

FOR IMMEDIATE RELEASE

2023 Was A Challenging Year for European Consumer Credit

BRUSSELS – 02 July 2024 – In 2023, European consumer credit providers, represented through Eurofinas¹, granted new loans worth €467.5 billion, a decline of -6.5%² compared to 2022. The results of the Eurofinas 2023 Annual Survey indicated negative developments in new business across various lending categories, except for business vehicle finance and industrial credit.

Overall, total new consumer credit lending³ showed a downturn in new business finance of -4.0% in 2023. Other lending types, including business vehicle finance, industrial credit, and mortgages accounted for a smaller portion of the total new business (28%). Business vehicle finance and industrial credit observed growth of 14.9% and 10.9% respectively in new credit granted, while mortgages saw a significant contraction of -31.7%.

Within the consumer credit lending category, personal loans and revolving credit were the prominent segments, collectively accounting for over 40% of the new credit granted in 2023. Personal loans experienced a decrease of -11.2% while revolving credit stabilized, growing by 0.1% in new credit granted. Additionally, new credit granted through non-automotive points of sale grew by 4.0%.⁴

In consumer vehicle finance, new cars performed better than used cars. New consumer car finance remained relatively stable, declining by only -0.7% in 2023, whereas used consumer cars experienced a larger downturn of -6.3%. The other vehicles category, including motorbikes and caravans, decreased by -5.2% in new credit granted. Similarly, new business car lending demonstrated a substantial growth of 37.4%, while used business cars experienced a drop of -4.9%. Commercial vehicles saw growth of 8.0%.

Aggregate figures for 2023 indicated negative results in most of Eurofinas members' national consumer credit markets, except for the Czech Republic, Morocco, Portugal, and Spain, which experienced growth rates between 3% and 9% in new credit granted. On the contrary, markets including Norway, Turkey, and the Netherlands showed double-digit drops in new credit granted.

Tham Giang, Senior Advisor in Market and Research at Eurofinas, commented that *“Consumer credit growth has deteriorated in 2023 due to high interest rates, tightening financing conditions, high uncertainty, and low consumer confidence. A downturn in new consumer credit was widespread in most national markets and product types. However, going into 2024, the continued real wage and employment growth are expected to sustain growth in real disposable incomes. Improved EU consumer confidence and a steady decline in consumers’ uncertainty about their financial situations are set to support the near-term private consumption growth, despite remaining below the long-term average.⁵ This presents opportunities for European consumer credit institutions, albeit in a challenging environment, to support much-needed consumer financing and facilitate consumption.”*

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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), APSF (MA), VFN (NL), FINFO (NO), ASFAC (PT), Finansbolagens Förening (SE), AFI/FKB (TR), FLA (UK).

² The growth rates shown are nominal i.e., not adjusted for inflation and can be impacted by 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 Growth in new credit at the point of sale can be attributed to inflation as the number of new contracts declined for that category in 2023.

⁵ European Economic Forecast, Spring 2024.



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About Eurofinas

Eurofinas, the European Federation of Finance House Associations, is the voice of specialised consumer credit providers in Europe. 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, education, furniture, electronic appliances, etc. Eurofinas members financed around €467 billion worth of new loans during 2023 with outstanding portfolio amounting €1.3 trillion euros at the end of the year.

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