

FINANCIAL AND CONSUMER PROTECTION AWARENESS OF THE HUNGARIAN POPULATION

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Abstract

The financial and consumer awareness is important at all ages, and it's worth a little longer to educate children on how to deal with money, how to divide your pocket money, how can players between frames to create 'balance'. In Hungary, the populations have not really developed financial intelligence and are not aware of such things as differences between and foreign currency, and credit and loan.

1. Introduction

The money issue and Consumer Protection are complicated most people think, and feel that they are difficult to interpret the multitude and variety of calculations [1] of legislation. That is why these issues should be presented to explain such a way that a layman can easily understand that what is currently the annuity or compound interest [2]. The same is theme, but to a different (age) groups with different tools and methods to explain the specifics of Finance.

After the presentations loan recorded on the occasion of products sold must be given including the nice ages people for the account or benefit of, and use the savings deposit forms of insurance, it is important covenant and reality.

For children the best way to show the importance of savings is board game. With games children can be understand how and with which methods they can save money for bigger dreams like a bicycle. They can also realize how they can spend their pocket money they get monthly or weekly. For older children the other solution is getting summer job because they learn how to deal with money they earn and after they can spend it for anything they would like to buy. The other advantage is they can see the operation of taxes and they can make tax returns more easily.

Financing of college / university is not an easy task, but if the student is working (mainly characterized by mailing, and distance learning periods it) during the study period is the previously mentioned financial awareness is growing. The students who take out student loans are the loans already, and even the loan repayment will also be aware of the rules [3].

The adult population choices can influence even a full family's life for years. These choices are which bank they choose, loans and insurances. A loan with inappropriate conditions can embitter their life. So finally we can state people have to know more about these financial situations and possibilities.

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1 Methodology

In the last 6 months our own made qualitative research shows interesting and valuable information about financial intelligence of our population in Hungary. These are the foundation of the survey and the opinions and questions from consumers. Our hypothesis is Hungarian peoples' know enough about financial methods, loans, savings and insurances but they don't dare validate and unfortunately there is a society they don't get necessary information and they don't want to deal with these important topic. Most time they don't want to make contracts or make bank accounts because they are mistrustful about these products and services.

In Hungary 74% of the society [4] are active internet users (it can be at home, or at workplaces, WIFI contacts etc.). With internet connections the contact with people is easier than ever before. We like to use online surveys because most people fill our questionnaire like this way. So we do our researches online not just on papers and the electric filling reach bigger productivity. Nowadays in digital world it is important to say their opinions, experiences online about financial products and services. The importance of our questions was they are simple but respondents had to think about the answer more.

2. Results

Security was an important for people even in the Prehistory. They made clothing to protect themselves from the bad weather conditions and make tools to protect themselves from wild animals. The aspirations for ourselves and our loved ones to safety changed the way up to the realization a little different from either, since the time when rain is likely to take an umbrella with you most of the people.

There is a contrary between find secure ways and taking risks. For example people can move for another city far away from their old homes if they get a job with better conditions than the old one. The following aspects are important for consumers in financial (1.th table shows)

1 Table: Importance of financial consumer protection in Hungary

<i>EXTREMELY IMPORTANT</i>	<i>SOMETIMES IMPORTANT</i>	<i>NOT AT ALL IMPORTANT</i>
Develop the financial culture for adults Develop the financial consciousness for students	Home saver treasury bills Voluntary health insurance Voluntary pension fund Long-term investment account Home/health/pension treasury bills government support/tax relief	Start account (baby bond)

It is important that everybody has savings because an unexpected event can influence the financial satiation. (For example an accident or if somebody loses job) With these saving people feel themselves in secure.

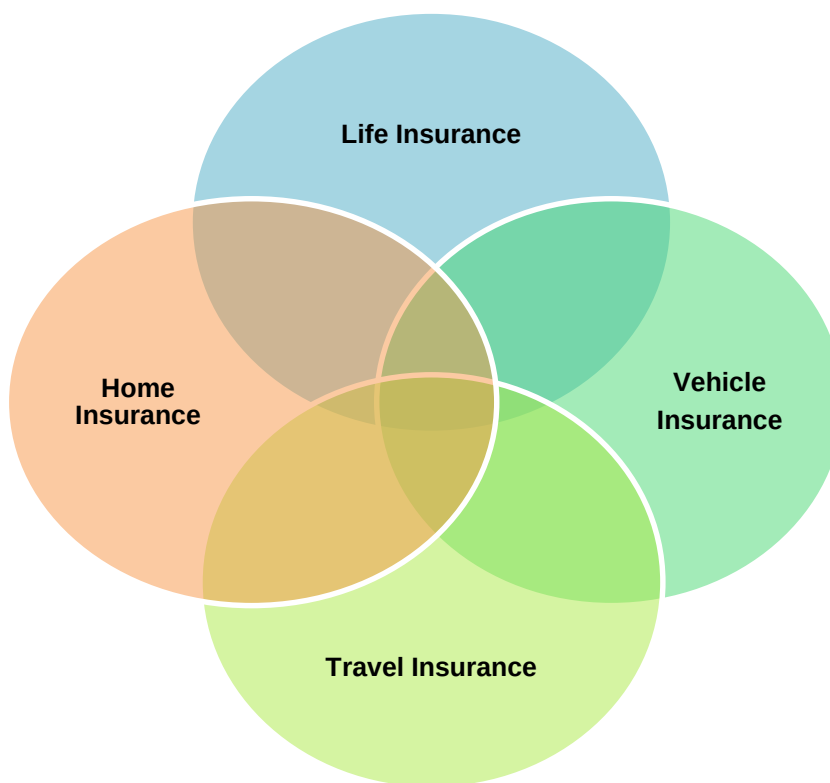
In the method of insurances 13.8 % of respondents haven't got any type of insurance. The majority 48.4 % of answerers says they have vehicle insurance in average. We get this result

because it is possible that the responders have insurance or somebody in their family has insurance. The survey shows that 44.4 % of people have home insurance and 38.9 % have life insurance. Although there are plenty of choices for those who want to ensure their lives in some way, yet different conditions, prices and names can be found as a service provider. Among them are auto, home, life, accident and health, passenger liability, property, business and interest in craft insurance. The accident insurances are valid only in a very narrow circle.

In particular, it should be stipulated whose lifestyle makes this necessary, but they also strive to safety. But these are the most comprehensively covered in our daily lives. In addition to those above there are also ranges of property insurance as well. This fits into practically anything, the agriculture, machinery, building, and installation - cargo insurance as well.

Of course, this list does not claim to be complete, because each insurance company can be found in the specialized areas of insurance coverage, in fact there is an insurance that only covers a particular product / service.

figure: Types of insurances in Hungary



2 Negotiation

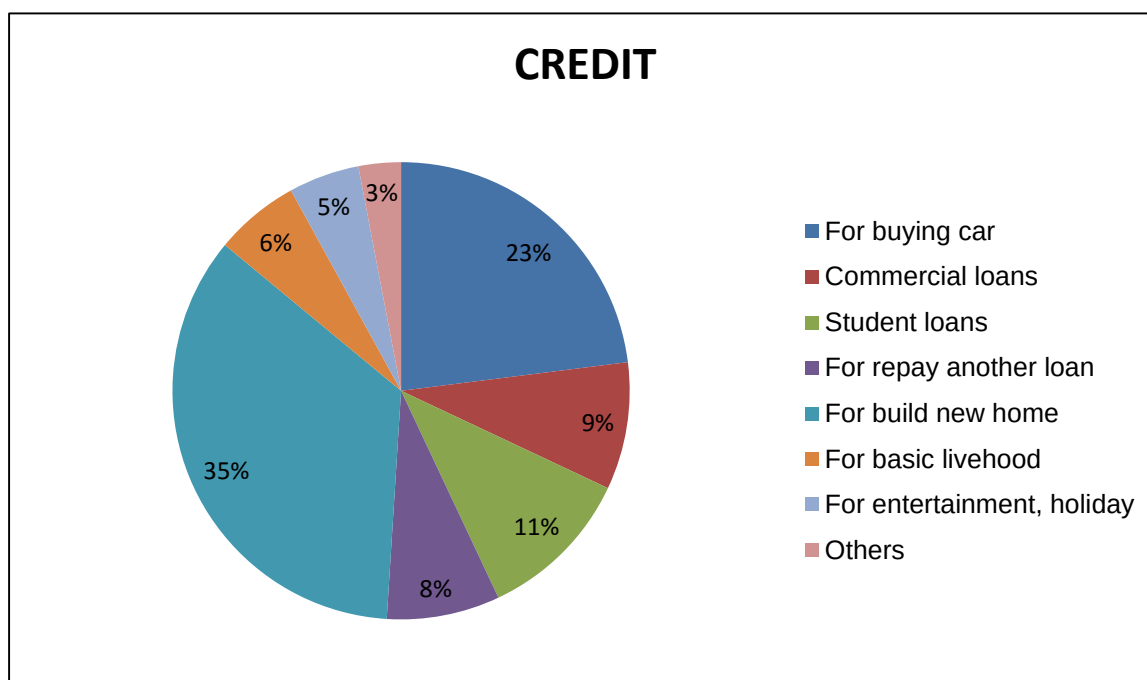
Finally we state 68 % of respondents have one or more credit cards, 52.4 % have retail payment accounts, almost 50 % have online or mobile banking possibility, 20 % have credit cards for loans, 6.5 % don't have products or services like this and 2.2 % didn't answer for this question. Most people in the research have at least one of these products and services, mainly they have

credit cards. Another quiz we did contain the following question: Do you know how you can take up money from ATM cash machines free.

Most people (35 %) use loans for simply buying goods and buildings, less people (24 %) use for buying cars, 11 % of them are student loans and 9% of them are commercial credits. They make loan contracts because they didn't have enough money to buy what they want. They buy these items because it will be broken, would like to start studies or buy home. (2. figure). From this question we can see clearly how conscious consumers are in the financial method. If they use these options they can reach profit in the future.

It is shocking that only 3 % of responders said their loan was chosen for entertainment and holiday. It shows clearly their financial culture. People who have loans for their basic live (6%) or for repay another loan (5%) probably are in a bad financial situation and they haven't got another solution.

2 figure: Reasons of borrow loans



3 Findings

The overall conclusion is that basically there is certain awareness among consumers of financial consumer protections, but mostly just basic knowledge. Knowledge of finance at a very early age and can begin a lifetime upgrade and enrich this kind of knowledge. Fortunately, today's modern and ever-changing world of the young and the nice ages people are conscious and deliberate in terms of getting finance, but

necessary for the further development of financial intelligence, which can be a good time continue to lectures, workshops retention.

Finance almost everyone encounters every minute of our choices and determine the long term, what will be our future, because the inclusion of a imprudent credit can bring a family a very difficult situation for several years (or even decades) as well. Unfortunately, a majority of the population does not have any degree of savings, or if they do not dare to invest, but also at home retain the 'assets' you see that you will not receive any interest.

The insurance services are those that reduce the risks of life, such as a "reserve" and help us function in a more difficult stage of life. It is worth traveling to; conclude travel insurance for holidays, which if they would need hospital care, you do not have to pay a fortune, but the same is true for the home and car insurance as well. In our country, many people have lost due to holders since 2008 economic crisis in different segments of their jobs and their livelihoods, nowadays there is a guarantee that such life situations hopper certain amount, which can help during the job search or even re-training / further education. The imprudent borrowing and too committed lack of self-care are general awareness of the negative effects of self-reinforcing process reinforced by the crisis. However, this is also the same time enriching the consumer: gained experience, they have become more aware and pay more attention to financial issues.

People should look for a lot of time in places they spend. Schoolchildren should look for in the schools, workers from their workplaces and internet, as the digital world, people tend to spend almost 5 hours on the web. The briefings, workshop also suitable for a weekend or as an adjunct to organize large events, because then people do not hurry up and be a family program, where the kids board game format, while adults movies, presentations help develop themselves.

In fact, global warming affects our country as well, due to the changing weather conditions, the amount of local operators of plants a big spread, and, unfortunately, floods or ice storms that land and buildings not spared, so presumably this kind of insurance is high demand will be in the coming years, what conscious consumers will already have knowledge.

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