

# CONSUMER FINANCING IN GERMANY

## Market Study 2021







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Ipsos GmbH  
conducted on behalf of the Bankenfachverband e. V.  
(German Association of Credit Banks)

GAME CHANGERS



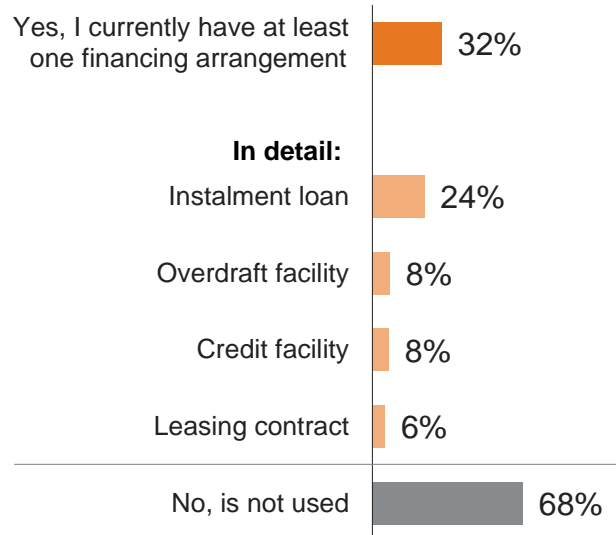
## About the study

|   |  |
|---|--|
|  <b>METHOD</b>                 | Survey, supporting study: GfK Financial Market Panel (written survey, in parts online)   |
|  <b>SURVEY PERIOD</b>          | 01 July 2021 to 26 July 2021   |
|  <b>TARGET GROUP</b>           | A representative selection of people between the age of 18 and 69, chosen according to age, profession, the size of city they live in, and federal state |
|  <b>SAMPLE</b>                 | n=1,875 interviews; results were weighted according to age, profession, income, family status and size of location                                       |
|  <b>FREQUENCY OF THE STUDY</b> | Once a year  |
|  <b>SURVEYED AREA</b>        | Federal Republic of Germany  |

# Key findings of the study

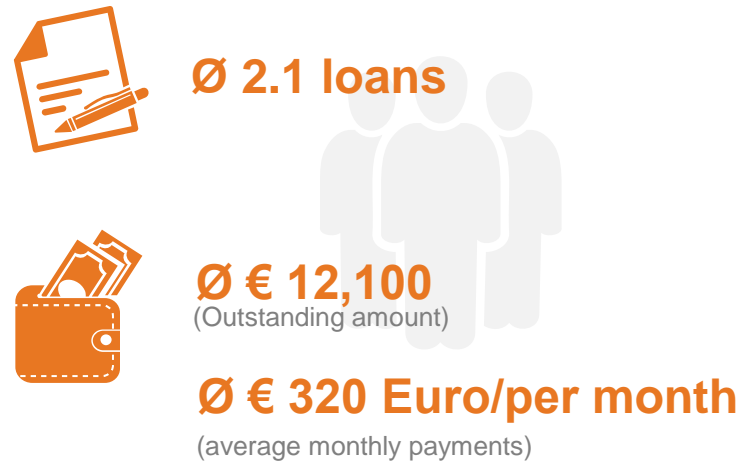
## Consumer Financing 2021

### Use of financing



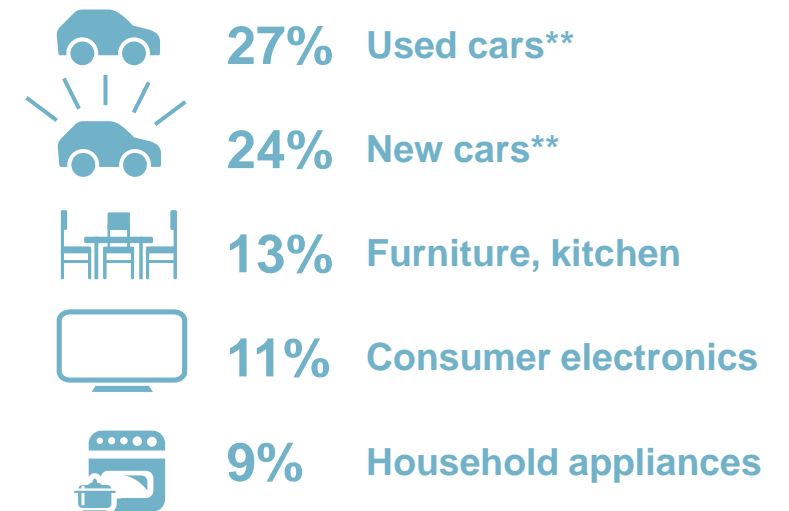
Every third consumer currently uses at least one form of financing.

### Number and outstanding amount



Households that use financing have an average of 2.1 contracts. The total outstanding amount is € 12,100. On average, € 320 are repaid per month.

### Intended purpose\*



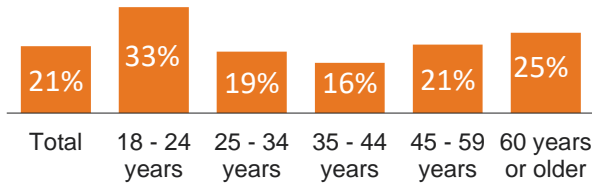
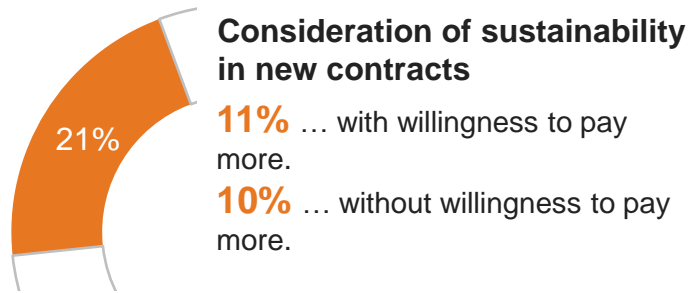
The main reason for financing is the purchase of a car.

\*\*Top 5 purchases, Basis: Instalment loan users, multiple answers possible  
\*\*without Electric/hybrid cars

# Key findings of the study

## Sustainability

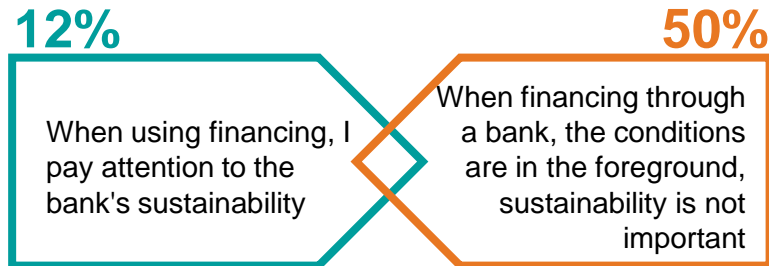
### Attention to sustainability in financial services



One-fifth of consumers pay attention to sustainability when purchasing financial services. Younger people pay more attention to this than middle-aged groups.

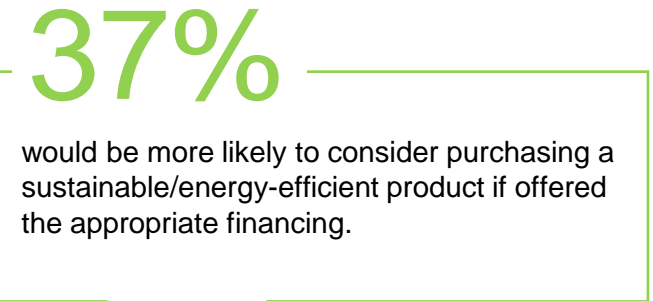
### Agreement

(Complete) agreement to statement A ↔ (Complete) agreement to statement B



One third of respondent's state that sustainability plays a major role in their own lives. 12% pay attention to sustainability of the bank when using financing.

### Purchase of sustainable/energy-efficient products



More than one-third of respondents are more likely to consider purchasing sustainable/energy-efficient products if they are offered the appropriate financing.

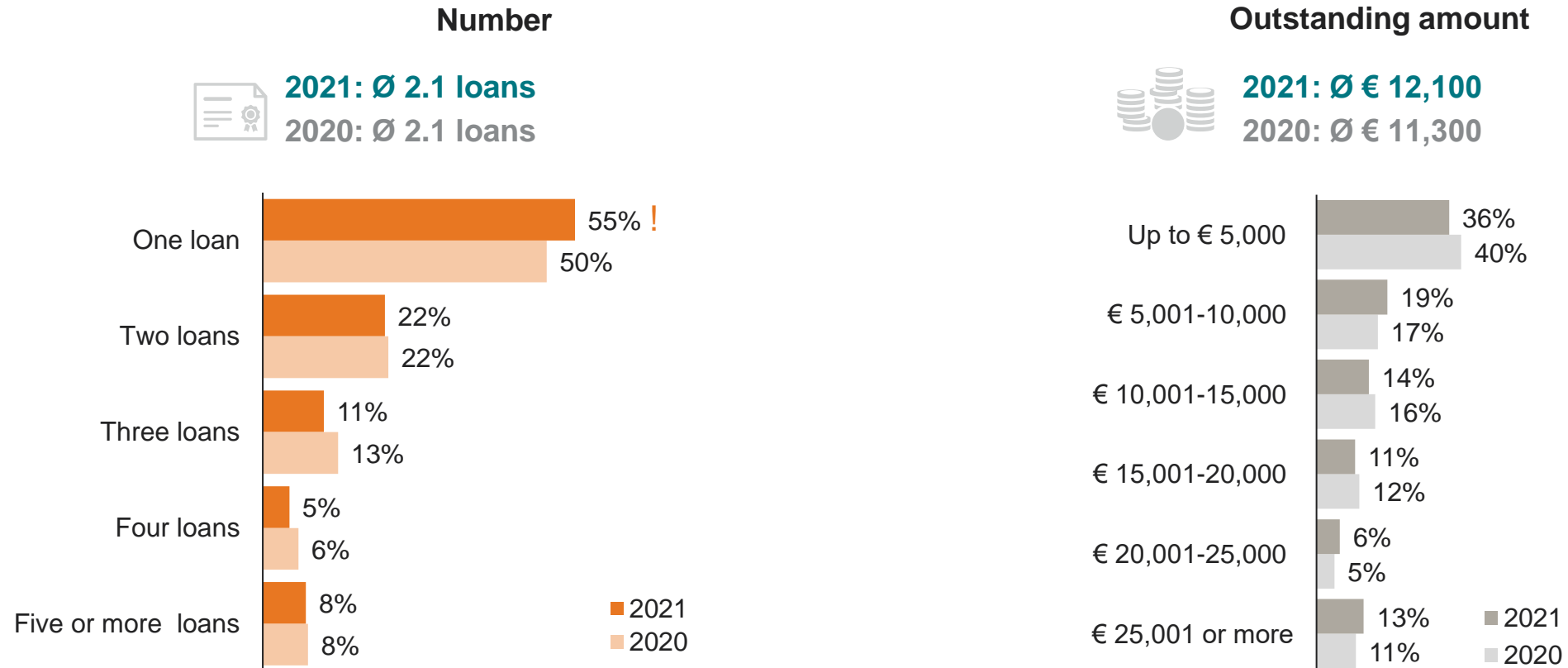
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More than half of all users of financing products have only one financing.  
A quarter of consumers also use three financing arrangements or more.

## Number and amounts outstanding of loans



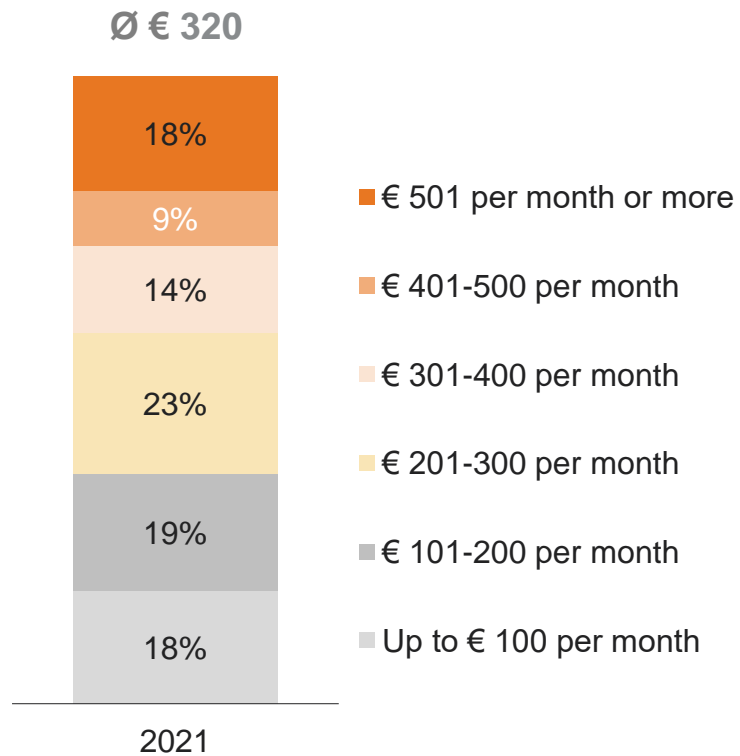
Q2b: For the forms of loan/financing that you are currently using, how many different contracts have you concluded for each form of loan/financing?

Q2f: And what is the amount (excluding mortgage financing) that you still have to pay back for these loans?

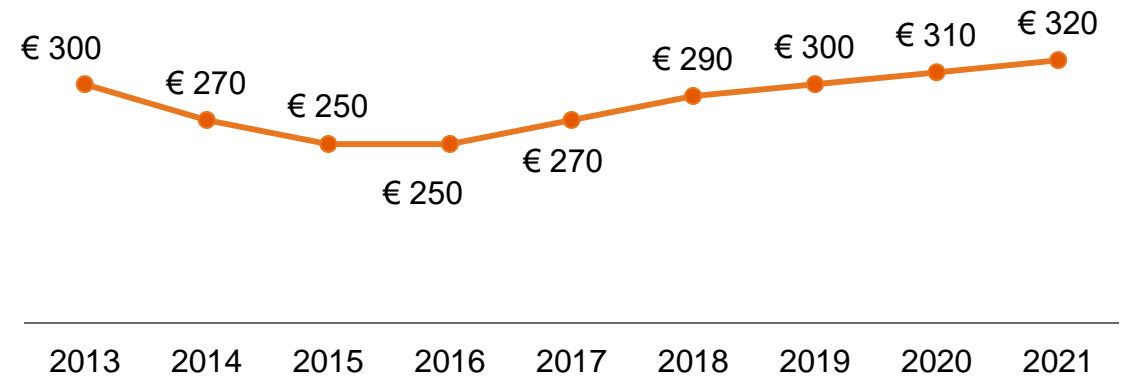
Basis: Users of financing products 2021 n = 592/484, 2020 n = 687/553

Monthly repayments for all financing together are 320 euros in installments.

## Total amount of monthly payments



## Total amount of average monthly payments in time comparison



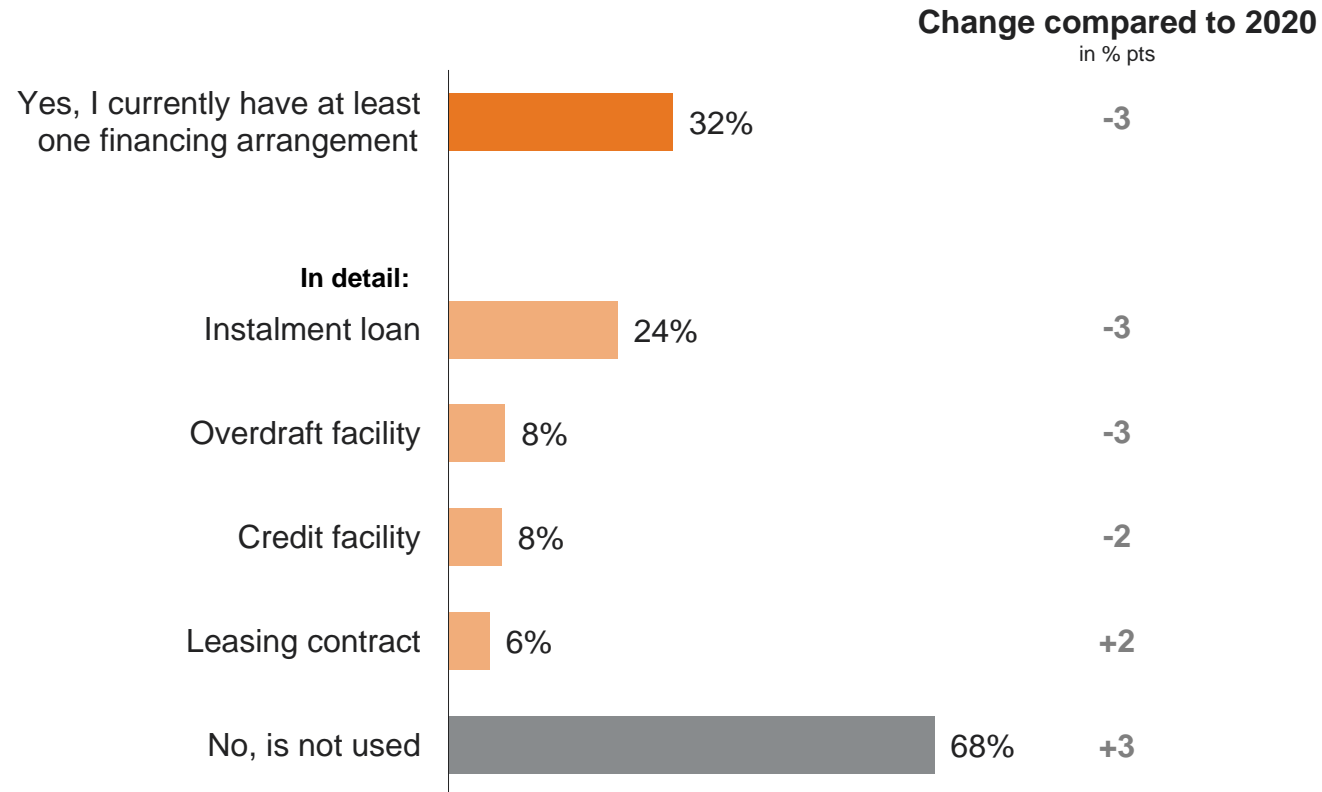
Q3: What are your total monthly instalments?

Basis: Users of financing products 2021 n = 592, 2020 n = 687, 2019 n = 639



# Instalment loans are the most commonly used form of financing.

## Use of financing



Q2a: Are you currently using one of the following loans/forms of financing?

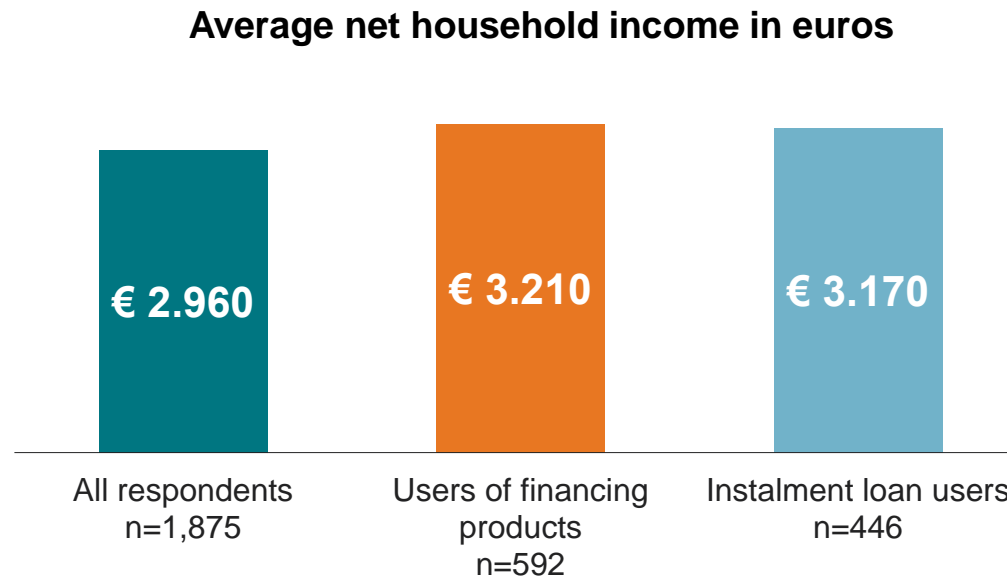
Basis: All respondents n = 1,875; rounding-off differences possible; multiple answers possible





Instalment loan users have a higher net household income than the average.

Individual forms of financing according to net household income\*

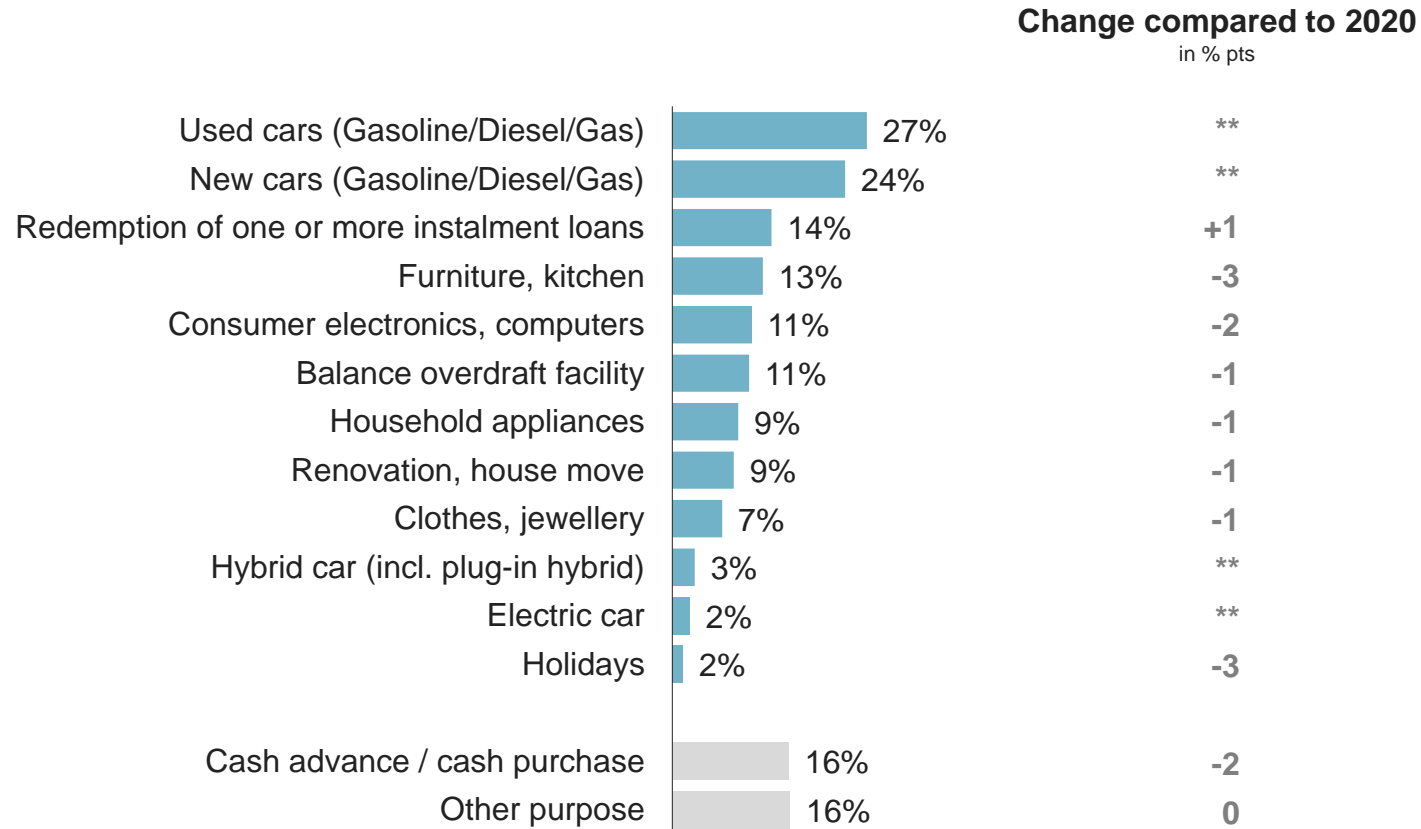


Q2a: Are you currently using one of the following loans/forms of financing?  
Basis: All respondents; \*calculated from the middle of the class



# Instalment loans are mainly used for the purchase of a car.

## Intended purpose – instalment loan users\*



### Other forms of financing not shown:

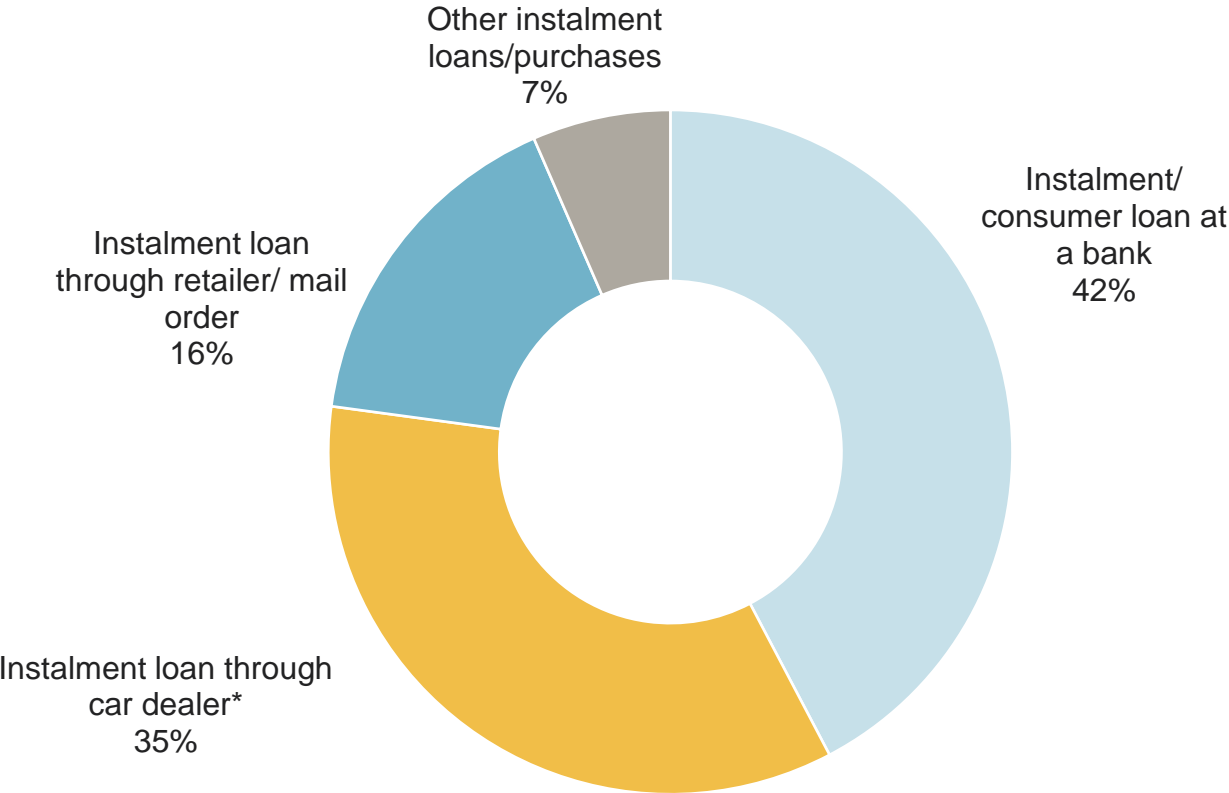
|                            |      |
|----------------------------|------|
| Camper / caravan           | 2,2% |
| E-Bike                     | 1,9% |
| Motorcycle, moped, scooter | 0,9% |
| Bike                       | 0,4% |

Q2a: Are you currently using one of the following loans/forms of financing? ; \*incl. personal contract purchase, \*\*in 2021 queried for the first time/query changed  
Q2c: And what did you use your current loan for? Basis: instalment loan users n = 446; multiple answers possible



Among the forms of instalment loans, the instalment/consumer loan from a bank is used most frequently. In second place is the installment loan via the car dealer.

### Allocation of instalment loan forms

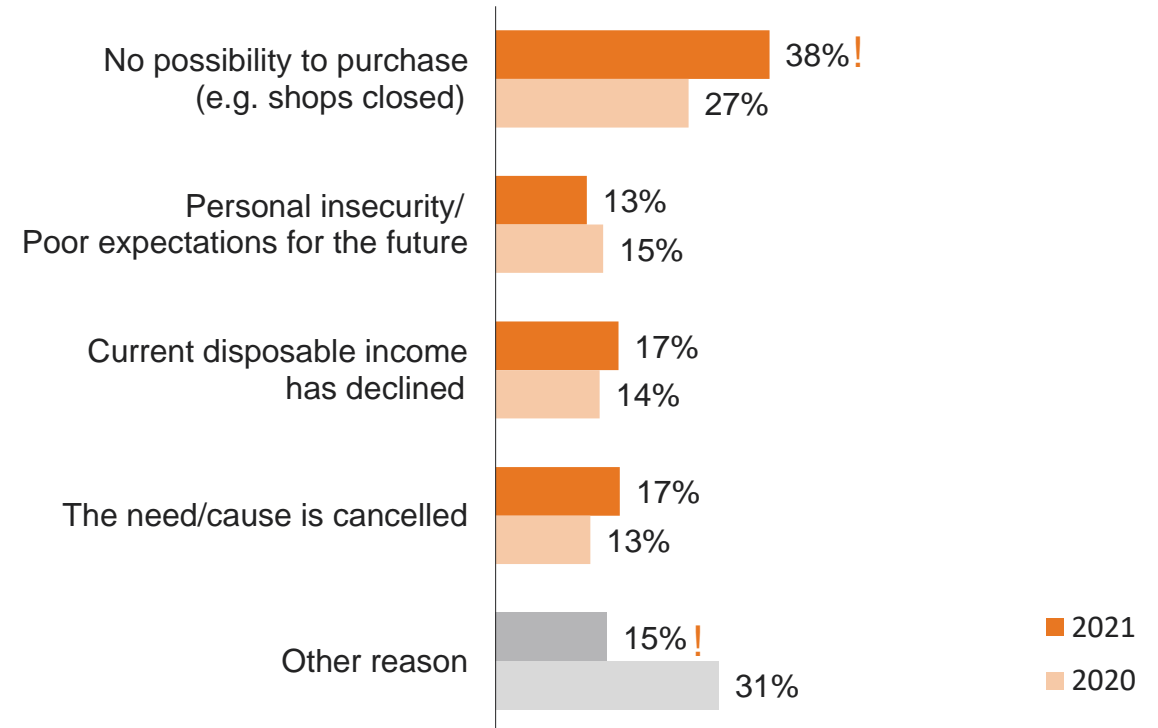
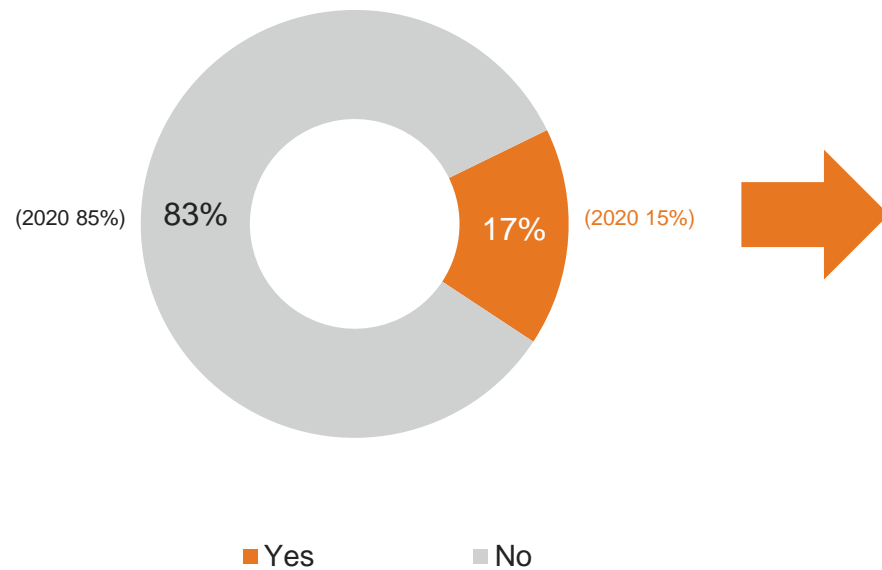


Q6a: If you use installment loans/installment purchases: Please indicate which forms of instalment loans you use; \*incl. personal contract purchase  
Basis: Instalment loans n = 579, all instalment loans = 100%



Due to the Corona pandemic, 17% of consumers postponed planned purchases. The main reason was the lack of opportunity.

## Purchase postponed or rejected and main reason\*



Q21a: Did you postpone purchases/spendings because of the Corona crisis, or did you reject them completely? Question slightly changed in 2021  
 Q21b: If yes: For what main reason have you postponed this purchase/spending or rejected it completely?; \*some tendency statements  
 Basis: All respondents 2021 n = 1.874; 2020 n = 1.974, thereof 2021 n = 310; 2020 n = 294 with at least one planned purchase which has not (yet) been made

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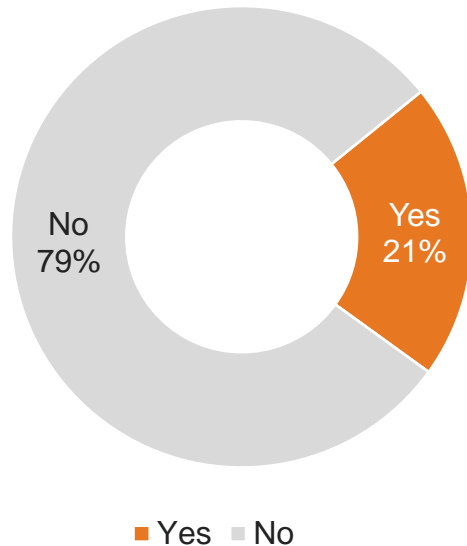
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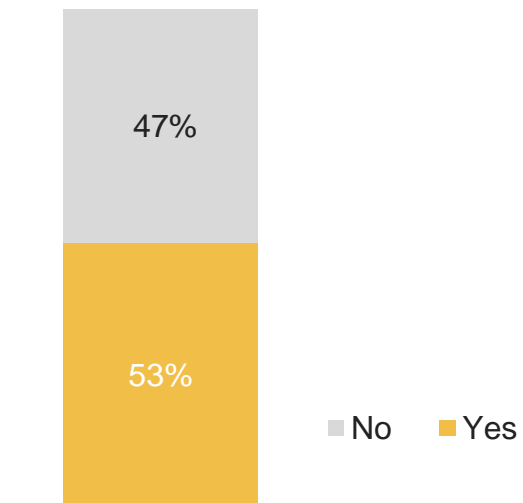
One fifth of consumers consider sustainability when using financial services.  
Half of them would be willing to spend more money on it.

## Sustainability in financial services

Consideration of sustainability in new contracts



Willingness to pay more for sustainability



Q25: Do you pay attention to the sustainability of banks and Sparkassen when contracting financial services?

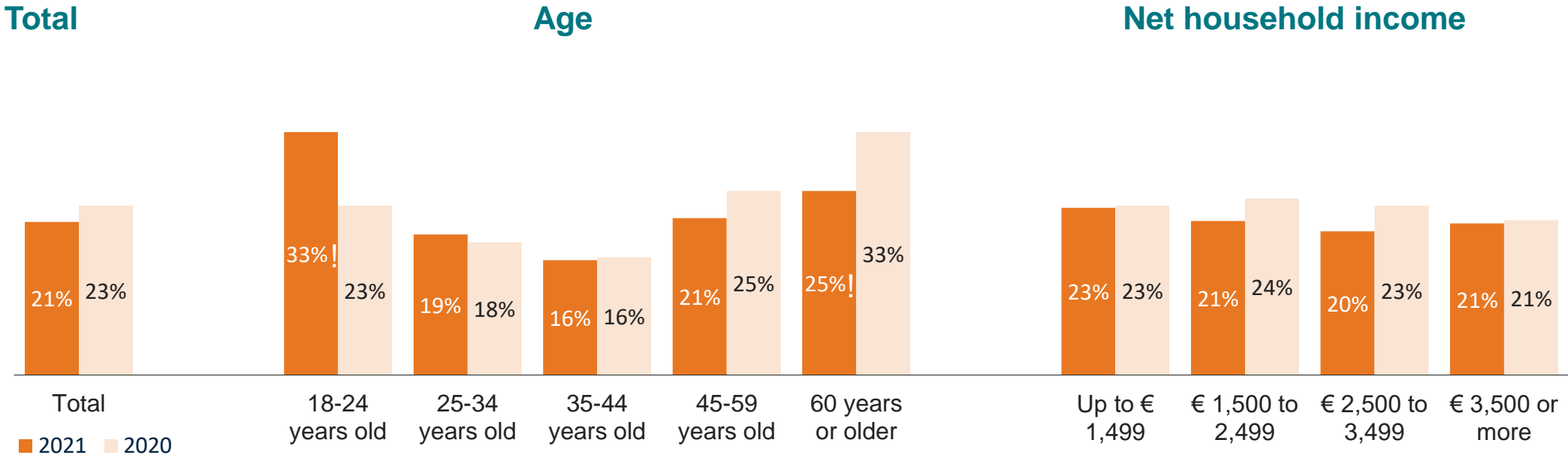
Q26: Would you be willing to pay more money for financial services if banks or Sparkassen attached particular importance to sustainability?

Basis: All respondents n = 1,872 (without don't know), n=390 respondents who pay attention to sustainability in new contracts



Younger people in particular pay more attention to sustainability when purchasing financial services than middle-aged segments. This has increased once again in 2021.

### Sustainability in financial services



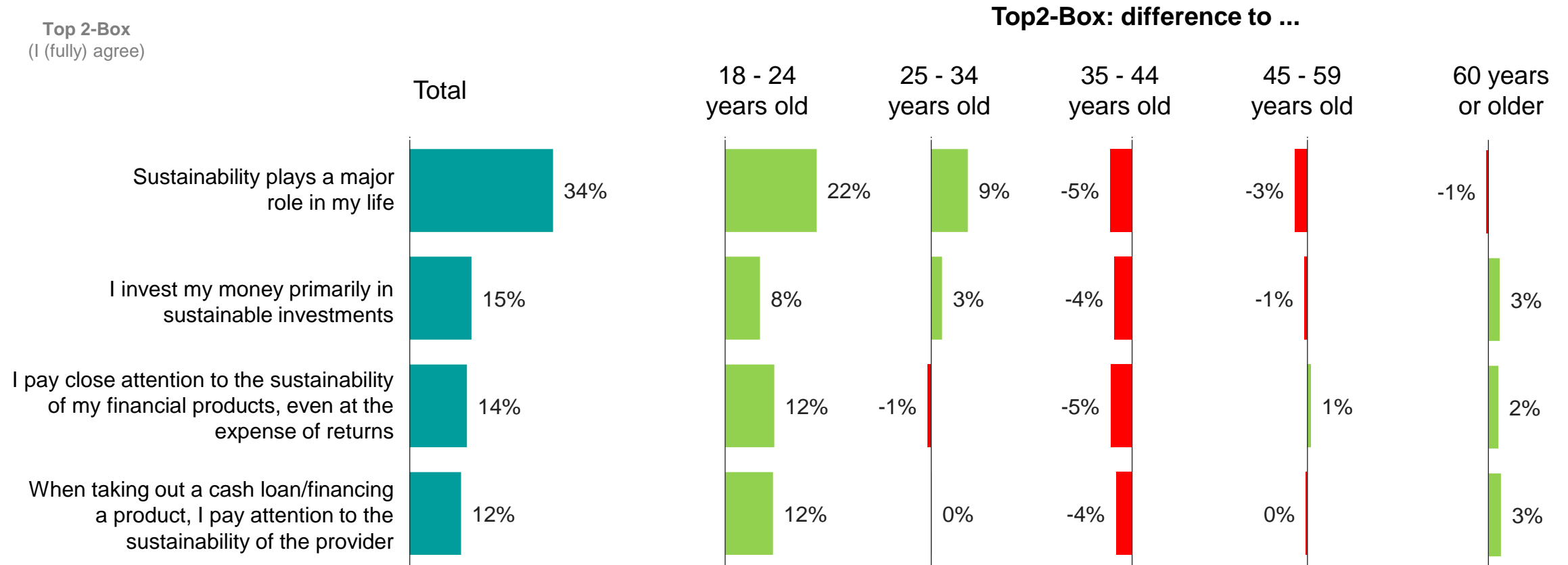
Q25: Do you pay attention to the sustainability of banks and Sparkassen when contracting financial services?  
 Basis: All respondents 2021 n = 1,871 (without don't know); 2020 n = 1,967



# Younger consumers invest their money more often in sustainable investments.

## Opinion on sustainability

Top 2-Box  
(I (fully) agree)



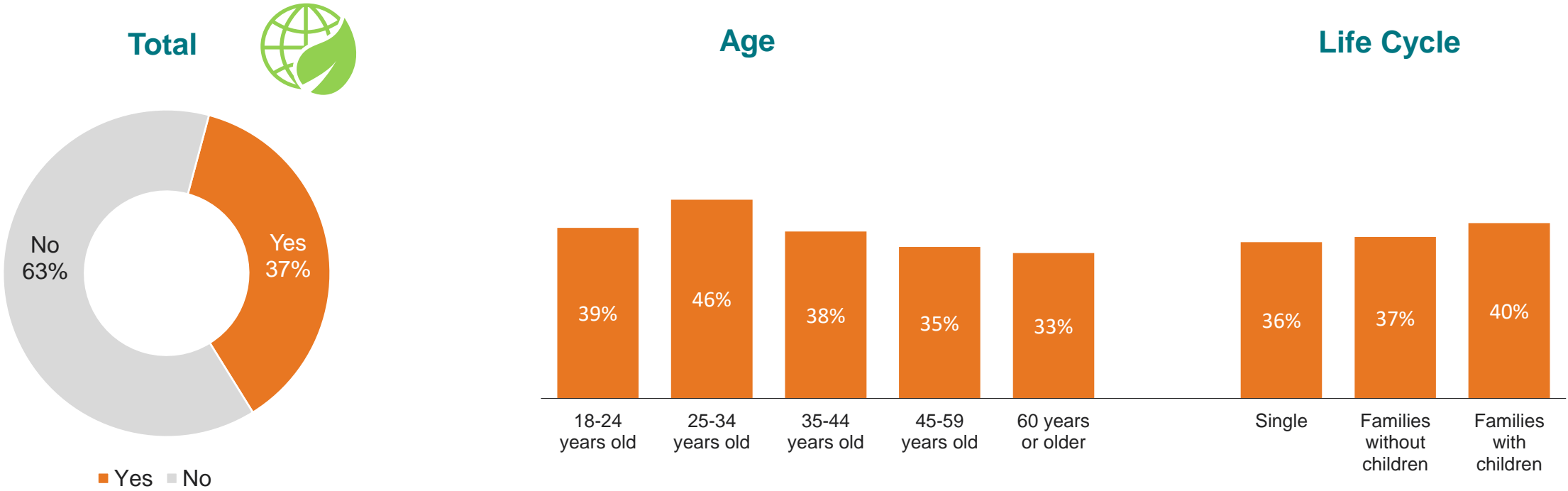
**Reading example:** Overall, 34% of respondents say sustainability plays a major role in their lives. Compared to all respondents, sustainability plays a greater role among 18-24 year old's (+22% points - top box value 56%).

Q27: Please arrange your opinion in the last step in the following statements.  
Basis: All respondents n = 1,865 (without don't know)



More than one-third of respondents are more likely to consider purchasing sustainable/energy-efficient products if they are offered suitable financing.

### Importance of financing for the purchase of sustainable products



Q28: Would you be more likely to consider purchasing a sustainably manufactured/energy efficient product (this refers to major purchases) if you were offered suitable financing to do so?  
Basis: All respondents n = 1,867 (without don't know)



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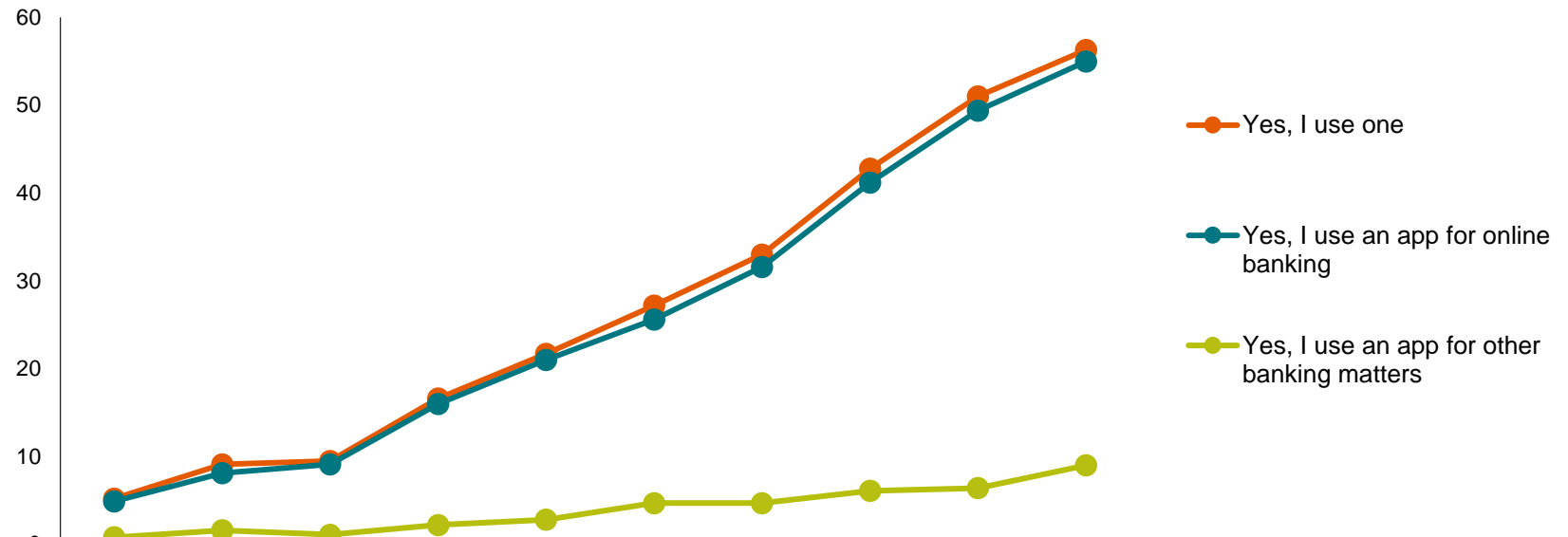
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More and more consumers are using apps for banking transactions.  
More than half currently use apps for online banking.

## Use of apps for banking transactions

### Use of apps for banking transactions



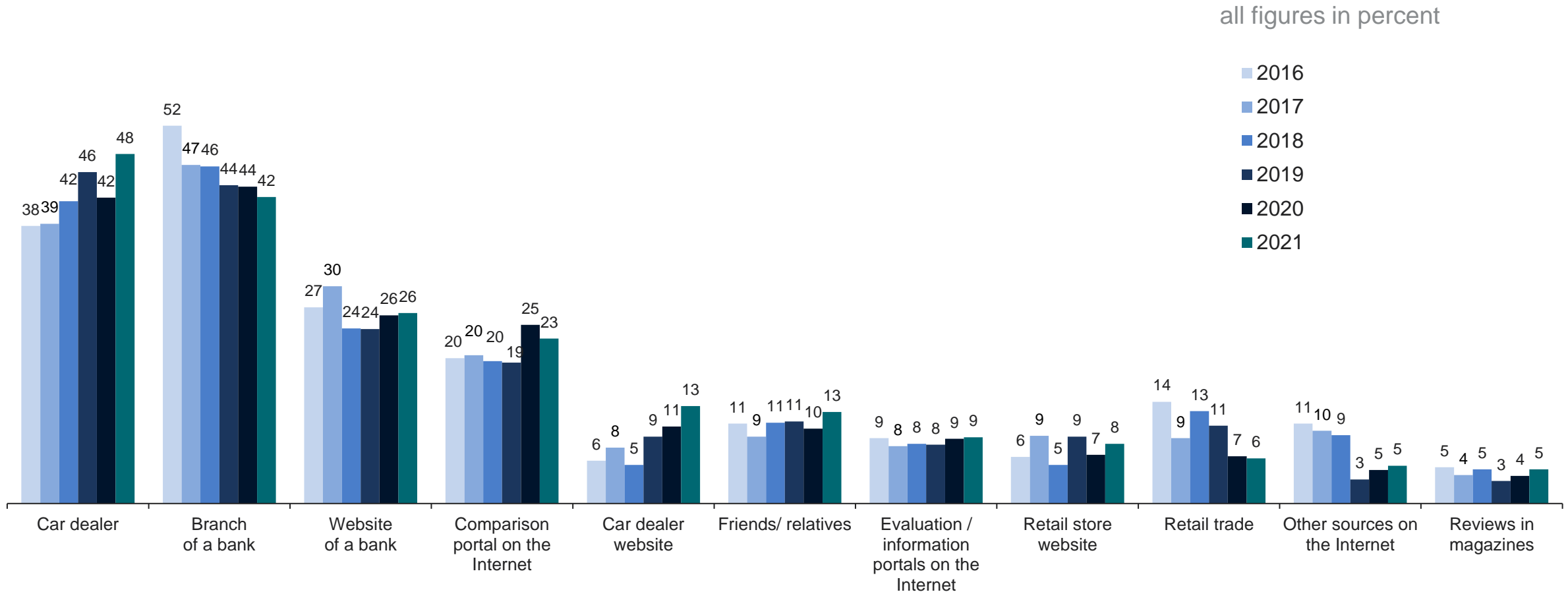
|   | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|------|------|------|------|------|------|------|------|------|------|
| Yes, I use one                              | 5%   | 9%   | 10%  | 17%  | 22%  | 27%  | 33%  | 43%  | 51%  | 56%  |
| Yes, I use an app for online banking        | 5%   | 8%   | 9%   | 16%  | 21%  | 26%  | 32%  | 41%  | 49%  | 55%  |
| Yes, I use an app for other banking matters | 1%   | 2%   | 1%   | 2%   | 3%   | 5%   | 5%   | 6%   | 6%   | 9%   |

Q9b: Do you use an app for banking (e. g. for online banking or taking out a credit) on your smartphone/tablet?  
Basis: All respondents n = 1,872 (without don't know)



Important sources of information on financing are car dealers, bank branches and bank websites.

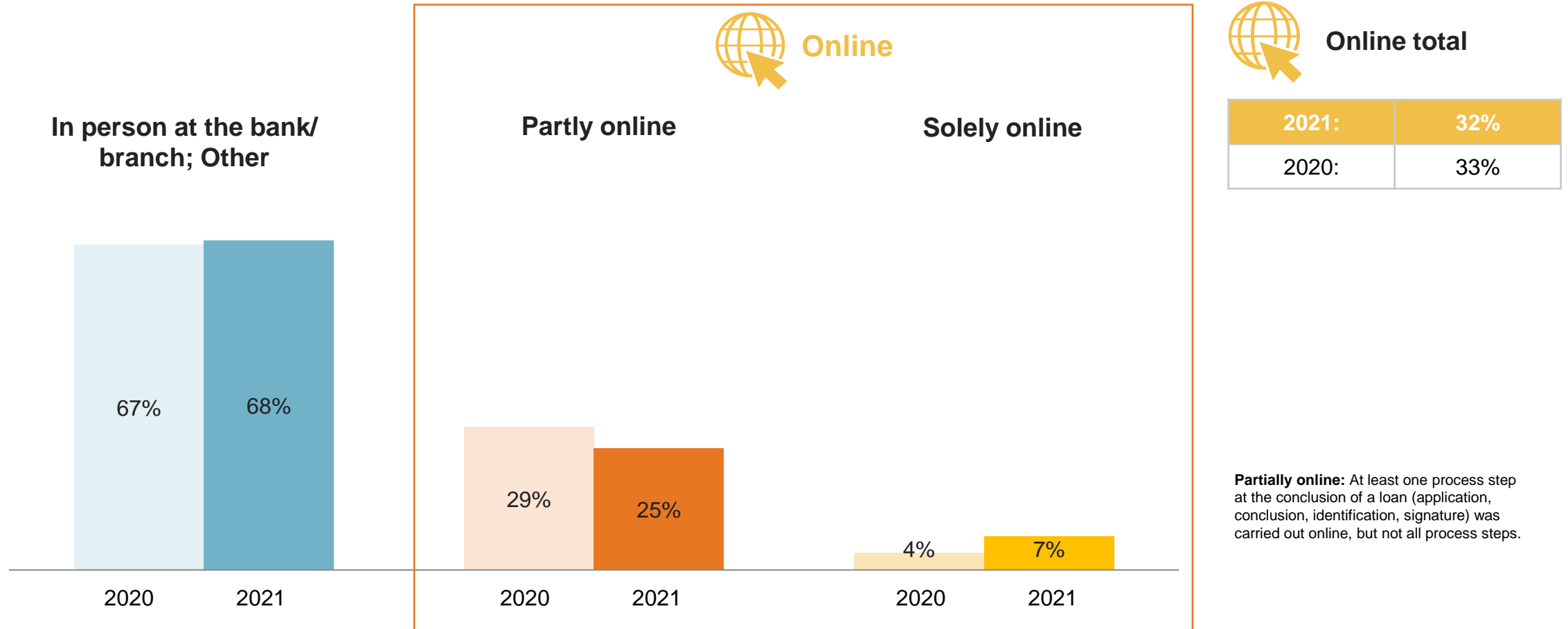
## Use of financing – sources of information



Q4: Did you use the following sources of information before signing your current loan agreements?  
Basis 2021: Users of financing products n = 479

One in three installment loans is taken out via the Internet. Seven percent are already concluded entirely online.

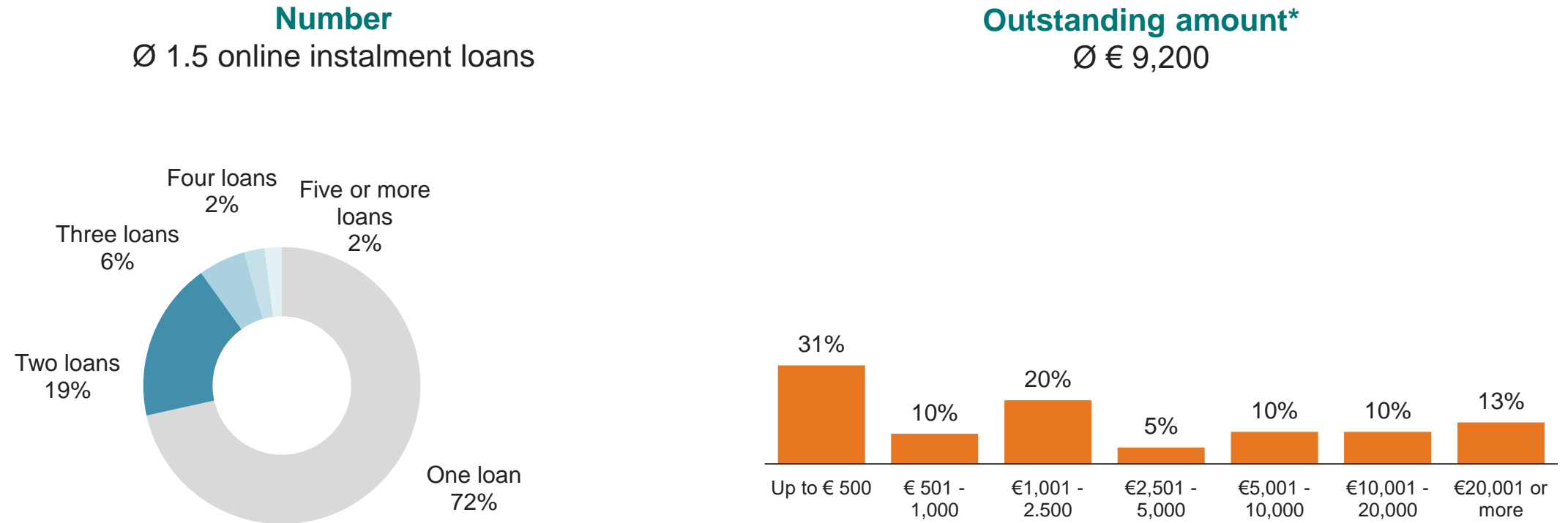
## Conclusion of instalment loan



Q6b: Please indicate how you have applied for this instalment loan. Q6d: Irrespective of where you applied for this instalment loan, where did you ultimately conclude the contract?  
 Q6f: How did you identify yourself to the bank or your dealer when you took out the loan? Q6g: How did you finally sign the loan agreement? Basis: Instalment loan users 2020 n = 485; 2021 n = 446; percentaged to 100%, rounding-off differences possible

Seven out of ten of all online instalment loan users currently have only one single contract. The average outstanding loan amount is € 9,200.

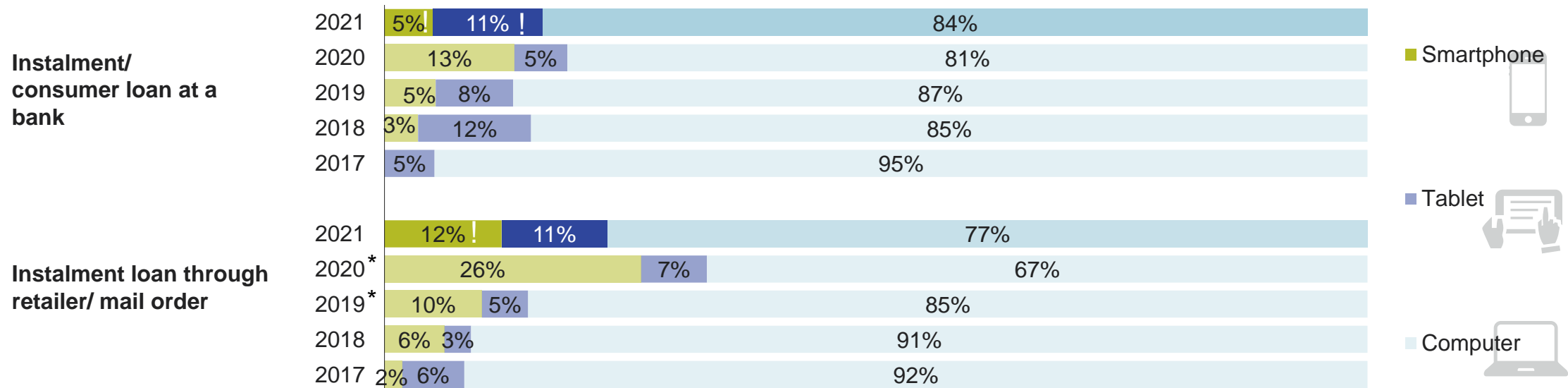
## Online instalment loans - number and outstanding amount



Q19c: Please indicate how many online instalment loans you are currently using and the amount of money you have to repay on these contracts, i.e. not the amount you originally borrowed but the amount you still have to repay.  
Basis: Internet users of instalment loans n = 148/n = 136, \*percentaged to 100%.

Mobile devices are increasingly being used for online applications for instalment loans/purchases.

## Used device when applying on the Internet



Q6c: For the instalment loans/instalment purchases applied for on the Internet (online): Please specify the device used for this purpose. \*some tendency statements  
 Basis Users of the specific financing, Instalment loan through retailer/mail order 2017 n = 60; 2018 n = 42\*, 2019 n = 44, 2020 n = 47; 2021 n = 45  
 Instalment/consumer loan at a bank 2017 n = 80, 2018 n = 69, 2019 n = 77, 2020 n = 95, 2021 n = 79, rounding-off differences possible



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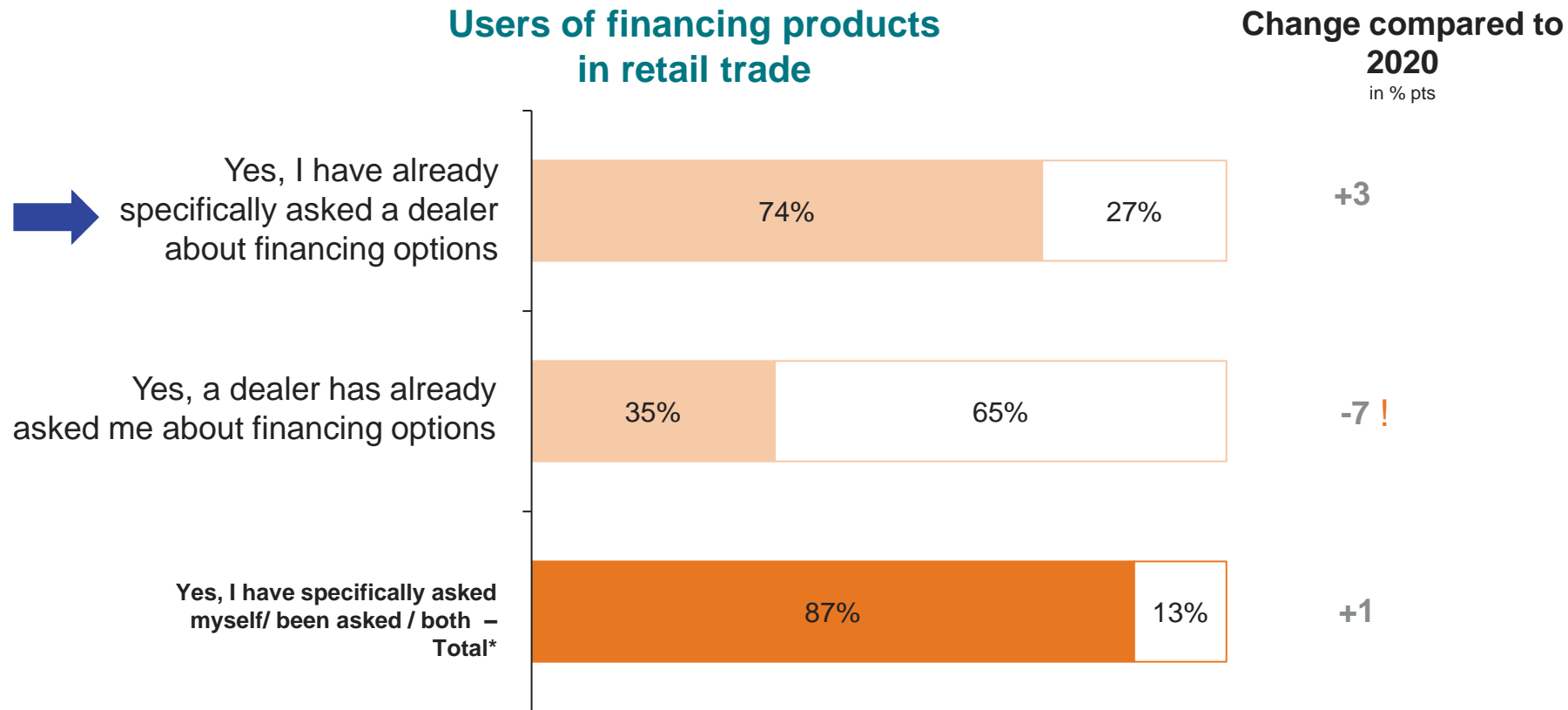
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Most of all users of financing products in retail actively ask for financing options. Fewer, on the other hand, were approached by the dealer.

## Financing in retail trade

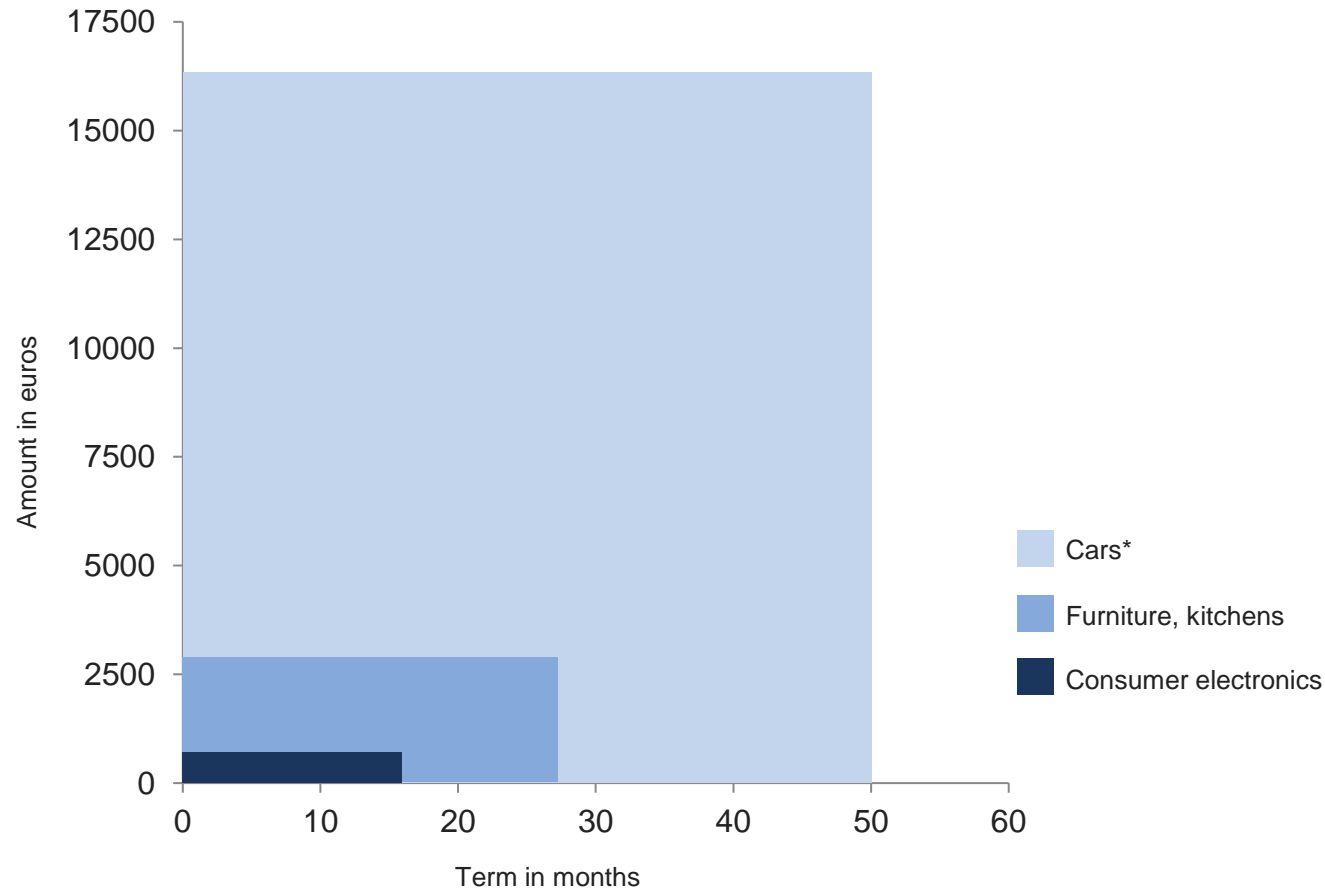


Q16: When making the following purchases, have you ever specifically asked a dealer about financing offers, or has a dealer ever asked you about such offers?  
 Basis: Users of financing products in retail trade n = 362, \*Net amount, rounding-off differences possible



The higher the financing amount, the longer the term.

## Financing in retail trade – amounts and terms



### 2021

**Cars – Total\***  
2020

**New cars\*\***  
2020

**Used cars\*\***  
2020

**Furniture, kitchen**  
2020

**Consumer electronics**  
2020

**Term**  
in months

**Amount**  
in euros

|    |        |
|----|--------|
| 50 | 16.400 |
| 49 | 17.000 |
| 49 | 19.900 |
| 48 | 20.200 |
| 50 | 13.300 |
| 50 | 12.700 |
| 27 | 2.800  |
| 27 | 2.800  |
| 16 | 700    |
| 18 | 700    |

Q17a: Do you currently have loans for one or more purchases made by mail order/at retail outlets or car dealers? Please state whether you have financed the following purchases.

Q17c: If you have, what amount was financed in each case? Q17d: And how many months does the loan period comprise?

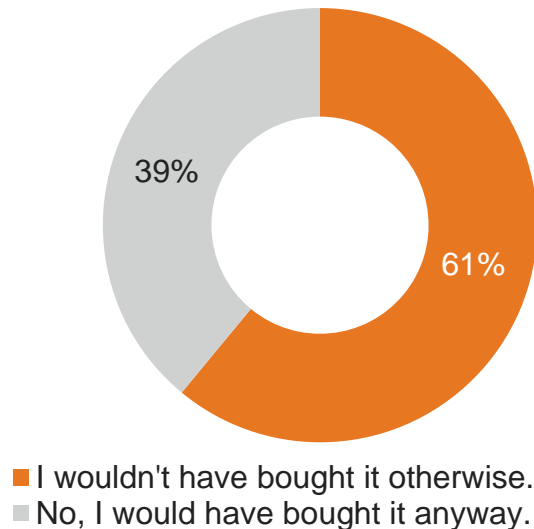
Basis: Users of financing products in retail trade n = 362; "other" not shown; \*means from new, used, electric, and hybrid vehicles; \*\*from 2021 exclusively gasoline/diesel/gas



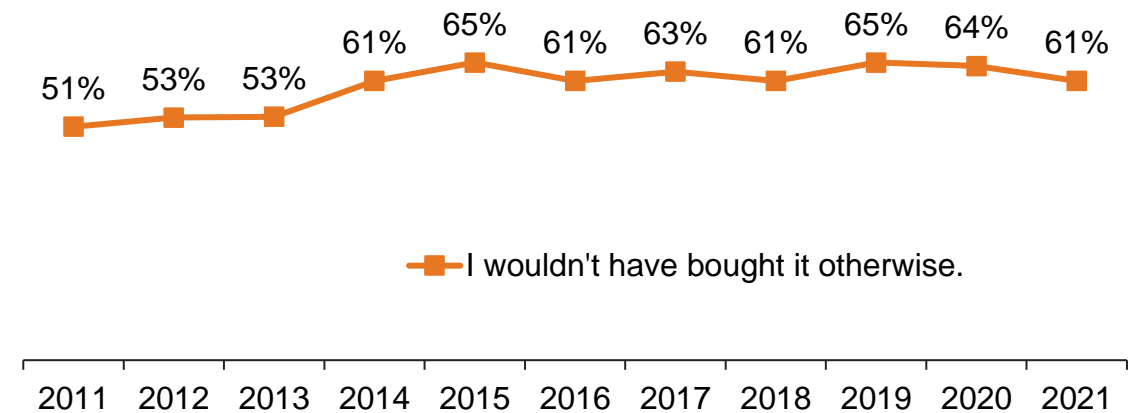
Without the financing option in retail, 61% of the financed purchases would not have been made.

## Influence on purchase decision

### Influence on purchase decision



### Time series



— I wouldn't have bought it otherwise.

Q17e: Did the option of financing influence your purchase decision, i. e. your decision to buy the product or not?  
Basis: Users of financing products in retail trade 2020 n = 394, 2021 n = 362; percentaged to all products = 100%

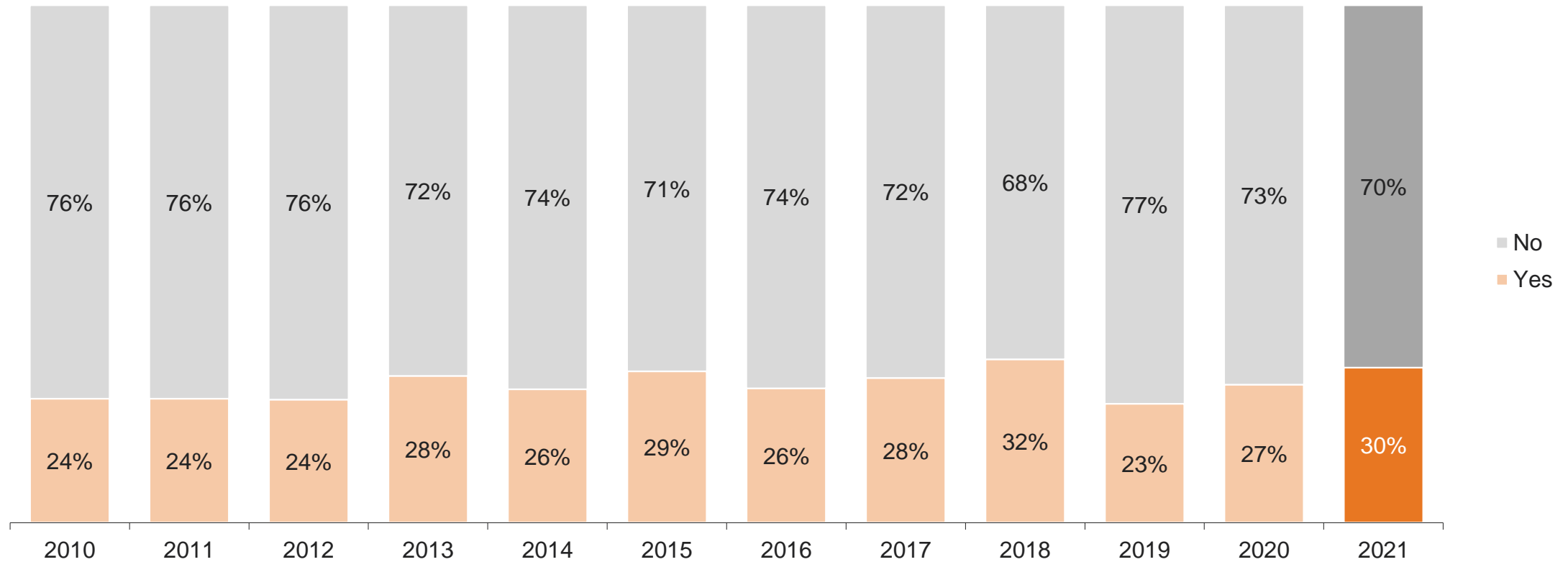
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One in three of all instalment loan users have taken out payment protection insurance.

## Conclusion of a payment protection insurance over time

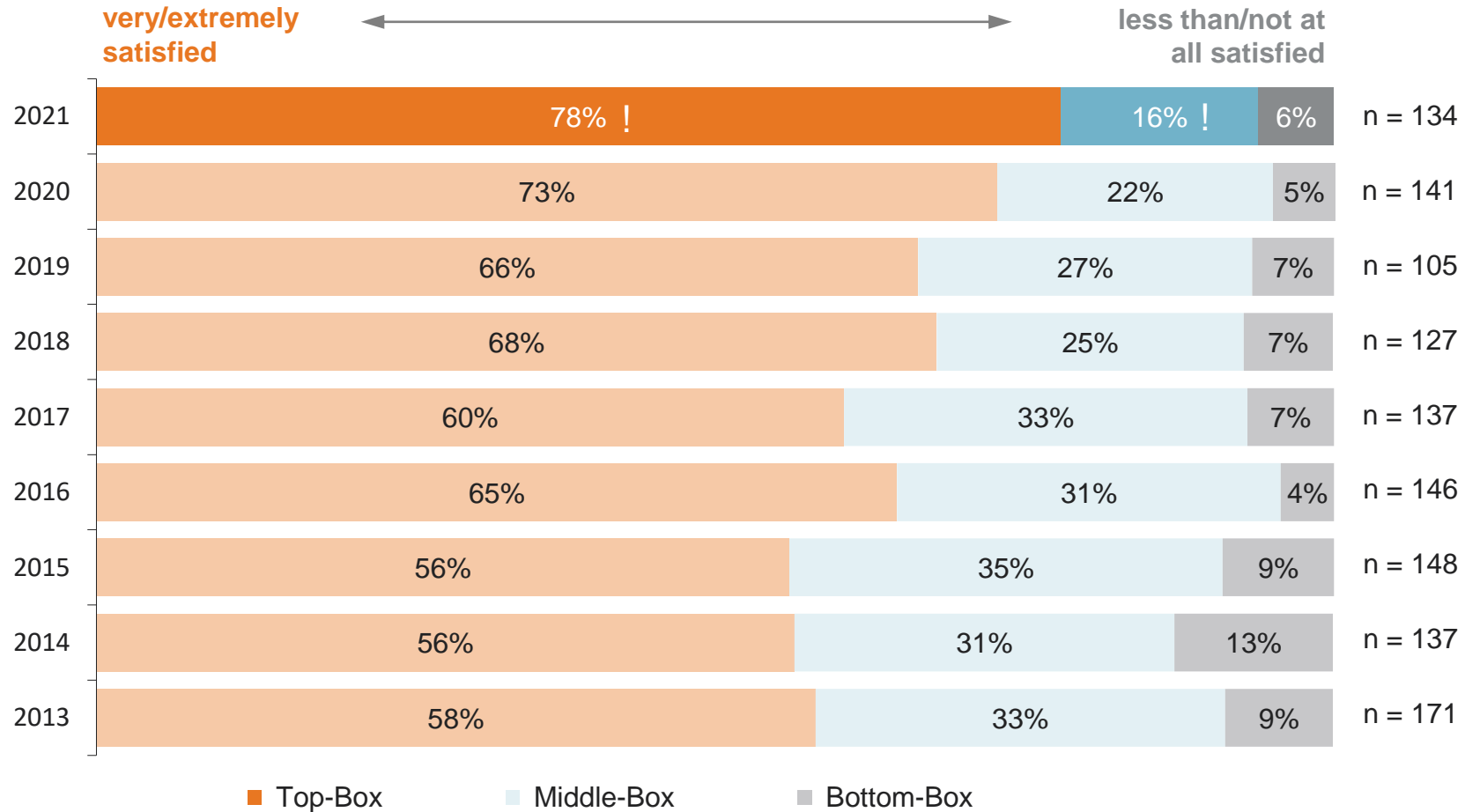


Q10: Have you taken out payment protection insurance for your most recent instalment loan?  
Basis: Instalment loan users 2021 n = 446



Satisfaction with payment protection insurance has increased significantly, reaching a record high.

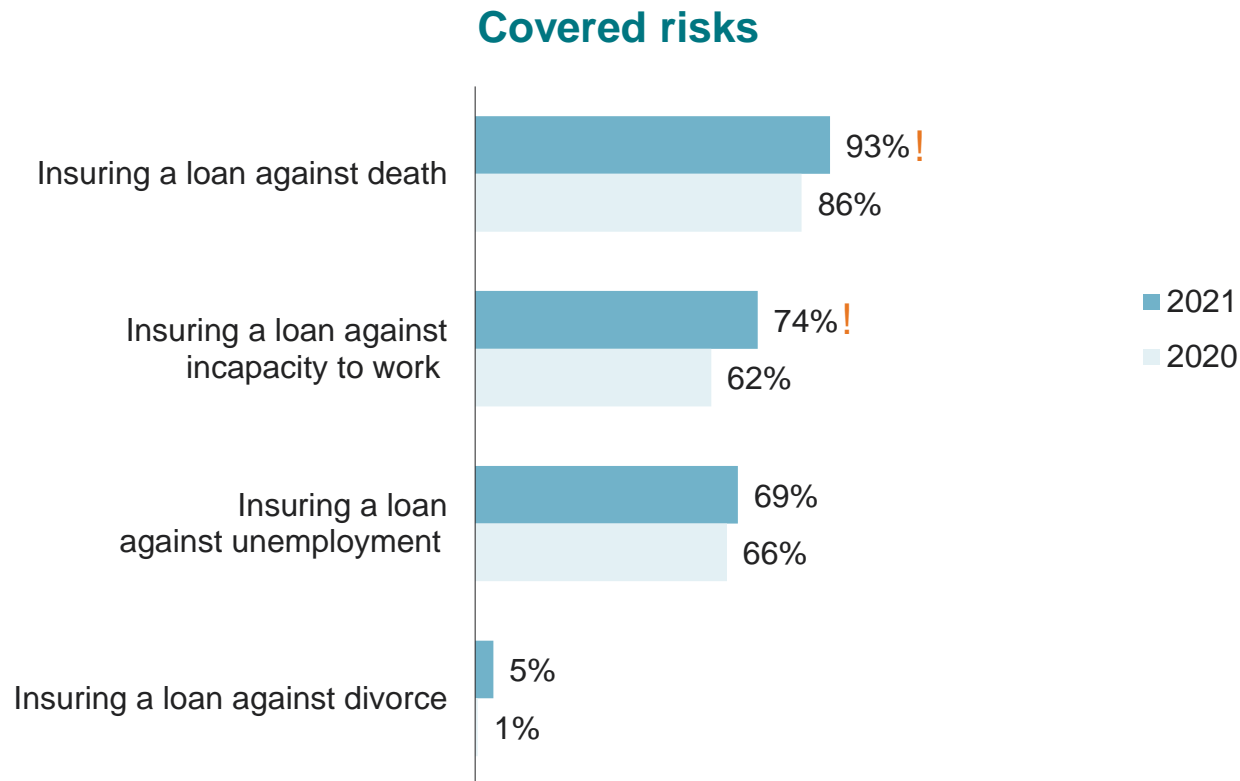
## Satisfaction with payment protection insurance



Q14: How satisfied are you overall with your payment protection insurance?  
 Basis: Instalment loan users with payment protection insurance (without don't know)

A loan is most often secured against the risk of death.  
But incapacity to work is also a focus.

## Conclusion of payment protection insurance by risks



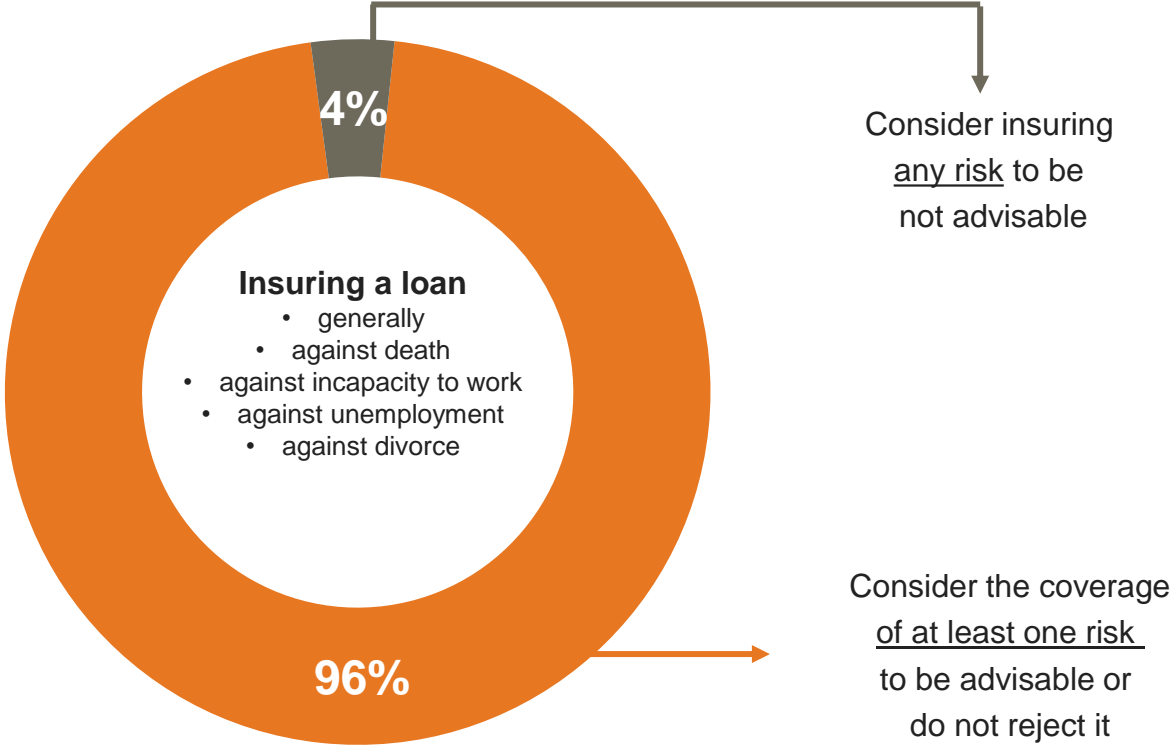
Q13: What risks does your payment protection insurance cover?

Basis: Instalment loan users with a payment protection insurance 2020 n = 140, 2021 n = 133 (without don't know); multiple answers possible, some tendency statements



Insurance against at least one risk is considered sensible by 96% of the users of financing.

Need for protection



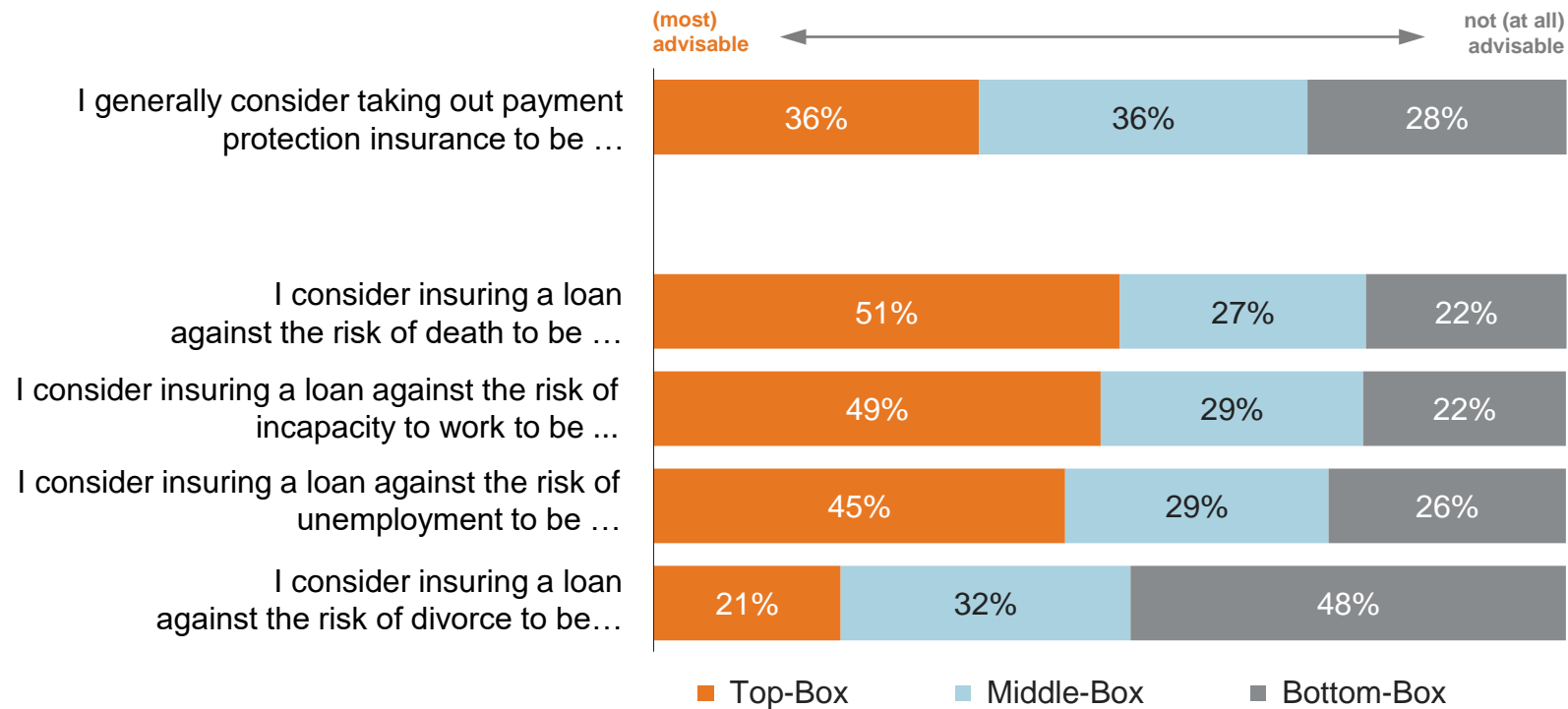
Q15a: How advisable do you think it is to take out payment protection insurance in general, and how advisable do you consider it is to cover the following specific risks with payment protection insurance?  
Basis: Users of financing products 2021 n = 592





In general, more than one-third of financing users think it makes sense to take out payment protection insurance.

## Consumer attitudes

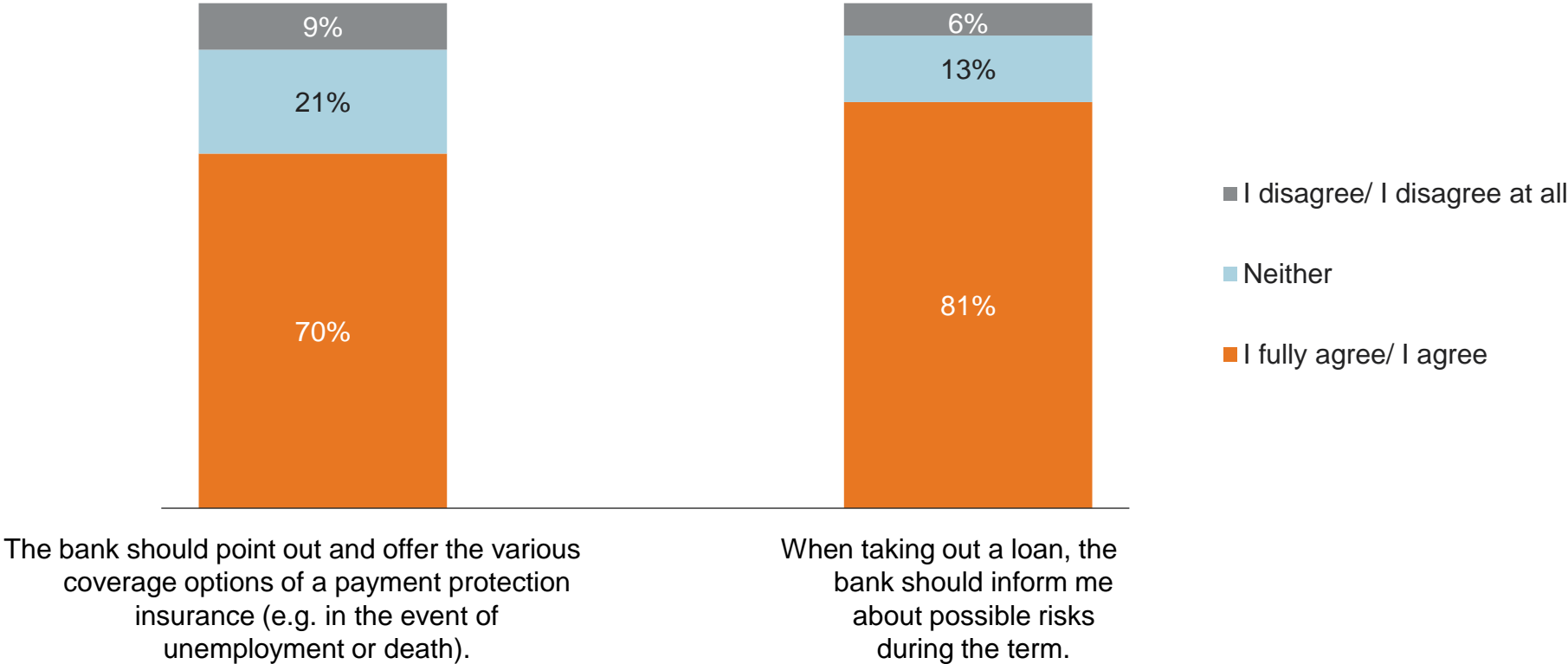


Q15a: How advisable do you think it is to take out payment protection insurance in general, and how advisable do you consider it is to cover the following specific risks with payment protection insurance?  
Basis: Users of financing products n = 592



Eight out of ten consumers would like to be informed about the risks during the term of the credit when taking out the credit.

### Consumer expectations



Q15c: How do you rate payment protection insurance in general in terms of the following aspects?  
Basis: All respondents n = 1.869 (without don't know)



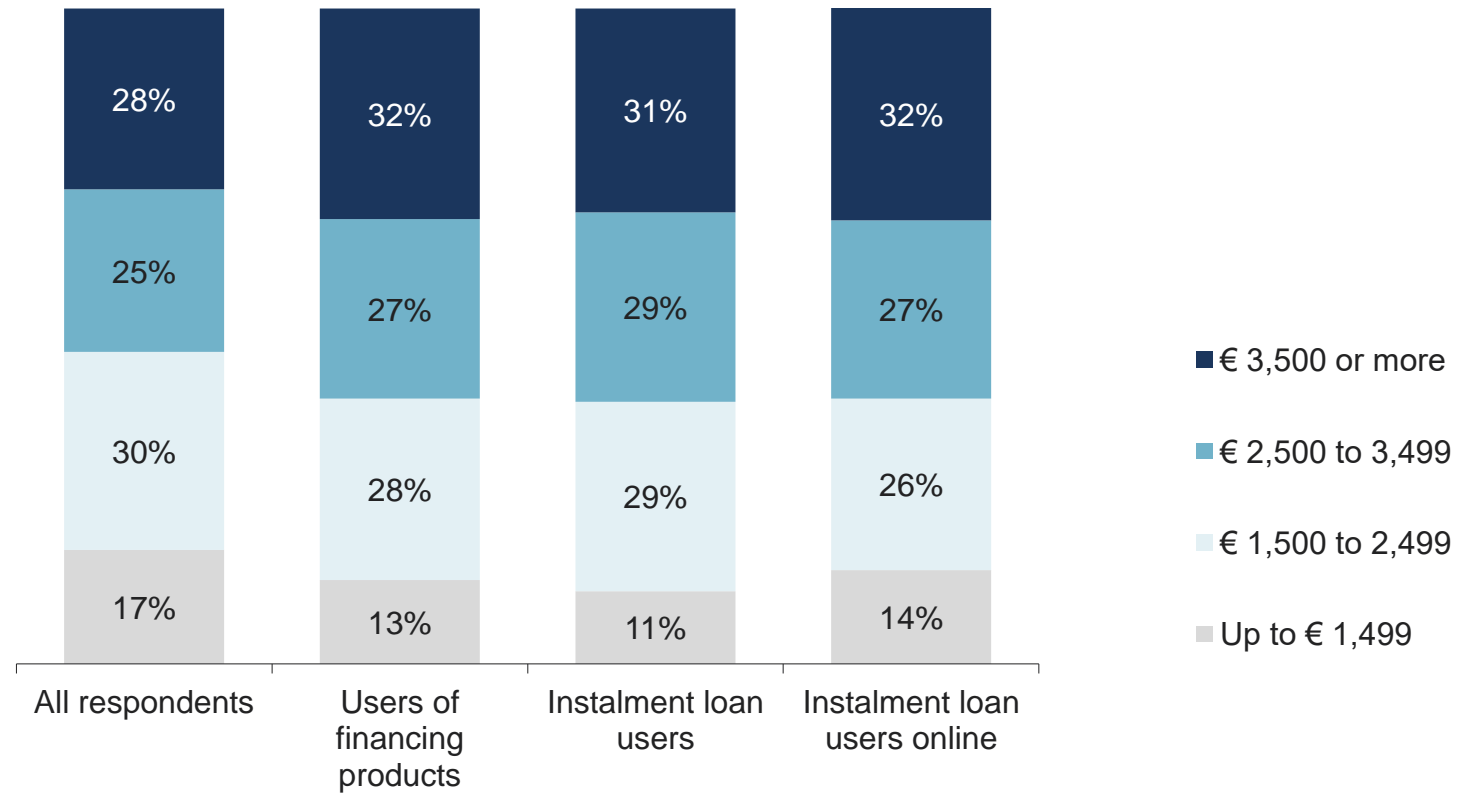
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# Net household income

## Statistics



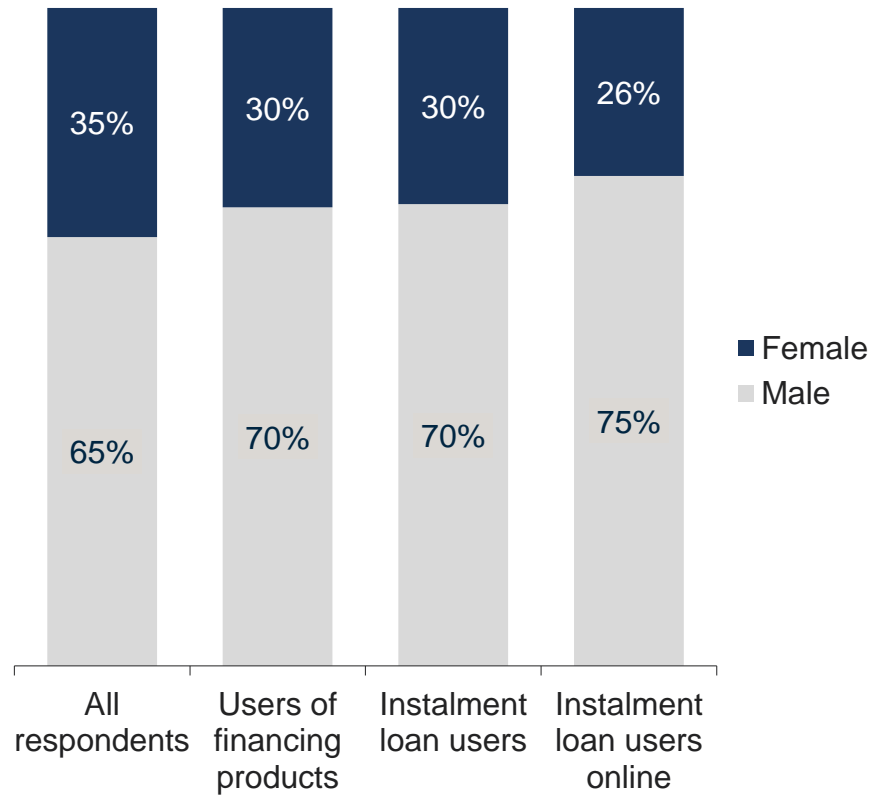
Basis: All respondents n = 1,875, users of financing products n = 592, instalment loan users n = 446, instalment loan users online n = 129



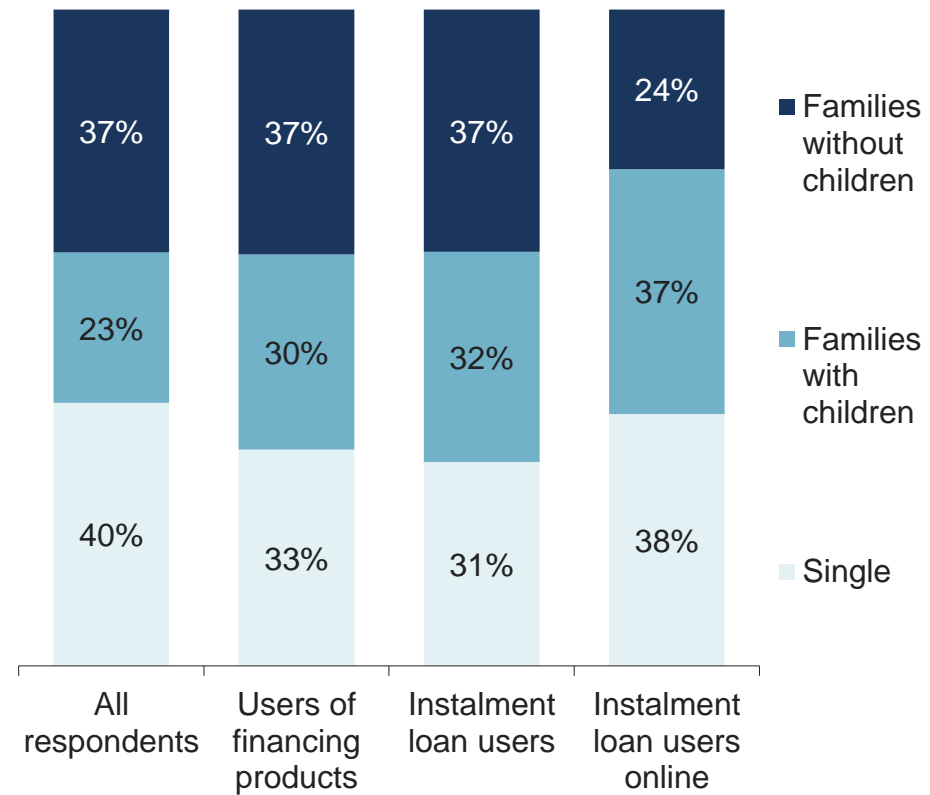
# Gender and marital status

## Statistics

### Gender of head of household



### Life cycle type

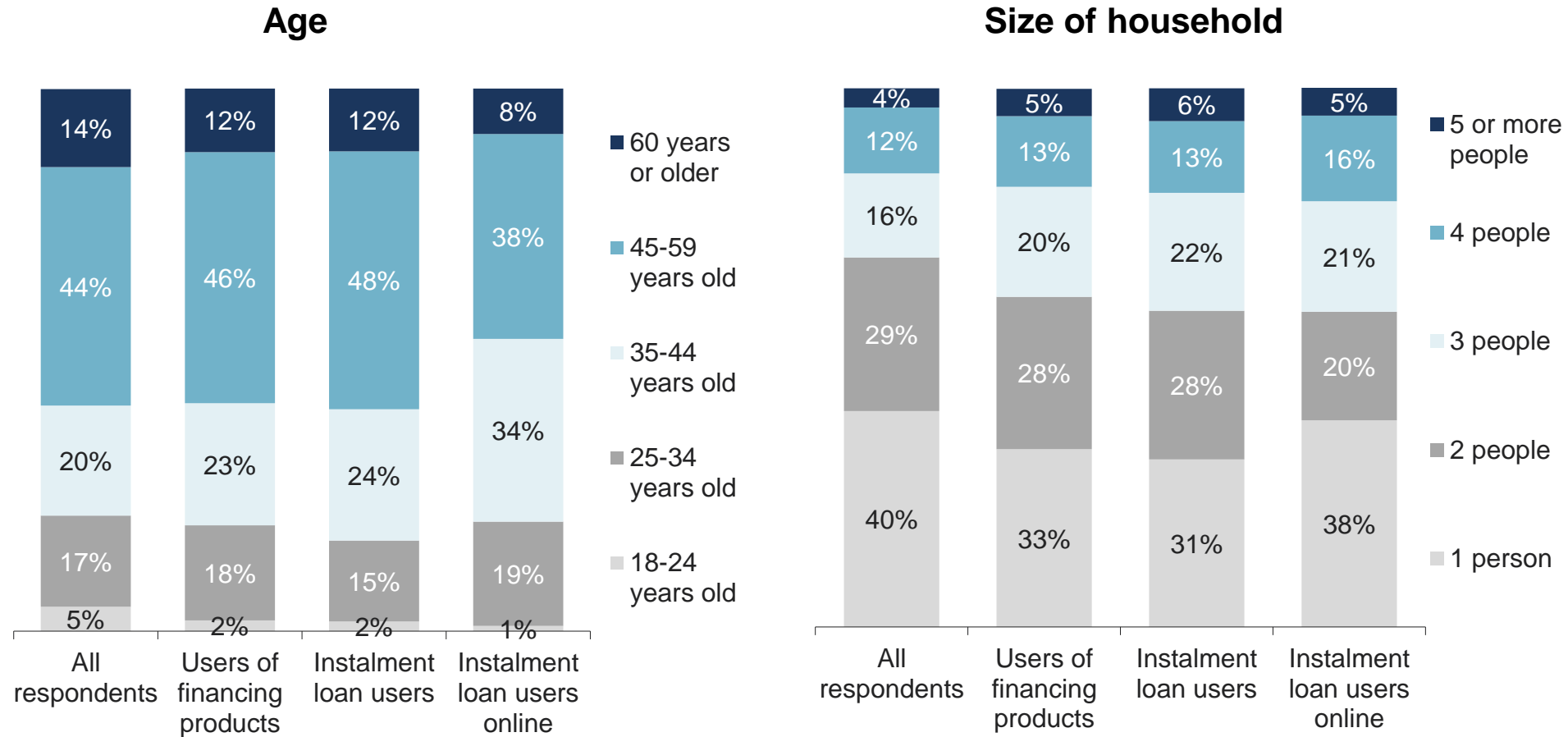


Basis: All respondents n = 1,875, users of financing products n = 592, instalment loan users n = 446, instalment loan users online n = 129



# Age and size of household

## Statistics



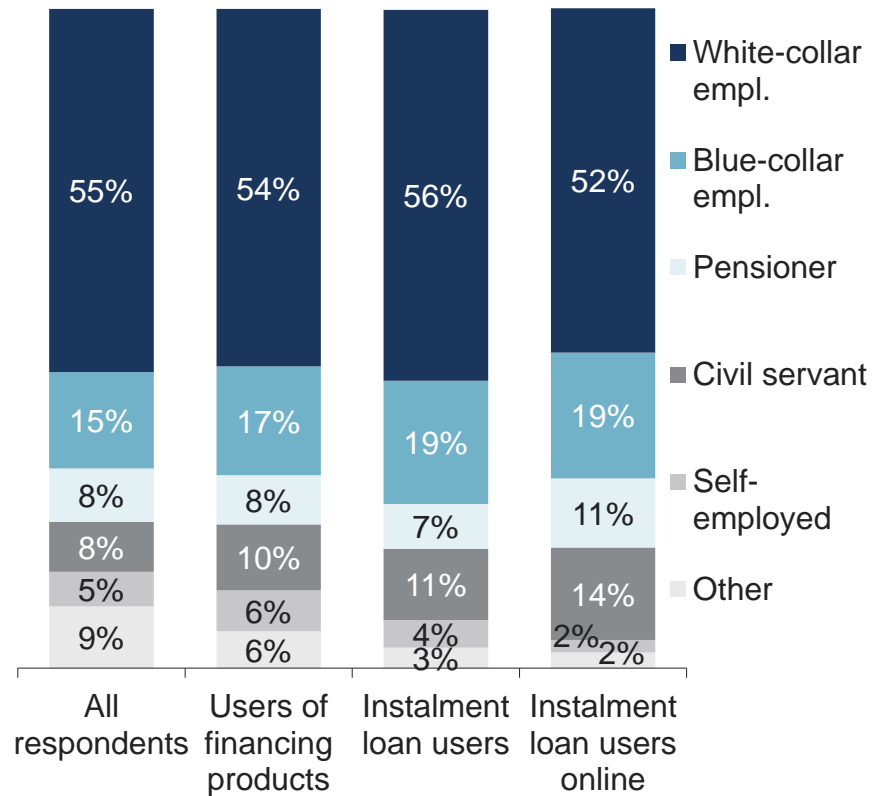
Basis: All respondents n = 1,875, users of financing products n = 592, instalment loan users n = 446, instalment loan users online n = 129



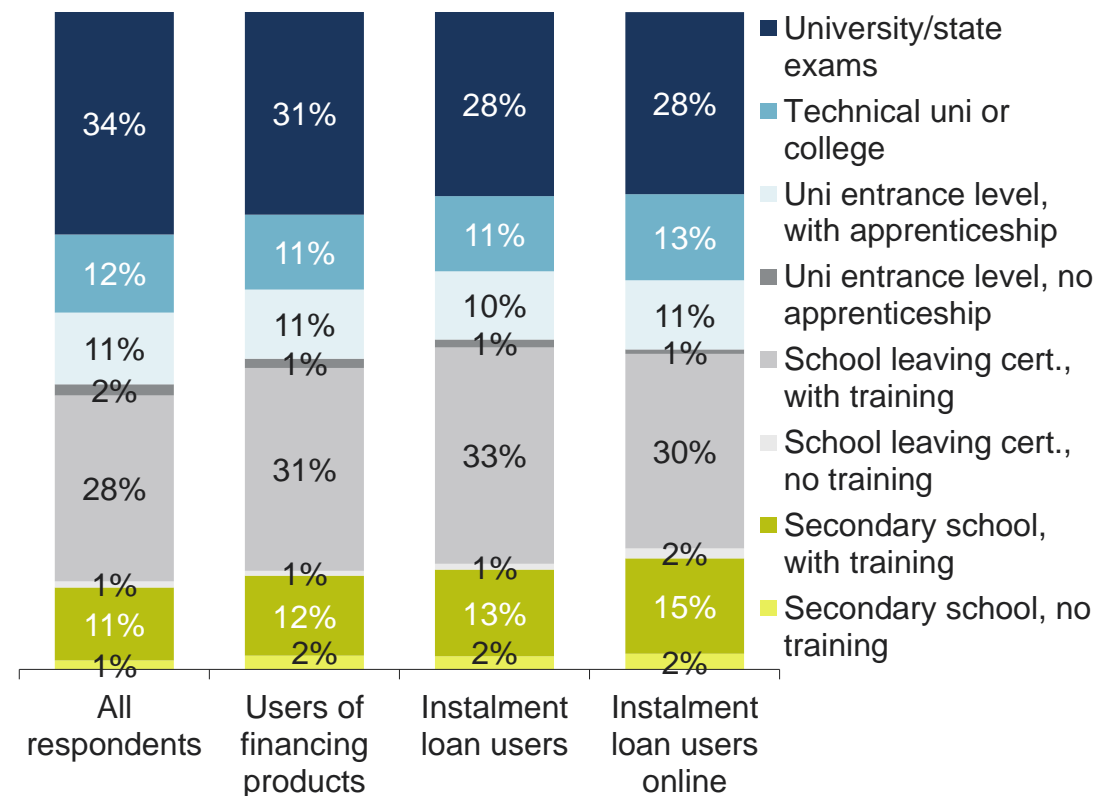
# Occupation and educational attainment

## Statistics

### Occupation



### Educational attainment



Basis: All respondents n = 1,875, users of financing products n = 592, instalment loan users n = 446, instalment loan users online n = 129



# Background of the study



The members of the Bankenfachverband (German Association of Credit Banks) finance consumer goods and commercial investments.

The purpose of this study is to provide information regarding various forms of financing, consumer attitudes as well as actual consumer behavior in relation to the use of consumer credits in July 2021.

Other aspects surveyed include attitudes towards loans and intentions to use as well as detailed results about payment protection insurance, financing in retail trade, online loan agreements and sustainability.

**NOTICE:** The results are based on information provided by consumers in July 2021 and refer to all financing used at that time, regardless of when the contract was concluded. In particular, consumer attitudes and financing intentions should be considered in the light of the specific situation of the COVID-19 pandemic.





# Case numbers

|  |   |
|--|---|
| <b>ALL RESPONDENTS</b><br>↓ in detail:             | n=1,875 (all respondents)   |
| <b>USERS OF FINANCING PRODUCTS</b><br>↓ in detail: | n=592 (all respondents who use at least one form of financing)      |
| <b>INSTALMENT LOAN USERS</b><br>↓ in detail:       | n=446 (all respondents who use at least one instalment loan)        |
| <b>INSTALMENT LOAN USERS ONLINE</b>                | n=129 (all respondents who use at least one instalment loan online) |

## ABOUT IPSOS

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Ipsos is the number 3 worldwide in the market research sector. With a strong presence in 87 countries, Ipsos employs more than 16,000 people and conducts market research in more than 100 countries. Founded in 1975 in Paris, Ipsos is still managed by researchers today. With a positioning as a multi-specialist, a solid group was built up - media and advertising research; marketing research; customer and employee relationship management; social and political research; mobile, online, offline data collection and delivery.

In Germany, Ipsos is present with approx. 750 employees at six locations: Hamburg, Frankfurt, Nuremberg, Munich, Berlin and Mölln.

Ipsos has been listed on the Paris Stock Exchange since 1999.

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## Ipsos buys the GfK Financial Market Panel

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Since 2008, the Bankenfachverband has been conducting studies on consumer and vehicle finance together with GfK.

In October 2018, for strategic reasons, GfK withdrew from four custom research business units.

The four divisions Experience Innovation, Customer Experience, Health and Public Affairs with around 1,000 employees in 25 countries were taken over by Ipsos.

The units acquired by Ipsos also include the GfK Financial Market Panel and its support team, which is also responsible for carrying out and analyzing the market study "Consumer Financing in Germany".

The survey will continue to be conducted using the same method in the GfK Household Panel in order to ensure a stable database and maximum comparability.

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