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**European Consumer Credit Market Stable Overall in First Half of 2013**

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**BRUSSELS – 25 November 2013** – European consumer credit providers represented through Eurofinas<sup>1</sup> granted new loans worth €154.7 billion in the first half of 2013, a decrease of -0.7% compared to the same period in 2012<sup>2</sup>.

The results of the Eurofinas first semester 2013 Biannual Survey show that total new consumer credit lending<sup>3</sup>, which accounts for the majority of new Eurofinas lending (75%), has stabilised following its decline in 2012, growing by 0.1% in the first half of this year. Considering that European domestic demand remains relatively weak, this stabilisation is a positive sign of recovery for the industry.

The steadying of new consumer credit was not however, driven by growth in personal consumption categories. Personal loans suffered a decline of -2.4%, continuing the trend seen in 2012. Revolving credit has yet to see positive growth in new business since the financial crisis, and the first half of 2013 continues to see negative growth with a drop of -4.0%. Non-automotive credit at the point of sale remained level with 0.4% growth.

The consumer car lending market however, enjoyed a much stronger recovery in the first half of 2013. Loans for new consumer vehicles grew by 7.1%, while loans for used cars grew even more at 8.8%. This strong performance is largely due to significant growth in the UK and German markets, although many other countries also saw growth in this sector. Considering the fact that passenger car registrations in Europe have been lower so far this year than during the same period last year, the buoyancy of these automotive lending figures is highly encouraging.

Within the aggregate figures are many different situations in different markets. For instance, the Scandinavian countries were strong performers, with growth in consumer credit above 12%, and Belgium, Germany and the UK all saw growth in their consumer lending markets. On the other hand, Mediterranean countries continued on their downward trend, with France, Morocco and Lithuania also suffering declines.

New business did improve in Q2 2012 when compared to the first quarter of the year, although whether this positive trend continues in the second half of the year remains to be seen. Household consumption is expected to remain subdued, potentially beginning to pick up in 2014, which makes it unlikely that a recovery in lending for personal consumption will be seen until next year.

Hayley McEwen, Advisor at Eurofinas, commented that “Although strong growth has been seen in vehicle finance, we are still waiting for a recovery in other forms of lending. The European consumer credit market has seen some very tough economic times to now reach a period of greater stability, with some countries already showing good signs of recovery. Overall, expectations are for a gradual increase in economic growth and consumer confidence next year, which should result in positive developments for consumer lending.”

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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), LVLKA (LT), APSF (MA), 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 decreased by 4.9%.

<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.

<sup>4</sup> Source: Eurostat quarterly indicators.



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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)