open and change bank accounts anywhere in the EU</p> <p>78. <b>Aware</b> that a <i>payment account with basic features</i> can be offered by traditional and <a href="#">online credit institutions</a></p> <p>79. <b>Aware</b> of the existence of a quick procedure for consumers who want to switch their account from one bank to another</p>	<p>83. <b>Take steps</b> to use a payment account that fits <a href="#">individual needs and demands</a></p>	

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
1.3 Prices, Purchases and Payments	<p><b>Checking and keeping track of payments and purchases</b></p> <p>87. <b>Understands</b> that mistakes can be made when making payments and purchases, and knows how to spot them on invoices, bills and receipts</p> <p>88. <b>Knows</b> that some receipts should be kept as evidence of a purchase</p>	<p>89. <b>Checks</b> payment details, receipts and change, invoices and bills where relevant</p> <p>90. <b>Requests</b> a receipt if not provided and keeps receipts and other relevant documents related to important purchases</p> <p>91. <b>Keeps track</b> of all money paid out or spent</p>	<p>92. <b>Confident</b> to double check when it appears that a mistake has been made with a payment or purchase and to act if this is the case</p>
	<p><b>Implications of purchases</b></p> <p>93. <b>Knows</b> that some purchases may incur ongoing costs such as maintenance or storage</p> <p>94. <b>Is aware</b> when subscriptions end and if they will be renewed automatically</p>	<p>95. <b>Takes into account</b> long-term implications of subscriptions and other purchases requiring repeated payments</p> <p>96. <b>Makes an informed decision</b> about the overall impact of options to spread payments over time</p> <p>97. <b>Makes</b> any ongoing payments as agreed</p> <p>98. <b>Makes an informed decision</b> about whether to make large purchases immediately or in the future</p>	<p>99. <b>Confident</b> to apply knowledge of factors such as inflation and exchange rates when making a decision about whether to delay a purchase</p>



Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
<b>1.3 Prices, Purchases and Payments</b>	<p><b>Sustainability aspects of prices and purchases</b></p> <p>100. <b>Aware</b> that purchased goods or services might have different environmental and social impacts</p>	<p>101. <b>Factors</b> one's environmental, social and governance preferences in the decision to purchase a good or a service</p>	<p>102. <b>Motivated</b> to learn more about the origin, production conditions, environmental and social impacts of a good or service if relevant, as well as the governance performance of the company offering it</p> <p>103. <b>Motivated</b> when applicable to question the information about environmental and social impacts, and governance performance disclosed by the seller if relevant</p>
<b>1.4 Financial Records and Contracts</b>	<p><b>Understanding and signing contracts</b></p> <p>104. <b>Understands</b> the legal implications of signing a contract or agreeing to the terms and conditions when buying an asset, a product or service</p> <p>105. <b>Understands</b> that an <i>electronic signature</i> can have the same legal value as a signature in person</p>	<p>106. If comfortable, <b>signs</b> contracts in paper or, where relevant, in electronic form</p> <p>107. <b>Checks</b> financial records and contracts before filing them in an orderly and accessible way</p>	<p>108. If needed, <b>willing</b> to ask for advice before signing a contract in paper or, where relevant, in electronic form</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
<b>1.4 Financial Records and Contracts</b>	<p><b>Financial records</b></p> <p>109. <b>Aware</b> of the importance of keeping certain documents in a place where they can be referred to if necessary</p> <p>110. In the case of documents in electronic format, <b>is aware</b> of the existence of cloud storage and of the implications of storing documents on cloud storage facilities (e.g. security and cost implications)</p>	<p>111. <b>Can retrieve</b> documents when necessary, including if they are stored on cloud storage facilities</p> <p>112. <b>Queries</b> uncertainties relating to financial records and contracts and asks for any errors to be corrected</p> <p>113. <b>Asks</b> for financial records and written contracts when not provided</p> <p>114. <b>Keeps</b> multiple backups of financial records, including in electronic format</p>	

# 2. **PLANNING** **AND** **MANAGING FINANCES**



Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
2.1 Budgeting	<p><b>Monitoring income and expenses</b></p> <p>115. <b>Aware</b> that very recent transactions may not yet have been reflected in the latest consulted financial statement</p>	<p>116. <b>Regularly tracks</b> expenses and expenditure</p> <p>117. <b>Distinguishes</b> between fixed and variable expenditure</p> <p>118. <b>Treats</b> essential spending as a higher priority than discretionary spending</p> <p>119. <b>Keeps</b> any business income and expenditure separate from that of the household</p>	
	<p><b>Drawing a budget</b></p> <p>120. <b>Knows</b> what a budget is, how to create one and why it is beneficial to do so</p> <p>121. <b>Aware</b> of reliable budgeting tools developed by <i>impartial</i> providers, including mobile apps and other digital budgeting tools and services</p> <p>122. <b>Understands</b> why it is important to take into account the medium and longer-term perspectives when budgeting</p>	<p>123. <b>Identifies</b> “needs” and “wants” and prioritizes as necessary</p> <p>124. <b>Creates</b> a regular budget to plan income, saving and expenditure, using appropriate tools if available</p> <p>125. <b>Regularly uses</b> reliable budgeting tools, including mobile apps or other digital tools, developed by <i>impartial</i> providers.</p>	<p>126. <b>Motivated</b> to take time to create and follow a budget as a strategy for maintaining or increasing financial well-being</p> <p>127. <b>Motivated</b> to consider the overall budget when making spending decisions</p> <p>128. <b>Motivated</b> to look beyond immediate needs and wants when budgeting to prepare for longer-term requirements</p> <p>129. <b>Confident</b> to adjust a budget if necessary</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
2.2 Managing Income and Expenditure	<p><b>Basics of managing income and expenses</b></p> <p>130. <b>Understands</b> why it is important to actively manage money in addition to monitoring income and expenses</p> <p>131. <b>Aware</b> that family, community and socio-cultural values and customs can influence the way in which people manage their money</p>	<p>132. <b>Compares</b> actual expenses against budgeted amounts and makes adjustments to the budget or to expenses where necessary</p> <p>133. <b>Seeks</b> ways of adjusting income or expenditure as necessary, taking into account occasional expenses such as gifts, donations or holidays.</p>	<p>134. <b>Confident</b> to make independent decisions about income and expenditure</p> <p>135. <b>Confident</b> to set personal priorities in terms of essential and discretionary expenditure</p> <p>136. <b>Accepts</b> the responsibility of managing individual and possibly household finances</p> <p>137. <b>Comfortable</b> discussing planning and managing finances with significant others</p> <p>138. <b>Confident</b> to act on behalf of others to manage their financial affairs if given the legal responsibility to do so</p>
	<p><b>Managing irregular and unexpected income and expenses</b></p> <p>139. <b>Understands</b> that different life stages and particular personal or household events may affect income and expenditure</p> <p>140. <b>Understands</b> the importance of actively planning for occasional irregular expenses</p> <p>141. <b>Understands</b> the possible options for paying unexpected expenses</p>	<p>143. <b>Seeks</b> ways of adjusting income or expenditure as necessary, taking into account irregular expenses and possible income fluctuations</p> <p>144. <b>Can</b> identify and choose the best option for paying unexpected expenses</p> <p>145. <b>Makes</b> informed decisions about the use of exceptional income and assets received such as gifts, prizes or inheritance</p>	

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
2.2 Managing Income and Expenditure	142. <b>Knows how</b> much money would be needed to cover expenses in the event of a loss of income		
2.3 Saving	<p><b>Saving goals and priorities</b></p> <p>146. <b>Understands</b> the benefits of saving, of having savings goals and a plan to achieve them</p> <p>147. <b>Understands</b> the benefits of starting to save from a young age and saving regularly</p> <p>148. <b>Understands</b> the concept of treating personal saving as a financial commitment, sometimes described as “pay yourself first”</p>	<p>149. <b>Identifies</b> a specific savings goal with a time frame and an approach to achieve it</p> <p>150. <b>Strives</b> to save each time income is received</p> <p>151. <b>Prioritises</b> saving ahead of some forms of discretionary spending</p>	<p>152. <b>Confident</b> to set own savings targets based on realistic aspirations and believes it is possible to reach those saving targets</p> <p>153. <b>Sees</b> saving as a basic component of a household budget</p>
	<p><b>Savings buffers</b></p> <p>154. <b>Understands</b> the benefit of having emergency savings to cover financial shocks</p> <p>155. <b>Understands</b> the benefit of having some savings in a highly accessible or liquid form</p>	156. <b>Takes steps</b> to have emergency savings to manage financial shocks	<p>157. <b>Values</b> the additional <i>financial resilience</i> created through saving</p> <p>158. <b>Satisfied</b> with current savings buffer or motivated to increase it</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
2.3 Saving	<p><b>Interest rates</b></p> <p>159. <b>Understands</b> the impact of compound interest on savings and the savings methods that make it possible to benefit from it</p>	<p>160. <b>Continues</b> to save even in a low interest rate environment</p> <p>161. <b>Takes care</b> to consider the real interest rate on savings held</p> <p>162. <b>Uses</b> reliable and <i>impartial</i> digital comparison tools to compare interest rates, fees and other characteristic of saving account options and evaluate their impact on savings</p>	

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
2.3 Saving	<p><b>Choosing saving products</b></p> <p>163. <b>Knows</b> about the different savings options available (or can find out easily)</p> <p>164. <b>Knows</b> that different savings products may offer different combinations of fees, interest rates and tax relief and imply different types of risk</p> <p>165. <b>Knows</b> that savings products may have different sustainability characteristics (environmental, social and corporate governance aspects)</p> <p>166. <b>Knows</b> where to access suitable savings products</p> <p>167. <b>Understands</b> that the choice of a particular savings or investing option may partly depend on the anticipated time horizon for reaching a savings goal</p> <p>168. <b>Knows how</b> to assess the security of different savings methods</p> <p>169. <b>Knows</b> that funds deposited on a bank account up to 100,000 EUR per person and per institution are protected under the deposit guarantee scheme</p>	<p>170. <b>Takes</b> precautions to keep saved money safe</p> <p>171. <b>Chooses</b> saving products in line with one's preferences, including sustainability preferences</p>	<p>172. <b>Confident</b> in choosing savings products in line with one's preferences, including sustainability preferences, or asking advice if needed</p>



Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
2.3 Saving	<p><b>Managing savings</b></p> <p>173. <b>Aware</b> of reliable digital tools developed by <i>impartial</i> providers designed to help save on a regular basis</p>	<p>174. <b>Monitors</b> the growth of savings and makes adjustments if necessary</p> <p>175. <b>Keeps informed</b> about existing personal financial management tools</p> <p>176. <b>Uses</b> reliable and <i>impartial</i> digital tools to support saving decisions</p>	<p>177. <b>Motivated</b> to use tools that support financial decision making and improve one's financial behaviour</p>
2.4 Investing	<p><b>Basics of investing</b></p> <p>178. <b>Knows</b> the difference between saving and investing, and between debt and equity</p> <p>179. <b>Aware</b> that some forms of investment are more liquid than others</p> <p>180. <b>Knows</b> that the value of an investment may increase or decrease</p> <p>181. <b>Knows</b> that different types of fees and charges (one-time and ongoing, direct and indirect) can have a substantial impact on the performance of an investment</p> <p>182. <b>Understands</b> how changes in inflation, interest rates and/or exchange rates may impact on longer-term plans</p>	<p>186. <b>Can</b> calculate the proportionate increase or decrease of the value of an investment</p>	<p>187. <b>Confident</b> to consider whether specific goals can be met by investing</p> <p>188. <b>Confident</b> not to invest if one does not understand the financial product or service</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
2.4 Investing	<p>183. <b>Understands</b> the difference between potential (unrealised) and realised losses or gains</p> <p>184. <b>Aware</b> of the additional risks of making uninformed investment decisions</p> <p>185. <b>Understands</b> basic investing concepts such as time-value of money, risk tolerance, investment horizon, and investment objectives</p>		
	<p><b>Share and fund prices</b></p> <p>189. <b>Understands</b> that the same stock or fund can have a different purchase / selling price at different points in time</p>		
	<p><b>Choosing and diversifying investments</b></p> <p>190. <b>Knows</b> the characteristics of various investment products including levels of risk, liquidity, expected performance and <b>sustainability features</b> or can find out easily</p> <p>191. <b>Knows</b> that fees, commissions and other charges may be made for investment products and services and that these items may vary depending on the provider and the sales channel</p>	<p>197. <b>Considers</b> risk, performance, costs and other investment characteristics when managing and monitoring investments</p> <p>198. <b>Monitors</b> investments periodically and makes adjustments as necessary</p> <p>199. <b>Able</b> to incorporate personal preferences with respect to investment goal, risk tolerance, time horizon and <b>sustainability</b>, when making an investment decision</p>	<p>204. <b>Confident and motivated</b> to undertake research on potential investments before committing</p> <p>205. <b>Confident and motivated</b> to compare the level of sustainability of investment products using for example other standards, labels or ratings</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
2.4 Investing	<p>192. <b>Knows</b> that prices for the same investment product may vary across providers and sales channels</p> <p>193. <b>Knows</b> that different investment products may have different sustainability characteristics (environmental, social and corporate governance)</p> <p>194. <b>Understands</b> the benefits of holding a diversified portfolio of investments</p> <p>195. <b>Knows</b> why it is important to consider overall asset allocation when investing</p> <p>196. <b>Aware</b> that various brokers and trading tools exist that can be accessed through different traditional and digital means</p>	<p>200. <b>Can</b> retrieve relevant and reliable information to inform investment decisions</p> <p>201. <b>Researches</b> potential investments</p> <p>202. <b>Creates</b> a diversified portfolio</p> <p>203. <b>Is able</b> to combine various investment products such as pensions, life insurance policies, endowments, collective investment schemes or other investment products where appropriate</p>	<p>206. <b>Confident and motivated</b> to question investment offers that appear too good to be true</p> <p>207. <b>Confident and motivated</b> to compare the investment portfolio composition of pension funds, life insurance policies, endowments, collective investment schemes or other investment products in order to assess their suitability in a holistic way</p> <p>208. <b>Confident and motivated</b> to not to let one's own investment behavior be guided by fear of missing out</p> <p>209. <b>Willing</b> to provide relevant personal information to the intermediary for a suitability assessment</p>
	<p><b>Crypto-assets and related digital developments</b></p> <p>210. <b>Aware</b> of the existence of different types of <i>crypto-assets</i> and has a basic understanding of how to access and exchange them</p>	<p>213. If relevant, <b>knows how</b> to use different types of <i>crypto-assets</i> safely and in compliance with applicable law</p>	<p>214. <b>Keeps abreast</b> of developments related to emerging technologies relevant for financial products and services</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
2.4 Investing	<p>211. <b>Aware</b> of risks related to using <i>crypto-assets</i> for payment or investment purposes, and of the risks related to “crypto exchange platforms” (such as technological or other risks), which can have significant financial consequences</p> <p>212. <b>Aware</b> that scams related to <i>crypto-assets</i> occur frequently, often trying to attract potential victims by promising high expected returns</p>		
	<p><b>Shareholder rights</b></p> <p>215. <b>Aware</b> of the rights and benefits associated to holding a share of a company</p> <p>216. <b>Aware</b> of the rights of shareholders to influence the decisions of a company, including on its sustainability performance</p> <p>217. <b>Aware</b> of the possibility and requirements to participate in collective shareholder actions, and of digital tools to do so</p>	<p>218. If relevant, <b>can take steps</b> to engage with companies during annual general shareholder meetings or through collective shareholder actions, in line with one’s own sustainability and other preferences</p>	

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
2.4 Investing	<p><b>Sustainable investment</b></p> <p>219. <b>Aware</b> about existing <i>sustainable investment</i> products on the market</p> <p>220. <b>Aware</b> about the different dimensions of sustainability (environment, social and governance) and about the principles behind each of these dimensions</p> <p>221. <b>Aware</b> that different investment strategies can be used to invest according to one's own environmental, social and corporate governance (sustainability) preferences, for instance by avoiding investments in certain sectors or companies (divestment), or engaging with certain companies to make them change their activities (engagement)</p>	<p>222. <b>Looks</b> for investment products in line with one's own sustainability preferences</p> <p>223. <b>Picks</b> an investment strategy in terms of divestment or engagement or combination of both according to one's personal situation and preferences</p> <p>224. <b>Asks</b> follow-up questions to an advisor on sustainability related aspects of investment products</p> <p>225. <b>Researches and compares</b> sustainability attributes of potential saving and investment products</p>	<p>226. <b>Motivated</b> to research the products one already holds or plans to invest in, to ensure that they meet personal sustainability preferences</p> <p>227. <b>Confident</b> to ask questions about the extent to which an investment product meets sustainability criteria</p>
	<p><b>Commodities</b></p> <p>228. <b>Aware</b> that the value of investments in material goods such as gold may increase or decrease as a result of a range of factors</p>	<p>229. <b>Keeps an eye</b> on changes in the price of goods held as investment</p>	

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
2.4 Investing	<p><b>Factors influencing investment decisions</b></p> <p>230. <b>Aware</b> that human characteristics such as emotions or cognitive biases can impact on investing decisions in unanticipated ways</p> <p>231. <b>Aware</b> of the risks related to social trading</p>	<p>232. <b>Takes steps</b> to make informed decisions, control emotional responses and takes into account cognitive biases when making investment decisions</p>	
2.5 Longer-Term Planning and Asset Building	<p><b>Basics of long-term planning</b></p> <p>233. <b>Understands</b> the importance of having an eye on the longer-term even when short-term needs are pressing</p> <p>234. <b>Understands</b> that long-term planning may require different types of financial product from those used for emergency savings</p> <p>235. <b>Recognises</b> that the actions needed to achieve longer-term plans may need adjusting over time</p> <p>236. <b>Understands</b> the importance of making plans for the end of life including considering the financial requirements of dependents, making decisions about how outstanding costs, debts and assets should be distributed, and writing a will, where relevant</p>	<p>237. <b>Makes</b> financial plans for future positive and negative life events that are likely to have financial consequences</p> <p>238. <b>Identifies</b> strategies to take action (overcome procrastination) when making longer-term plans</p> <p>239. <b>Identifies</b> strategies to balance immediate needs and wants with longer-term plans, so to achieve longer-term financial goals</p> <p>240. <b>Monitors</b> the changing value of investments, assets and liabilities</p> <p>241. <b>Takes into account</b> predictable fluctuations in income and expenditure when making longer-term plans</p> <p>242. <b>Takes into account</b> all personal and household assets and liabilities when considering longer-term needs</p>	<p>245. <b>Values</b> long-term financial planning as a way of maintaining or increasing financial well-being</p> <p>246. <b>Confident</b> to make changes to longer-term financial plans if necessary</p> <p>247. <b>Confident</b> to put long-term financial plans into action</p> <p>248. <b>Motivated</b> to consider the longer-term financial needs of dependents</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
2.5 Longer-Term Planning and Asset Building		<p>243. <b>Takes into account</b> the possibility that family or community members will need financial support in the longer-term</p> <p>244. <b>Puts plans in place</b> to cover current living expenses for dependents and arrange for the distribution of outstanding costs, debts and assets at the end of life, and checks these from time to time</p>	
2.6 Retirement	<p><b>Basics of pension planning</b></p> <p>249. <b>Understands</b> why it is important to consider ways of ensuring financial security beyond working age and start saving for retirement from a young age</p>	<p>250. <b>Makes plans</b> to achieve financial security beyond working age</p> <p>251. <b>Takes into account</b> all likely relevant resources and commitments when planning for retirement</p>	<p>252. <b>Confident</b> to plan for retirement</p> <p>253. <b>Appreciates</b> the importance of balancing current standard of living and spending choices with goal of achieving improved financial choices later in life</p>
	<p><b>Categories of pension products</b></p> <p>254. <b>Knows</b> who is entitled to a state pension and how much it is</p> <p>255. <b>Has a good understanding</b> of the main types of public and private pensions available nationally</p>	<p>259. <b>Chooses</b> among pension products or creates combinations of pension schemes to build an adequate retirement income, when possible</p>	

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
2.6 Retirement	<p>256. <b>Knows</b> the difference between optional and compulsory retirement savings, and the difference between occupational and individual schemes</p> <p>257. <b>Knows</b> that in some jurisdictions people may be automatically enrolled into a pension</p> <p>258. <b>Knows</b> whether opt-out is possible (where relevant)</p>		
	<p><b>Managing pension products</b></p> <p>260. <b>Understands</b> that it is important to plan the pay-out phases of retirement as well as the accumulation phase</p> <p>261. <b>Aware</b> of the main options for drawing an income from a pension product at retirement</p> <p>262. <b>Aware</b> of the risks of drawing money from retirement savings or borrowing against them before retirement</p> <p>263. <b>Aware</b> of reliable digital tools developed by <i>impartial</i> providers designed to make retirement related calculations and manage pensions on a regular basis</p>	<p>264. <b>Follows</b> retirement plan and makes adjustments as necessary in order to achieve required income in old age</p> <p>265. <b>Makes active decisions</b> to manage savings for and during retirement (where relevant)</p> <p>266. <b>Seeks</b> to benefit from incentive schemes to encourage retirement saving such as employer matching and tax advantages when possible</p> <p>267. <b>Considers</b> the impact of nudges such as opt-out pensions or compulsory minimum contributions on retirement saving</p>	



Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
2.6 Retirement	<p><b>Sustainability considerations for pensions</b></p> <p>268. <b>Understands</b> the extent to which a given pension product meets one's sustainability criteria</p>	<p>269. <b>Chooses</b> one's pension product in line with one's risk and sustainability preferences</p>	<p>270. <b>Confident</b> to ask questions about the extent to which pension products meet sustainability criteria and to make demands for more/better options if necessary</p>
2.7 Credit	<p><b>Considerations before asking for credit</b></p> <p>271. <b>Understands</b> the implications of a credit commitment on future disposable income</p> <p>272. <b>Understands</b> the Importance of assessing ability to repay before borrowing money</p> <p>273. <b>Understands</b> the impact of compound interest on credit</p> <p>274. <b>Understands</b> the importance of knowing how long the repayment period will be and whether it is fixed</p> <p>275. <b>Understands</b> that the total cost credit may be higher than what implied only by the interest rate</p> <p>276. <b>Can differentiate</b> between the use of credit to generate or increase future income or wealth and the use of credit for consumption</p>	<p>277. <b>Uses</b> credit only when necessary and after considering the consequences</p> <p>278. <b>Assesses</b> the total cost of credit and the likelihood of being able to pay it back before making any decision to borrow money</p> <p>279. <b>Makes decisions</b> to borrow and manages any credit commitments within a budget</p> <p>280. <b>Takes into account</b> the cost of credit as well as the cost of the item when making a decision to buy an item on credit</p> <p>281. <b>Takes into account</b> the potential to generate or increase future income or wealth when deciding whether to borrow</p>	<p>282. <b>Motivated</b> to consider the consequences of accessing credit before making a decision</p> <p>283. <b>Motivated</b> to seek alternatives to borrowing (such as saving, leasing, joint ownership, social support etc...)</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
2.7 Credit	<p><b>Guarantors and collateral</b></p> <p>284. <b>Aware</b> that some credit providers may require a guarantor to cover credit payments in the event of default</p> <p>285. <b>Aware</b> that a asking for a credit may require a collateral to secure repayment of a loan</p> <p>286. <b>Understands</b> the social and financial implications of asking someone to become a guarantor and the responsibility it brings when credit repayments are not made</p>	<p>287. <b>Takes into account</b> the social and financial implications of asking someone to be a guarantor</p>	<p>288. <b>Confident</b> to guarantee another person or to ask another person to be a guarantor</p>
	<p><b>Choosing credit</b></p> <p>289. <b>Knows or can easily research</b> the different types of credit available (including credit cards, mortgage products, rotating credit facilities or short-term credit), their intended use and the main advantages and disadvantages of each</p> <p>290. <b>Knows</b> whether or not a loan is secured against an asset, and can assess the benefits and disadvantages of using such a loan including the implications of failing to repay the secured credit</p>	<p>294. <b>Chooses</b> credit products carefully (once the decision has been made to borrow, and once the appropriate credit product has been selected), taking into account factors such as the interest rate, inflation rate, overall cost and flexibility as well as the amount to be paid on regular repayments</p> <p>295. <b>Uses comparison tools to evaluate the cost and other characteristics of credit products</b></p>	<p>296. <b>Confident</b> to ask additional information about different types of credit</p> <p>297. <b>Confident</b> to choose a suitable credit provider and product when necessary, also by using available comparison tools</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
2.7 Credit	<p>291. <b>Knows</b> why it is important to be aware of the current interest rate on credit and whether that rate is fixed or variable, as well as the rate of inflation</p> <p>292. <b>Aware</b> that credit can also be accessible online (e.g. through peer-to-peer lending platforms) and is able to distinguish the different features (and risks)</p> <p>293. <b>Aware</b> that different types of mortgages exist, including green mortgages</p>		
	<p><b>Risks of taking a credit</b></p> <p>298. <b>Aware</b> of the potential negative consequences of borrowing to meet a shortfall in current income</p> <p>299. <b>Understands</b> the risks and benefits of using different kinds of credit providers (both formal and informal)</p> <p>300. <b>Aware</b> of the specific issues of taking credit in a foreign currency</p> <p>301. <b>Aware</b> of the risks of repeat use of rotating credit facilities</p> <p>302. <b>Aware</b> of the risk of foreclosure in case the mortgage is not paid off</p>	<p>303. <b>Assesses</b> the risks, benefits and potential consequences of using a particular credit provider</p>	

**2.7 Credit**

**Application for credit and credit score**

- 304. **Aware** of the existence and main characteristics of credit scoring system, if available in a country
- 305. **Aware** that a positive credit score can increase the likelihood of accessing credit and reduce the cost of credit
- 306. **Aware** of the methods used to create credit scores, or to determine access to and price of credit may use big data and data analytics and may change over time
- 307. **Aware** that providers may react differently to the information contained in a credit score
- 308. **Aware** that income such as bonuses, windfalls or gifts may not be taken into account when calculating disposable income for credit purposes
- 309. **Aware** that credit providers may seek information about a borrower’s ability to repay and that this may include accessing a credit score collected by a third party
- 310. **Knows** what factors are taken into account in a credit score (including the use of *personal data*)
- 311. **Knows how** to access information on personal credit score and who to speak to in case of discrepancies

- 312. **Asks** which information is being used to assess ability to repay credit
- 313. **Takes into account** the ways in which certain actions and behaviours will impact on a credit score (including actions monitored through big data, where relevant)
- 314. **Takes steps** to improve credit score if necessary

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
2.7 Credit	<p><b>Repaying credit</b></p> <p>315. <b>Understands</b> the relevance of trying to pay more than the minimum balance on flexible credit commitments</p>	<p>316. <b>Makes</b> timely repayments on all credit commitments (unless personal circumstances deteriorate)</p> <p>317. <b>Repays</b> the maximum possible (taking into account budget constraints) on short term credit or rotating commitments</p> <p>318. <b>Considers</b> the overall financial benefit of repaying credit early and takes an informed decision about doing so when funds allow</p>	<p>319. <b>Confident</b> to manage credit commitments</p>
	<p><b>Renegotiating a credit agreement</b></p> <p>320. <b>Aware</b> that it may be possible to renegotiate a credit agreement</p>	<p>321. <b>Takes steps</b> to stay informed about market changes when repaying credit and considers renegotiating unfavourable or unaffordable arrangements</p>	
	<p><b>Overdrafts</b></p> <p>322. <b>Understands</b> that the total amount of money available to spend in a bank account may include an agreed overdraft facility</p> <p>323. <b>Knows</b> that an overdraft is a form of credit that may incur costs and must be repaid</p>	<p>324. <b>Has the goal</b> of keeping a positive bank balance as part of following a budget</p>	

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
2.7 Credit	<p><b>Easy-access high-cost credit</b></p> <p>325. <b>Aware</b> that marketing and simplified lending processes can increase the temptation to access credit without considering the consequences, especially <b>when credit is offered online or via mobile devices</b></p> <p>326. <b>Aware</b> that some vendors offer credit to incentivise buyers to make a purchase or spend more than originally planned and/or to increase future custom</p> <p>327. <b>Aware</b> that credit offers that are initially interest free may incur interest in the future</p> <p>328. <b>Aware</b> that options to ‘buy now, pay later’ (including basic utilities in many instances) typically are a form of credit and may have a cost</p>	<p>329. <b>Takes steps to avoid over indebtedness that may result from using easy-access high-cost credit often sold online</b></p> <p>330. <b>Carefully considers</b> the likelihood that interest free credit can be repaid in full before the end of the interest free period and the consequences of not doing so</p>	<p>331. <b>Confident</b> to decline unwanted credit that is offered with a purchase</p>
2.8 Debt and Debt Management	<p><b>Managing debt</b></p> <p>332. <b>Understands</b> the potential burden of being indebted</p> <p>333. <b>Recognises</b> the relationship between current debt levels and financial well-being now and in the future</p> <p>334. <b>Knows how</b> to manage debt repayments</p>	<p>337. <b>Takes early action</b> to avoid or minimise debt problems</p> <p>338. <b>Monitors</b> overall credit use</p> <p>339. <b>Makes an informed decision</b> before accessing additional credit to repay current debts</p>	<p>340. <b>Motivated</b> to resolve issues related to credit before debt becomes a burden</p> <p>341. <b>Accepts</b> responsibility for debt and debt management</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
2.8 Debt and Debt Management	<p>335. <b>Understands</b> why it is important to manage the ratio of (household or individual) debt to income</p> <p>336. <b>Understands</b> the implications on credit scores of failing to pay debts</p>		
	<p><b>Debt accrued from late payments</b></p> <p>342. <b>Understands</b> that debts can accrue from unpaid bills as well as from the use of credit</p> <p>343. <b>Understands</b> that there is usually an additional cost incurred for late payment of bills and credit</p>	<p>344. <b>Prioritises</b> bills and credit repayments over discretionary spending</p> <p>345. <b>Takes steps</b> to avoid falling behind with payments even if circumstances change</p>	
	<p><b>Difficulty to repay debt</b></p> <p>346. <b>Aware</b> of the implications of not paying a credit installment and aware of the debt recovery process</p> <p>347. <b>Aware</b> of potential grace periods and public support measures to help repay debt</p> <p>348. <b>Knows</b> where to go for help to reduce debt burden (when necessary)</p>	<p>351. <b>Informs</b> creditors before the due date of a repayment if it is impossible to pay</p> <p>352. <b>Applies</b> for over-indebtedness procedure, when relevant</p>	<p>353. <b>Confident</b> to speak to relevant parties to discuss debt management and repayments</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
<b>2.8 Debt and Debt Management</b>	<p>349. <b>Understands</b> that certain debts may have to be prioritised over others if they become unmanageable</p> <p>350. <b>Understands</b> that consumers have rights and responsibilities when managing debt</p>		



# 3. **RISK** **AND** **REWARD**



Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
3.1 Identifying Risks	<p><b>Basics of risk</b></p> <p>354. <b>Aware</b> of risks in a financial context, including those inherent in products and those that can be hedged or insured against</p> <p>355. <b>Aware</b> that certain risks with financial implications can be reduced by using certain financial products and/or by taking action (buying insurance, acquiring financial products with capital guarantee, use well-diversified investment products, etc...)</p>	<p>356. <b>Considers</b> the risks of significant external issues that may impact on personal financial well-being (including for example <b>environmental</b>, <b>technological</b>, health-related, scientific, security or economic factors)</p>	<p>357. <b>Motivated</b> to identify own risk tolerance</p> <p>358. <b>Confident</b> to make own assessment of risks without being unduly influenced by marketing or news items (avoiding availability bias)</p>
	<p><b>Sources of risks</b></p> <p>359. <b>Aware</b> of possible risks with financial implications (political, economic, <b>environmental</b> and personal factors such as long life expectancy)</p> <p>360. <b>Knows</b> why it is important to be aware of low-probability, high-cost events, <b>such as risk of climate-related events</b></p>	<p>362. <b>Assesses</b> the financial risks associated with personal decisions, life choices, and external events</p> <p>363. <b>Considers</b> the risks of significant projects or purchases</p> <p>364. <b>Takes into account</b> the risk of changes in circumstance, including job loss, increased outgoings, or other external events</p> <p>365. <b>Takes into account</b> the risk of losing some or all household income through ill-health, disability or death of a family member</p>	<p>367. <b>Motivated</b> to mitigate risks when necessary</p> <p>368. <b>Confident</b> to make considered decisions when risks become apparent</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
3.1 Identifying Risks	361. <b>Aware</b> of the (possible) risks related to financial products, including: making inappropriate product choices, using variable interest rate products, committing to fixed interest rates in a variable interest rate environment, and taking out products in foreign currencies	366. <b>Takes into account</b> the types of risks from different financial products	
	<p><b>Specific risks of digital products and services</b></p> <p>369. <b>Aware</b> of the specific risks related to digital financial products and services, such as mobile banking and lending, investing, borrowing via peer-to-peer platforms.</p> <p>370. <b>Aware</b> that some digital financial products and services (such as <i>crypto-assets</i> or initial coin offerings) are riskier than established financial products because they are less regulated or even unregulated</p>	371. <b>Pays particular attention</b> to risks related to financial products based on emerging technologies, such as blockchain-based financial products ( <i>crypto-assets</i> , initial coin offerings, etc...)	
3.2 Financial safety nets and insurance	<p><b>Creating a safety net</b></p> <p>372. <b>Knows how</b> to create a financial safety net, such as rainy day savings</p> <p>373. <b>Knows how</b> to calculate how long it will take to build a safety net that could cover three month's income</p> <p>374. <b>Understands</b> the role of insurance in managing risk</p>	375. <b>Builds and maintains</b> an adequate financial safety net through savings, insurance and other financial products as necessary	<p>376. <b>Motivated</b> to create a financial safety net</p> <p>377. <b>Motivated</b> to purchase or update insurance against adverse events or outcomes with a financial consequence (where relevant)</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
3.2 Financial safety nets and insurance	<p><b>Choosing insurance</b></p> <p>378. <b>Understands</b> when financial risks can be more appropriately managed with or without insurance</p> <p>379. <b>Aware</b> of the risk of being underinsured and costs of being overinsured</p> <p>380. <b>Knows</b> when insurance is a legal obligation</p> <p>381. <b>Knows</b> which insurance products are designed for which situations</p> <p>382. <b>Knows</b> the difference between life and non-life insurance</p> <p>383. <b>Aware</b> that insurance offers and insurance premia may be based partly on certain personal information that is processed via big data and other data analytics</p>	<p>384. <b>Considers</b> the benefits of insurance when risks have been identified</p> <p>385. <b>Uses</b> appropriate insurance products</p> <p>386. <b>Periodically checks</b> that the insurance held is still providing adequate cover</p> <p>387. <b>Claims</b> on the appropriate insurance if necessary</p> <p>388. <b>Takes steps</b> to insure against low probability high cost events</p> <p>389. <b>Takes into account</b> the way in which certain actions and behaviours will impact on insurance coverage and insurance premia (including actions monitored through big data, where relevant)</p>	
	<p><b>Digital insurance provision</b></p> <p>390. <b>Aware</b> of the existence of digital insurance providers and of new types of insurance offered by them (such as peer-to-peer, on-demand, usage-based insurances etc...)</p> <p>391. <b>Aware</b> that digital insurance providers and the products offered by them might function differently than traditional insurance providers</p>		

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
3.2 Financial safety nets and insurance	<p><b>Insurance against climate-related risks</b></p> <p>392. <b>Aware</b> of the ways to insure against climate-related risks</p>	<p>393. <b>Able</b> to assess the climate-related personal risks, and is able to insure against them, if appropriate</p>	
	<p><b>Government support</b></p> <p>394. <b>Aware</b> of government support for individuals or households in financial difficulty, and under which circumstances this can be obtained</p>		
3.3 Balancing Risk and Reward	<p><b>Relationship between risk and reward</b></p> <p>395. <b>Understands</b> the relationship between risk and potential reward which means that if there is a high chance of making money on an investment there is also likely to be a high chance of losing money</p> <p>396. <b>Understands</b> the purpose of investment diversification as a strategy to reduce the risk</p>	<p>397. <b>Identifies</b> the potential financial risks and rewards related to a decision that needs to be made</p> <p>398. <b>Compares</b> the risk and reward of different financial investments</p> <p>399. <b>Takes into account</b> the need for asset growth, financial security, and one's own sustainability preferences when considering investment risk</p> <p>400. <b>Considers</b> the risk of using credit for discretionary spending</p>	

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
<b>3.3 Balancing Risk and Reward</b>	<p><b>Sustainability implications on risk and reward</b></p> <p>401. <b>Understands</b> that sustainability factors and governmental climate-related policies may have an impact on the level of risk and return of investments</p> <p>402. <b>Aware</b> that environmental, social or governance risks may negatively affect the financial performance of a company</p>		

# 4. **FINANCIAL LANDSCAPE**



Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
<b>4.1 Regulation and Consumer Protection</b>	<p><b>Consumer protection regulations</b></p> <p>403. <b>Understands</b> that in the EU consumer protection measures apply equally to financial operations by regulated entities, whether carried out digitally or physically</p> <p>404. <b>Knows</b> that financial service providers have a duty to treat consumers fairly and to ensure information is clear and transparent</p> <p>405. <b>Understands</b> the roles of relevant financial regulators and financial authorities</p> <p>406. <b>Aware</b> of the possibility to check whether the provider is authorised/licenced by the relevant competent national authorities</p> <p>407. <b>Aware</b> that some financial products and services may not be regulated and supervised at EU or national level</p> <p>408. <b>Understands</b> that some aspects of consumer protection rely on the consumer taking note of information provided</p>	<p>409. <b>Checks</b> that a financial service provider, whether operating physically or digitally, is authorised/registered/regulating by the competent national authorities to provide such service</p> <p>410. <b>Reads and checks</b> product information and disclosure documents, also when provided electronically</p> <p>411. <b>Checks</b> information about financial service providers that have contravened regulation or treated consumers unfairly</p> <p>412. <b>Checks</b> changes to financial regulation and consumer protection and their potential impact</p>	<p>413. <b>Motivated</b> to choose appropriate, trustworthy financial service providers</p> <p>414. <b>Motivated</b> to find out the information that advisors, financial service providers and companies are legally obliged to provide to financial consumers</p>



Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
4.1 Regulation and Consumer Protection	<p><b>Complaints</b></p> <p>415. <b>Aware</b> of the existence of redress mechanisms and how to access them if necessary</p> <p>416. <b>Aware</b> of the existence of out-of-court dispute resolution mechanisms, including online alternative dispute resolution tools, and of how to select the most appropriate one</p> <p>417. <b>Knows</b> the relevant body in their jurisdiction where a complaint about products and services, including those sold online, can be deposited</p>	<p>418. <b>Makes</b> a complaint to the relevant department of a financial provider and, in a second step, to the relevant external body when necessary</p>	<p>419. <b>Confident</b> to make a judgment on the quality of service and protection provided by a financial service provider</p> <p>420. <b>Is prepared</b> to seek redress if things go wrong</p>
	<p><b>Personal data protection</b></p> <p>421. <b>Understands</b> that consumers of financial services enjoy rights with respect to their <i>personal data</i> and that they have discretionary control over it</p> <p>422. <b>Aware</b> of the existence of national authorities in charge of data protection and of their role in a financial context</p> <p>423. <b>Aware</b> of the security implications on <i>personal data</i> of storing financial documents online</p>	<p>426. <b>Able</b> to protect <i>personal data</i> online</p> <p>427. <b>Assesses</b> <i>personal data</i> requests by financial service providers to decide whether it is relevant to provide such information</p> <p>428. <b>Appropriately manages</b> one's own digital footprint in a financial context, to the extent possible</p> <p>429. <b>Avoid</b> engaging in risky behaviours involving one's own <i>personal data</i> in a financial context</p>	<p>430. <b>Confident</b> to revoke authorisations to access, use, or store <i>personal data</i> from financial service providers and companies when necessary</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
<b>4.1 Regulation and Consumer Protection</b>	<p>424. <b>Understands</b> that financial service providers and companies may store personal information:</p> <ul style="list-style-type: none"> <li>- To personalize offers based on the customer's stored profile, which is used to infer the customer's price sensitivity, product preferences and relevant behavior (e.g. in the context of telematics insurance) ;</li> <li>- To track certain relevant actions and behaviour of customers during the contract period (e.g. loan repayment history, driving behaviour based on telematics in the context of car insurance)</li> </ul> <p>425. <b>Understands</b> the (financial) consequences and risks of sharing or disclosing <i>personal data</i> (including identification numbers, account information, or other identifying information such as address, birth date or government-issued numbers) whether digitally or through other channels</p>		
<b>4.2 Rights and Responsibilities</b>	<p><b>Consumer rights and responsibilities</b></p> <p>431. <b>Aware</b> of one's rights and obligations when purchasing a financial product or service</p>	<p>436. <b>Takes into account</b> individual rights and responsibilities as a financial consumer</p> <p>437. <b>Reads</b> the small print when choosing financial products</p>	<p>442. <b>Values</b> the rights of financial consumers</p> <p>443. <b>Motivated</b> to research and exercise one's own rights as financial consumer</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
<b>4.2 Rights and Responsibilities</b>	<p>432. <b>Aware</b> of one's consumer rights related to e-commerce and online transactions, such as full price disclosure and conditions for exchanges / returns / refunds</p> <p>433. <b>Aware</b> of ones rights in the event of unauthorised or improperly executed payment</p> <p>434. <b>Knows and understands</b> the rights and responsibilities of consumers who fail to pay specific bills, including taxes and utilities</p> <p>435. <b>Knows</b> the legal right to contest a decision taken by an algorithm</p>	<p>438. <b>Informs</b> financial service providers of changes in circumstance where relevant or contractually obliged to do so</p> <p>439. <b>Keeps</b> statements and contracts, and records conversations and actions relating to potential maltreatment from financial service providers</p> <p>440. <b>Ensures</b> that creditors are aware of all relevant factors that may impact repayments</p> <p>441. <b>Applies</b> for help to pay or defer specific bills in times of need (where available)</p>	
<b>4.3 Financial Education, Information and Advice</b>	<p><b>Financial information</b></p> <p>444. <b>Understands</b> that there are various sources of information about financial products and services</p> <p>445. <b>Aware</b> that all sources of information should be verified before being used</p> <p>446. <b>Understands</b> that information provided by financial service providers and companies on their products and services may be marketing information or biased information</p> <p>447. <b>Knows</b> that it is possible to improve one' <i>financial literacy</i> and financial well-being</p>	<p>449. <b>Takes steps</b> to be an informed consumer and verifies financial information before using it</p> <p>450. <b>Develops</b> personal strategies and uses tools to minimise traits that impede financial well-being</p> <p>451. <b>Makes use</b> of tools designed to provide information when making financial decisions</p> <p>452. <b>Finds, learns and remembers</b> important facts and information about financial matters</p>	<p>453. <b>Confident</b> in one's own ability to recognise trustworthy sources of information</p> <p>454. <b>Confident</b> to research financial matters and critically assess the information provided</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
<b>4.3 Financial Education, Information and Advice</b>	448. <b>Knows</b> where to find reliable information on financial matters		
	<p><b>Financial education</b></p> <p>455. <b>Knows</b> where to educate oneself on financial matters</p> <p>456. <b>Aware</b> that some sources of <i>financial education</i> may not be <i>impartial</i> and may be hidden promotional material</p>	<p>457. <b>Develops</b> a habit of life-long learning to improve all aspects of <i>financial literacy</i> and financial well-being</p> <p>458. <b>Makes use</b> of tools designed to improve one's <i>financial literacy</i> and to support financial decision-making</p>	<p>459. <b>Motivated</b> to use existing tools (e.g. mortgage calculator, budget calculator etc...) to support financial decision making and improve one's own financial behaviour</p> <p>460. <b>Confident</b> in own ability to recognise trustworthy sources of education</p> <p>461. <b>Confident</b> to pass on own knowledge about money matters (where relevant)</p> <p>462. <b>Confident</b> to apply lessons learned previously when making new financial decisions</p>
	<p><b>Financial advice</b></p> <p>463. <b>Aware</b> that financial advice can be sought when making financial choices and knows when financial advice may be useful</p> <p>464. <b>Aware</b> of the difference between <i>independent</i> and non-independent source of <i>investment advice</i> (as defined under EU law)</p>	469. Where necessary, <b>makes use</b> of tools designed to provide advice when making financial decisions	470. <b>Confident</b> in one's own ability to recognise trustworthy sources of advice

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
<b>4.3 Financial Education, Information and Advice</b>	<p>465. <b>Aware</b> that various sources are available to access financial advice</p> <p>466. <b>Aware</b> of the existence of digital advising tools, including robo and hybrid advice tools that combine human and robo advice</p> <p>467. <b>Aware</b> that advice is not always <i>independent</i></p> <p>468. <b>Aware</b> of financial advisors' obligation to ask clients about their sustainability preferences before giving advice</p>		
	<p><b>Discussing financial matters</b></p> <p>471. <b>Aware</b> of the benefit of talking about financial matters with a wide range of trusted individuals</p>	<p>472. <b>Talks</b> with trusted individuals about money matters in an open and honest way</p> <p>473. <b>Discusses</b> relevant financial matters when talking to professionals</p>	<p>474. <b>Confident</b> to talk with others about money matters</p> <p>475. <b>Relies</b> on various insights before drawing conclusions</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
<p><b>4.4. Financial Products and Services</b></p>	<p><b>Characteristics of financial products and services</b></p> <p>476. <b>Aware</b> of the different types of financial products and services available (including those delivered via digital means and those available only in specific regions or Member States)</p> <p>477. <b>Knows</b> which features are the most important to consider when choosing financial products and services</p> <p>478. <b>Knows</b> that financial services change over time</p> <p>479. <b>Knows</b> that the financial product or service that is appropriate for an individual depends on a number of personal and household factors which may include economic, <b>sustainability</b>, or cultural preferences</p> <p>480. <b>Knows</b> that some financial products and services are designed to meet specific economic, <b>sustainability</b>, or cultural preferences</p>	<p>481. <b>Accounts for</b> personal preferences, including <b>sustainability preferences</b> when considering different financial products or services and their characteristics.</p> <p>482. Actively <b>seeks</b> information on the important features of a financial product when making a choice</p> <p>483. <b>Uses comparison tools to evaluate the fees and other characteristics of financial products and services</b></p> <p>484. <b>Checks</b> whether a financial product is covered by a guarantee before buying it</p> <p>485. Periodically <b>reassesses</b> the suitability of financial products held</p> <p>486. <b>Takes into account</b> the potential cost of redeeming financial products in the event of a change of circumstance</p> <p>487. <b>Demands</b> high-quality financial products and services</p> <p>488. <b>Changes</b> providers in the event of poor service or uncompetitive prices</p>	<p>489. <b>Motivated</b> to periodically re-assess satisfaction with the service provided and change financial service provider if relevant</p> <p>490. <b>Confident</b> to ask financial service providers questions about their products and services</p> <p>491. <b>Confident</b> to assess the level of trust that can be invested in a particular financial service provider</p> <p>492. <b>Confident</b> to negotiate terms with financial service providers when necessary</p> <p>493. <b>Motivated</b> to gain insight on how financial service providers define sustainability and integrate it in certain products and services offered</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
4.4. Financial Products and Services	<p><b>Offers from non-financial entities</b></p> <p>494. <b>Aware</b> that some financial products such as savings, credit, pensions or insurance (depending on national circumstances) may be offered through non-financial organisations such as employers, shops, religious groups, leisure clubs and non-financial companies</p> <p>495. <b>Aware</b> of the potential risks of using financial products offered by non-financial organisations and ways of reducing these if necessary</p>	<p>496. <b>Takes note</b> of relevant financial products and services offered through non-financial organisations and makes an informed decision about their suitability</p>	
	<p><b>Sustainability preferences</b></p> <p>497. <b>Able</b> to determine one's sustainability preferences, using reliable and regulated information</p>	<p>498. <b>Able</b> to explain one's own preferences for financial products (e.g. in terms of risk or preferences, including one's sustainability preferences)</p>	<p>499. <b>Aims</b> to choose financial products and services that are consistent with one's sustainability preferences</p>
	<p><b>Sustainability labels and standards</b></p> <p>500. <b>Aware</b> of the existence and meaning of various sustainable product standards and labels</p>	<p>503. <b>Makes</b> informed decisions in line with one's sustainability preferences based on reliable standards and labels for financial products</p>	<p>504. <b>Motivated</b> to research existing standards and labels and to understand their meaning of</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
4.4. Financial Products and Services	<p>501. <b>Aware</b> that in addition to standards defined in EU law, there could be standards set out in business practices, which may or may not be aligned with the standards defined in EU law</p> <p>502. <b>Aware</b> of the existence of the EU taxonomy for sustainable economic activities</p>		
	<p><b>Disclosure</b></p> <p>505. <b>Aware</b> of disclosure requirements for companies, funds and other financial products and services, including sustainability-related disclosure requirements. Knows where to access these disclosure documents</p> <p>506. <b>Knows</b> about sources of information to monitor the performance and the sustainability record of a fund</p> <p>507. <b>Understands</b> disclosure documents about companies, funds and other financial products and services, including sustainability-related disclosure documents</p>	<p>508. <b>Able</b> to research disclosed information related to a financial product, including that which covers sustainability aspects</p> <p>509. <b>Able</b> to make informed decisions in line with one's risk profile, sustainability preferences and other preferences based on the disclosure information provided on a fund, a company or a financial product and service</p> <p>510. <b>Holds funds accountable</b> for their engagement commitments for instance by checking their voting records at annual general shareholder meetings</p>	<p>511. <b>Confident</b> to ask for more information when this is not readily available</p>
4.5 Scams and Fraud	<p><b>Scams and frauds</b></p> <p>512. <b>Knows</b> about the risks of financial scams and frauds when choosing and using financial services and making financial transactions</p>	<p>517. <b>Stays informed</b> about new scams and fraud techniques/schemes</p>	<p>520. <b>Confident</b> to question communications, offers and recommendations if they appear to be fraudulent</p>



Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
4.5 Scams and Fraud	<p>513. <b>Aware</b> of the existence of fraudulent investment schemes</p> <p>514. <b>Knows how</b> to spot signs that something or someone may not be genuine</p> <p>515. <b>Knows</b> where to get information about scam and fraud alerts and warnings</p> <p>516. <b>Aware</b> of the authority to which to report scams and fraudulent behavior</p>	<p>518. Makes an effort to <b>scrutinize</b> communications, offers and recommendations and consider whether they are genuine</p> <p>519. <b>Speaks</b> only to verified representatives of financial institution</p>	<p>521. <b>Careful</b> when carrying out online financial transactions in order to avoid becoming victim of fraud</p> <p>522. <b>Confident</b> to take the necessary steps when confronted with suspicious requests for information or actions (block bank card, inform authorities, etc...)</p> <p>523. <b>Motivated</b> to learn how to detect and avoid scams and fraud</p>
	<p><b>Greenwashing</b></p> <p>524. <b>Understands</b> the concept of <i>greenwashing</i> and its implications</p>	<p>525. <b>Adapts</b> investment decisions when one becomes aware of instances of <i>greenwashing</i></p>	
	<p><b>Personal data scams and fraud</b></p> <p>526. <b>Understands</b> the importance of keeping <i>personal data</i>, financial information, and security information secure (including passwords and pin numbers)</p> <p>527. <b>Aware</b> of kinds of risks stemming from digitalisation such as the misuse of personal financial data, cyber-crime, phishing, pharming and hacking attacks</p>	<p>531. <b>Takes practical steps</b> to keep all <i>personal data</i>, financial information, passwords and pin numbers secure</p> <p>532. <b>Does not make</b> any payment to lift products or accounts blocked by ransomware</p>	

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
4.5 Scams and Fraud	<p>528. <b>Understands</b> how online/digital scams and fraud such as phishing and pharming work</p> <p>529. <b>Understands</b> the concept and implications of online identity theft</p> <p>530. <b>Understands</b> that there are client authentication / authorization processes for both online and in-person payments to protect against fraud</p>		
	<p><b>Reporting scams and frauds</b></p> <p>533. <b>Knows</b> to whom to report suspected scams and frauds</p> <p>534. <b>Identifies</b> the sources available for information on reported scams and fraud</p>	<p>535. <b>Reports</b> possible scams and frauds to the relevant bodies even if not personally a victim</p>	<p>536. <b>Confident</b> to identify financial situations that are prone to scams or fraud, and to take actions to avoid becoming a victim of scams or fraud</p> <p>537. <b>Confident</b> to identify a situation which is suspicious and may indicate that a scam or fraud has taken place</p>
4.6 Tax and public spending	<p><b>Taxes and tax treatments</b></p> <p>538. <b>Understands</b> why taxes are collected and how they are used</p> <p>539. <b>Understands</b> what can happen if taxes are not paid</p>	<p>545. <b>Pays</b> taxes and/or claims tax refunds as appropriate</p> <p>546. <b>Monitors</b> personal obligations and rights in light of tax policies</p>	<p>550. <b>Accepts</b> that it is important to pay taxes owed</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
<b>4.6 Tax and public spending</b>	<p>540. <b>Knows how</b> to check tax obligations</p> <p>541. <b>Aware</b> of the existence of deferred tax obligations where relevant</p> <p>542. <b>Aware</b> of current levels of basic taxes such as income tax and goods tax</p> <p>543. <b>Aware</b> of different tax treatments for various financial products held such as mortgages, pensions or savings</p> <p>544. <b>Aware</b> of the possibility of dealing with (some) tax matters online</p>	<p>547. <b>Keeps in mind</b> all tax obligations when budgeting and making longer-term financial plans</p> <p>548. <b>Takes into account</b> tax treatments when choosing financial products</p> <p>549. <b>Is able</b> to use the online service offered by tax administrations to deal with tax matters</p>	
<b>4.7 External Influences</b>	<p><b>External influences</b></p> <p>551. <b>Understands</b> how economic factors, such as a recession or high inflation, and other factors (for example related to the climate, the environment or pandemic diseases) can affect aspects of personal financial status, including wealth</p>	<p>552. <b>Follows</b> news of events that may impact on personal financial security or well-being</p>	<p>553. <b>Confident</b> to make changes to financial plans as necessary in light of external factors</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
4.7 External Influences	<p><b>Macroeconomic impact on personal finance</b></p> <p>554. <b>Understands</b> that changes to policies on issues such as state benefits, interest rates, pension reforms or employment laws can have an impact on personal financial decisions and plans</p> <p>555. <b>Knows</b> the main bodies with an influence on the economic and financial system</p>	<p>556. <b>Makes changes</b> to financial plans when necessary based on an assessment of the impact of external factors</p> <p>557. <b>Identifies</b> strategies to ensure the resilience of financial asset to medium to long-term factors and risks (including climate-related risks)</p>	
	<p><b>Advertising</b></p> <p>558. <b>Recognises</b> that marketing practices, presentation of information, the media, peer pressure and social media can have an impact on personal financial decisions</p> <p>559. <b>Understands</b> that online adverts can be tailor-made</p> <p>560. <b>Conscious</b> of the role of advertising in promoting certain types of products or services and the impact of the personal digital footprint on the type of advertising that is shown online</p>	<p>561. <b>Develops</b> strategies to minimise unintended consequences of marketing practices, biased presentation of information and social pressure on personal financial decisions</p> <p>562. <b>Takes steps</b> to make objective decisions about the value of an advertised financial product or service</p>	<p>563. <b>Motivated</b> to take action in case of false advertising</p>

Topic	Awareness, Knowledge and Understanding	Skills and Behaviour	Confidence, Motivation and Attitudes
<b>4.7 External Influences</b>	<p><b>Broader sustainability impact of personal finance decisions</b></p> <p>564. <b>Understands</b> that individual economic decisions have consequences on the sustainability of the economy, communities and society at large. Impact differs depending on the level of sustainability of the product or service purchased</p>		

# **Annex:** *Glossary*

## ANNEX : GLOSSARY

These definitions are set out in the existing EU legal acts, build on the relevant definitions or provisions in the existing EU legal acts, or are based on globally recognised OECD policy instruments and publications. In some cases, these definitions have been shortened or simplified. In the cases where definitions were shortened, simplified or introduced solely for the purpose of this document, they do not constitute an established legal definition.

Terms and expressions defined in this glossary are highlighted in italics in the text of the framework.

- **Crypto-asset**: a digital representation of value or rights which may be transferred and stored electronically, using distributed ledger technology or similar technology (*2020/0265 (COD), Proposal for a Regulation on Markets in Crypto-assets*)
- **Electronic signature**: data in electronic form which is attached to or logically associated with other data in electronic form and which is used by the signatory to sign (*Regulation 910/2014 on electronic identification and trust services for electronic transactions in the internal market*)
- **Financial literacy**: a combination of financial awareness, knowledge, skills, attitudes and behaviours necessary to make sound financial decisions and ultimately achieve individual financial well-being (*Recommendation of the OECD Council on Financial Literacy, 29 October 2020<sup>1</sup>*)
- **Financial education**: the process by which financial consumers/investors improve their understanding of financial products, concepts and risks and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being (*OECD/INFE High-level Principles on National Strategies for Financial Education, endorsed by G20 Leaders in 2012*)
- **Financial resilience**: the ability of individuals or households to resist, cope with and recover from negative shocks with financial consequences (*G20/OECD-INFE Report on Supporting Financial Resilience and Transformation through Digital Financial Literacy*)
- **Impartial**: For the purpose of this document, “impartial” is to be understood as unbiased and free of any conflict of interest. Please note this is not an EU legal definition.
- **Independent investment advice** (or independent financial advice for the purpose of this framework): advice that an investment firm provides to a client on an independent basis and where this investment firm complies with a number

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<sup>1</sup> This definition is in line with the EU Council Recommendation’s definition of “competence”; Council Recommendation of 22 May 2018 on key competences for lifelong learning: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.C\\_.2018.189.01.0001.01.ENG](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.C_.2018.189.01.0001.01.ENG)

of requirements, notably on a sufficient range of financial instruments available, as well as restrictions on fees, commissions or any monetary or non-monetary benefits paid or provided by any third party in relation to the provision of the service to a client (building on the provisions in *Directive 2014/65/EU on markets in financial instruments*)

- **Payment account with basic features:** payment account that allows consumers to carry out certain transactions, such as at least placing funds, withdrawing cash and executing and receiving payment transactions to and from third parties, including the execution of credit transfers (building on the provisions in *Directive 2014/92/EU on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features*)
- **Sustainable investment:** an investment in an economic activity that contributes to an environmental objective, or an investment in an economic activity that contributes to a social objective, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices (building on the definition in *Regulation 2019/2088 on sustainability-related disclosures in the financial services sector*)
- **Personal data:** any information relating to an identified or identifiable natural person ('data subject'); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person (*Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data*)
- **Greenwashing:** the practice of gaining an unfair competitive advantage by marketing a financial product as environmentally friendly, when in fact basic environmental standards have not been met (building on the provisions of *Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment*)



