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2020 Was A Challenging Year for European Consumer Credit

BRUSSELS – 29 June 2021 – The European consumer credit industry was not exempt from the general downturn experienced as a result of the Covid-19 pandemic in 2020. European consumer credit providers, represented through Eurofinas¹, granted new loans worth €400.6 billion in 2020, a decrease of -13.1%² compared to 2019. The results of the Eurofinas 2020 Annual Survey show declines in new business across all lending categories.

Total new consumer credit lending³ showed losses in new business financed of -15.4% in 2020. Both industrial credit and mortgages contribute a smaller share of total new business, with both undergoing a decrease of -11.5% and 4.2% respectively.

In the consumer credit lending category, personal loans represented over a quarter of new credit granted in 2020, while revolving credit accounted for around a third. Personal loans and revolving credit shrank by -20.2% and -17.4% respectively. To a lesser extent, new credit granted via non-automotive point of sale was down by -7.4%.

Consumer vehicle finance also experienced declines in new credit granted, with new cars performing worse than used cars. While the former dropped by -16.4%, the latter showed a loss of -8.3%. The other vehicle category (motorbikes, caravans etc.) contracted by -7.2%. In contrast to the consumer car financing business, new business cars lending dropped by -5.9% but a higher decrease of -7.9% for used business cars. Commercial vehicles were the worst performer in the vehicle finance category, which showed negative growth of -19.9%.

Aggregate figures for 2020 showed that most of Eurofinas members' national markets saw large deteriorating results, except for Turkey, Germany and the Nordic countries. Turkey was the only country indicating growth in new lending volumes in 2020, as they increased from low levels of previous years. Germany and the Nordic countries recorded relatively moderate single-digit declines in 2020 compared to 2019. By contrast, the biggest losses were felt in Morocco, Spain, and Lithuania, with new credit granted falling by over -20%.

Anne Valette, Director General at Eurofinas, commented that *“Consumer credit growth has deteriorated in 2020 due to the global impact of Covid-19 on social and economic activities. A downturn in new credit granted was widespread across national markets and lending types. Despite that, the consumer credit industry showed remarkable resilience in supporting customers to access finance crucial for European economic recovery. As restrictions are eased, vaccination programs progress across Europe and consumer confidence rebounds, private consumption is expected to drive European economic recovery going forward.⁴ This presents opportunities for European consumer credit institutions to supporting much needed consumer financing and facilitate economic recovery.”*

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¹ The following Eurofinas members took part in the survey: UPC/BVK (BE), CLFA (CZ), BFACH (DE), Finans og Leasing (DK), ASNEF (ES), ASF (FR), ASSOFIN (IT), LBA (LT), APSF (MA), FINFO (NO), ASFAC (PT), Finansbolagens Förening (SE), AFI/FKB (TR), FLA (UK).

² The growth rates shown are adjusted to exclude the impact of exchange rate fluctuations.

³ Total consumer credit includes consumer credit for personal consumption (including personal loans, revolving credit and non-automotive point of sale finance) and consumer point of sale vehicle finance.

⁴ European Economic Forecast, Spring 2021.



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About Eurofinas

Eurofinas, the European Federation of Finance House Associations, is the voice of the specialised consumer credit providers in the EU. As a Federation, Eurofinas brings together associations throughout Europe that represent finance houses, specialised banks, captive finance companies of car, equipment, etc. manufacturers and universal banks. The scope of products covered by Eurofinas members includes all forms of consumer credit products such as personal loans, point of sale credit, credit cards and store cards. Consumer credit facilitates access to assets and services as diverse as cars, studies, furniture, electronic appliances, etc. Eurofinas members financed more than €400.6 billion worth of new loans during 2020 with outstandings reaching over €1.1 trillion euros at the end of the year.

More information on Eurofinas activities available at www.eurofinas.org