

CONSUMER AND VEHICLE FINANCING IN GERMANY






Market Study 2022

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

GAME CHANGERS



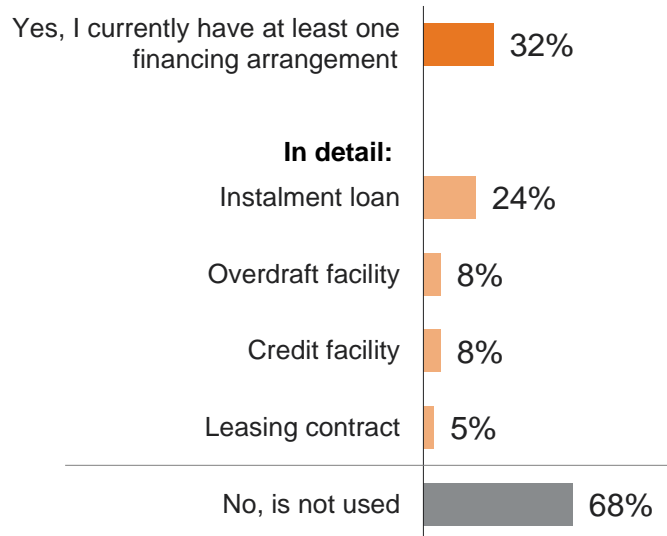
About the study

 METHOD	Survey, supporting study: GfK Financial Market Panel (written survey, in parts online)
 SURVEY PERIOD	24 June 2022 to 18 July 2022
 TARGET GROUP	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
 SAMPLE	n=1,794 interviews; results were weighted according to age, profession, income, family status and size of location
 FREQUENCY OF THE STUDY	Once a year
 SURVEYED AREA	Federal Republic of Germany

Key findings of the study

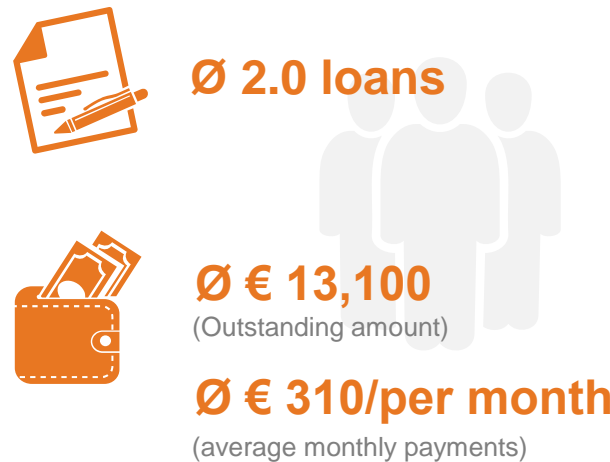
Consumer and Vehicle Financing 2022

Use of financing



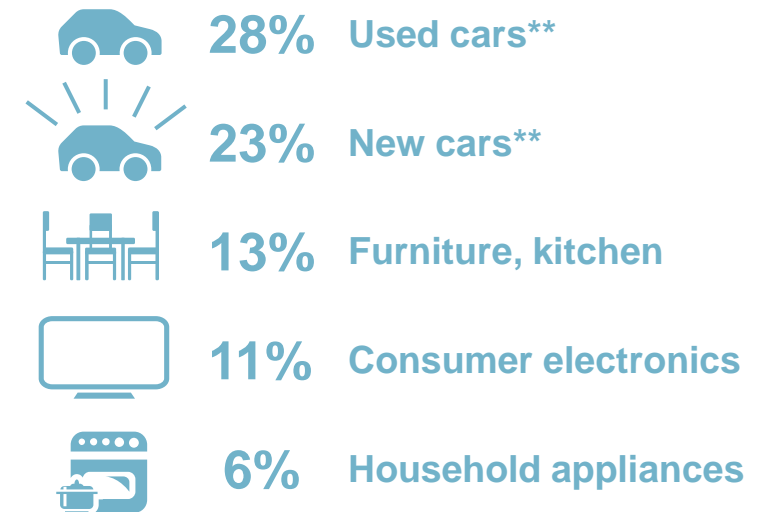
Every third consumer currently uses at least one form of financing.

Number and outstanding amount



Households that use financing have an average of 2.1 contracts.
The total outstanding amount is € 13,100.
On average, € 310 are repaid per month.

Intended purpose*



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

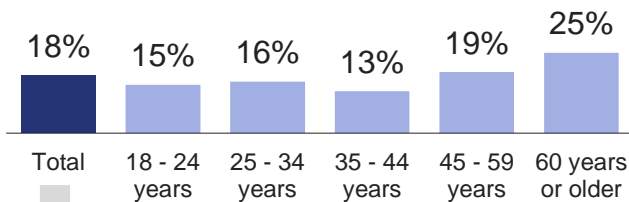
*Top 5 purchases, Basis: Instalment loan users, multiple answers possible
**without Electric/hybrid cars

Key findings of the study

Sustainability

Attention to sustainability in financial services

18% of all consumers consider sustainability when purchasing financial services.



↓ **51%** with willingness to pay more.

49% without willingness to pay more.

Half of them would also be willing to pay more money for it.

Purchase of Sustainable / energy-efficient products

36%

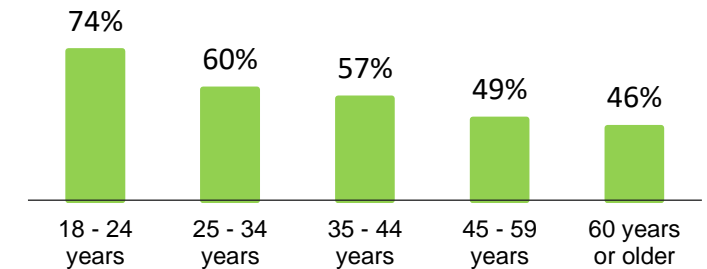
would be more likely to consider purchasing a sustainable/energy-efficient product if offered the appropriate financing



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

Importance of sustainability in the next 12 months

54% of all respondents expect the issue of sustainability in financial services to increase over the next 12 months.



Younger age groups in particular believe that the issue of sustainability in financial products will become more important in the next 12 months.

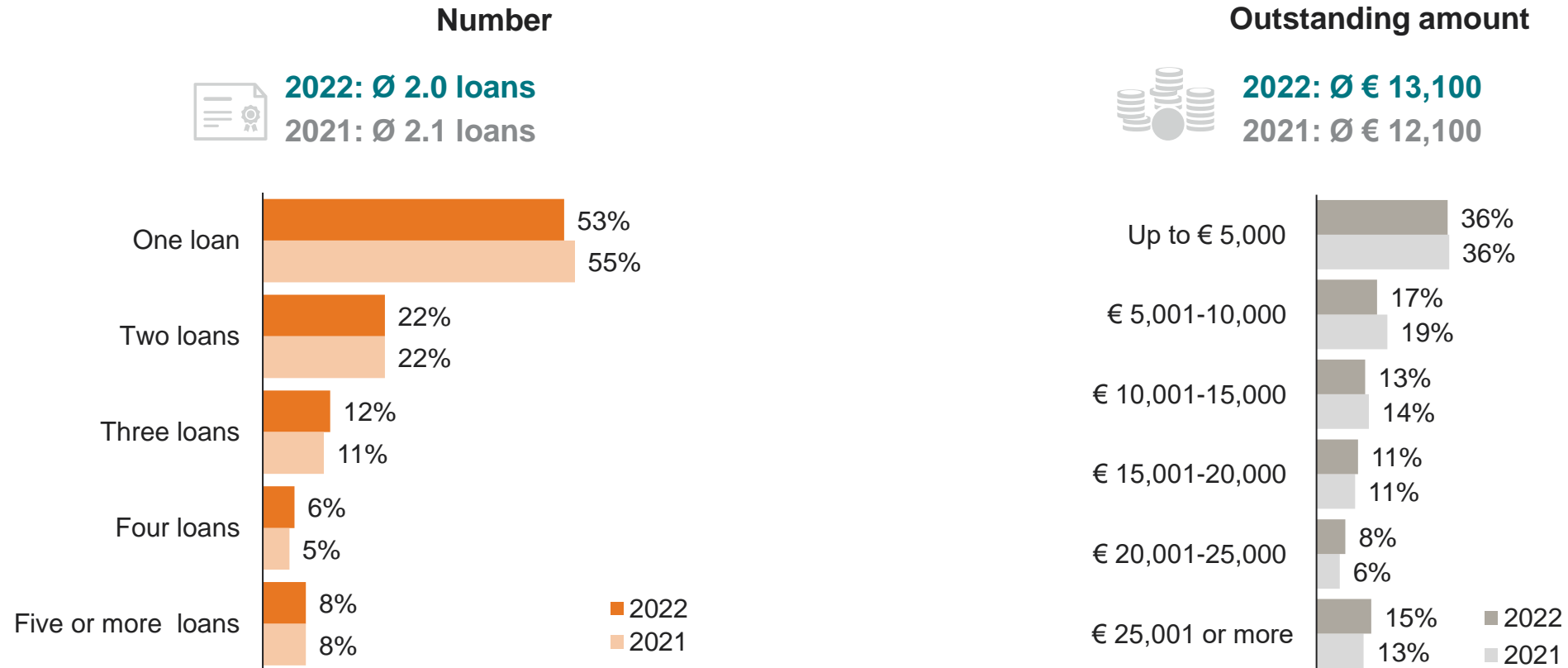
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More than half of all users of financing products have only one financing.

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?

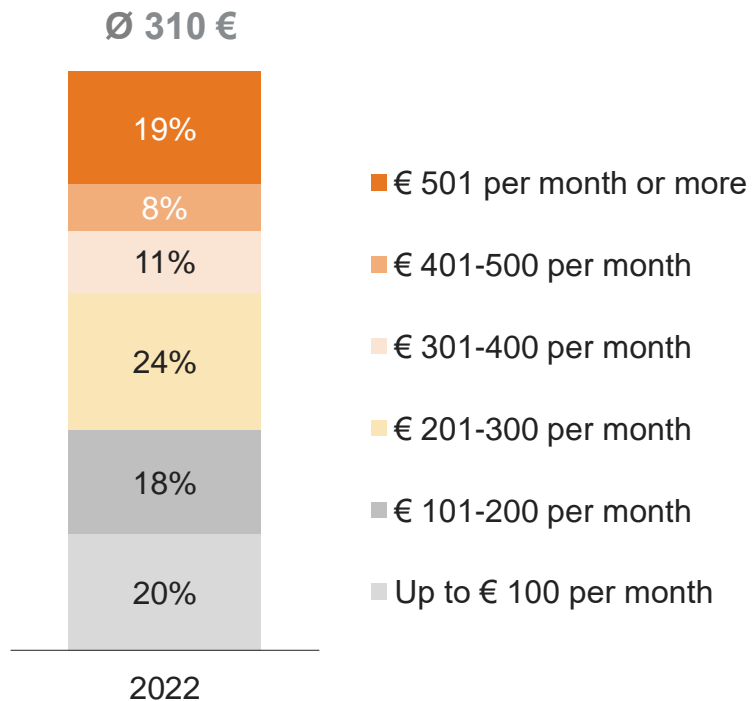
Q2g: And what is the amount (excluding mortgage financing) that you still have to pay back for these loans?

Basis: Users of financing products 2021 n=592/484, 2022 n=569/469; rounding-off differences possible

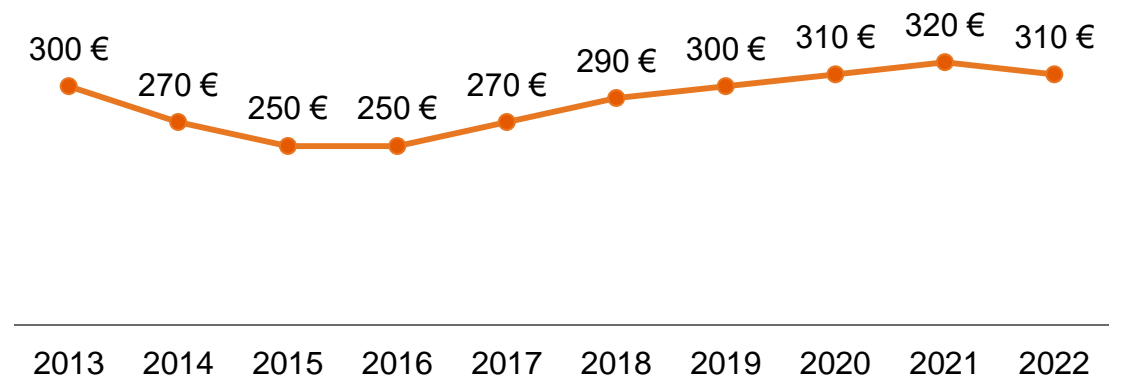


Monthly repayments for all financing products are on average 310 euros in instalments.

Total amount of monthly payments



Total amount of average monthly payments in time comparison



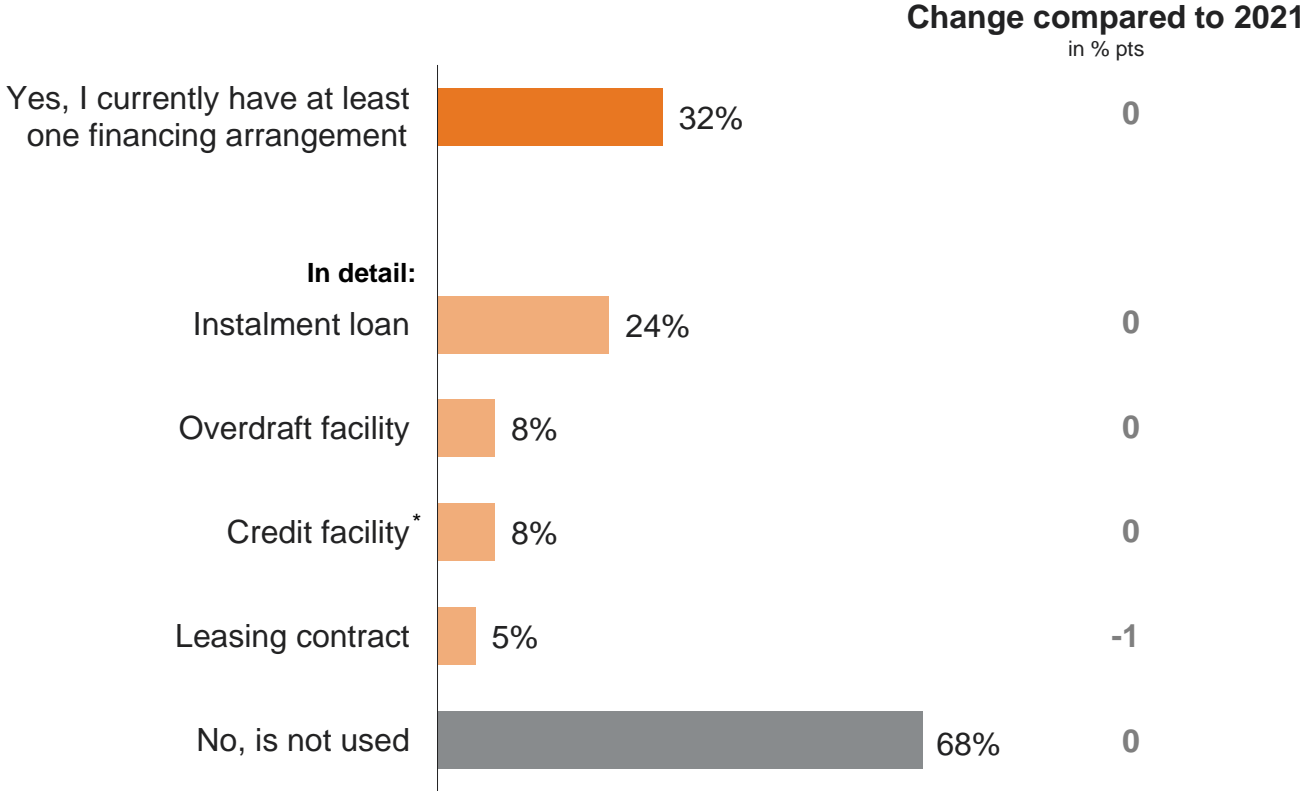
Q3: What are your total monthly instalments?

Basis: Users of financing products 2022 n=569, 2021 n=592, 2020 n=687; rounding-off differences possible



The most common form of financing used by consumers to purchase consumer goods is the instalment loan.

Use of financing

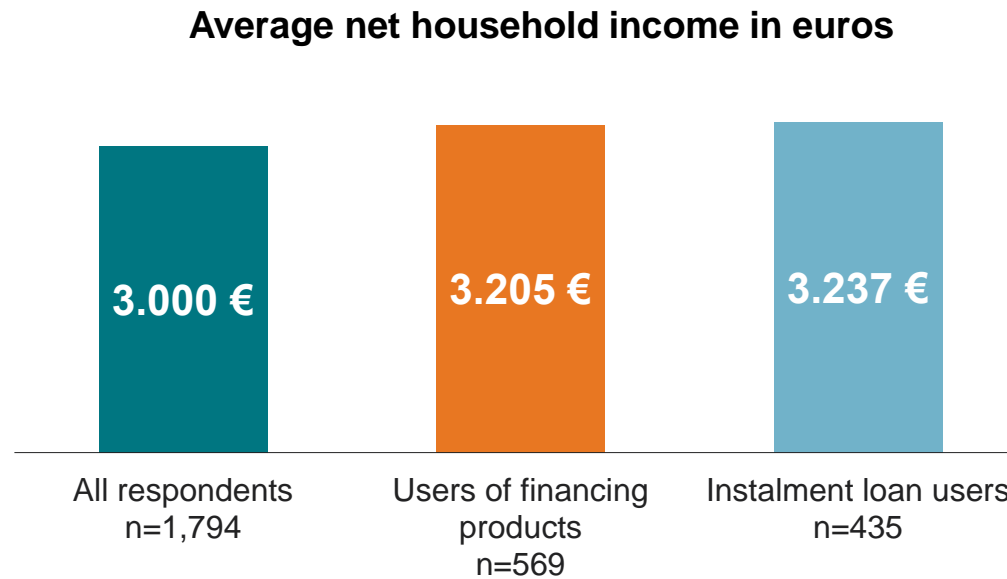


Q2a: Are you currently using one of the following loans/forms of financing?
Basis: All respondents n=1,794; multiple answers possible; *without overdraft facility



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

Individual forms of financing according to net household income*

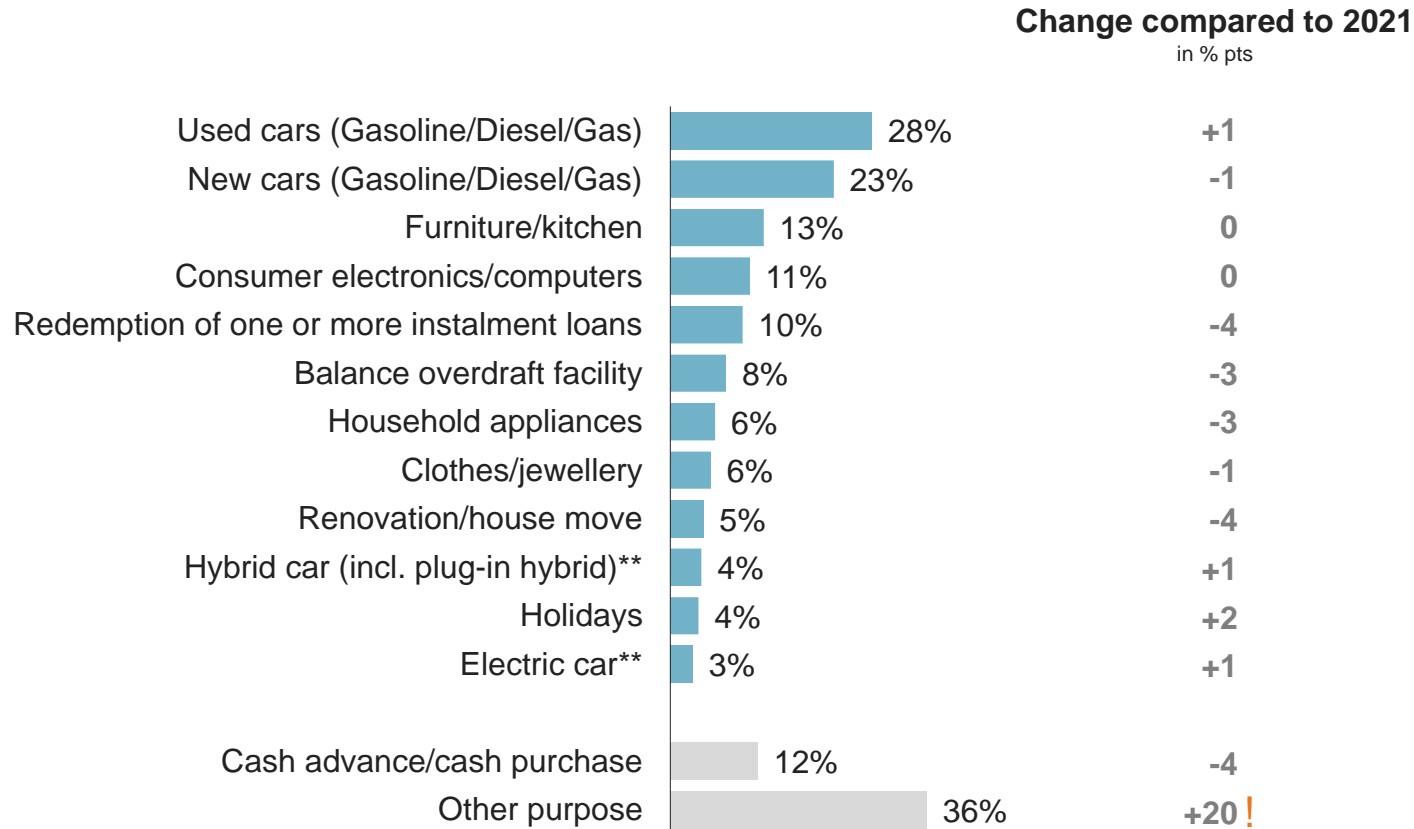


Q2a: Are you currently using one of the following loans/forms of financing?
Basis: All respondents; *calculated from the middle of the class



Instalment loans are mainly used for the purchase of a car.
 Around one in four instalment loans is taken out to finance a new car.

Intended purpose – instalment loan users*



Other forms of financing not shown:

	Change compared to 2021 in % pts	
E-Bike	2.4%	+0.5
Bike	1.2%	+0.8
Camper/caravan	1.2%	-1.0
Motorcycle/moped/ scooter	0.6%	-0.3

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

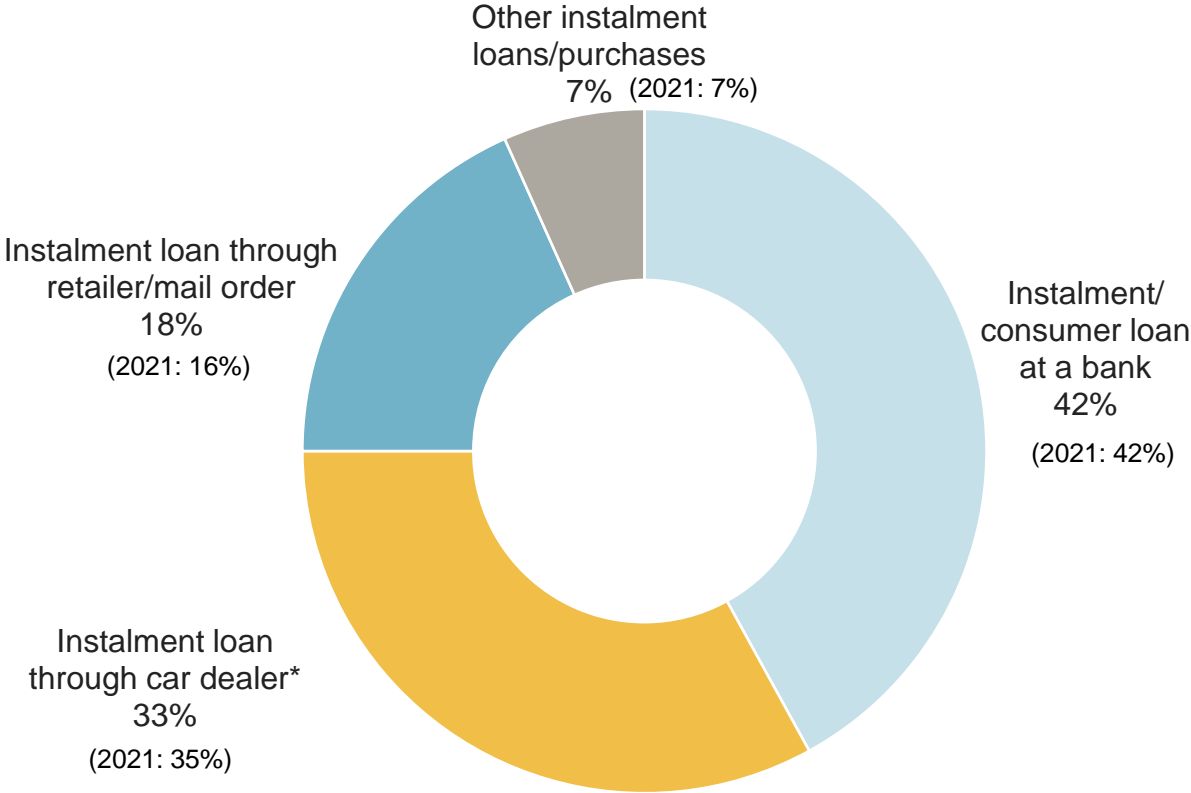
Q2c: And what did you use your current loan for?

Basis: instalment loan users n=435; multiple answers possible; *including Personal contract purchase; **new and used cars



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

Allocation of instalment loan forms

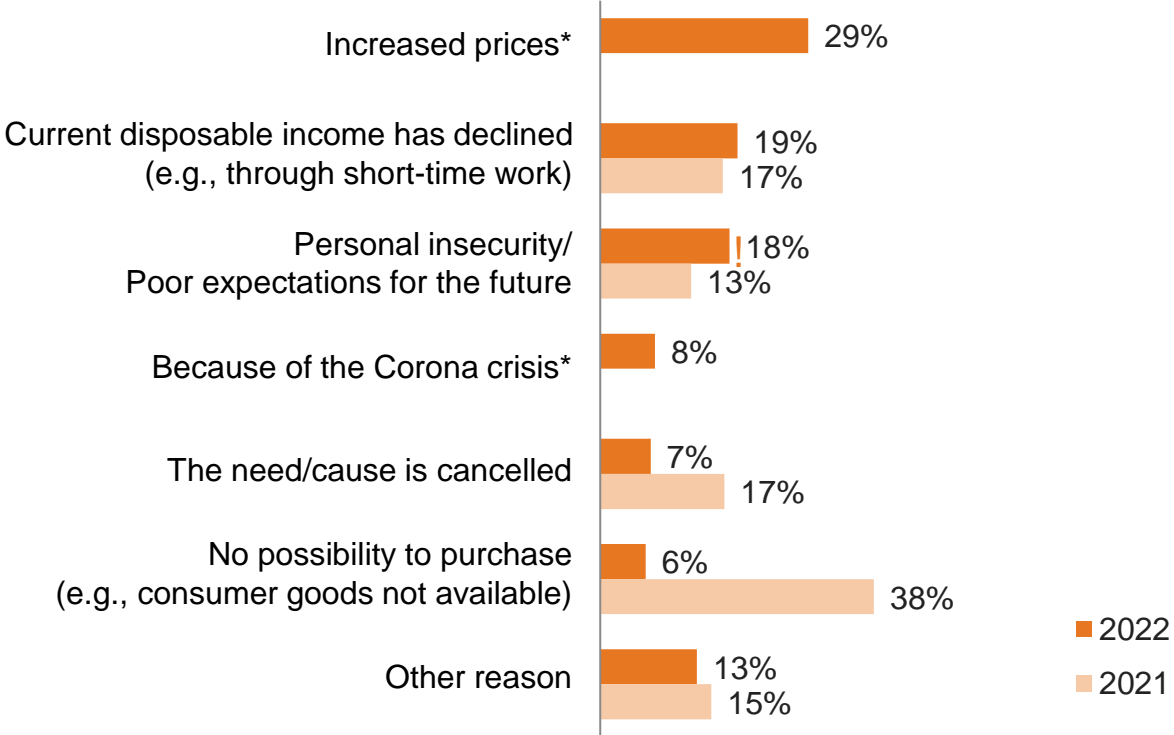
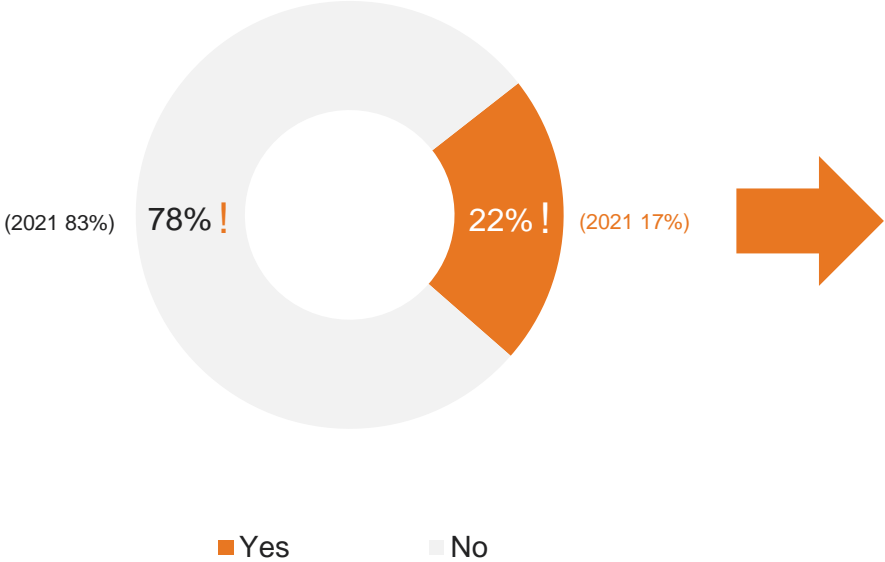


Q6a: If you use instalment loans/instalment purchases: Please indicate which forms of instalment loans you use.
Basis: Instalment loans n=552; all instalment loans =100%; *including Personal contract purchase



One-fifth of respondents have postponed or rejected planned purchases in the past twelve months. Increased prices were stated the main reason.

Purchase postponed or rejected and main reason

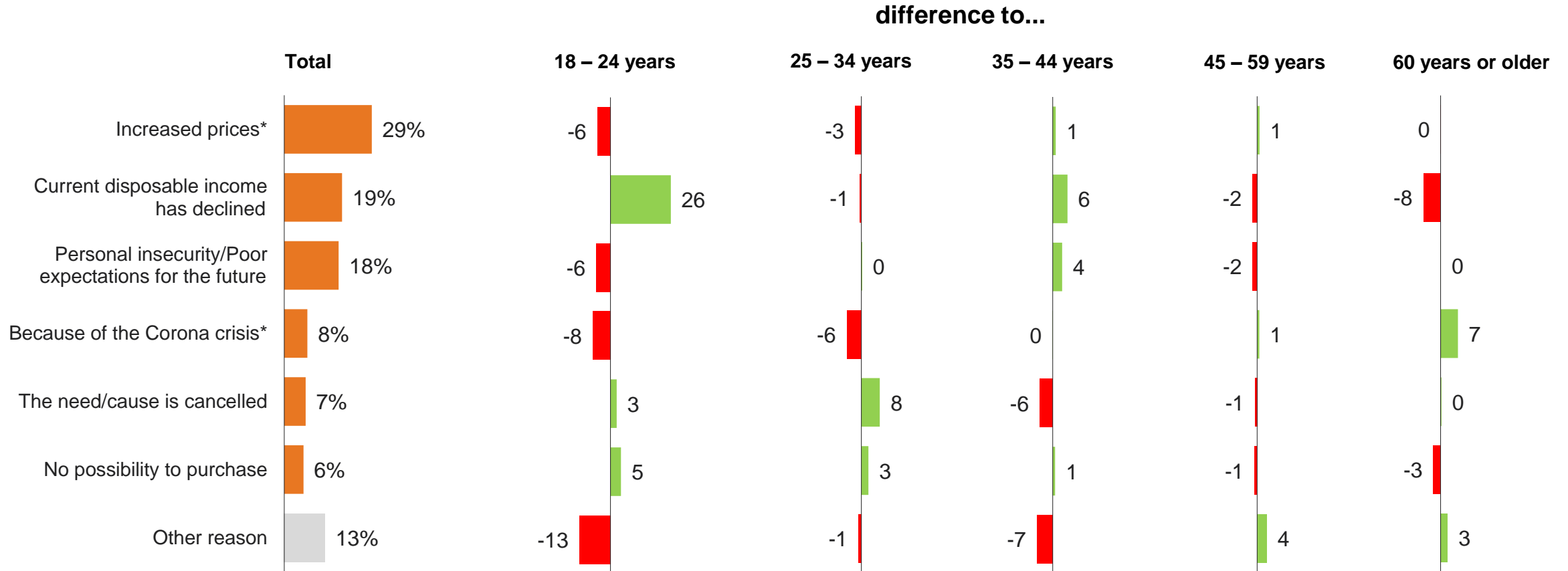


Q21a: Have you postponed or foregone planned purchases/expenses altogether in the last 12 months?
 Q21b: If yes: For what main reason did you postpone or forgo these purchases/expenses altogether?
 Basis: All respondents 2021 n=1,874, 2022 n=1,793; thereof 2021 n=310, 2022 n=387 with at least one planned purchase which has not (yet) been made; *new from 2022



The decrease of disposable income was decisive for the postponement or rejection of purchases, especially among 18-24-year-olds.

Main reason for postponement/rejection – Age



Q21b: If yes: For what main reason did you postpone or forgo these purchases/expenses altogether?

Basis: n=387 (2022) with at least one planned purchase which has not (yet) been made; *new from 2022; rounding-off differences possible



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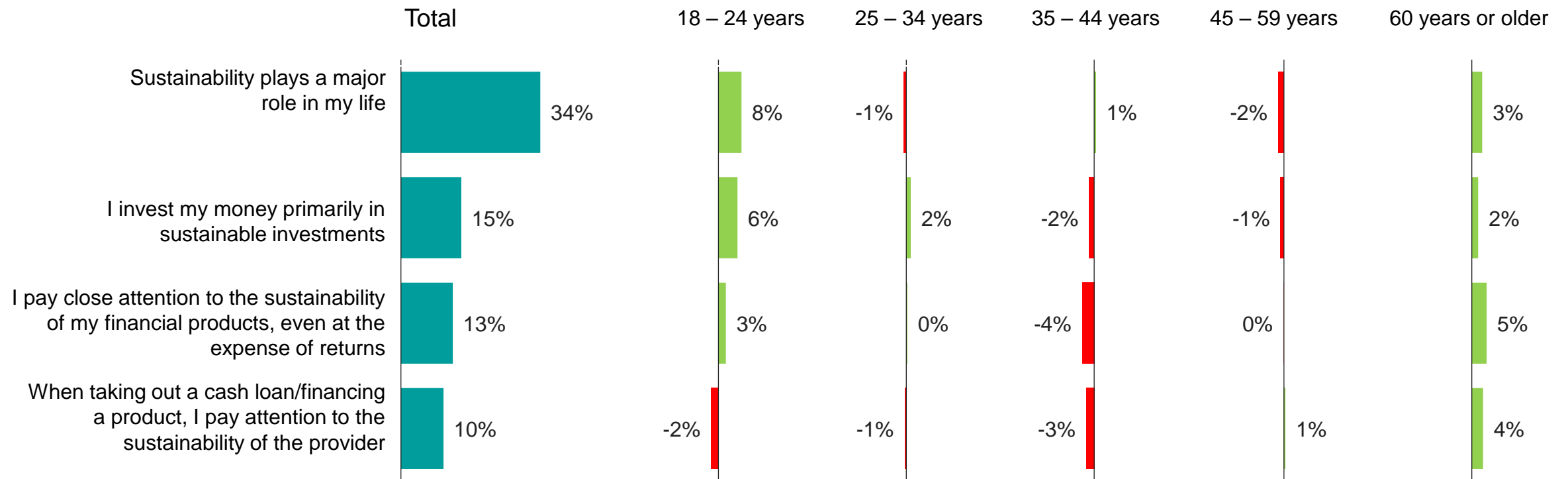


Both younger and older people pay more attention to sustainable aspects in general and when it comes to finances than middle-aged people.

Opinion on sustainability

Top 2-Box
(I fully agree)

Top2-Box: difference to ...



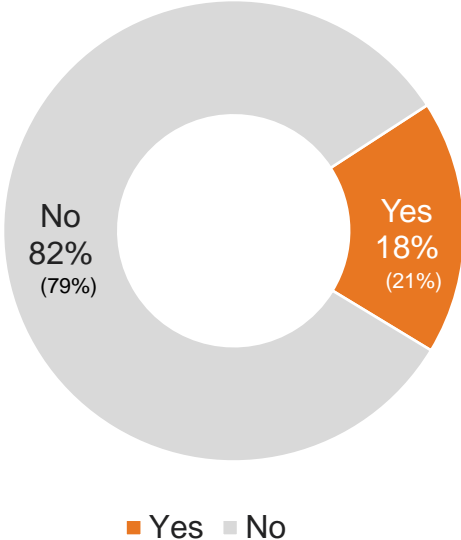
Reading example: Overall, 34% of respondents say sustainability plays a major role in their lives. Compared to all respondents, sustainability plays a greater role among 18-24-year old's (+8% points – Top2 box value 42%).

Q27: Please arrange your opinion in the last step in the following statements.
Basis: All respondents (without don't know) n=1,780

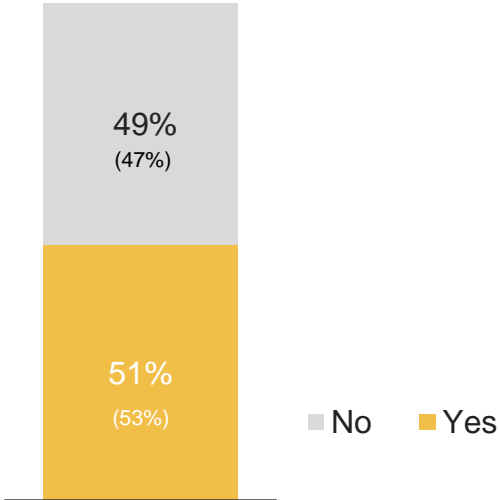
Around one fifth of respondents consider sustainability when using financial services. Half of them would be willing to spend more money on it.

Sustainability in financial services

Consideration of sustainability in new contracts



Willingness to pay more for sustainability

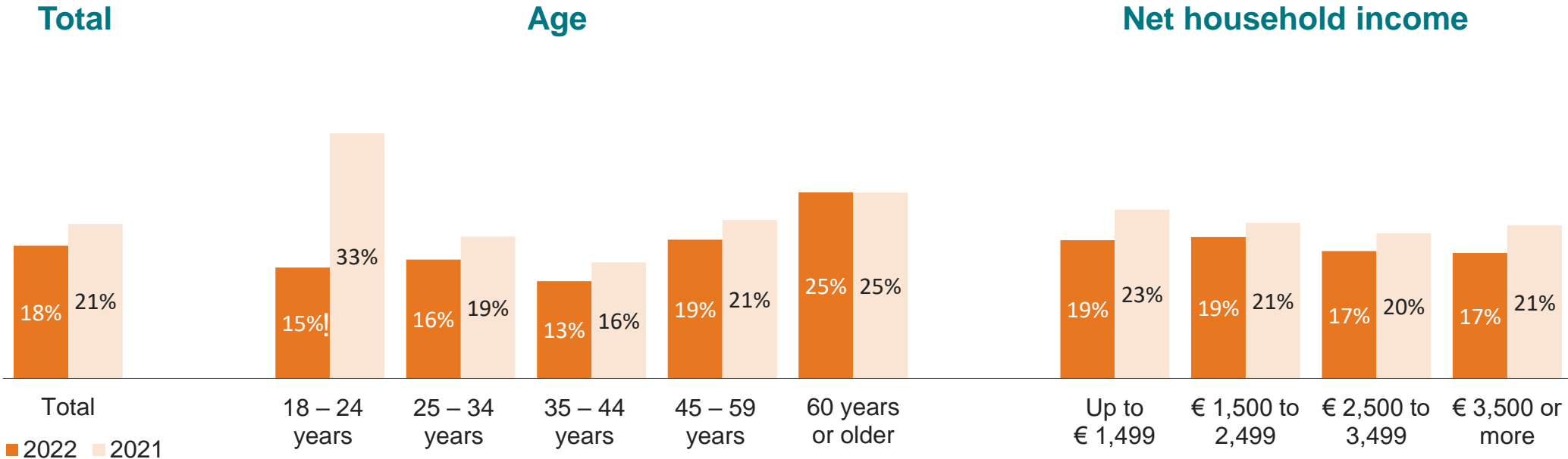


Q25: Do you pay attention to the sustainability of banks and Sparkassen when contracting financial services?
Q26: Would you be willing to pay more money for financial services if banks or Sparkassen attached particular importance to sustainability?
Basis: All respondents (without don't know) n=1,789, n=319 respondents who pay attention to sustainability in new contracts; values from 2021 in brackets



Almost all age groups pay less attention to sustainability when purchasing financial services than in the previous year, especially younger people.

Sustainability in financial services

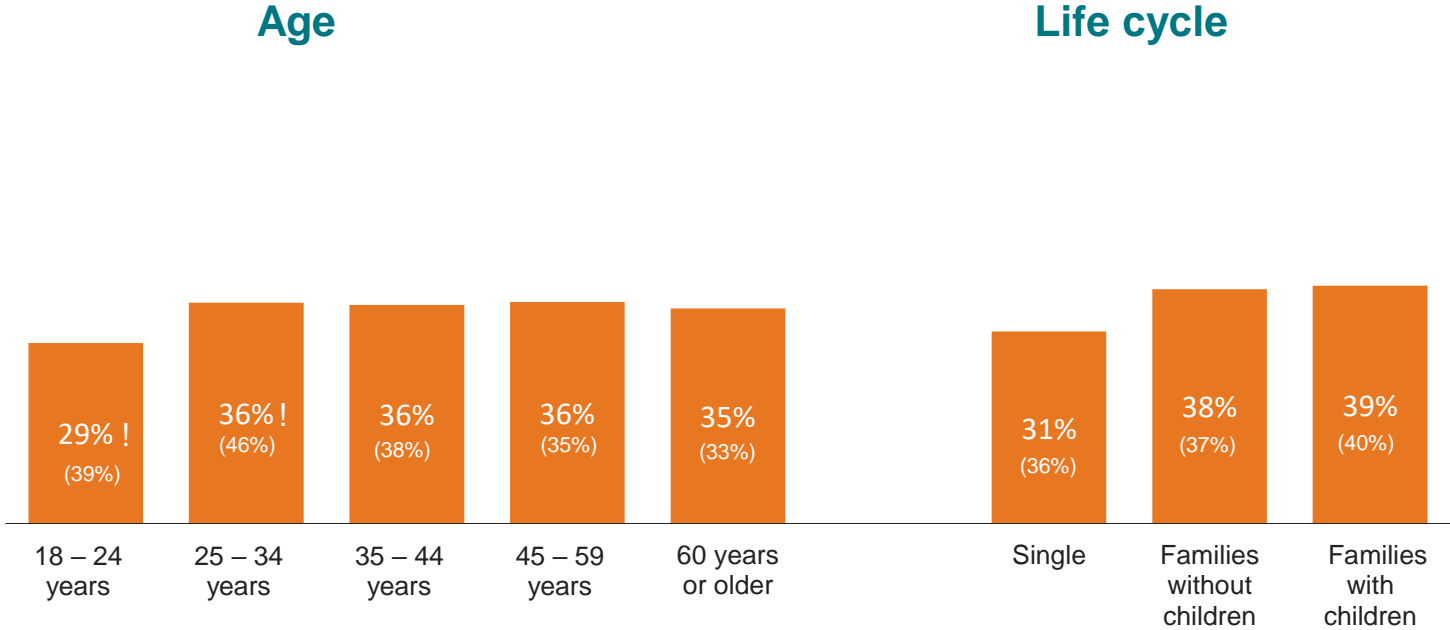
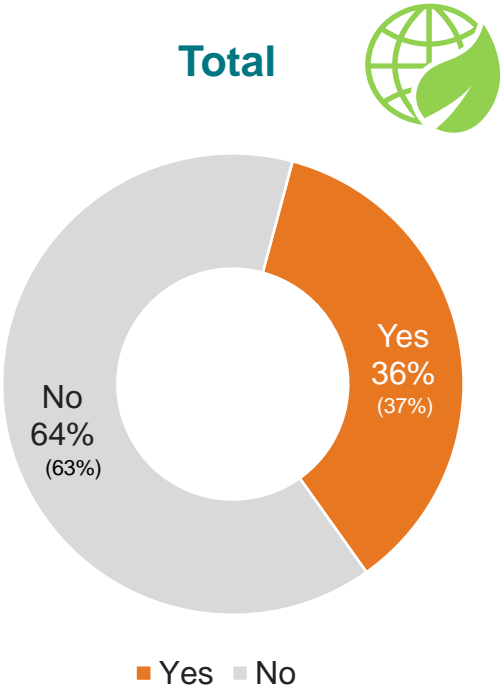


Q25: Do you pay attention to the sustainability of banks and Sparkassen when contracting financial services?
 Basis: All respondents (without don't know) 2021 n=1,871, 2022 n=1,789



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

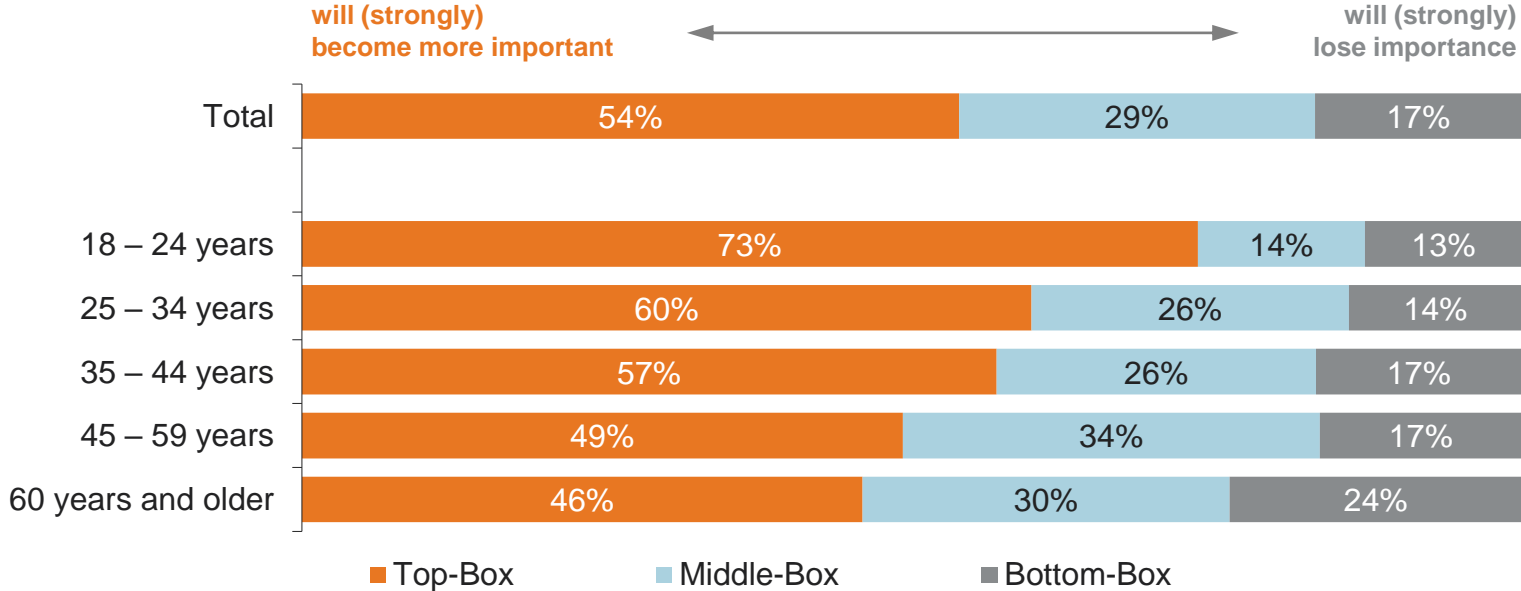


Q28: Would you be more likely to consider purchasing a sustainably manufactured/energy efficient product (this refers to major purchases) if you were offered suitable financing to do so?
 Basis: All respondents (without don't know) n=1,786; rounding-off differences possible



More than half of the respondents expect the importance of sustainability in financial services to increase over the next 12 months.

Future importance of sustainability in financial services



Top Box = will (strongly) become more important, **Middle Box** = neither
Bottom Box = will (strongly) lose importance

Q29: What do you think: Will the topic of sustainability in financial services gain or lose importance in the next 12 months?
 Basis: All respondents (without don't know) n=1,102, without „ don't know/can't comment“; rounding-off differences possible



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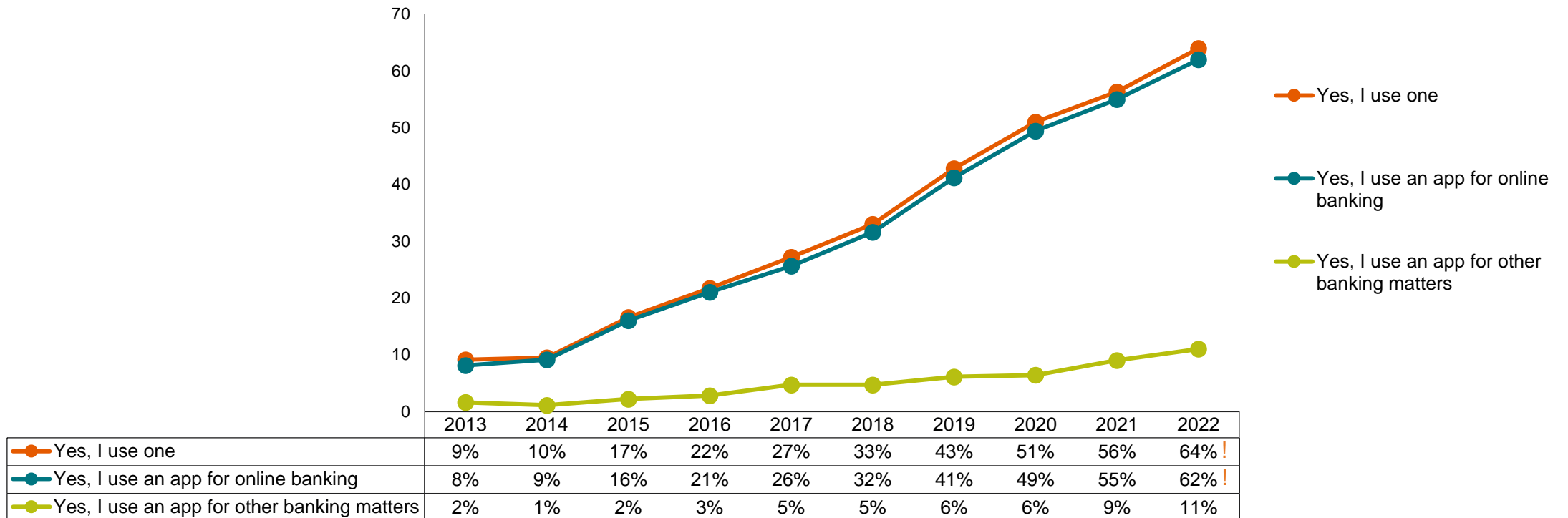
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More and more consumers are using apps for banking transactions. In 2022, six out of ten have already used an app for online banking.

Use of apps for banking transactions

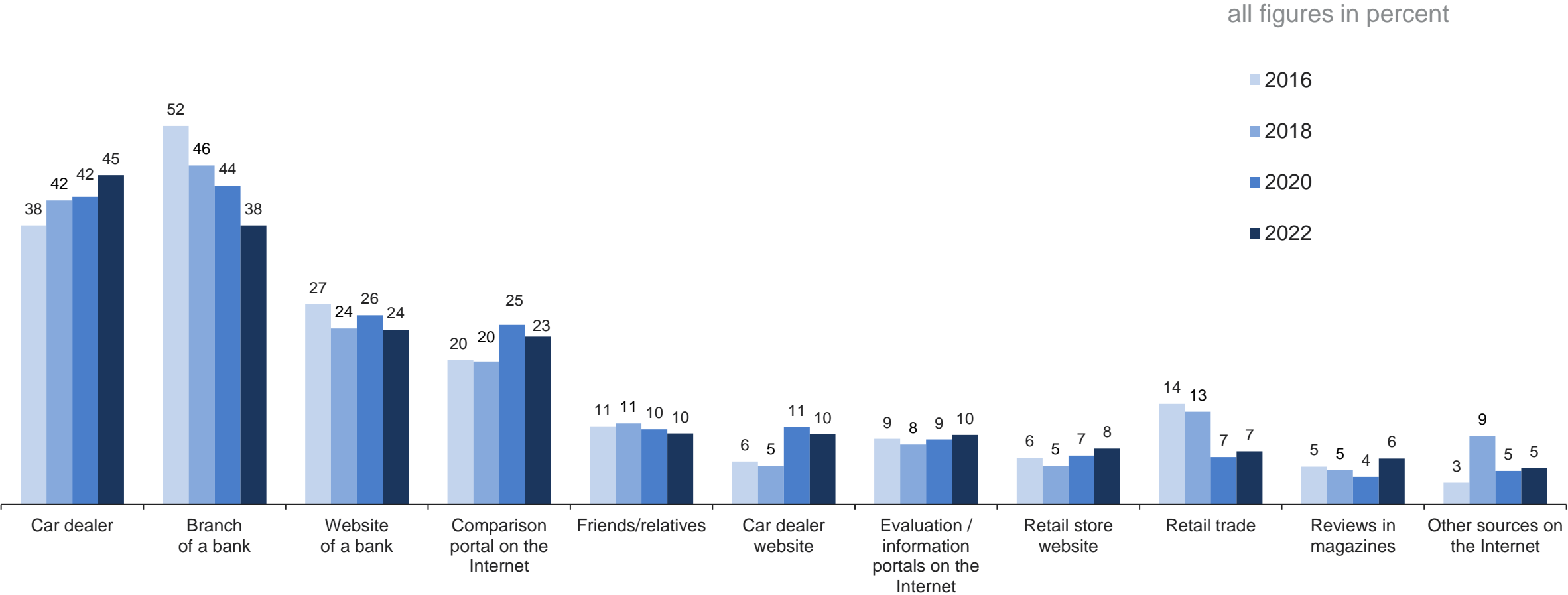
Use of apps for banking transactions



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 (without don't know) 2022 n=1,793

The most important sources of information on financing are still car dealers and bank branches followed by bank websites and comparison portals.

Use of financing – sources of information

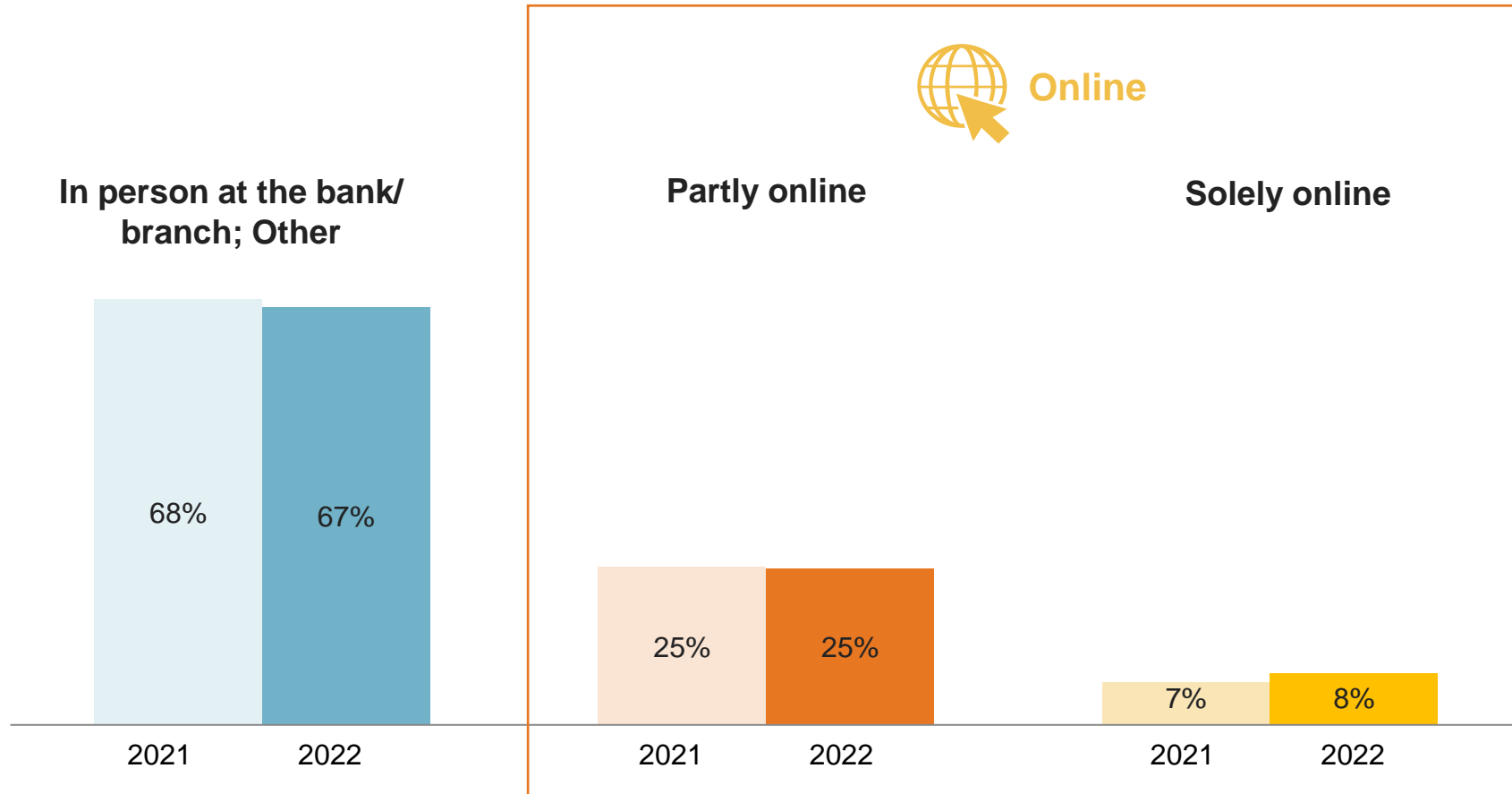


Q4: Did you use the following sources of information before signing your current loan agreements?
 Basis: Users of financing products 2022 n=412



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

Conclusion of instalment loan



Online total

2022:	33%
2021:	32%

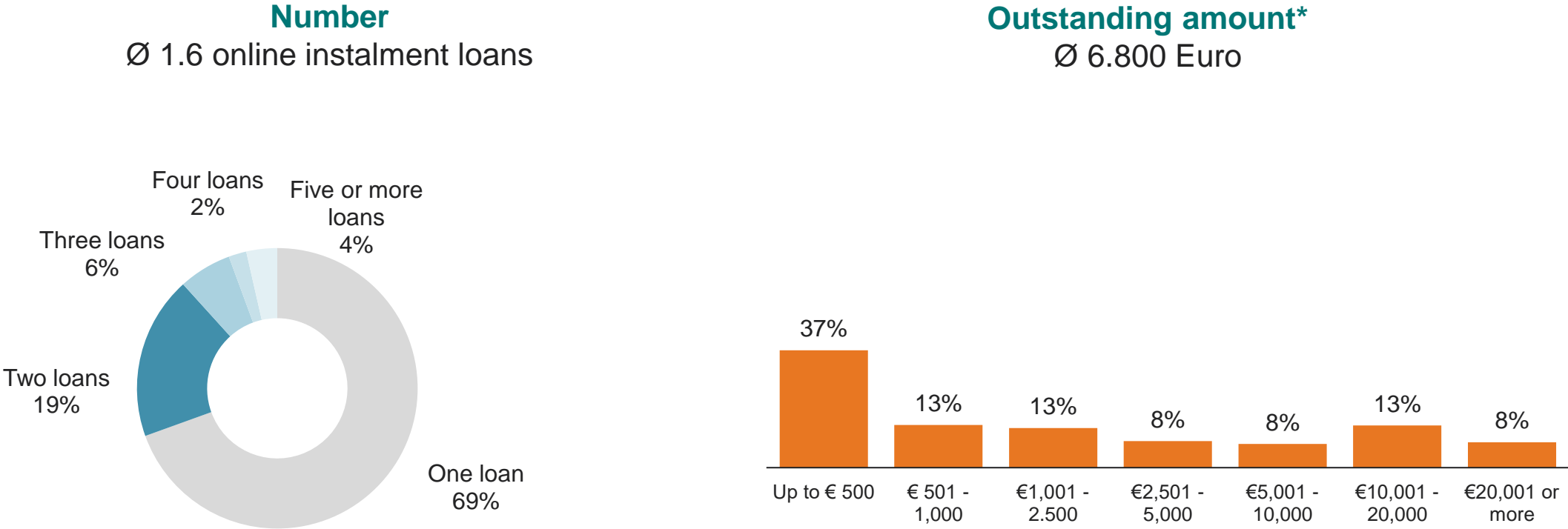
Partially online: At least one process step at the conclusion of a loan (application, conclusion, identification, signature) was carried out online, but not all process steps.

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 2021 n=446, 2022 n=435; percentaged to 100%, rounding-off differences possible



The great majority of online instalment loan users currently have only one single contract. The average outstanding loan amount is € 6,800.

Online instalment loans - number and outstanding amount

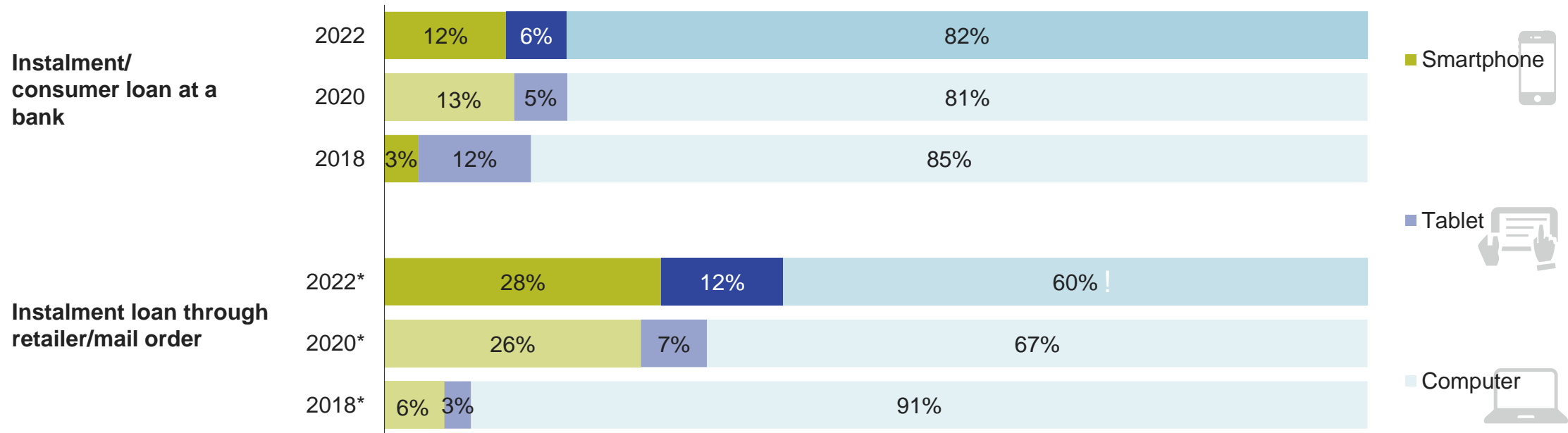


Q19c: Please indicate how many online instalment loans you are currently using and the amount of money you have to repay on these contracts, i.e., not the amount you originally borrowed but the amount you still have to repay.
Basis: Internet users of instalment loans n=146/n=127; *percentaged to 100%; rounding-off differences possible



Online instalment loans are increasingly being applied for via mobile devices.

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.
 Basis: Users of the specific financing, Instalment loan through retailer/ mail order 2018 n=42, 2020 n=47, 2022 n=44,
 Instalment/consumer loan at a bank 2018 n=69, 2020 n=95, 2022 n=77; rounding-off differences possible; *tendency statements



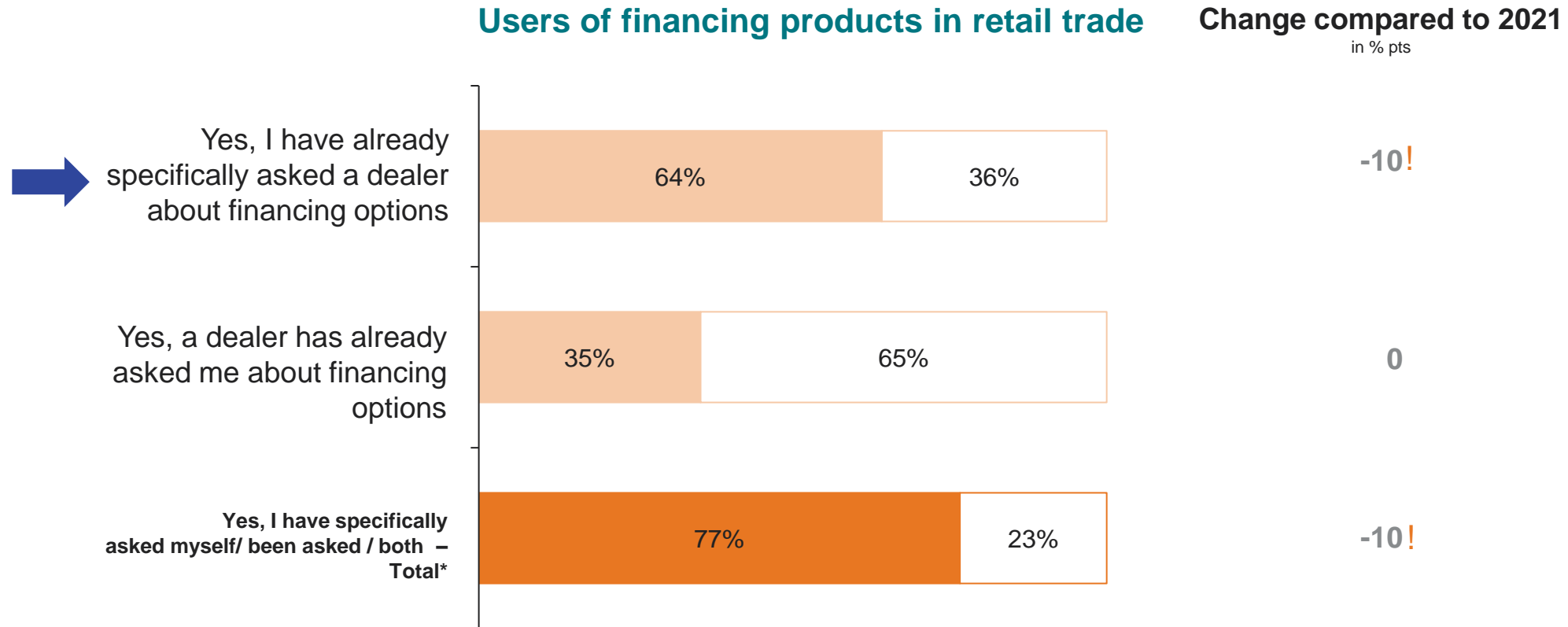
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In the retail sector, most financing users asked for financing offers themselves.

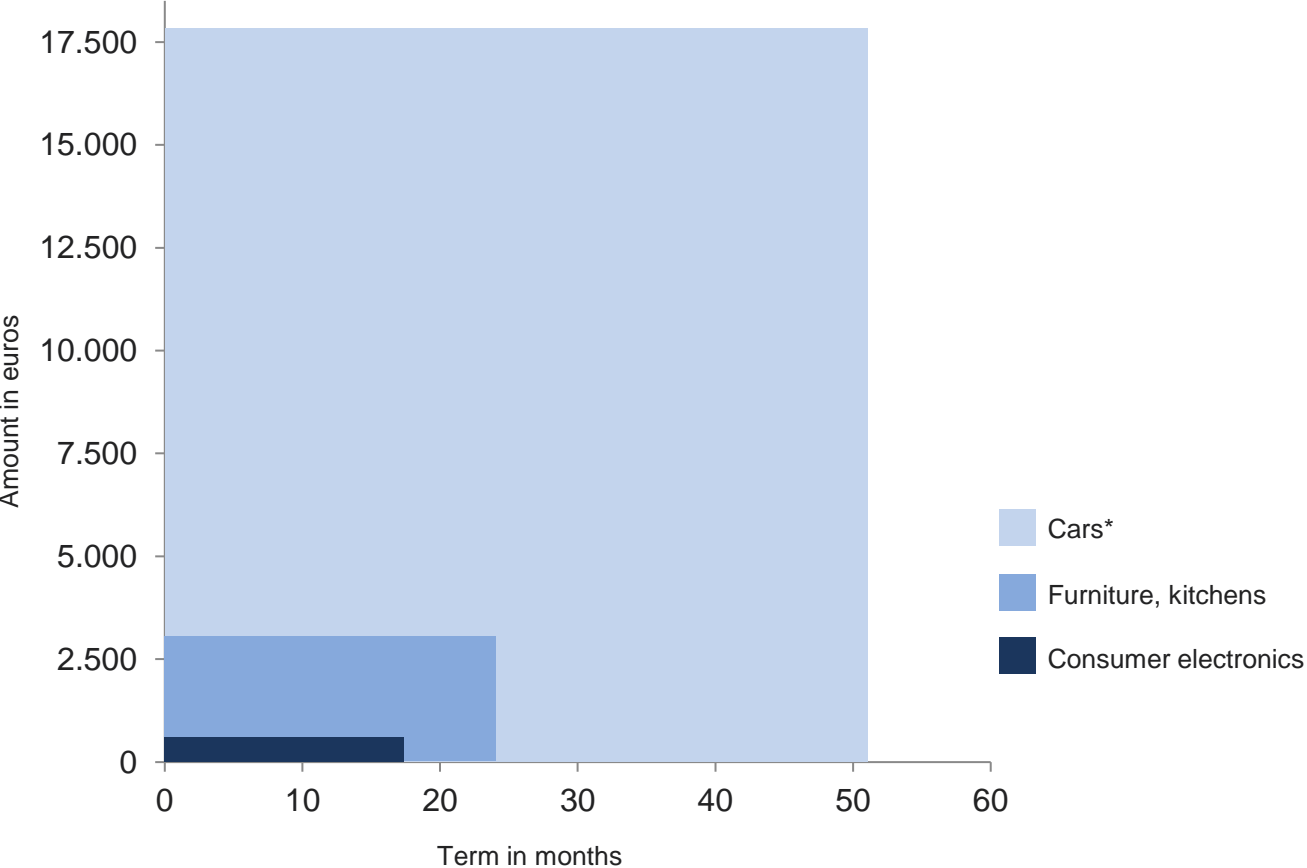
Financing in retail trade



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=322; *net amount, rounding-off differences possible

The higher the financing amount, the longer the term. Cars are financed for an average of 51 months, while consumer electronics are financed for only 17 months.

Financing in retail trade – average amounts and terms



2022	Term in months	Amount in euros
Cars – Total*	51	18,200
New cars**	51	22,000
Used cars**	51	12,400
Furniture, kitchen	25	2,800
Consumer electronics	17	800

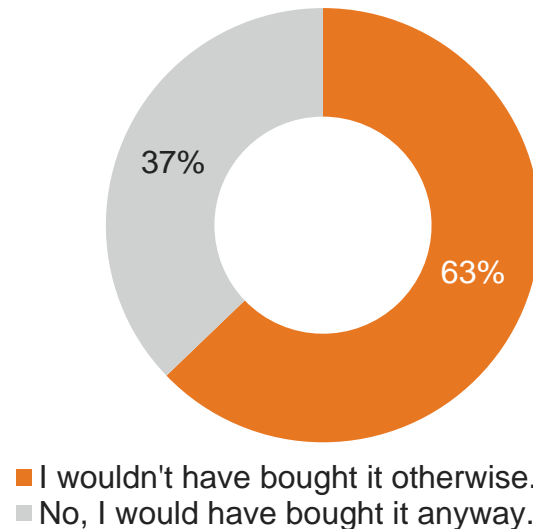
Q17a: Do you currently have loans for one or more purchases made by mail order/at retail outlets or car dealers? Please state whether you have financed the following purchases.
 Q17c: If you have, what amount was financed in each case? Q17d: And how many months does the loan period comprise?
 Basis: Users of financing products in retail trade n=322, "other" not shown"; *means from new, used cars; **all drive forms gasoline/diesel/gas/electric/hybrid



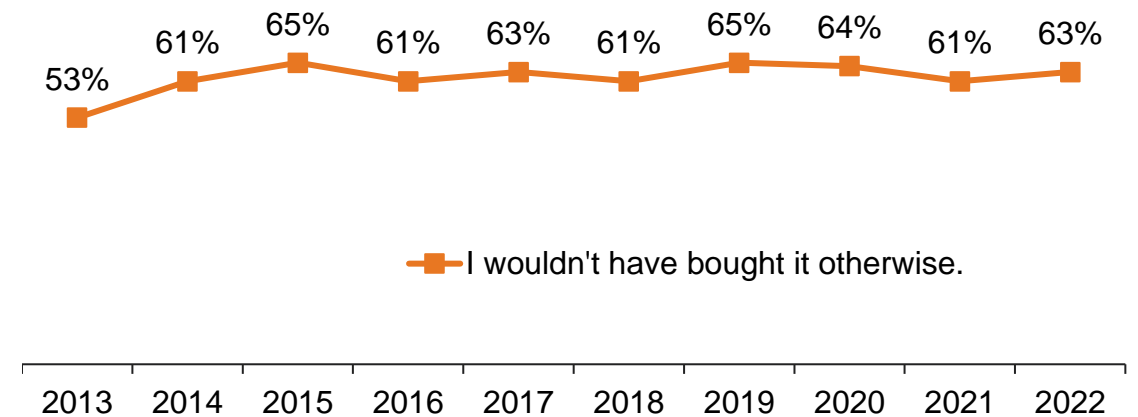
Financing offers have a decisive influence on the purchase decision.
Many products would not have been purchased without the financing option.

Influence on purchase decision

Influence on purchase decision of users of financing products



Time series



Q17e: Did the option of financing influence your purchase decision, i. e. your decision to buy the product or not?

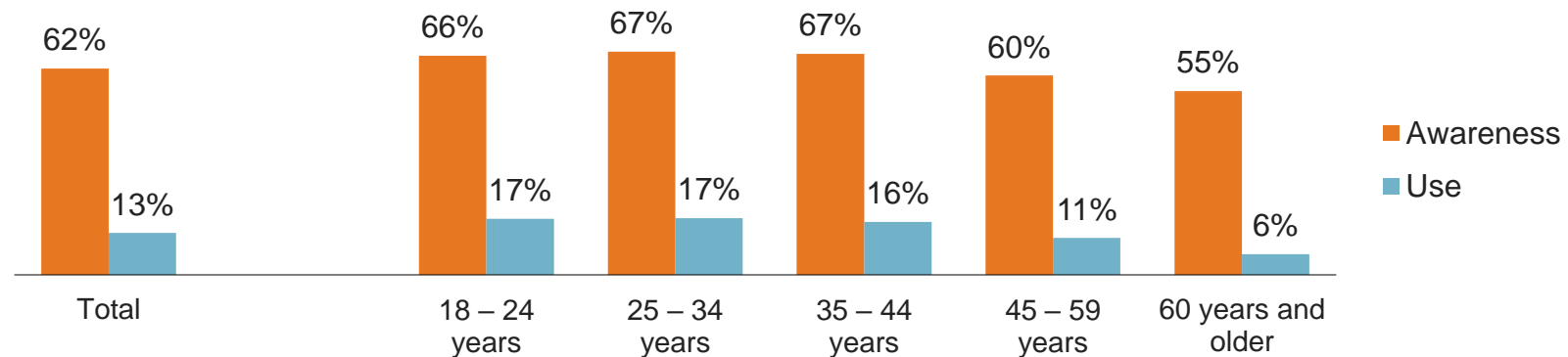
Basis: Users of financing products in retail trade 2021 n=362, 2022 n=321; percentaged to all products = 100%, rounding-off differences possible



Around two thirds of respondents have heard of "buy now, pay later".
The service tends to be used more by younger people.

"Buy now, pay later"

"Buy now, pay later" - Awareness and use*



Q20e: The term "buy now, pay later" refers to a method of paying for consumer goods. Have you - before this survey - already heard of this way of paying?

Q20f: Have you already used this option?

Basis: All respondents n=1,791; percentage of all respondents



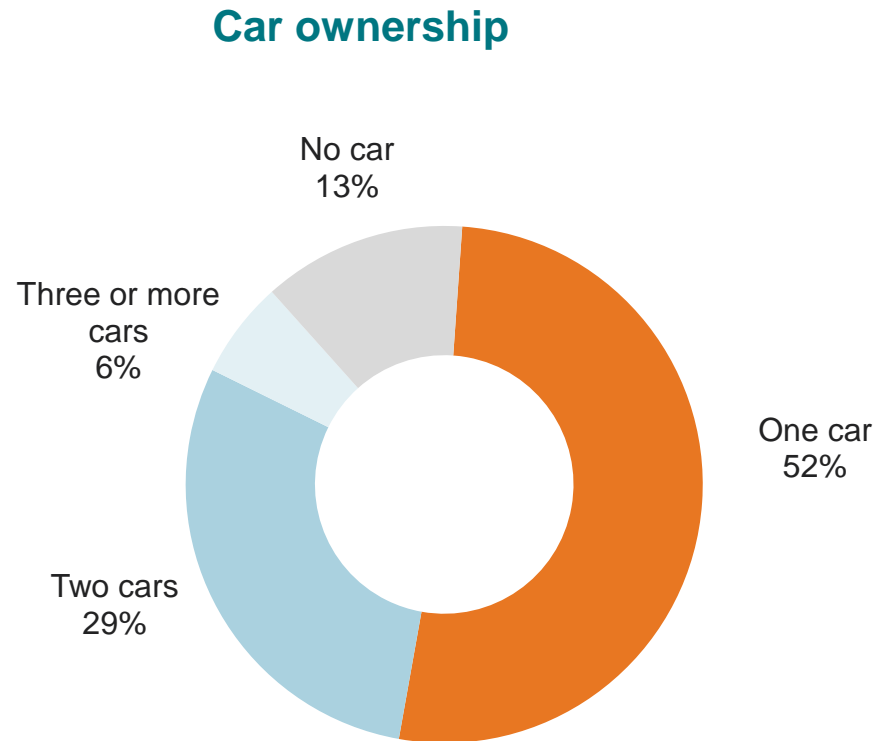
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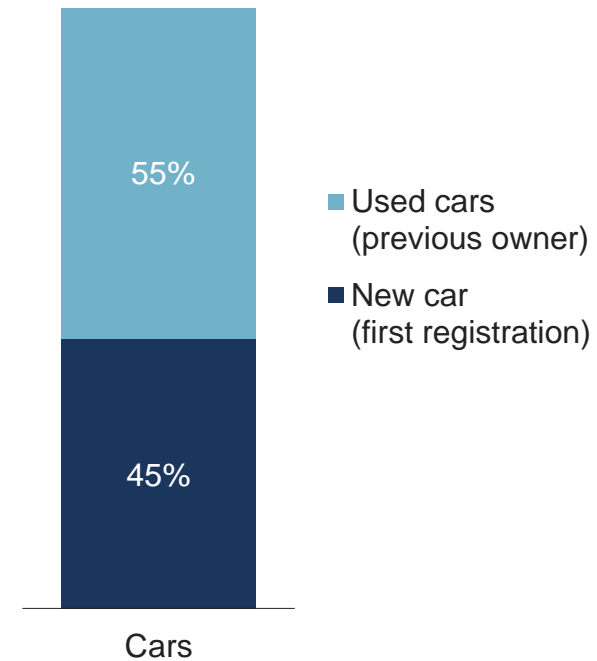


87 percent of all German households have one or more cars.
More than half of all cars are used cars.

Car ownership



Car registration on a person in household*



Q32: How many cars do you own in your household?

Q33: Since when is this car registered to a person in your household?

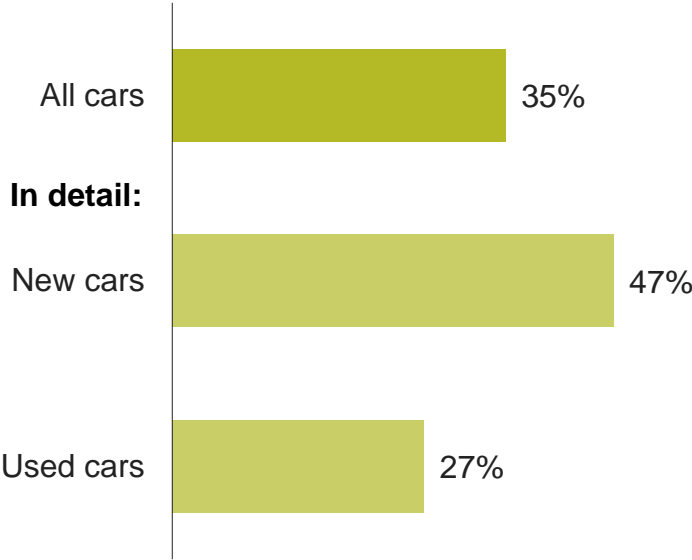
Basis: All respondents n=1,793; *percentaged to 100%



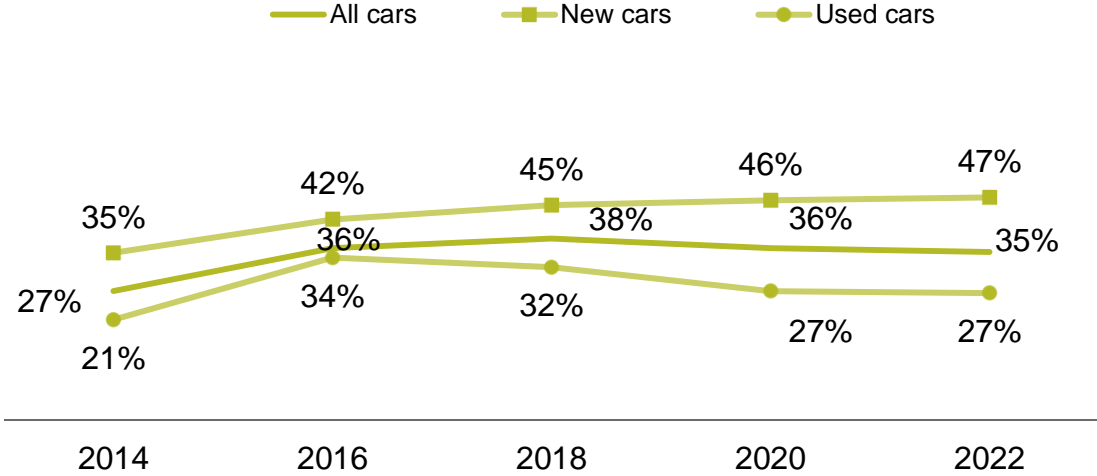
The share of financing for private cars is 35 percent overall. Around half of all new cars and a quarter of all used cars are financed.

Share of financed cars

Financed cars by credit or leasing contract



Share of financed cars

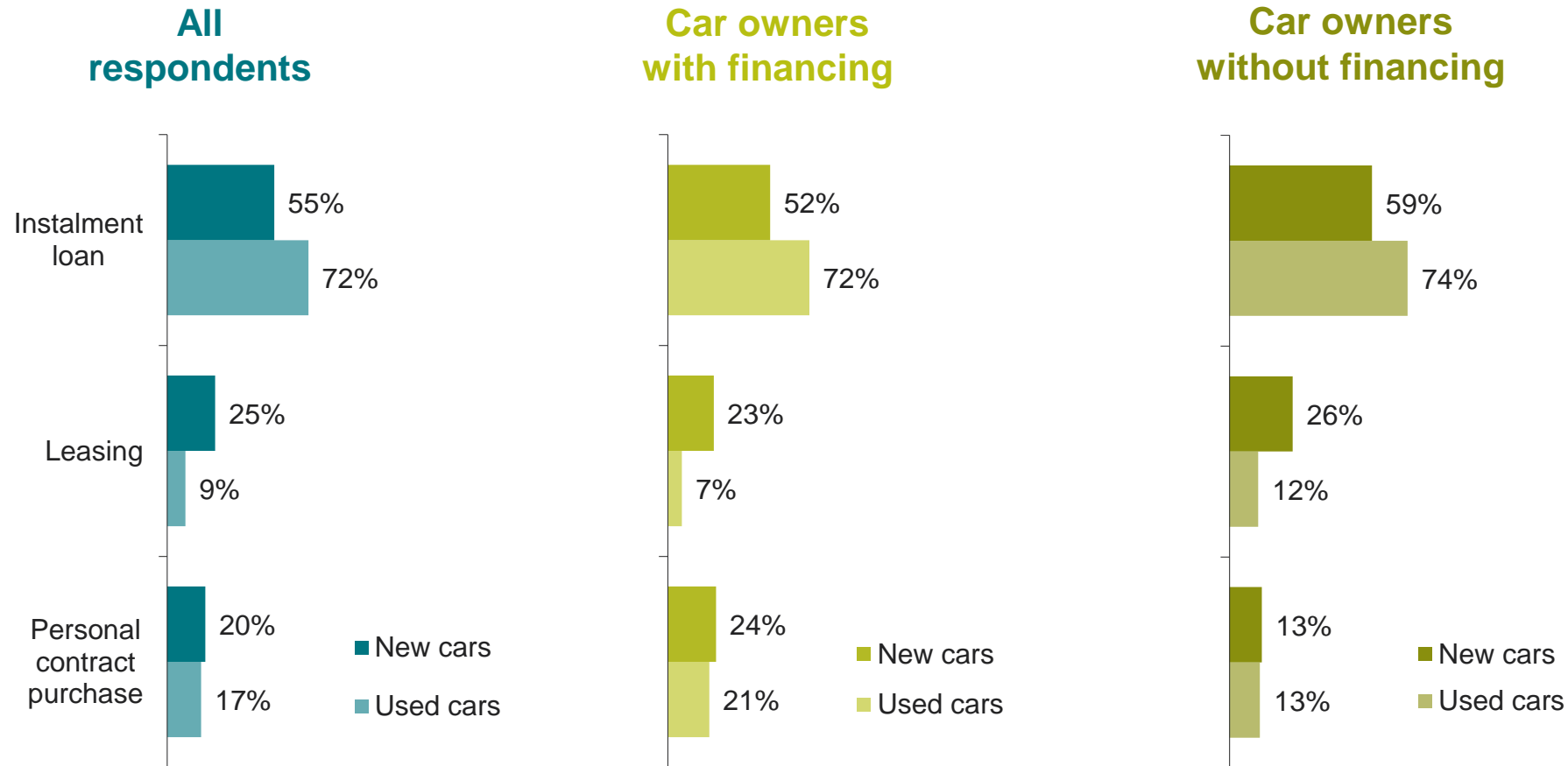


Q35a: Was this car paid for in full in cash when it was purchased, or was it partly financed, fully financed or leased?
 Basis: Cars n=2,307; percentaged to 100%



The instalment loan is the preferred form of financing for the future purchase of a car.

Preferred forms of financing for new cars/used cars

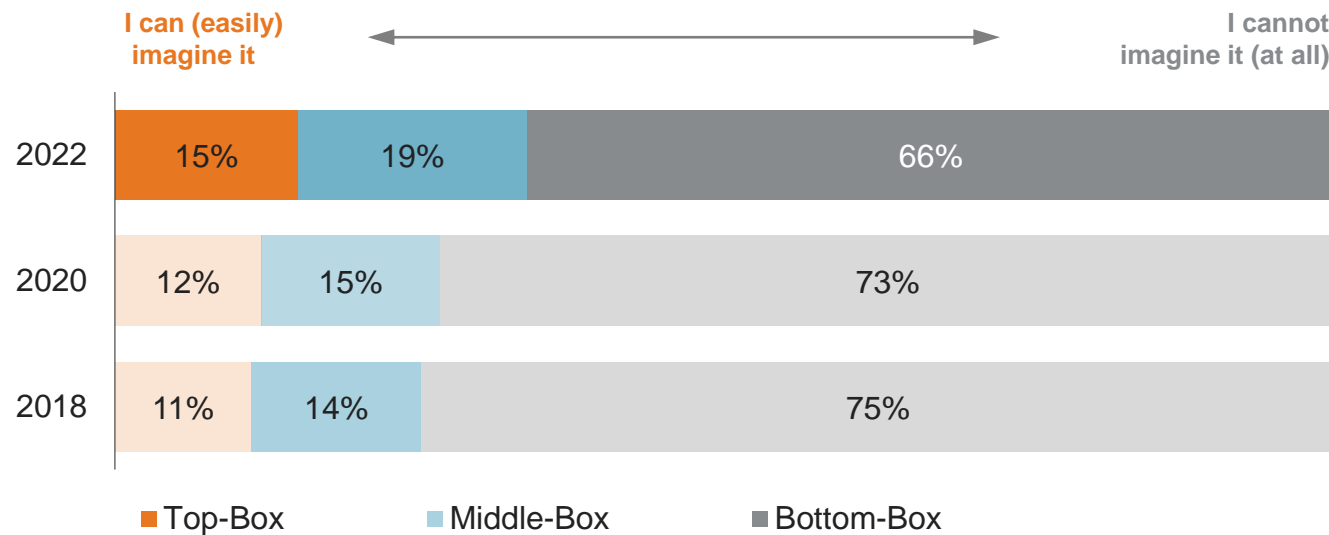


Q41a: Please imagine that you are planning to buy a new car. Which form of financing would you prefer in this case? Q41b: And which form of financing would you prefer in this case when buying a used car?
 Basis: All respondents who can imagine finance: new cars: new cars: all respondents n=887, car owners n=554, car owners with financing n=554, car owners without financing n=471, used cars: all respondents n=605, car owners with financing n=415, car owners without financing n=294; rounding-off differences possible; without "other form of financing"



15 percent of consumers, who would generally consider financing a car, can well imagine taking out such financing via the Internet.

Car financing online



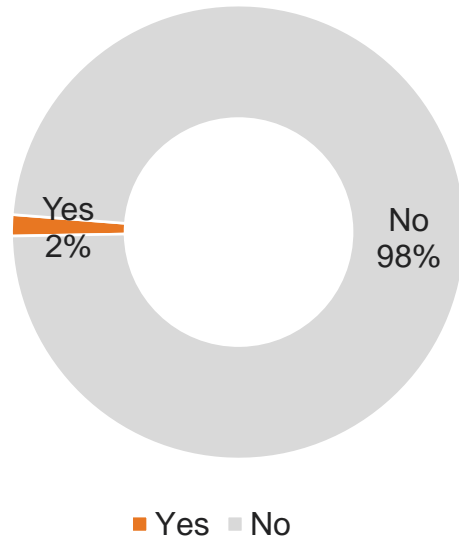
i **Top Box** = I can easily imagine it/I can imagine it **Middle Box** = Neither
Bottom Box = I cannot imagine it/I cannot imagine it at all

Q42: If you were to consider obtaining finance for a car: to what extent can you generally imagine yourself getting this finance via the internet?
Basis: Car owners n=1,554 (without don't know)

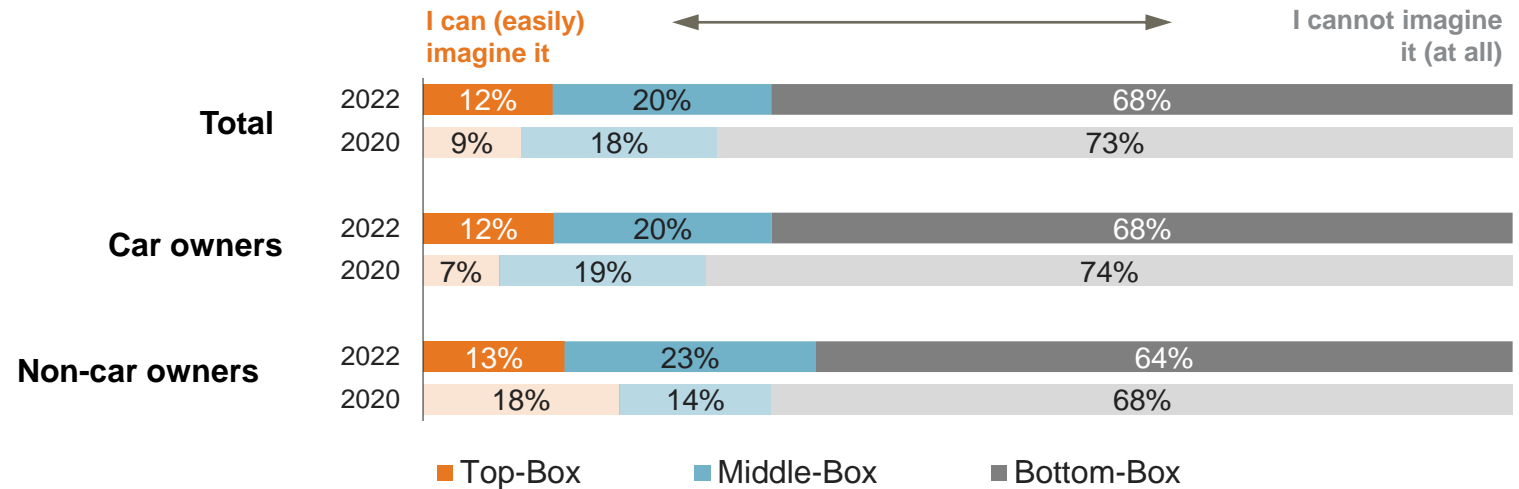
12 percent of respondents can imagine using a car subscription in the future.

Car subscription

Use of a car subscription



Future use of a car subscription



i With a "car subscription", you pay a monthly rate for the use of the vehicle. This includes all costs (such as tax, insurance, maintenance). Only the cost of refuelling is added. Different contract periods are possible.

Q44a: Do you use or have already used a "car subscription"?

Q44b: Could you imagine using a "car subscription" in the future?

Basis: All respondents n=1,793, car owners n=1,538, non-car owners n=213; rounding-off differences possible

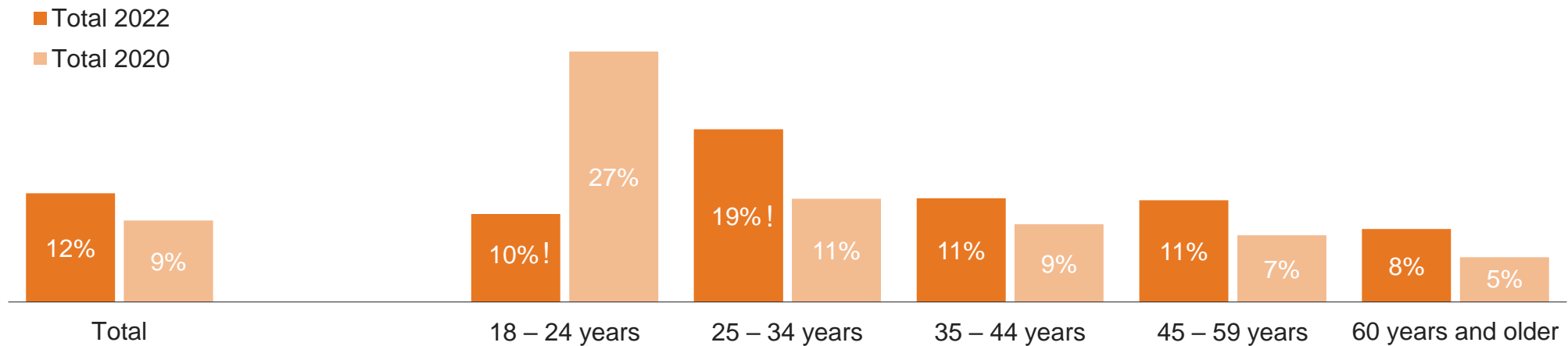


Especially the age group of 25-34 can imagine using a car subscription in the future. The value is significantly above average.

Future use of a car subscription - Total

Top-Box
(I can (easily) imagine it)

Age



Q44b: Could you imagine using a "car subscription" in the future?
Basis: All respondents 2022 n=1,764/2020 n=1,957



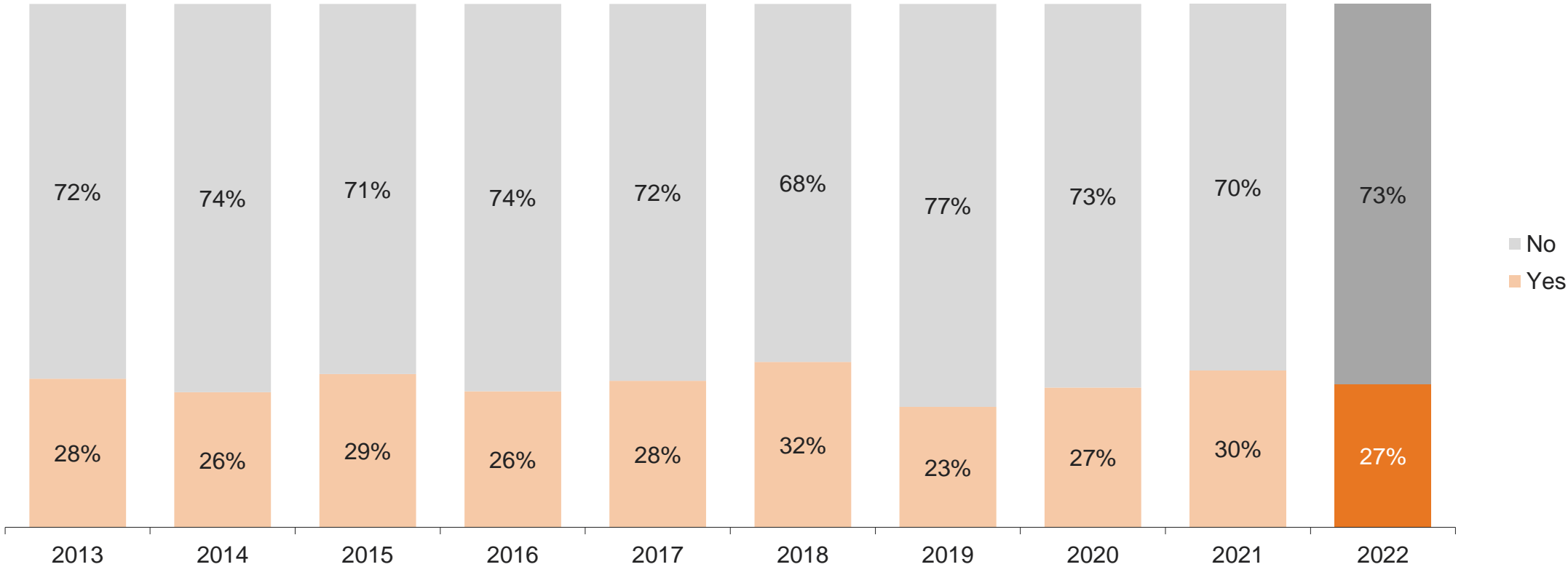
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27% of all instalment loan users cover their instalment loan with payment protection insurance. This value has stayed at a comparable level over the past ten years.

Conclusion of a payment protection insurance over time



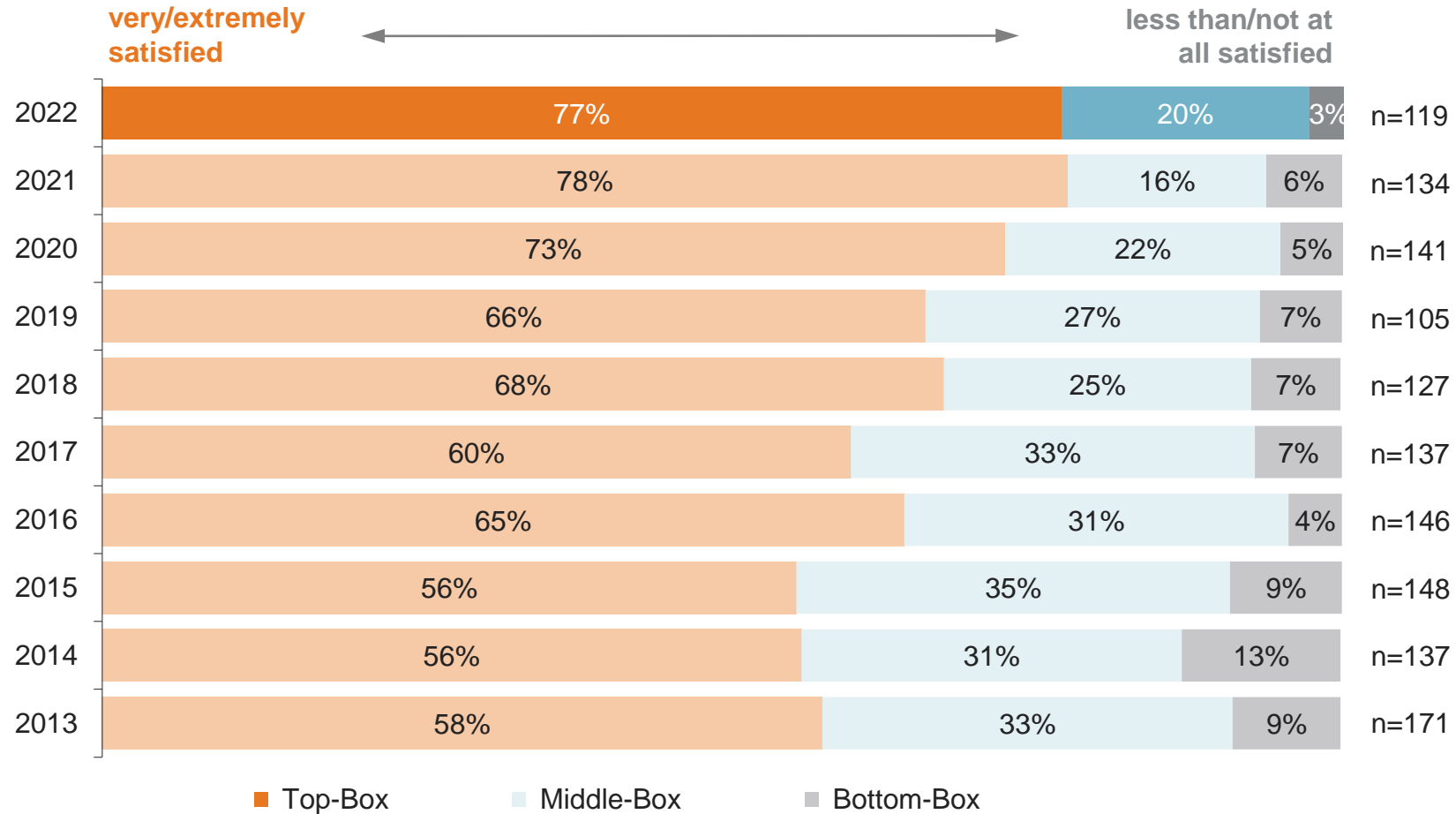
① On average, 28% of all instalment loan users have taken out payment protection insurance.

Q10: Have you taken out payment protection insurance for your most recent instalment loan?
Basis: Instalment loan users 2022 n=435



Satisfaction with payment protection insurance remains very high. More than three quarters of all insured persons are (very) satisfied.

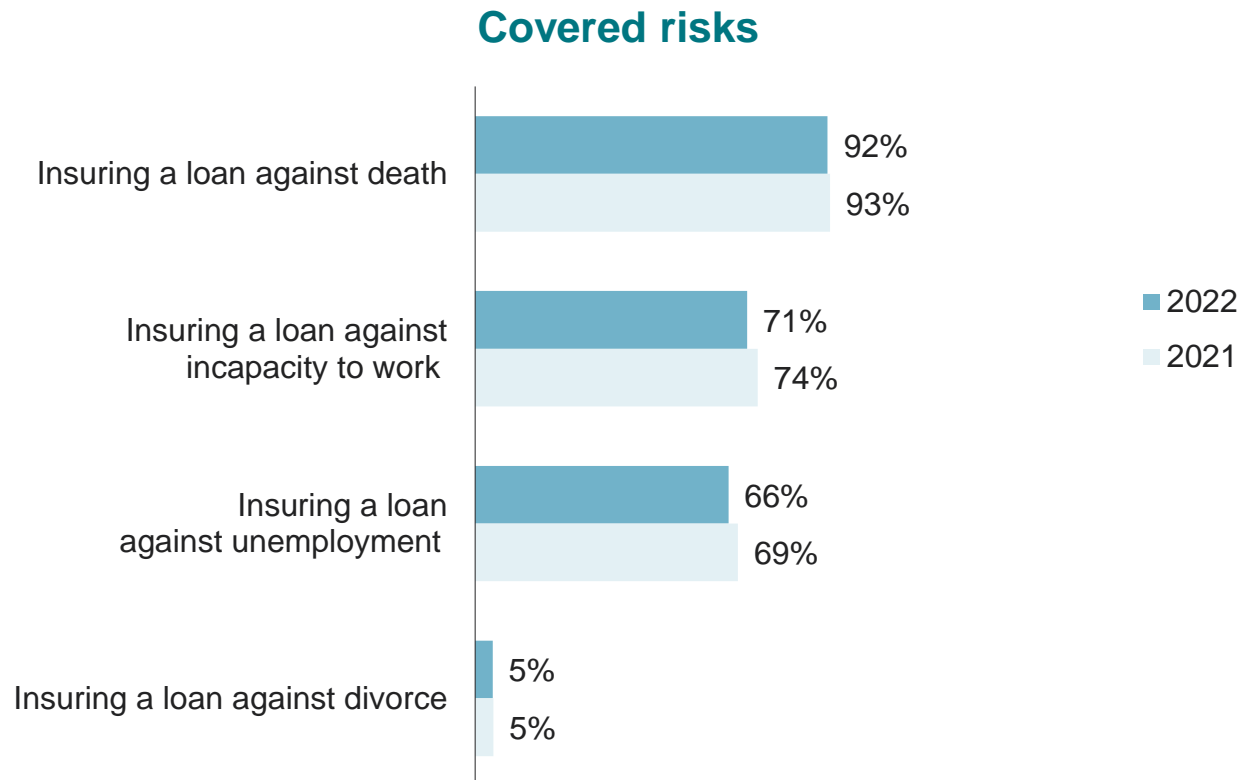
Satisfaction with payment protection insurance



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

An instalment loan is most often protected against the risk of death. But incapacity to work and unemployment are also focused by the insured.

Conclusion of payment protection insurance by risks



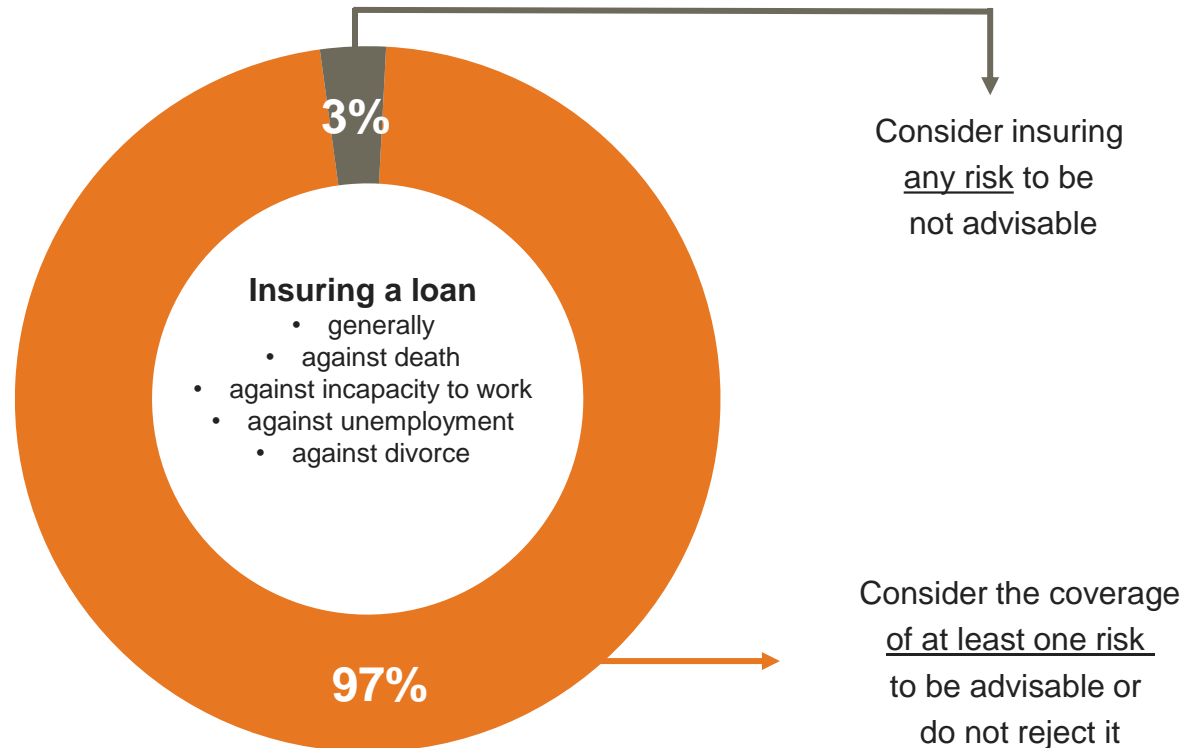
Q13: What risks does your payment protection insurance cover?

Basis: Instalment loan users with a payment protection insurance (without don't know) 2021 n=133, 2022 n=119; multiple answers possible



Nearly all financing users consider it useful to protect against at least one risk.

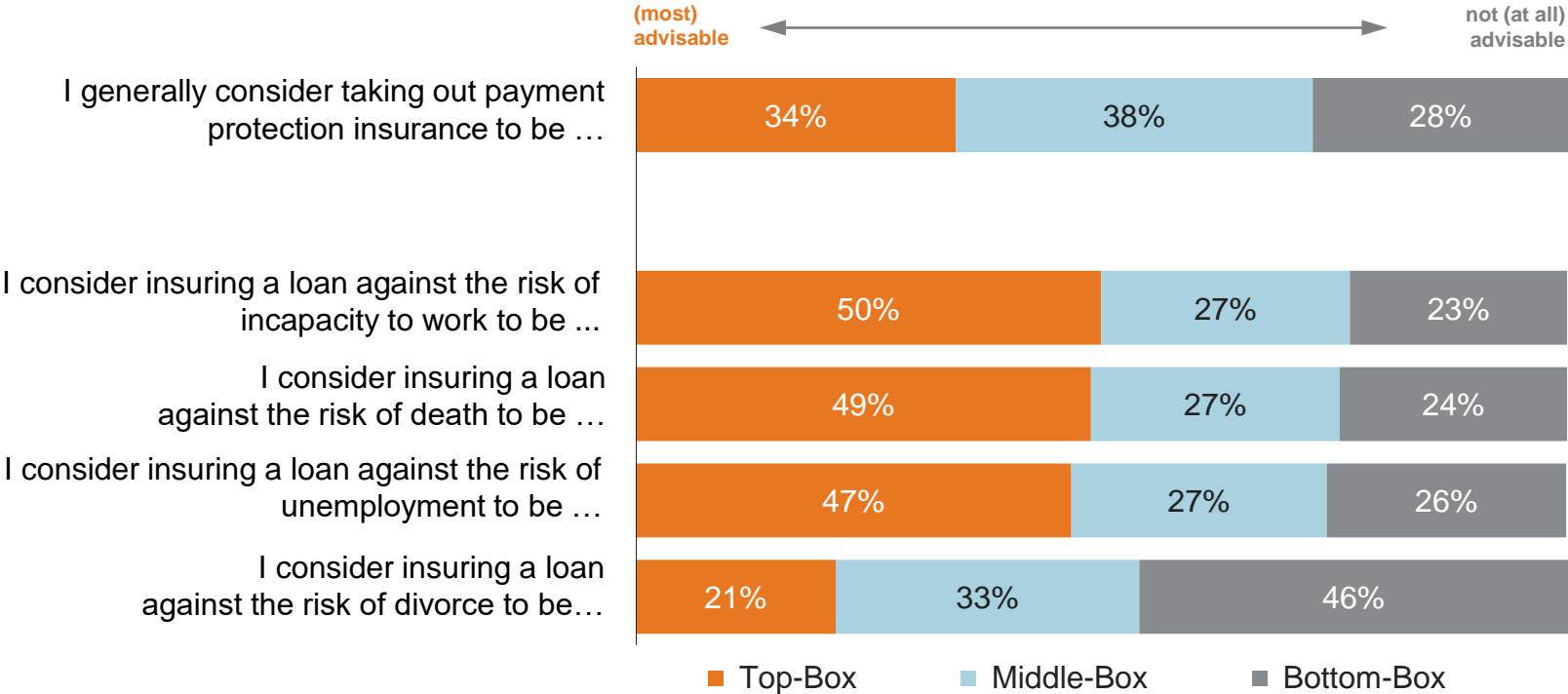
Need for protection



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 n=568

Around half of the users of financing products consider protection in case of incapacity to work, death or unemployment to be (very) useful.

Need for protection

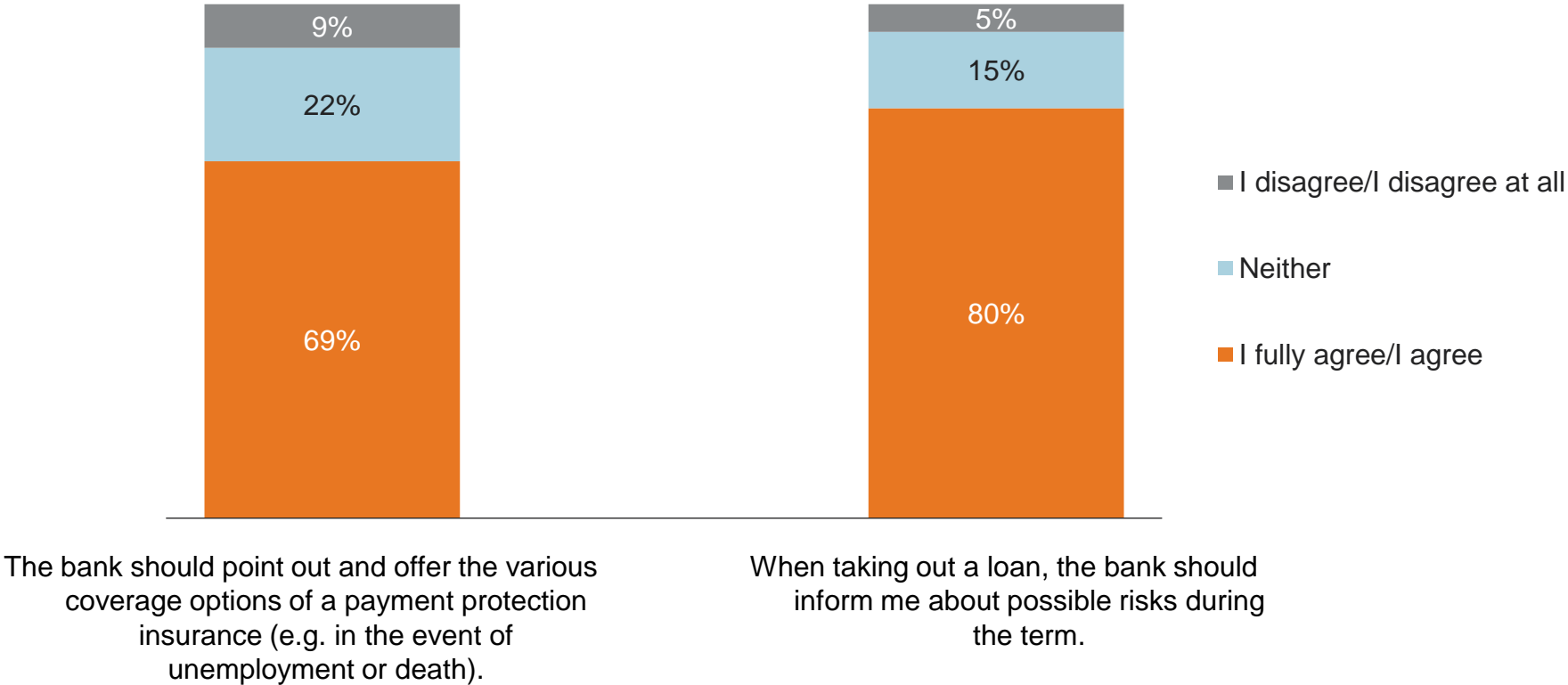


Q15a: How advisable do you think it is to take out payment protection insurance in general, and how advisable do you consider it is to cover the following specific risks with payment protection insurance?
 Basis: Users of financing products n=568; rounding-off differences possible



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 (without don't know) n=1,782; rounding-off differences possible



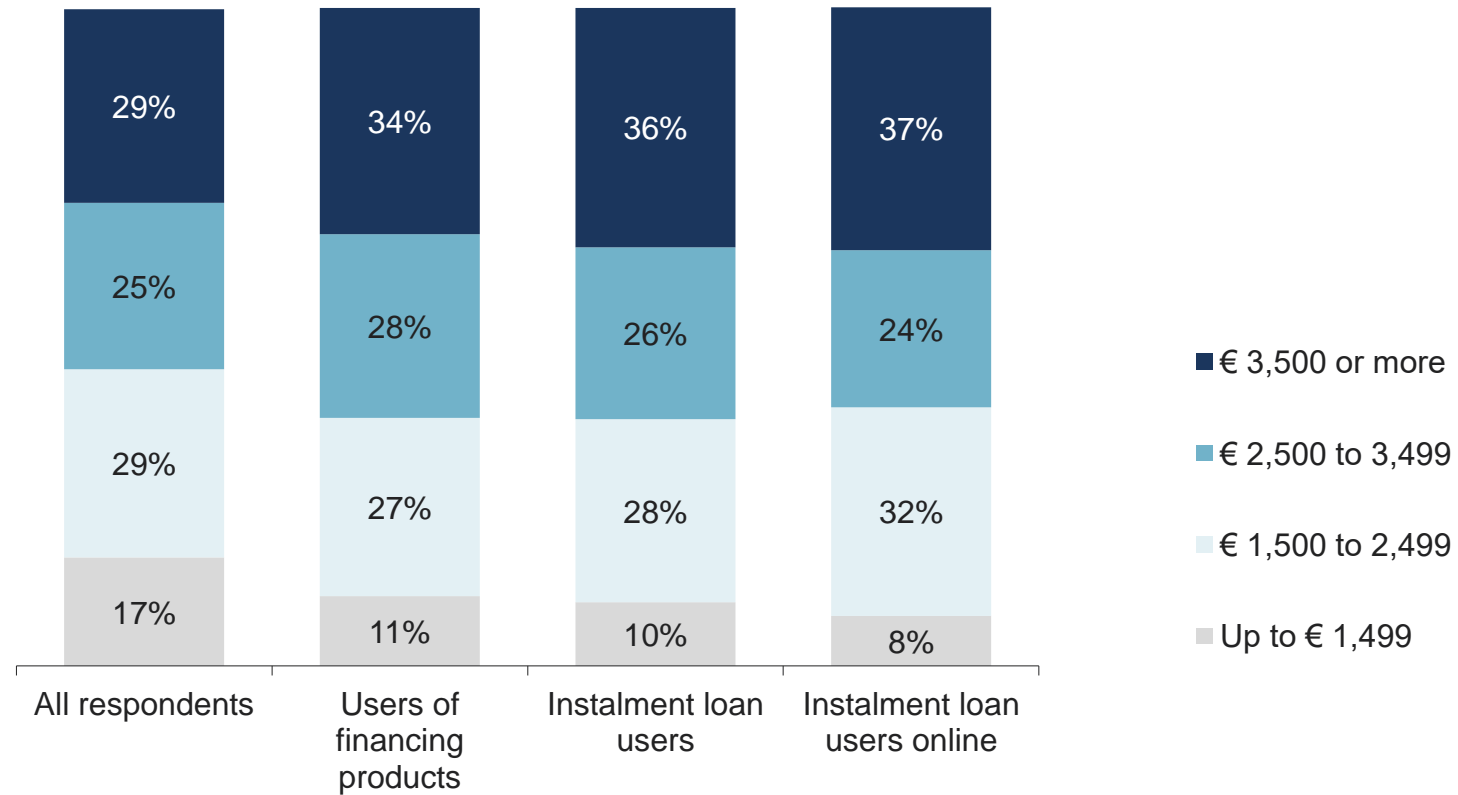
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Net household income

Statistics



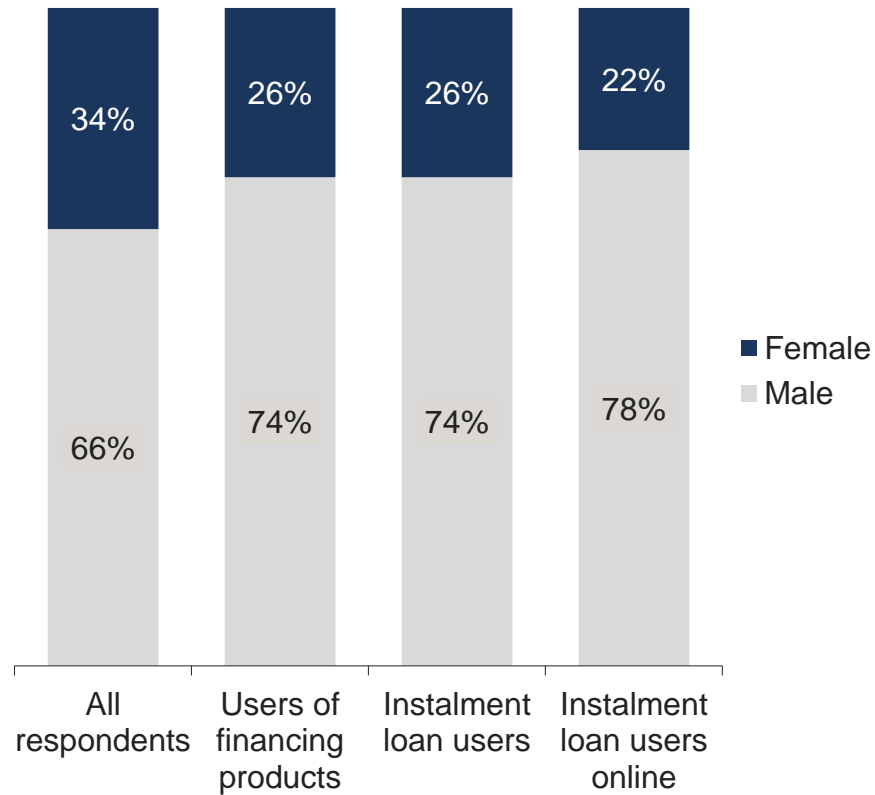
Basis: All respondents n=1,794, users of financing products n=569, instalment loan users n=435, instalment loan users online n=128, rounding-off differences possible



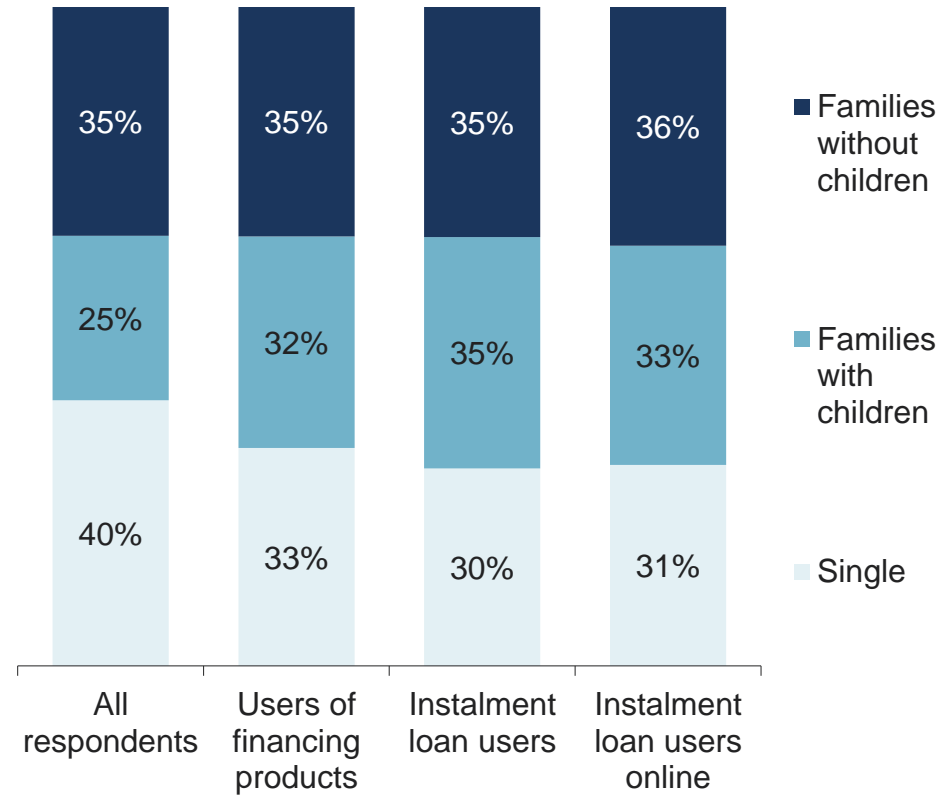
Gender and marital status

Statistics

Gender of head of household



Life cycle type

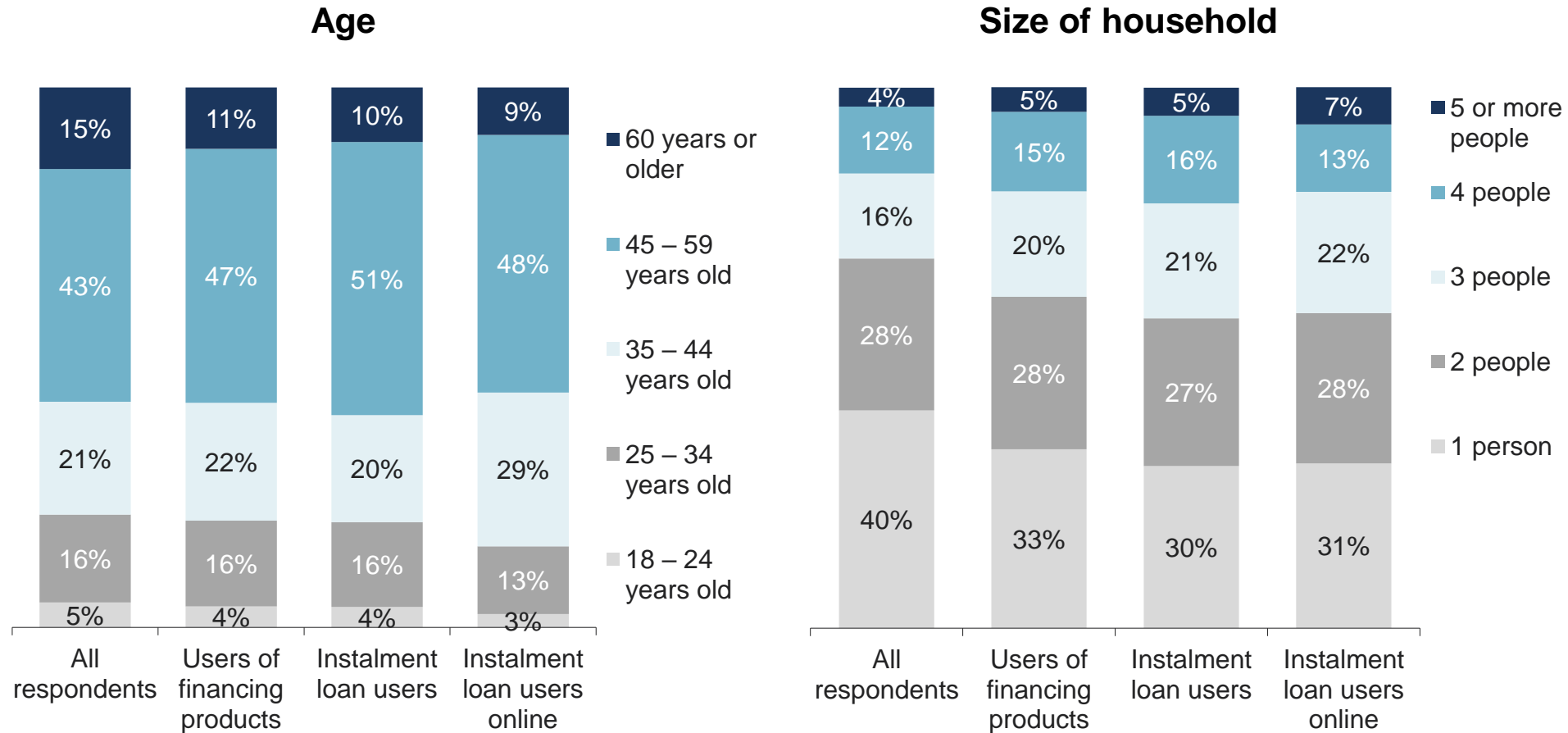


Basis: All respondents n=1,794, users of financing products n=569, instalment loan users n=435, instalment loan users online n=128, rounding-off differences possible



Age and size of household

Statistics



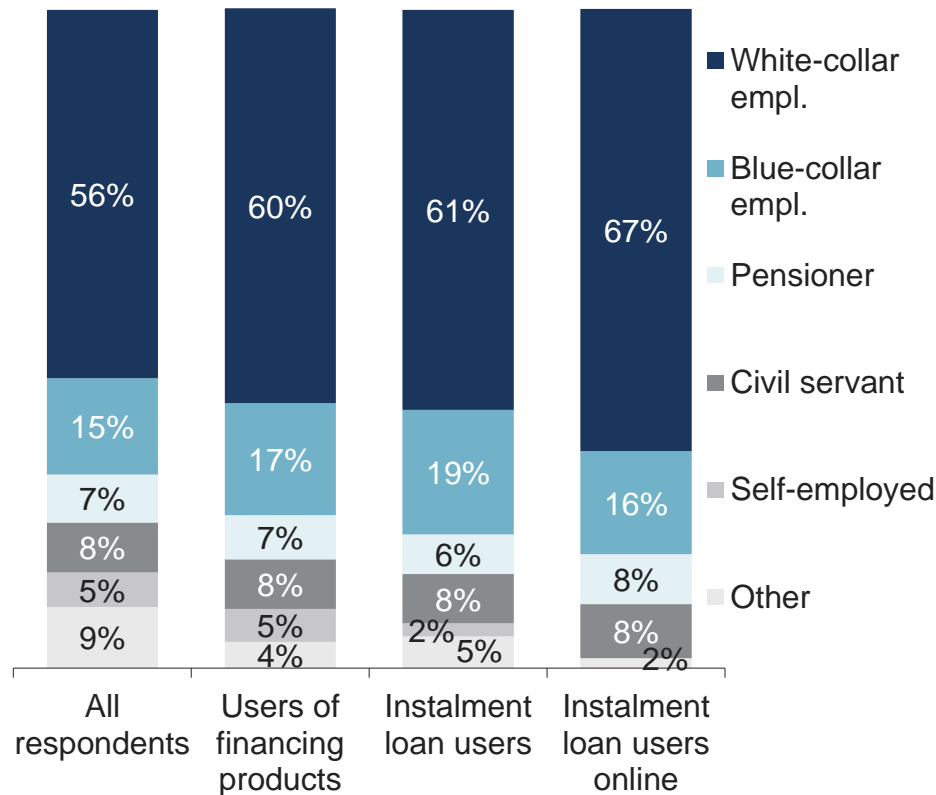
Basis: All respondents n=1,794, users of financing products n=569, instalment loan users n=435, instalment loan users online n=128, rounding-off differences possible



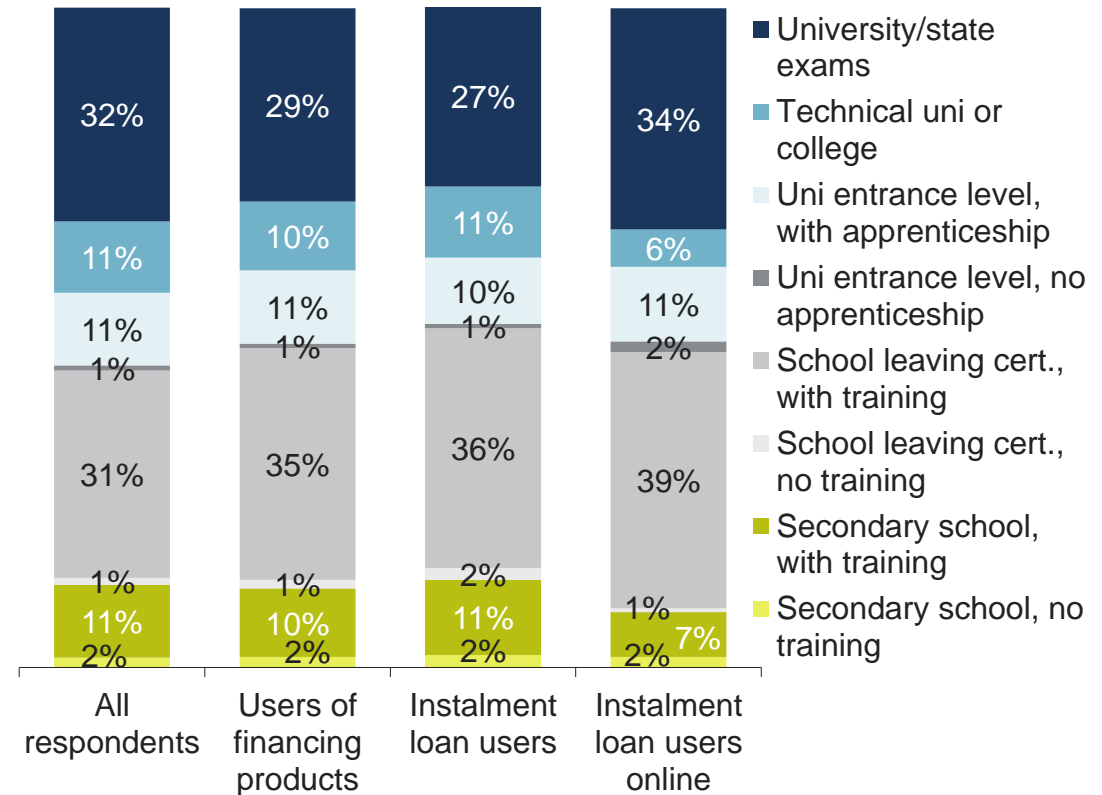
Occupation and educational attainment

Statistics

Occupation



Educational attainment



Basis: All respondents n=1,794, users of financing products n=569, instalment loan users n=435, instalment loan users online n=128, rounding-off differences possible



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 June/July 2022.

One particular focus of this will be private car financing.

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 the information provided by consumers in June/July 2022 and refer to all financing used at that time, regardless of when the contract was concluded. In particular, the attitudes of consumers and financing intentions depend on the respective framework conditions at the time of the survey. The war in Ukraine, with its economic, political and social consequences, should be mentioned here above all.



Case numbers

ALL RESPONDENTS ↓ in detail:	n=1,794 (all respondents)
USERS OF FINANCING PRODUCTS ↓ in detail:	n=569 (all respondents who use at least one form of financing)
INSTALMENT LOAN USERS ↓ in detail:	n=435 (all respondents who use at least one instalment loan)
INSTALMENT LOAN USERS ONLINE	n=128 (all respondents who use at least one instalment loan online)

ABOUT IPSOS

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

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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