

## **Petar Chobanov: From financial literacy to financial stability**

Speech by Mr Petar Chobanov, Deputy Governor of the Bulgarian National Bank, at the round table discussion "From financial literacy to financial stability", organised by the Bank of Slovenia, Ljubljana, 22 May 2026.

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### **1. While institutions play a key role in financial education, a lot of learning and firsts steps happen within families and close relationships. How do you reflect on your own role in influencing financial awareness among those closest to you?**

Finance and banking professionals could have a strong influence within families, and among close relationships and friends because of the experience and technical knowledge they possess and the trust they have in their close circles. Usually friends and family like to ask specific questions – for example, should I buy a house now, is it a good time to buy gold, should I invest in crypto, and so on. But as professionals we know that the answers to these simple questions are not simple. Usually, people get disappointed when they hear 'It depends' and they much rather prefer to hear 'yes' or 'no' because they naturally want to reconfirm their beliefs and to hear a simple answer from a person they perceive as trustworthy. They look for simplification of complex decisions, they rely on mental shortcuts (heuristics/behavioral biases) when processing complex questions/dilemmas, and here behavioral finance can explain why people are inclined to irrational and emotional, hence, sub-optimal financial decisions. So our role as trusted friends and family is show that questions related to finances require careful evaluation with view of all foreseeable risks, constraints and possibilities. Those decisions must be personal, informed and carefully assessed, and it is never one-size-fits-all. People should stay informed and critical when it comes to decisions related to personal finance and investments.

### **2. Why is financial literacy more important today than ever before, particularly in the context of increased financial complexity, digitalisation, and economic uncertainty?**

Today, more and more financial services are available digitally. This increases the need for more financial knowledge, and proper measures for inclusion of more vulnerable and unexperienced groups of the society into the financial system and in the same time requires implementation of adequate mechanisms for prevention of fraud and increasing the awareness among the population how to recognize fraudulent attempts and to avoid falling victim of fraudsters in the digital world.

From the perspective of the Bulgarian National Bank (BNB), an important practical aspect of financial literacy is ensuring that consumers can access reliable and objective information before making financial decisions. In this regard, the BNB has developed and maintains a broad set of publicly accessible informational materials on its website, including the publication 'Information about financial and payment products and services (Short consumer guide)'. The purpose of this publication by the BNB is to provide a clear information summary that would be helpful to current and future users of financial products in Bulgaria and refer consumers to the relevant competent authorities

responsible for consumer protection in resolving any disputes that may arise in the area of financial services.

Another practical tool maintained by the BNB is the comparison website for fees charged by payment service providers to consumers for the services included in the national list of the most representative services linked to a payment account. This tool gives consumers free access to up-to-date information on the fees applied by all payment service providers licensed by the BNB, as well as by branches of payment service providers operating in Bulgaria. It supports transparency, comparability and informed consumer choice.

The BNB also provides information on the payment infrastructure in Bulgaria, including the real-time gross settlement system RINGS, TARGET services and the Single Euro Payments Area (SEPA), as well as frequently asked questions in the area of payment infrastructure and payment disputes.

In addition, the BNB publishes information on out-of-court dispute resolution related to payment services, including the procedure for initiating conciliation proceedings, relevant deadlines and information about the Conciliation Commission for Payment Disputes.

BNB participates in the permanent intergovernmental working group on financial literacy coordinated by the Ministry of Finance. The group brings together around 50 public and private institutions and organisations with expertise and experience in the fields of financial education and consumer protection, including ministries, supervisory authorities, financial sector institutions, consumer protection organisations, universities and non-governmental organisations. The group plays a leading role in reporting and analysing the implementation of the National Strategy for Financial Literacy, adopted in 2021, and its Action Plan.

A financial literacy portal has been launched in April 2026 by the Ministry of Finance. It was launched with the technical support from the European Commission. The portal contains educational and informational resources in the field of financial literacy. It is dedicated to improve financial knowledge and raising financial awareness. It offers practical advice and useful tools, and is available in two language versions – Bulgarian and English.

The Financial Supervision Commission has also committed to the enhancement of financial literacy as a fundamental precondition for informed citizen decision-making, strengthened trust in the financial system, and the sustainable development of the non-banking financial sector. The Commission implements and supports a broad range of initiatives targeting students, young professionals, and the general public. Through sustained partnerships with academic institutions, active participation in national and international forums, long-standing educational programmes, internship schemes, and online learning initiatives, the Financial Supervision Commission (FSC) continuously contributes to the enhancement of knowledge and competencies in the fields of pensions, insurance, investments, and the non-banking financial sector as a whole. In this regard, the Commission has, in recent years, undertaken a series of initiatives aimed at promoting financial literacy in the Republic of Bulgaria, particularly within the context of digital transformation.

In November 2025, the Financial Supervision Commission established the 'Digital Academy' - an online platform designed for the assessment and enhancement of knowledge in the field of the non-banking financial sector, accessible via the official website of the FSC. The Academy comprises thematic tests enabling users to evaluate their understanding, review correct answers, and progressively expand their financial literacy in an interactive and user-friendly manner.

The Financial Supervision Commission has also implemented the '#Invest Safely' campaign, aimed at increasing public awareness of the risks associated with online investments, fraudulent financial practices, and the importance of responsible investment behaviour.

The Commission also engages in educational programmes for students in economic schools in the country, also directed towards groups with significant public influence, including teachers, journalists, and representatives of the academic community, implements also joint initiatives with universities. Among the notable national initiatives of the Financial Supervision Commission, the campaign 'The Superpower of the Young Investor' occupies a prominent place. It is aimed at enhancing the financial culture of young people, promoting responsible investment practices, and establishing foundational knowledge regarding both the opportunities and inherent risks associated with financial markets.

From a central bank perspective, these initiatives contribute to more informed market behaviour and, ultimately, greater confidence in the financial system. Financial literacy is most effective when regulatory measures and practical educational tools operate together within a coordinated institutional framework.

**3. As the newest member of the euro area, Bulgaria has recently undergone significant economic changes. In addition to promoting financial literacy, the central bank has placed emphasis on educating the public about the implications of adopting the euro. What strategy did the central bank employ to support this transition and inform citizens about the expected changes?**

The Bulgarian National Bank, together with the Ministry of Finance, organized and developed national communication and educational campaign launched for the adoption of the euro in Bulgaria, adopted as of January 1, 2026 in accordance with the National Plan for the Euro Adoption in Bulgaria and its Action Plan.

Apart from the extensive technical preparation, the changeover included the execution of an extensive and thorough informational and educational campaign about the euro, where the main goal was not only to explain a new currency, but to help people confidently navigate a major economic change with clarity and minimal disruption. The campaign included communication with the general public through various approaches – TV, radio, internet, social media and others. The Bank explained the rules, governing the contracts for loans, deposits and leasing.

- On the website of the Bank was published a document with over 200 Q&As and created and disseminated a brochure.
- Signed Memorandum of Cooperation with organizations and institutions, joint events and initiatives, brochures and infographics.

- BNB representatives attended various events with contribution to the public awareness of the euro adoption.
- Conference 'Money Growth: Banking, Investment, Technology', organized by the newspaper 'Capital'.
- Conference 'The Bulgarian tourism and the Bulgarian accession to the Eurozone'
- Information materials provided to the post offices, banks, shops, national and regional media.
- Joint initiatives with ECB – 1-hour film 'Bulgaria and the euro' broadcasted on the Bulgarian National Television in prime time; interviews; regular publications on the ECB profiles in social media; visits of Bulgarian journalists to the ECB premises, to the Central Banks of Croatia and Slovakia.
- Initiatives targeted at vulnerable groups.

So this was a real-life example of not only a wide financial education campaign, but of trust building and trust management, as the campaign had to deal not only with practical and technical questions, but also with low public trust and misinformation. The campaign had a clear objective to inform and give accurate, accessible and timely information; had a large coverage and outreach; focused on everyday information on subjects that matter for people's personal finances; had a strong emphasis on consumer protection; and entailed a collaboration of several institutions and state agencies, under the guidance of the European Commission.

#### **4. How might digitalisation and the increasing use of artificial intelligence affect financial literacy, both in terms of opportunities and emerging risks?**

Digitalisation and increasing use of artificial intelligence can significantly enhance financial literacy by making financial knowledge more accessible and personalised. At the same time, they introduce new vulnerabilities that require consumers to develop not only traditional financial skills but also digital and data literacy. The overall impact will depend on how effectively education systems, regulators and financial institutions address these emerging risks while leveraging the opportunities.

In terms of opportunities, new technologies facilitate access to personalised financial information. Digital tools and AI-powered apps can analyse spending patterns, forecast budgets, and provide tailored financial advice in real time. This lowers barriers for people who previously lacked access to professional guidance. In addition, new technologies allow for more customized learning experience and better decision-making support. Interactive tutoring systems can adapt to the user's level of knowledge, making learning more intuitive and accessible. AI-driven platforms support consumers to compare financial products and understand fees, thus make more informed choices. Last but not least, digitalisation could positively impact financial inclusion of vulnerable groups making digital channels reach people in remote areas, disabled people, or individuals who traditionally avoid formal financial institutions.

We live in a day and age where due to digitalization, consumers have less personal contact with financial professionals, and more contact with the screen. That means that consumers will likely receive less personal advice with one-on-one human interactions, and will have to process new and complex information with less professional guidance,

and all this while financial products become increasingly complex and easily available. So, the digitalization of distribution channels may leave consumers unsupported when making a decision.

Using AI brings various ethical issues, however - from the products we are profiled to see online, to the tools and methods financial institutions may use to assess marital status, age, race, gender, nationality, creditworthiness, consumer preferences and so on. Furthermore, unethical practices require fast actions and immediate decision, nudging consumers for hasty decision and skipping rational reasoning. AI hides some pitfalls – non-transparent algorithms, bias in input data and hence producing skewness in the output results, overly trusting AI results, and so on.

As already mentioned, with the advent of new technologies new risks also arise, the most prominent of which is related with the emergence of new sophisticated fraud and scam techniques. At the Bulgarian National Bank, we are already witnessing cases where AI is used to deceive payment service users, resulting in financial losses – particularly in investment fraud. AI-generated fake images, documents and convincing phishing messages give victims the impression they are dealing with a reputable business. To combat this risk we are encouraging the payment service providers (PSPs) in the country to communicate new types of threats and offer proactive guidance to their clients. At the same time, AI-powered solutions are implemented as a powerful tool for fraud prevention. The Bulgarian National Bank has just completed a thematic supervisory review on the transaction monitoring mechanisms implemented by the PSPs in the country to detect unauthorised or fraudulent payment transactions. As part of the supervisory review it was found out that most of the PSPs in Bulgaria have already implemented or plan to implement technical solutions using AI agents to detect unusual behaviour and uncover fraudulent transactions.

Another risk stemming from new technologies is related with the over-reliance on automated tools. Recommendations given by AI-based platforms may appear authoritative, but users often lack the skills to understand how algorithms work or to question the objectivity of the advice. Delegating decisions to AI without understanding the underlying concepts and processes, may impair consumers' own financial competence.

## **5. What advice would you give to young people, who are just starting their financial independence?**

My advice is simple – start educating yourselves early, be curious and if somebody makes a promise to make you rich in a week – keep your wallet closed.

Young individuals, overall, score lower on financial literacy surveys in comparison to older adults, and so they could be a particularly vulnerable group. They are financially active and almost all have a bank account-score lower than the other age groups on all three component of financial literacy – knowledge, attitudes and behavior and score low on financial resilience (long-term financial planning). I would also encourage young people to understand the difference between financial access and financial capability. Having access to financial services through a smartphone does not necessarily mean understanding the risks associated with borrowing, investing or sharing personal financial data online.

Building financial resilience starts with simple habits - maintaining emergency savings, understanding compound interest, avoiding unnecessary debt, verifying information sources and planning long-term rather than focusing only on short-term consumption.

The challenge today is that digital finance often pushes us toward fast decisions, so financial literacy should be really about knowing when to pause and think. Young people should stay responsible, well informed and develop the reflex of critical thinking early on. They should be aware of our limitations as human beings and the behavioral biases we are prone to, and impose on themselves to apply reasoning in financial matters in order to override instincts. Also, as the use of AI is increasing so rapidly, they should also be aware of the limitations of artificial intelligence (while its capabilities are undisputable), and recognize the inherent bias and lack of transparency in its algorithms.