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**European Consumer Credit Market Experiences Renewed Difficulties in 2012**

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**BRUSSELS – 12 June 2013** – European consumer credit providers, represented through Eurofinas<sup>1</sup>, granted new loans worth €312.1 billion in 2012, a decrease of -7.2% compared to 2011<sup>2</sup>. The results of the Eurofinas 2012 Annual Survey show that this deterioration was driven by declines in personal loans (-6.4%) and mortgages (-35.0%).

Total new consumer credit lending<sup>3</sup> showed a moderate drop in 2012 of -2.9%. Industrial credit contributes a much smaller proportion of new business, and its growth rate of -0.5% had very little impact on the overall figures.

In the consumer credit lending category, personal loans failed to maintain its recovery and saw a drop in new credit in 2012 of -6.4%. Revolving credit has not seen positive growth since 2007 and this trend continues in 2012 with a decline of -4.4%. One category that saw positive growth in new business was non-automotive point of sale (1.5%), which has rallied from its negative trend in previous years.

The consumer vehicle financing business was one area with some improvement on growth rates in 2012, with new car finance remaining stable (0.1%) and used cars growing by 2.4%. Other vehicles (motorbikes, caravans etc.) experienced a drop in new business of -4.0%.

While aggregate figures for 2012 appear to show a deterioration on 2011, results across different European countries differ markedly. The highest performers in new consumer credit lending were Denmark and Lithuania (21%). The rest of the Nordic countries, Germany and the UK also experienced growth. The Mediterranean countries all experienced declines in new business, with Portugal and the Netherlands suffering the worst contractions of -22% and -24% respectively. France, Romania, Belgium and Czech Republic also saw declines in 2012.

Valentino Ghelli, Chairman of Eurofinas, commented that “The declining economic situation in Europe has undoubtedly had an impact on the consumer credit market in 2012. One area in which we can be optimistic however is the vehicle finance market. In particular, it appears that consumers and finance providers are capitalising on the relative strength of the used car market. Going into 2013, consumer uncertainty remains high, negatively impacting spending decisions. Although the labour market will be facing difficulties for some time still, the European Commission expects private consumption to stabilise in the second half of the year and start improving in 2014. This means that consumer credit institutions will continue to face a challenging business environment this year, but better conditions should be on the horizon.”

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<sup>1</sup>The following Eurofinas members took part in the survey: UPC/BVK (BE), CLFA (CZ), BFACH (DE), Finans og Leasing (DK), ASNEF (ES), FKL (FI), ASF (FR), ASSOFIN (IT), LBA (LT), APSF (MA), VFN (NL), FINFO (NO), ASFAC (PT), ALB (RO), AFINA (SE), FLA (UK).

<sup>2</sup> The growth rates shown are adjusted to exclude the impact of exchange rate fluctuations. On an unadjusted basis, Eurofinas members' overall new lending increased by 3.1%.

<sup>3</sup> 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.



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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, linked 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 over 312 billion euro worth of new loans during 2012 with outstandings reaching 828 billion euros at the end of the year.

More information on Eurofinas activities available at [www.eurofinas.org](http://www.eurofinas.org)