

Consumer credit in Europe in 2017: Clear growth for the European consumer credit market

For the eleventh consecutive year, Crédit Agricole Consumer Finance has published its annual study of the consumer credit market in the 28 countries of the European Union; this year the focus is on the major European economies and car finance.

The upturn in the European market that began in 2014 retained its momentum. In 2017, outstanding consumer credit in Europe reached a historic high of EUR 1,262 billion. This is therefore the fourth consecutive year of growth for the market, driven by the economic boom and the fall in unemployment.

Consumer credit in Europe: mixed levels of growth and outstandings

Countries that were hardest hit by the sovereign debt crisis are seeing a recovery in their consumer credit markets: total outstandings rose by 15% in **Spain**, 11% in **Portugal**, 10% in **Italy** and 7% in **Ireland**. The crisis is therefore over, except for **Greece**, where the market fell by 10%.

The major European economies are also seeing sustained growth with total outstanding consumer credit rising by 3% in **Germany**, 7% in the **United Kingdom** and 6% in **France**.

Accordingly, total growth in outstanding consumer credit in the **28 countries of the EU** was 6% in 2017. This represents the highest growth since our barometer was created in 2008. Structurally, countries in northern Europe still have the highest level of outstandings per capita. At the other end of the scale, the Baltic countries have the lowest level with outstandings of under EUR 300 per capita.

“This growth in outstanding credit is closely correlated to GDP growth and the fall in the unemployment rate. For 2017, we can see a clear correlation between the fall in unemployment and the rise in outstanding credit as the countries with the sharpest drops in unemployment also saw the highest increases in outstandings. Falls of 2.2 and 2.4 percentage points in unemployment in Portugal and Spain, were accompanied by rises of 11% and 15%, respectively, in outstandings”, explains Jérôme Hombourger, Deputy Chief Executive Officer, in charge of Development and Strategy at Crédit Agricole Consumer Finance.

Car finance: a key market for consumer credit

Momentum for the European consumer credit markets is based, in particular, on car finance (loans for the purchase of a vehicle and hire purchase agreements), which accounts for 38% of consumer credit.

“In 2017, new car loans rose by 9% in the European Union. This increase is driven in particular by good growth in the sales of second-hand vehicles. New loans for the purchase of second-hand vehicles rose by 13%, versus growth of 7% for finance related to new vehicles”, adds Jérôme Hombourger.

In the new vehicle segment, the **French** and **UK markets** are characterised by the size of the leasing segment, which has been growing strongly for the last ten years.

In **Germany**, car finance accounts for 45% of consumer credit volumes and plays a major role, driven in particular by the purchase of second-hand cars.

Finally, in **Spain**, vehicle financing is equivalent to a revolving loan, and in **Italy** the market is smaller than other types of consumer credit (purchase of consumer staples, financing of works or payment of exceptional bills).

CA Consumer Finance Press: +33 (0)1 87 38 09 75 - presse@ca-cf.fr

About Crédit Agricole Consumer Finance

Crédit Agricole Consumer Finance, Crédit Agricole SA's consumer credit subsidiary, distributes a broad range of consumer credit and related services (in France, principally through its commercial trademarks Sofinco, Viaxel and Creditlift Courtage) for distribution channels as a whole: direct sales, point-of-sale financing (automotive and home appliances) and partnerships. Present alongside major distribution, specialised distribution and institutional brands in the various countries where it operates, Crédit Agricole Consumer Finance is a key partner in business.

Crédit Agricole Consumer Finance managed €82.6 billion in outstandings at 31 December 2017.

Learn more: www.ca-consumerfinance.com