

ABSTRACT

"The causes and the consequences of excessive household indebtedness in Polish commercial banks"

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Household consumption behaviour has a considerable impact on the economy as a whole, and is an important determinant of its development, which is why the process of consumer over-indebtedness is a negative phenomenon, and is mainly due to income inequalities between economic and social groups.

Household over-indebtedness is the product of a number of variables, related among other things to irrational consumer behaviour in the sphere of fulfilling needs and personal finances. The irrationality of consumer behaviour is a consequence of a lack of financial literacy, inappropriate spending, taking on too much credit and a propensity to take risks. Consumers' purchasing decisions are also determined by external factors directly related to the consumers that are difficult to predict, such as illness, divorce, job loss, but also the macroeconomic situation of the country.

"To err is human" as Seneca the Elder said, unfortunately we have been observing the consequences of wrong household financial decisions for many years, and their micro-effects are the break-up of families, a growing rate of consumer bankruptcies, social exclusion. This also influences the economic situation of the country, inter alia, the volume of aggregate demand, supply decisions of enterprises, including commercial banks, which are the pillar of the financial market. By ensuring the safe flow of capital between market players, they thus enable the efficient use of resources.

The dissertation submitted primarily sought solutions that could reduce the phenomenon of household over-indebtedness and the changes in consumption behaviour that determine it. It also identifies solutions that already exist to protect consumers from erroneous financial decisions and attempts to identify new remedial methods that could marginalise the unfair practices of financial institutions. Indeed, consumer protection is an important element in building a stable financial and economic system, which is why it is so important to promote corporate social responsibility.

Keywords: over-indebtedness, creditworthiness, credit, household, commercial bank