

Zweite Sparkasse starts up in Burgenland

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The Zweite Sparkasse (“Second Savings Bank”) is now also up and running in the Burgenland region. People who, for various reasons, have found themselves in financial difficulties will receive a free credit account and other free services, such as insurance and legal advice, at the Zweite Sparkasse. This “help for self-help” aims to enable the aggrieved parties to participate in normal social and financial everyday activities again.



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No normal life without an account

In the Burgenland region, the number of personal bankruptcies in the first half of 2009 rose by 11.3% compared to the same period the previous year. This number shows that people are more frequently sliding into social or economic difficulties which often result in abortion of bank relationships. However, a bank account is today considered a basic, everyday facility, and is an important requirement for an orderly life. “Salaries, as well as costs for rent, gas or electricity, all function via a bank account. Those who don’t have one are faced with disadvantages right from the outset. This is where the Zweite Sparkasse can help,” explains Franz Ratz, Erste Bank regional manager for the Burgenland region. The free Zweite Sparkasse credit account aims to provide people in financial difficulties with a basic constant in life.

Common welfare as a founding concept

The Zweite Sparkasse sees the almost 200-year-old savings bank concepts filled with new life, because the savings banks were founded as institutions in the interest of common welfare. The founding concept of the savings banks is thus being translated into the social reality of modern life. Both then and now, the aim has been to strengthen people’s personal responsibility and development through simple financial services.

Co-operation with Caritas and debt counselling services

People often find themselves in financial difficulties as a result of personal fate or an occurrence such as overextension, divorce, death, illness or the need for care. The Zweite Sparkasse is trying to help these people get back on track in life, and is offering “help for self-help” with the credit account and other services. Apart from the Erste Bank and the Hainburg-Bruck-Neusiedl savings bank, Caritas and the Burgenland debt counselling service are important co-operation partners in the Burgenland region. The credit account is not a singular product for people in personal difficulties, but is rather considered to be an offer as part of a total package of consultancy and support services organised by welfare organisations such as Caritas or debt counselling agencies. The “credit account” was thus also developed in close co-operation with these institutions. A pre-existing arrangement with one of these institutions, combined with a relevant recommendation from these organisations, is also required for allocating the accounts.

“We have got to know Erste Bank as a faithful partner who has helped us for the last 12 years. Our Caritas social consultants in Eisenstadt, Oberwart and Güssing have now been provided with yet another, very important aid in the form of the Zweite Sparkasse. This initiative of the Zweite Sparkasse has removed a large barrier for people in need

in Burgenland as they attempt to find a way out of their financial misery,” assures Markus Glatz-Schmallegger, manager of Caritas Burgenland.

As the competent provincial government member for consumer protection and debt counselling, Verena Dunst is pleased about the “Zweite Sparkasse” being set up as a “second chance” for people in Burgenland. “I contacted the banks at the very start of the financial crisis, and doing so, paid particular attention to the areas of payment delays and interest exemptions. The Burgenland region can benefit in the area of debts in two ways: Debts will be nipped in the bud in the early stages as a result of help with existing debts through debt counselling, and as a result of the new occupational field of “finance coach”. The “Zweite Sparkasse” is the optimum means of continuing this help. Each social service is an offer of help to the people who need it. And we are painfully aware of the fact that we have people who need it,” adds Dunst. Requests for Burgenland debt counselling are constantly growing. If one forecasts the counselling sessions from this year up to 15 November, 2009 will again have a record number of new counselling cases. (2007: 639 cases, 2008: 669 and 2009 up to 15 November: 617).

Established by the ERSTE foundation in Vienna

“The Zweite Wiener Vereins-Sparcasse” (Die Zweite Sparkasse) was initiated and developed, in co-operation with charities and debt counselling services, by the ERSTE foundation, the principal shareholder of the Erste Bank Group. The ERSTE foundation also provided the initial capital of 5.8 million Euros. Since then, the Zweite Sparkasse has been present throughout almost all of Austria – except for Vorarlberg. The first “bank for people without a bank” was opened in Vienna in November 2006. Ever since, around 5,000 people have been given a bank account, as well as free insurance cover from the Vienna Insurance Group, as a result of actions by Caritas or debt counselling services. “The response to our offer was tremendously positive right from the start, and from every direction – both among people who urgently needed this account, and among our NGO partners and the public,” says Evelyn Hayden, chairperson of Die Zweite Sparkasse executive board.

The Zweite Sparkasse products and services in overview

- a basic account including bank card
- an employee-funded capital account with higher interest rate (“Aufbaukonto”)
- an optional building loan contract (“s-Aufbau-Bausparvertrag”)

And, thanks to the co-operation of the Vienna Insurance Group:

- one free legal consultancy per quarter, and
- a free accident insurance, which both automatically come with opening an account, as well as
- home and contents insurance for an affordable amount

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