

8th Annual Edition

European Consumer Payment Report 2020

intrum

Intrum in brief

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Intrum's purpose is to lead the way to a sound economy. A credit market where people and companies can efficiently provide and receive credit is a prerequisite for the business community to be able to function. The opportunities increase for a society and its economy to flourish if companies are paid on time, as this enables them to invest, employ and grow. At the same time, individuals lift themselves out of debt and are therefore able to improve their circumstances.

A client offering provided through two service lines

We ensure that companies are paid by offering two types of services – credit management services and portfolio investments. We perform credit management services on behalf of companies to ensure that their customers pay them for the goods and services they sell. In our portfolio investment operations, we assume responsibility for overdue receivables, whereby we pay the client and then seek a solution with the customer for settling the receivable. Beyond this, we offer a full range of services covering companies' entire credit management chain.

10,000 employees take care of 250,000 customer contacts

About 10,000 people work at Intrum. We help our clients develop by caring for their customers. This is achieved through the roughly 250,000 customer contacts that our employees have on a daily basis, in which we help people and companies become debt-free while our clients secure payment.

80,000 clients in 25 countries

Intrum has some 80,000 clients in the 25 countries in which we operate. They are active in many sectors, and we specialise in assisting major companies and financial institutions with large volumes of receivables. Our clients also include tens of thousands of small and medium-sized companies.

Three strategic areas driving our efforts to achieve a sound economy

Enable sustainable payments

By ensuring sustainable payment flows between companies and individuals, we fulfil an important function in society and promote a sound economy.

Growing by making a difference

Our market-leading position allows us to drive the development of the entire industry in a more ethical direction, thereby creating value and meaning for our employees.

Being trusted and respected

A basic prerequisite for us to succeed in our efforts is that we have the complete trust of our clients and their customers.

The new reality

In the 12 months since our last European Consumer Payment report, the world has become a remarkably different place.

The second wave of the Covid-19 pandemic has led to new lockdowns. Across Europe, companies and consumers are under growing pressure. As the world struggles to control the immediate health crisis, households and businesses are feeling the economic side effects of the pandemic.

It is perhaps no surprise to learn that an event on the scale of Covid-19 has had a significant impact on consumer finances, but our analysis reveals a picture that is also more nuanced and perhaps less pessimistic than at first glance.

Three trends stand out.

1. Consumers experience a marked decline in their financial wellbeing

In 2019, we reported that European consumers were increasingly feeling the effects of financial stress. This year, around half of the 24,000 respondents to our survey say they have never before felt as anxious about their financial wellbeing as they do today (47 per cent). Correspondingly, a little over one in three (35 per cent) tell us they have lost income as a direct result of the crisis.

These are worrying developments, made more complicated by what we saw this spring: the impact of the pandemic has been most severe for “vulnerable” consumer groups, such as young adults with less savings to fall back on, parents with additional family-related expenses, and those with low income who are already on strict budgets. Additionally, our survey confirms the continued negative impact of the pandemic on already at-risk economies in Southern Europe.

2. Some Europeans are borrowing more and saving less

Many consumers can manage a drop in income by cutting down on nice-to-have items or by relying on their savings but, we also see an increase in borrowing among certain consumer groups to make ends meet. Though Central Banks in the Euro area report a decrease in the lending rate of consumer loans during the pandemic, our survey shows that of the consumers who borrow money to pay bills, six in 10 (61 per cent) say they are borrowing money each month, up from 52 per cent borrowing each month in 2019.

At the same time, some are finding it difficult to save money. Although overall savings rates increased in Europe as a result of the pandemic, this has largely been driven by savings among higher income households, who are more likely to have kept their jobs and level of income whilst reducing consumption. Our survey finds an increase in the proportion of people saving because they are worried about losing their job, while a third of respondents (34 per cent) overall admit that they are saving less money now than they were before the crisis began.



3. Economic uncertainty is driving new interest in financial literacy

One of the more positive developments in 2020 is our finding that European consumers are making a clear effort to deepen their financial understanding and attain greater control of their personal finances.

Four in ten say they are taking steps to improve their financial literacy, which could help them achieve a balanced and a more stress-free life. Considering the immediate impact of the Covid-19 crisis, and its unknown longer-term implications, investing in improving or refreshing knowledge of key financial terms and concepts would likely be worthwhile.

Waking up to the new reality

We believe financial skills, along with a strong local economy, will be an important factor in helping consumers to meet the challenges posed by the Covid-19 pandemic. As we discuss in this report, the ongoing crisis reinforces the need for realistic financial planning and goal setting on the part of consumers. It also stresses the growing role that financial services firms, policymakers and educational institutions can play in providing better guidance and support where need be.

At Intrum, we speak to 250,000 people in debt every single day. During the pandemic, our experience has been that many end-customers are worried and need additional support from our contact centres to talk through their challenges. And this is what Intrum's purpose is about; to lead the way to a sound economy.

Anders Engdahl
President & CEO
Intrum

Executive summary

Pan-European findings: The 2020 crisis



1. In the wake of the pandemic, consumers experience falling incomes and a further decline in their financial wellbeing

Covid-19 has had a serious impact on consumer finances. Half of the 24,000 European respondents to our 2020 study (47 per cent) tell us they are more concerned about their financial wellbeing than ever before. At the same time, one in three (35 per cent) say they lost income as a direct result of the crisis.

Our research also suggests that the pandemic is hitting some harder than others. In particular, we see the most vulnerable in society – such as those with lower incomes, unreliable employment or challenging family responsibilities – affected the most.

Differences by region

Consumer stress levels are on the rise, especially in Southern European countries where the virus has had a pronounced effect on the economy. In Greece, where falling tourism revenues undermined an economy that was still recovering from a 10-year financial crisis¹, 49 per cent of respondents lost earnings due to the pandemic and three in four (73 per cent) say they have never been so worried about their finances.

Respondents in many Northern European countries, where consumers typically already have higher household disposable incomes per capita² – and where governments may be better placed to provide a wider safety net – have been less badly affected by the pandemic. A comparatively modest 29 per cent of Danish consumers express apprehension about their finances, and less than one in five (19 per cent) have lost income. We see a similar pattern in other Nordic countries.

A generational divide

Inevitably, the pandemic has shown that seniors are at greater risk of health-related complications from Covid-19, but it is younger consumers who are the most affected financially. As companies struggle to overcome decreasing demand and maintain liquidity, they are taking action to save costs.

1) <https://www.cnn.com/2020/04/28/coronavirus-hits-greece-tourism-with-more-people-at-risk-of-unemployment.html>
2) <https://ec.europa.eu/eurostat/databrowser/view/tec00113/default/table?lang=en>



We see that it is the younger generation, which has less work experience and fewer savings to fall back on, that is more likely to be furloughed or made redundant as a consequence.³ According to our survey, income levels become more resilient with age: 50 per cent of Gen Z (ages 18-21) say their incomes have decreased following Covid-19, versus just 15 per cent among seniors (age 65+).

The pandemic deepens inequalities

Our survey suggests that the crisis is having a disproportionate impact on those consumers who already have less secure finances. We see 40 per cent of respondents with lower annual incomes report a loss in earnings as a result of the crisis, compared with 35 per cent of those on medium incomes and 32 per cent on higher incomes.

Of those consumers who lost earnings as a result of the crisis, most (57 per cent) have reacted by cutting their everyday spending as a result, whereas others are seeking additional or part-time work or are borrowing from friends and family.

Despite many organisations offering payment holidays – which allow consumers to postpone occasional debt or other payments – only 9 per cent of respondents who lost income took advantage of these. Of those that did use payment holidays, it was most frequently to cover credit card, overdraft and personal loan payments, followed by mortgage or rent payments.

A wake-up call that raises concerns about the longer term

The economic fallout from Covid-19 is weighing heavily on Europeans' minds. Nearly half (47 per cent) say their finances are not secure enough to guarantee a stress-free life. This percentage rises to 66 per cent among Greek and 62 per cent among Polish consumers. For consumers in Poland, these concerns mirror a challenging outlook for the country's economy, which is expected to contract for the first time in almost three decades.⁴

50%

of Gen Z (age 18-21) say their income has decreased as a result of Covid-19.

47%

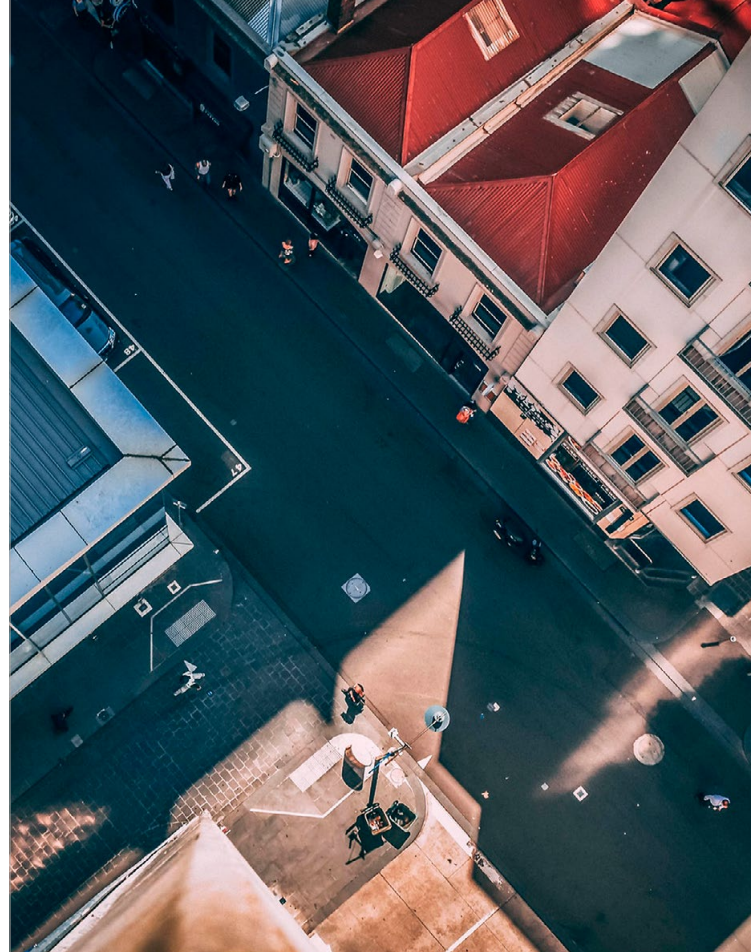
of Europeans in our survey say their finances are not secure enough to guarantee a stress-free life.

³ <https://www.bbc.co.uk/news/uk-54662485>

⁴ <https://www.worldbank.org/en/news/press-release/2020/10/07/polish-economy-to-shrink-in-2020-due-to-pandemic-then-it-may-start-moderate-recovery>; World Bank's Europe and Central Asia Economic update



2. To stay afloat, some Europeans are borrowing more and saving less



As consumers respond to the challenges posed by Covid-19, we see them making changes to the amount that they borrow and save. Nearly one in two (47 per cent) confirm that their bills are rising faster than their income.

Anxious borrowing

A quarter (25 per cent) of all respondents say they are left with no more than 10 per cent of their monthly salary after paying household bills. In turn, around a fifth (21 per cent) have borrowed money in order to pay bills in the last six months, down from 25 per cent in 2019. Though Central Banks in the Euro area report a decrease in lending rate of consumer loans during the pandemic, our survey shows that of the consumers who borrow money to pay bills, 6 in 10 (61 per cent) say they are borrowing money each month, up from 52 per cent borrowing each month in 2019.

Consumers do, however, have misgivings about taking on additional debt at the present time. Despite the prospect of borrowing at record-low interest rates in much of Europe, two-thirds (65 per cent) are more wary than normal about taking on debt. A similar figure (67 per cent) tell us they are reluctant to borrow money in order to purchase “big ticket” items, such as furniture or a new vehicle, until they can be confident the crisis is over.

A wider priority of bill payments

Consumers are prioritising a wider range of bills than they were in 2019, focusing more this year on services that are vital during lockdown, such as household utilities and the internet. At the same time, large numbers of consumers in Greece (69 per cent), Portugal (67 per cent) and Poland (61 per cent) flag that rising bills are having a negative effect on their general wellbeing.

Savings fall among certain consumer groups

As incomes drop across most European countries, one in three (34 per cent) consumers say they are saving less than they were before the crisis. This rises to almost six in 10 (58 per cent) among hard-hit consumers in Greece. It is also despite the fact that the overall number of consumers saving money in Europe is broadly similar to 2019.

Concerns about long-term savings and retirement are also prevalent among our respondents. More than half (56 per cent) are dissatisfied with the amount they can put aside, up from 52 per cent in 2019. Over the last year there has also been an increase in those who worry about being able to afford a comfortable retirement, with 56 per cent expressing concern. The proportion rises to around three in four (78 per cent and 72 per cent) among consumers in Portugal and Greece.

The pandemic increase inequality in savings

Our survey finds that the impact of the Covid-19 pandemic has been disproportionate: 43 per cent of low incomers say they are saving less as a result of the pandemic compared to 28 per cent of high incomers saying the same. Although saving rates are increasing in Europe due to the pandemic, savings are highly skewed towards high income households, as savings increase unproportionally with income. When high income individuals increase their savings amount, overall savings can increase, even if fewer individuals are able to save.

While some are saving less, others find that they have lower day-to-day expenses and can therefore put extra money aside.

Of the 14 per cent that can put additional money in the bank for a rainy day, more than half (56 per cent) say it was because their daily expenditure became more manageable during the months when lockdown restrictions stopped them from spending on transport or meals out. This is particularly true of seniors (age 65+), who have been encouraged to shield against the virus for much of 2020. Of this group, seven in 10 (71 per cent) attribute their savings to reduced daily expenses.

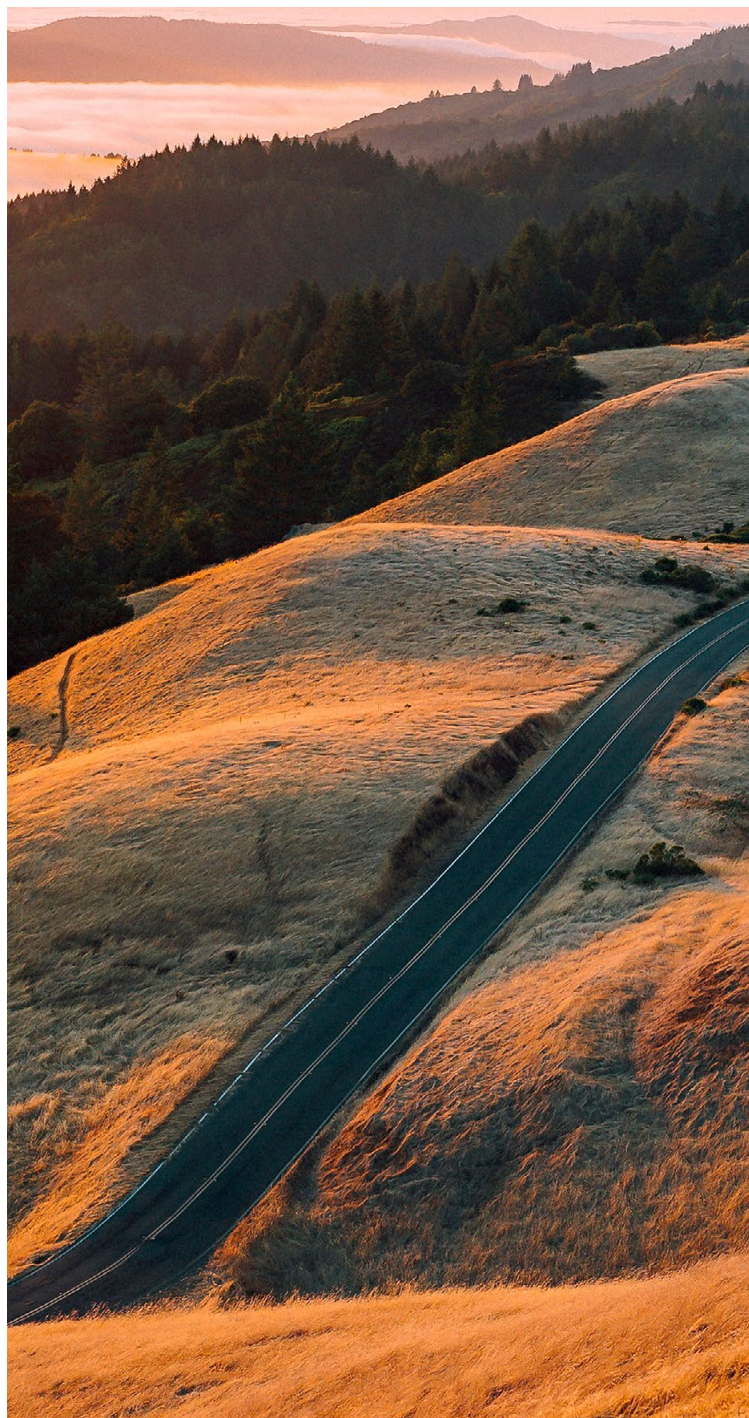
In line with widespread concern about the economic impact of Covid-19, most respondents that can save are doing so to cover unexpected expenses (77 per cent, up from 67 per cent in 2019) or to mitigate against redundancy (40 per cent in 2020, versus 34 per cent in 2019).

43%

of low income consumers say they are saving less as a result of the pandemic, compared to 28 per cent of consumers with high income stating the same.

71%

of seniors (age 65+), who are saving more than they were before Covid-19, attribute to reduced daily expenses.



3. **Economic uncertainty is driving consumers to take action and improve financial literacy**

On a more positive note, we see individuals striving to achieve greater control of their finances by expanding their knowledge of financial matters. Around half of all respondents (47 per cent) indicate that financial security has become a top ambition for them, while 40 per cent are actively improving their financial literacy to prepare for economic uncertainty.

There is particular interest in improving financial security among at-risk countries in Southern Europe. Two in three (66 per cent) Portuguese consumers say that, since the Covid-19 crisis began, improving their financial security has become one of their top priorities.

Consumers embrace online sources

The influence of banks on financial literacy is waning among digitally savvy younger consumers, who are less likely than older groups to have received their financial education from these institutions. Four in 10 seniors (65+) say their bank provided their main financial education, compared with 28 per cent of all respondents who say the same, which reflects the lack of choice that many faced in the decades before the internet.

Among all respondents to our survey, the internet has become the most popular source of financial education, with 43 per cent of consumers (rising to 52 per cent of those under 40, including Gen Z and Millennials) saying it has been a principal source of information.

Three in 10 say financial literacy would improve their relationships

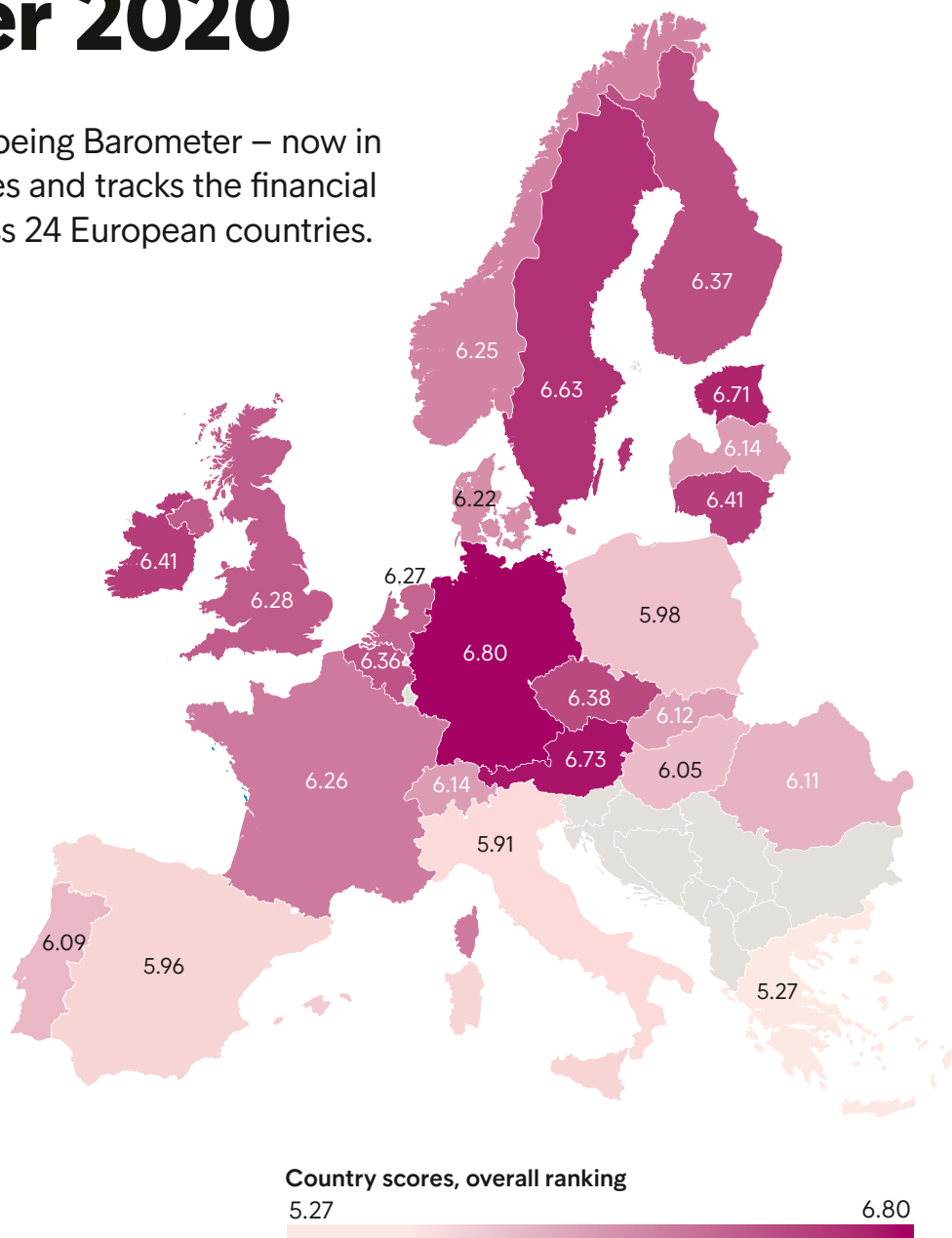
As well as helping individuals plan for the future and make better decisions, financial literacy appears to have a strong influence on personal relationships.

Three in 10 (29 per cent) say it would be better for their relationship if they and their partner were more capable at managing their personal finances. This rises to around four in 10 among consumers in Southern European states such as Greece, Spain and Portugal, where the macroeconomic backdrop is also more strained.



Financial Wellbeing Barometer 2020

The Intrum Financial Wellbeing Barometer – now in its second year – compares and tracks the financial health of consumers across 24 European countries.



The Intrum Financial Wellbeing Barometer is a tool to measure and easily compare the Financial Wellbeing of European Consumers across 24 European markets. We term 'Financial Wellbeing' as having the financial security to meet everyday spending needs and be in control of your finances.

The barometer presents an overall financial wellbeing score for each country – an aggregate ranking that combines scores (1–10) across three pillars, including calculations that considers key indicators relating to consumers' debt-to-income ratio.

We previously included a fourth pillar, for Credit freedom, but have removed it from this year's research while retaining the Barometer's underlying methodology.

1. Ability to pay bills

The level at which consumers are able to pay their bills on time, the proportion of their salary they have remaining once their monthly bills are paid (survey-based indicators), and the gross disposable household income per capita (hard data).

2. Saving for the Future

The level that consumers are able to save each month, their ability to save for an unforeseen event (survey-based indicators), and the gross household saving rate (hard data).

3. Financial Literacy

The extent to which consumers understand basic financial terms and calculations (survey-based indicators).

Overall results

Overall ranking

Country	Rank 2019	Score (0-10) 2019		Rank 2020	Score (0-10) 2020
Germany	1	6.89	➔	1	6.80
Austria	2	6.77	➔	2	6.73
Estonia	20	5.85	↗	3	6.71
Sweden	3	6.72	↘	4	6.63
Ireland	10	6.34	↗	5	6.41
Lithuania	23	5.54	↗	6	6.41
Czech Republic	17	6.16	↗	7	6.38
Finland	5	6.55	↘	8	6.37
Belgium	11	6.31	↗	9	6.36
The United Kingdom	8	6.38	↘	10	6.28
The Netherlands	12	6.31	↗	11	6.27
France	13	6.30	↗	12	6.26
Norway	6	6.47	↘	13	6.25
Denmark	7	6.40	↘	14	6.22
Switzerland	4	6.65	↘	15	6.14
Latvia	21	5.55	↗	16	6.14
Slovakia	16	6.19	↘	17	6.12
Romania	19	5.86	↗	18	6.11
Portugal	18	6.06	↘	19	6.09
Hungary	15	6.24	↘	20	6.05
Poland	22	5.54	↗	21	5.98
Spain	14	6.27	↘	22	5.96
Italy	9	6.35	↘	23	5.91
Greece	24	5.30	➔	24	5.27

Germany retains top position

Despite ongoing constraints to economic activity in Germany due to Covid-19, the country has held on to the top ranking in this year's Barometer.

Stimulus measures and job protection schemes appear to have shielded household incomes and enabled consumers to continue paying their bills on time⁵. Moreover, German consumers are reputed for their pragmatic spending and focus on saving, which is reflected in the country's top ranking for the Saving for the future pillar.

Southern Europe is struggling

Meanwhile, the pre-existing household debt and financial instability of consumers in Southern Europe has been aggravated by Covid-19, and countries including Italy, Spain and Greece have fallen in this year's rankings.

Italy's economy was already performing weakly at the end of 2019⁶ and heavy contractions in employment levels between April and May 2020 hit incomes hard. This has hampered consumers' ability to pay their bills on time and save – and has seen the country slide 14 places on our Barometer this year.

Spain's workforce relies heavily on tourism, but the industry has been devastated by Covid-19, and infection rates are higher in the country than anywhere else in Europe at the time of writing. As a result of worsening unemployment⁷, consumers' ability to save for the future has been hampered. Combined with declines in respondents' financial literacy performance, the fall in savings sees the country fall eight places on the Barometer.

Greece, whose unemployment rate is the highest in Europe⁸ and whose household net savings rate stood at -15.1 per cent in 2018⁹ (the lowest in Europe), is a non-mover at the bottom of the rankings, scoring poorly on consumers' ability to pay bills on time and save for the future.

Baltics rising

The Baltic countries have weathered the Covid-19 crisis better than expected¹⁰ and made strong gains in this year's Barometer.

Restrictions on economic activity have had a significant impact on consumption and employment levels, but relatively low household debt-to-income ratio across all Baltic countries combined with a strong financial literacy performance means consumers from this region are better placed than many to bounce back financially from the Covid-19 crisis. It is worth noting that the Baltic countries' rise up the financial literacy rankings also reflects an adjustment in the sample profile for these countries since 2019.

Restrictions on economic activity have had a significant impact on Estonia's consumption and employment levels, but investment in its digital infrastructure and a relatively low household debt-to-income ratio will help its consumers bounce back financially from the crisis.

5) <https://www.ft.com/content/52ef5bed-071f-47e5-937e-6dbdcabebde7>
6) <https://economics.rabobank.com/publications/2020/july/covid-19-devastating-impact-on-italy-economy/>
7) <https://www.reuters.com/article/spain-economy-unemployment-idUSL1N2HI0MU>
8) https://ec.europa.eu/eurostat/databrowser/view/une_rt_m/default/table?lang=en
9) <https://data.oecd.org/hha/household-savings.htm>
10) <https://eng.ism.lv/article/economy/economy/swedbank-baltic-economies-hit-less-than-expected-by-covid-19.a371700/>

Pillar 1: Ability to pay bills

66%

of Italian consumers say they have less than 20 per cent of their monthly income left after paying household bills. On average in Europe, 41 per cent said the same.

Measuring the extent to which consumers can pay bills on time; the proportion of their salary remaining once bills are paid; and gross disposable household income per capita.

With more than a third of respondents' incomes down as a result of the pandemic, it's little surprise that several countries have declined on the ranking for punctual payments.

Italy has fallen sharply on the indicator that tracks punctual payments, largely due to a fall in the proportion of monthly salary that consumers have left over after paying essential bills. Two thirds (66 per cent) say they have less than a fifth of their monthly income left after paying household bills, versus just 41 per cent of Europeans on average.

Four in ten Swiss consumers (42 per cent) say they were late paying one or more bills in the last 12 months, compared with 29 per cent of Europeans on average. Nearly half of these Swiss respondents (49 per cent) say this was because they didn't have the money to make the payment.

Punctuality has also slipped in Finland, Norway and Greece. In Norway, 41 per cent were late paying one or more bills during the last year, which is well above the European average of 29 per cent.

Ability to pay bills

Country	Rank 2019	Score (0-10) 2019		Rank 2020	Score (0-10) 2020
Germany	1	7.82	→	1	7.61
Austria	3	7.43	↗	2	7.23
Denmark	2	7.48	↘	3	7.19
Sweden	5	7.37	↗	4	6.98
The Netherlands	8	7.06	↗	5	6.98
Belgium	9	7.01	↗	6	6.89
Lithuania	13	6.57	↗	7	6.87
Norway	4	7.38	↘	8	6.86
France	10	6.98	↗	9	6.82
The United Kingdom	11	6.90	↗	10	6.82
Switzerland	6	7.35	↘	11	6.80
Finland	7	7.07	↘	12	6.70
Estonia	18	6.23	↗	13	6.57
Ireland	14	6.51	→	14	6.36
Czech Republic	15	6.38	→	15	6.29
Poland	19	6.16	↗	16	6.15
Latvia	22	5.97	↗	17	6.09
Spain	16	6.38	↘	18	6.01
Italy	12	6.86	↘	19	5.87
Slovakia	17	6.35	↘	20	5.83
Romania	21	5.99	→	21	5.79
Portugal	23	5.92	↗	22	5.73
Hungary	20	6.07	↘	23	5.55
Greece	24	5.39	→	24	4.74

Pillar 2: Saving for the future

28%

of active savers in the Czech Republic say they could afford to pay between four and 12+ times their monthly salary out of their savings without falling into debt.

Measures the amount that consumers can save each month; their ability to save for an unforeseen event; and the gross household saving rate for each country.

As consumers face the prospect of economic downturn, they are keen to put aside money wherever possible. The top 10 countries in the Saving for the future pillar have all improved their performance over the last year, with Germany, The Netherlands and Belgium edging higher since 2019.

The Czech Republic has climbed eight places, thanks to a higher score on the pillar's underlying savings for unforeseen events indicator. Some 28 per cent of active savers in the country say they could afford to pay between four and 12+ times their monthly salary out of their savings without falling into debt.

Romania has also increased from last year. Our survey indicates that Romanian consumers (77 per cent) are saving each month in line with the European average (76 per cent), even though they have less money after paying bills.

Saving for the future

Country	Rank 2019	Score (0-10) 2019		Rank 2020	Score (0-10) 2020
Sweden	1	5.63	→	1	5.91
Germany	3	5.40	↗	2	5.85
The Netherlands	4	5.08	↗	3	5.54
Belgium	6	4.90	↗	4	5.17
Austria	5	4.94	→	5	5.15
Czech Republic	14	4.53	↗	6	5.07
Ireland	11	4.63	↗	7	5.00
France	8	4.81	→	8	4.99
Estonia	13	4.57	↗	9	4.98
Norway	9	4.78	↘	10	4.90
Switzerland	2	5.43	↘	11	4.79
Romania	23	3.07	↗	12	4.73
Italy	10	4.76	↘	13	4.61
Denmark	7	4.85	↘	14	4.57
The United Kingdom	15	4.53	→	15	4.55
Slovakia	16	4.46	→	16	4.48
Spain	12	4.58	↘	17	4.29
Hungary	17	4.40	↘	18	4.27
Portugal	18	4.15	↘	19	4.20
Finland	19	4.09	↘	20	4.11
Lithuania	21	3.49	→	21	3.78
Latvia	22	3.45	→	22	3.40
Poland	20	3.71	↘	23	3.29
Greece	24	1.96	→	24	1.97

Pillar 3: Financial literacy

54%

of Estonian consumers say their primary source of financial education was the internet. On average in Europe, 43 per cent said the same.

Measures the extent to which consumers understand basic financial terms and calculations relating to savings

Our survey suggests that the fallout from Covid-19 has motivated consumers to improve their financial literacy.

As mentioned in the overall rankings, the Baltic countries have made some of the most impressive gains in financial literacy over the last year. If we look at the two pillars, all three have improved in their ability to define key financial terms, whereas Lithuanian respondents have improved most in their ability to calculate the annual rate of growth in a hypothetical savings account (the financial calculation indicator).

While some of the changes from 2019 may reflect revisions to the sample profile for these countries, it is to be celebrated that the countries are all advanced in their financial literacy, relative to many other countries across Europe.

As might be expected from a digital leader, Estonians cite the internet as their primary source of financial education (54 per cent) compared with the European average of 43 per cent. Four in ten (43 per cent) also point to a strong grounding at school, slightly above the 40 per cent European average.

Financial literacy

Country	Rank 2019	Score (0-10) 2019		Rank 2020	Score (0-10) 2020
Finland	1	7.74	→	1	7.48
Ireland	3	7.14	↗	2	7.30
Estonia	22	4.65	↗	3	7.16
Latvia	21	4.86	↗	4	7.08
The United Kingdom	2	7.23	↘	5	7.03
Sweden	5	6.99	↘	6	7.01
Austria	4	7.03	↘	7	6.92
Portugal	14	6.41	↗	8	6.91
Norway	6	6.94	↘	9	6.89
Lithuania	24	4.25	↗	10	6.88
Greece	15	6.41	↗	11	6.83
Poland	23	4.63	↗	12	6.83
Denmark	9	6.79	↘	13	6.81
Hungary	12	6.54	↘	14	6.63
Switzerland	8	6.85	↘	15	6.63
Germany	7	6.86	↘	16	6.55
The Netherlands	11	6.60	↘	17	6.52
Czech Republic	20	5.78	↗	18	6.43
Slovakia	19	6.07	→	19	6.40
Belgium	17	6.18	↘	20	6.39
Spain	10	6.72	↘	21	6.38
Romania	13	6.50	↘	22	6.22
France	18	6.13	↘	23	6.14
Italy	16	6.37	↘	24	5.93

Conclusions and recommendations



Facing growing debt and inequality, consumers need more support to achieve long-term goals

The wide-ranging and unequal impact of Covid-19 is visible in our findings, which show significant variations by region and generation. We also see Millennials, Gen Z and Southern European consumers being harder hit than Boomers and those in Scandinavia. These differences may become more pronounced before the economic recovery gets underway.

Consumer attitudes towards debt as a means to cover household expenditure have been forced to shift during the crisis. Our research highlights that some consumers are borrowing more frequently out of necessity than they were. Those in wealthier countries take on an increasing amount of debt, but when payment holidays are withdrawn, a payment crunch is likely in some regions until consumers can regain control of their finances and secure a steadier income.

It is vital that consumers, in the current environment, take additional steps to better manage their finances, work towards long-term goals and keep their stress levels in check.

Financial wellbeing and education are key to regaining control

The challenges of 2020 have underlined the importance of a financial safety net. Although everyday life can get in the way, getting the balance right between short-term and long-term goals when it comes to borrowing and saving can help consumers achieve financial security and peace of mind.

Our research suggests that this is easier for some to achieve security than others due to individual financial circumstances and the wider macro-economics. There is no silver bullet but – with financial education and guidance from financial services firms, policymakers and educational institutions – consumers can understand how to make the right decisions and start to see the bigger picture.

Economic volatility provides opportunity for a shift in consumer behaviour

In our survey, we see signs that the economic uncertainty of 2020 is motivating consumers to think differently about the impact of their consumption on business and the wider world.

While some consumer decisions are undoubtedly driven by financial concerns, due to the growing pressure on income levels, this shift coincides with wider forces at work and a realignment with the natural world.

In 2020 we see a clear increase of consumers who limit their spending due to their interest in sustainability. Moreover, as consumers consider the impact that their personal spending can have on a business in combination with interest in improving their financial literacy, a growing proportion may ensure that they make their payments on time. The future will tell whether this is a change in consumer behaviour that will continue to evolve in the post-Covid-19 world.

European results

The impact of Covid-19 on household income

The economic upheaval of 2020 is weighing heavily on consumers' minds and many have seen a decrease in their disposable income.

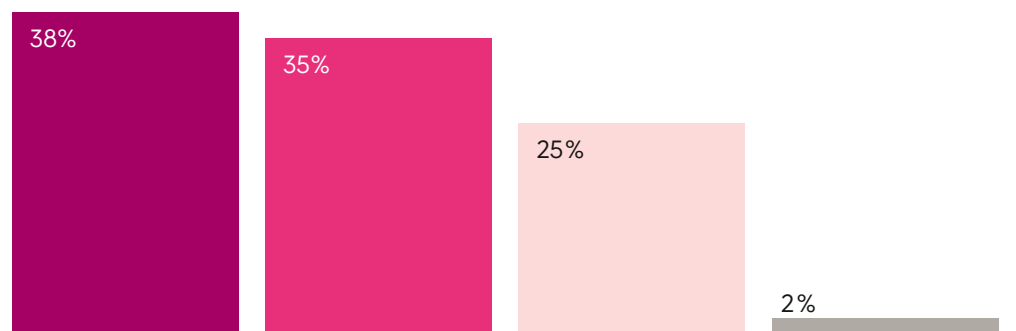
The survey shows that the crisis is having a disproportionate impact on consumers who already have less secure finances. On average in Europe, just over a third (35 per cent) say their income has declined as a result of Covid-19, with a further 25 per cent flagging that it may go down soon.

As expected, decline in income and expected income are highest among consumers with an initial low level of income. Close to seven in ten (67 per cent) low income households have experienced, or are expecting, a reduction in income. By comparison, 54 per cent of people with high income stated the same. The economic impact is larger among low income households, as low income jobs are most affected by measurements to reduce infection.

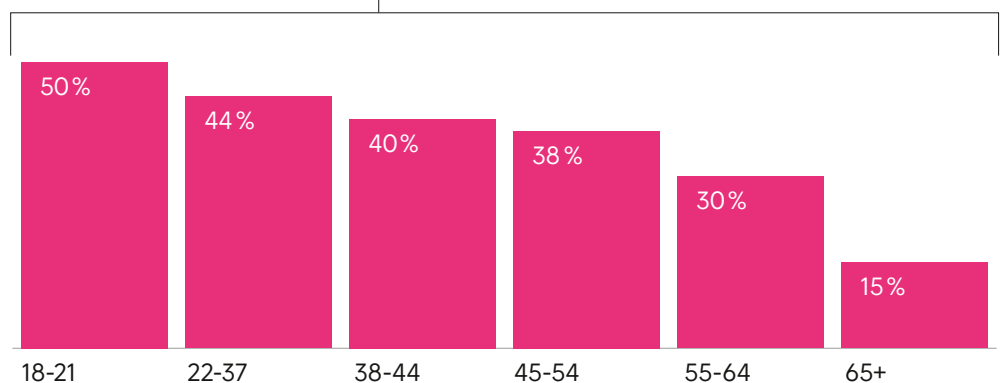
Among those who have experienced an income reduction, a variety of measures has been taken. Cutting down on non-essential spending (57 per cent) and seeking additional part-time work (21 per cent) are permanent solutions to payment problems, but our survey shows a wide usage of temporary solutions which can indicate that payment problems are only moved forward in time.

To what extent, if at all, has your income been affected by the Covid-19 crisis?

- Income has stayed the same, and should remain steady or increase.
- Income went down as a result of Covid-19.
- Income has stayed the same, but may decrease soon.
- Income has increased.

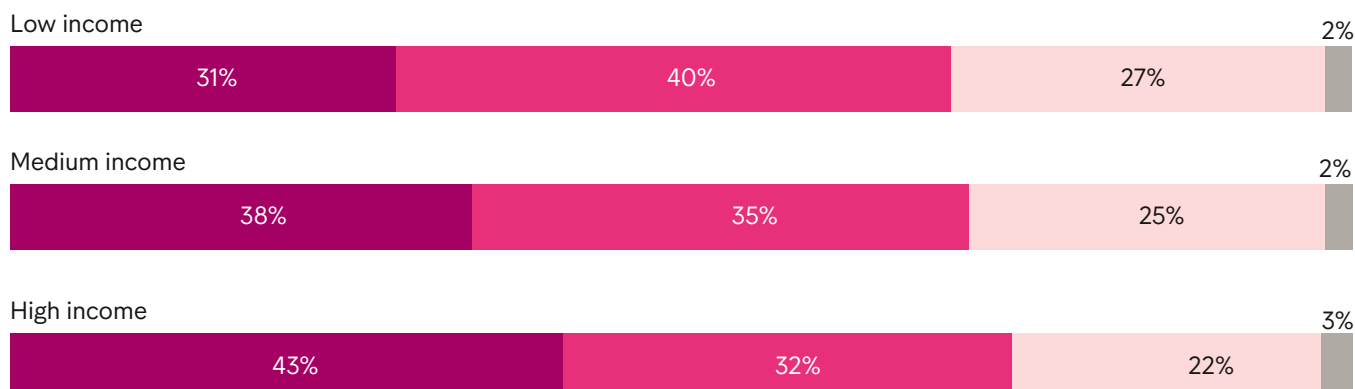


Consumers who said their income went down (split by age).

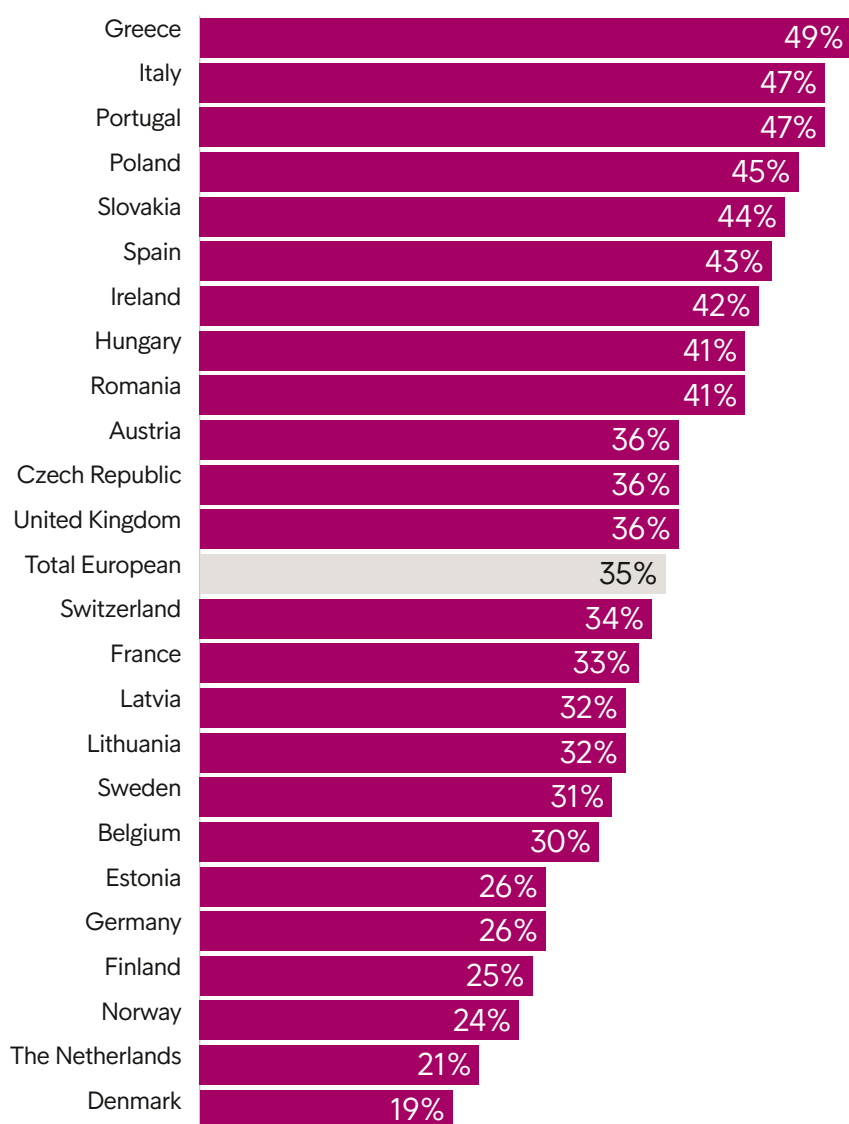


Consumers who said their income went down (split by income).

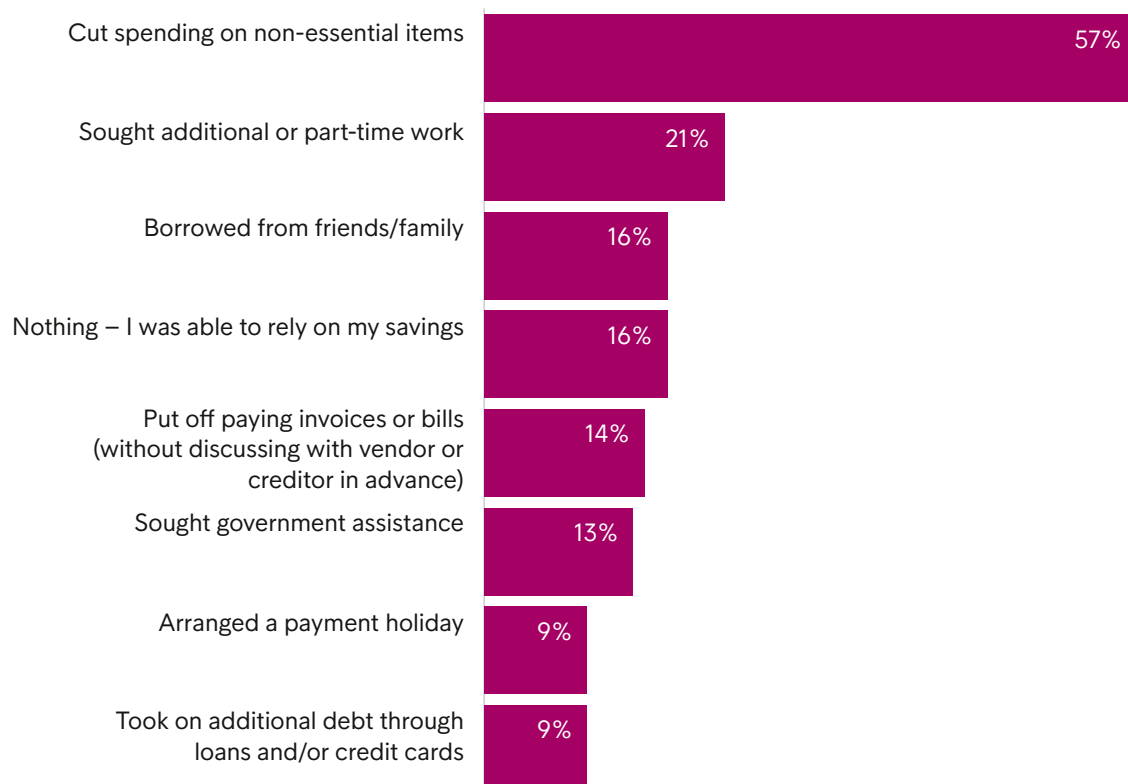
- Income has stayed the same, and should remain steady or increase.
- Income went down as a result of Covid-19.
- Income has stayed the same, but may decrease soon.
- Income has increased.



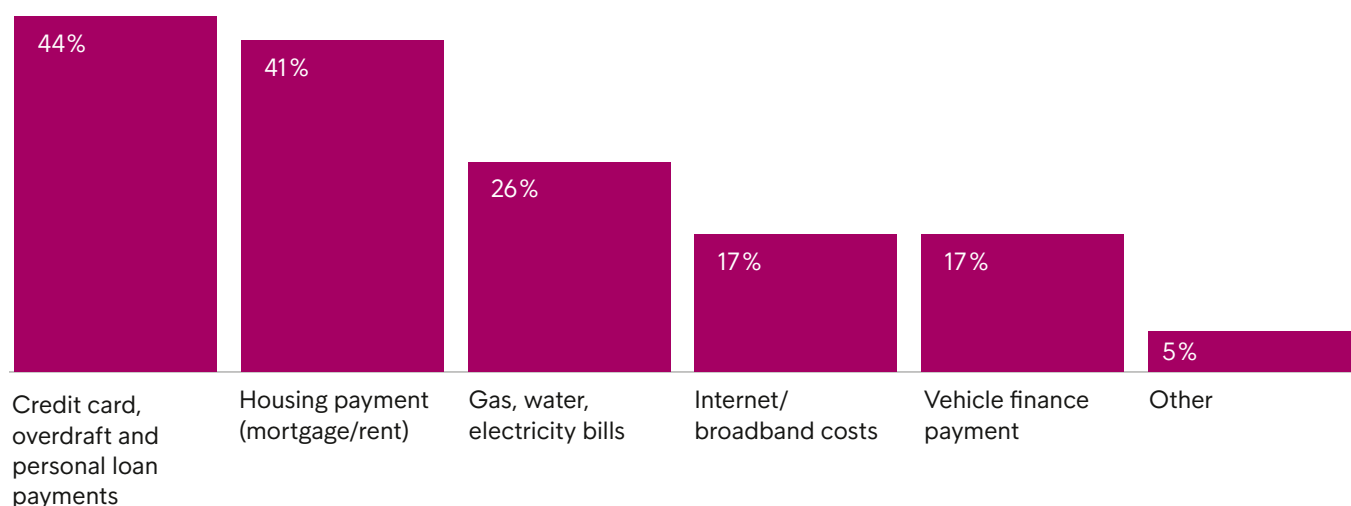
Consumers who said income went down (split by country).



You said your income decreased as a result of Covid-19. Which of the following actions did you take to manage the fall in your ability or willingness to spend money (purchasing power)?



Which of the following payments or bills have you covered with a payment holiday during 2020?
Graph show all who said they arranged a payment holiday.



If/when payment holidays become unavailable, how confident are you that your monthly income will be enough to cover your essential payments, such as mortgage and utility bills, over the next 6 months?

● Confident
 ● Neutral
 ● Not confident
 ● Don't know



Ability to pay bills

41%

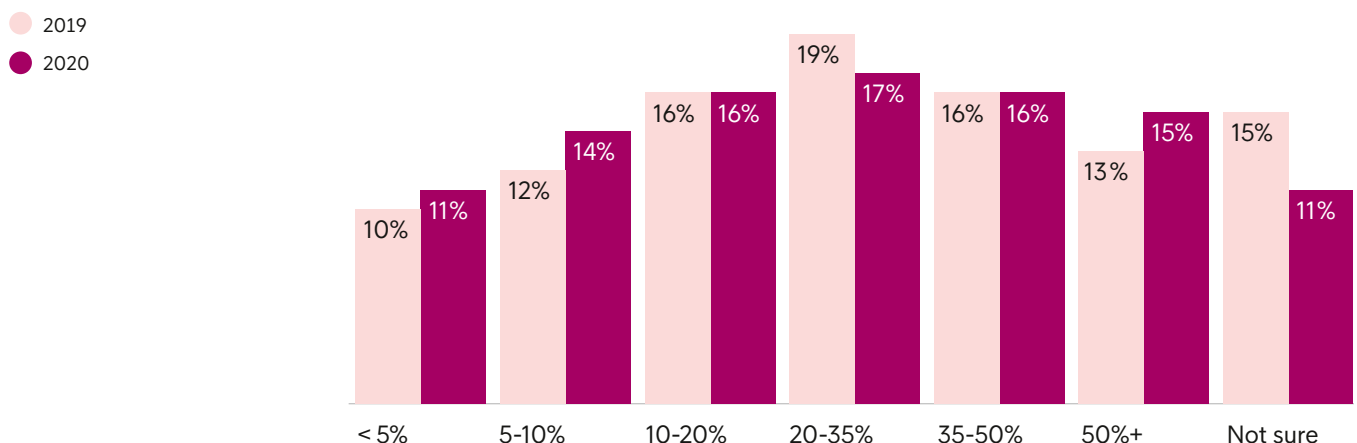
say they have less than 20 per cent of income left after paying bills.

The Covid-19 crisis will have a lasting impact on European consumers' ability to manage their household finances. Many are concerned about the rising bills and not being able to meet financial obligations, which in turn impact consumers' wellbeing. This is also visible in our survey: on average in Europe, one in two (47 per cent) is now more concerned about their financial wellbeing than at any other point in their life.

Consumer stress levels are on the rise, especially in Southern European countries where the virus has had a pronounced effect on the economy; three in four (73 per cent) Greek consumers say they have never been so worried about their finances.

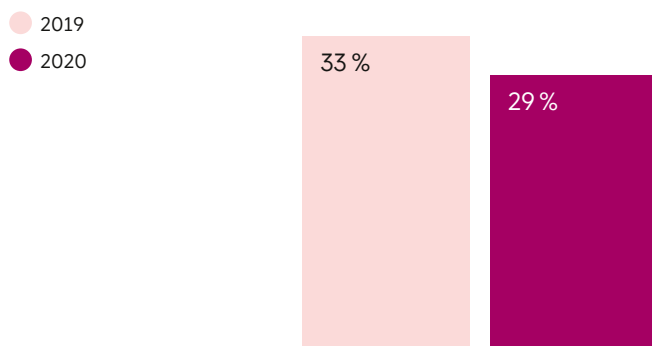
As Europeans adapt their lifestyles to lockdown restrictions, consumers are prioritising a wider range of household related bills; with a particular focus on services that are vital during lockdown, such as internet and household utilities.

What percentage of your monthly salary is left after you have paid all of your household bills? (including rent/mortgage/utilities and any loan/credit card repayments)

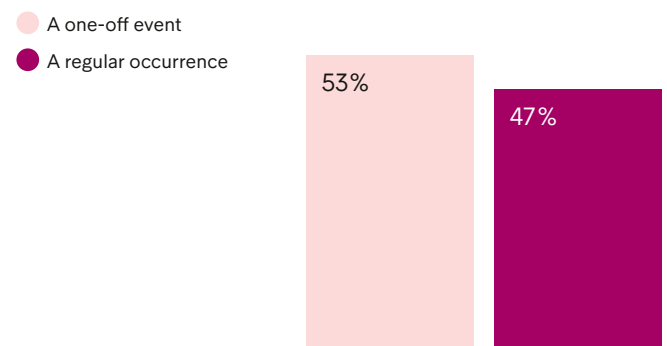


During the last 12 months, have you at one or several times not paid a bill on time?

Graph show all who answered "yes."

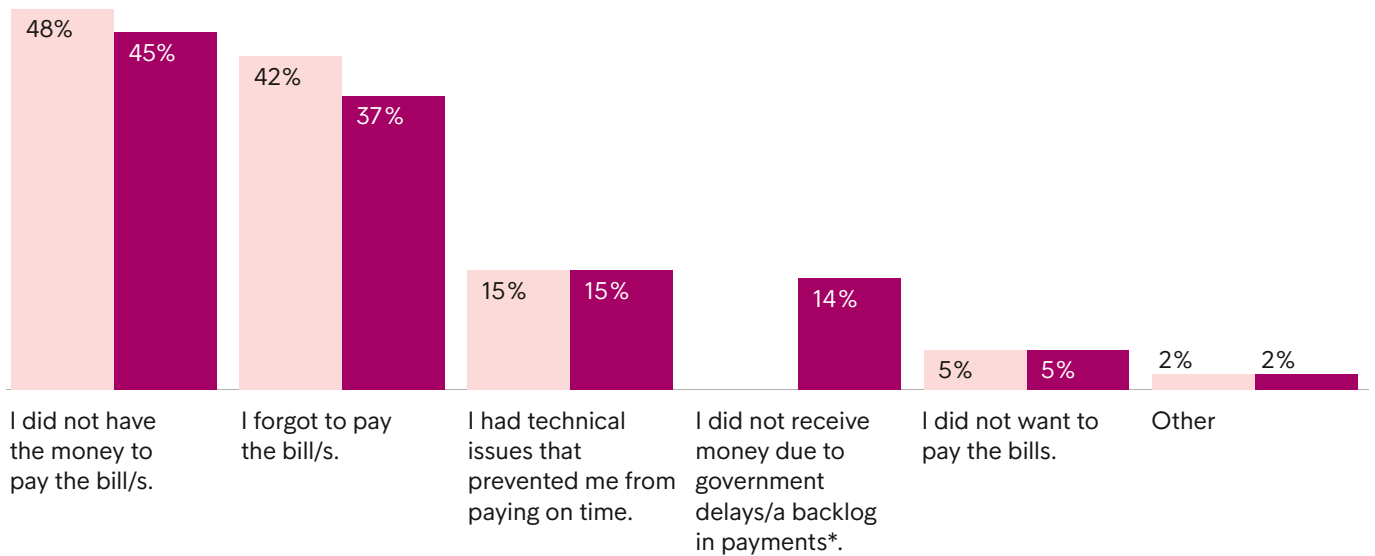


You have said that you haven't paid more than one bill on time over the past twelve months. Would you describe this as:



What were the reasons for not paying your bill(s) on time?

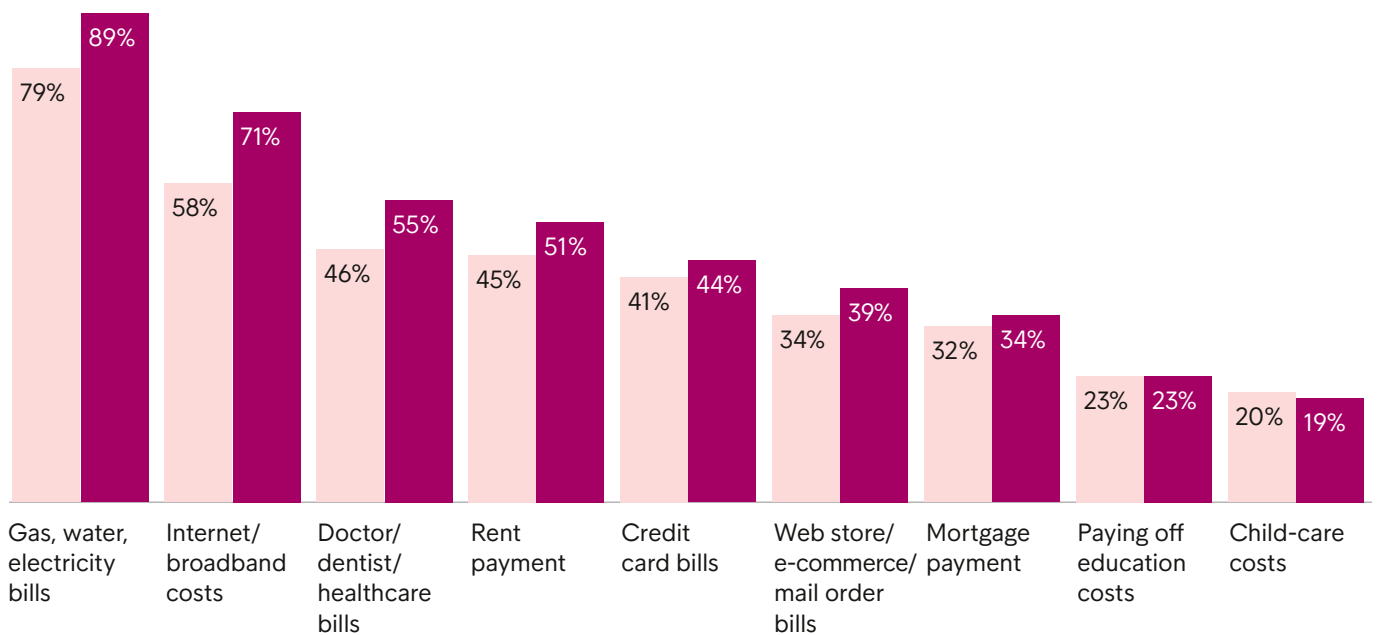
2019 2020



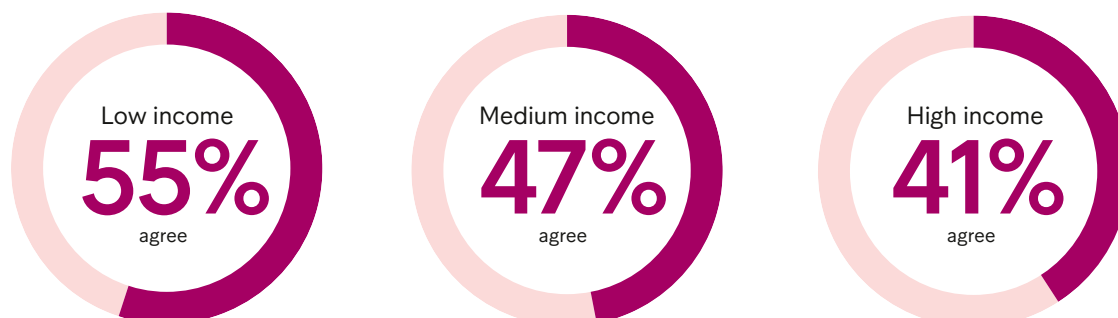
*) This is a new alternative we introduced in the survey for 2020.

Which of the following types of bill do you prioritise each month?

2019 2020

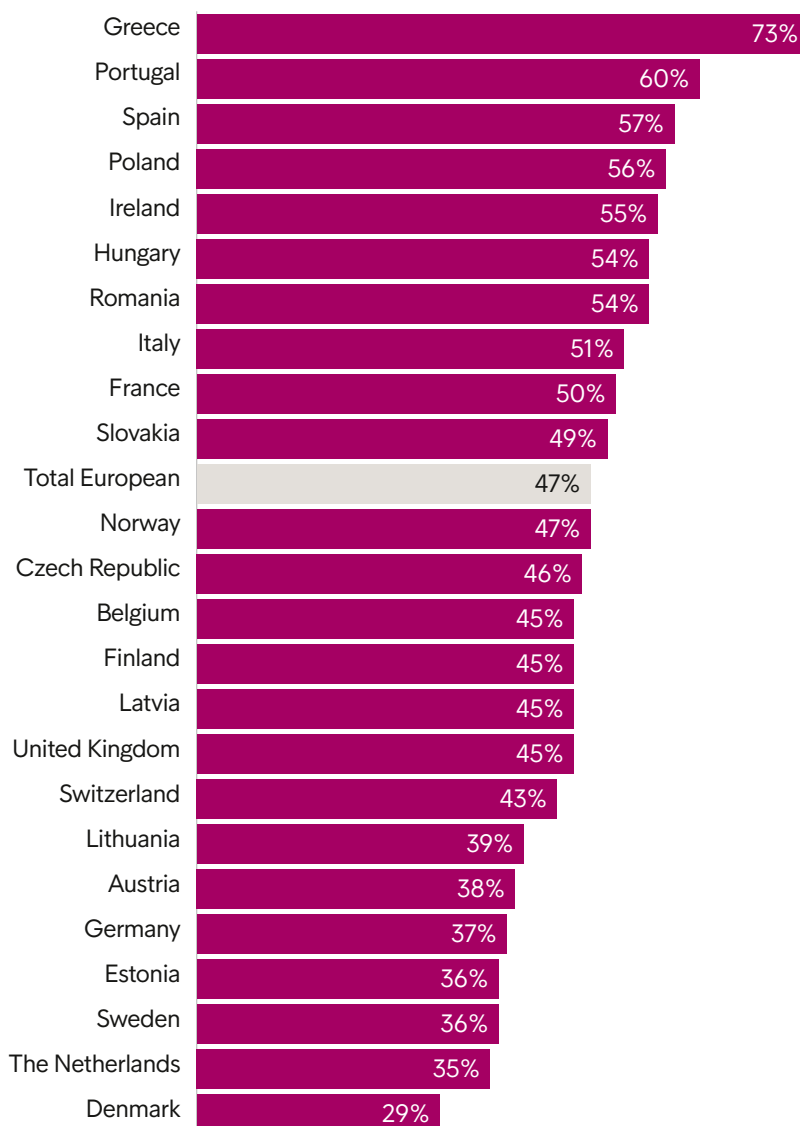


I am more concerned about my financial wellbeing than I have been at any other point in my life.



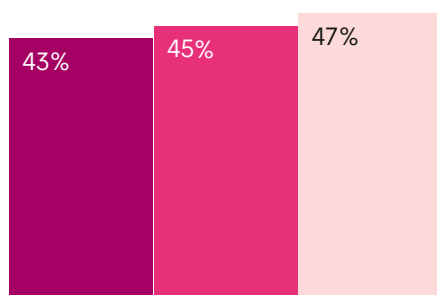
Consumers who agree with the statement below (split by country).

"I am more concerned about my financial wellbeing than I have been at any other point in my life."



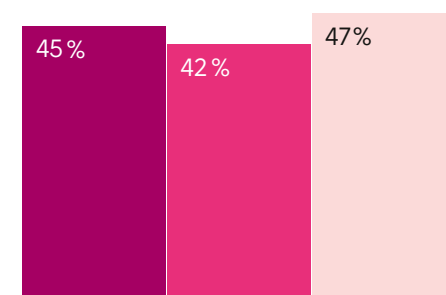
My concerns about rising bills are having a negative effect on my general wellbeing (agree).

● Autumn 2019
● Spring 2020
● Autumn 2020



My bills are increasing at a higher rate than my income (agree).

● Autumn 2019
● Spring 2020
● Autumn 2020



Loans and borrowed money

21%

say they borrow money to pay bills.

As a result of the decline in disposable income due to the ongoing pandemic, some consumer groups are taking on additional debt in 2020, despite misgivings about borrowing during the crisis.

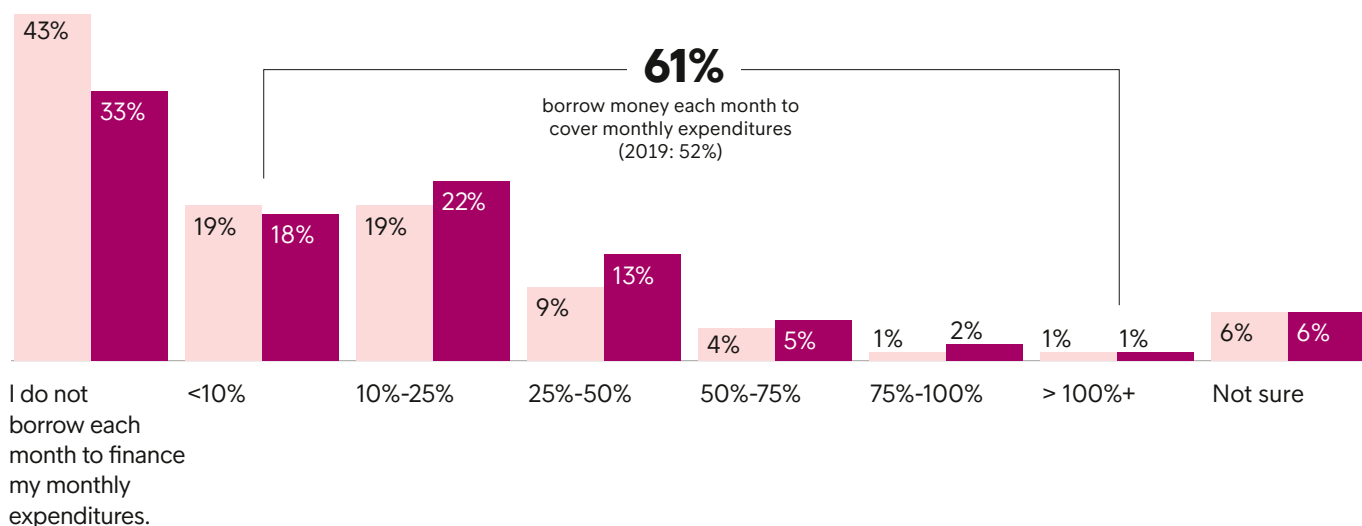
Around a fifth (21 per cent) have borrowed money in order to pay bills in the last six months, down from 25 per cent in 2019. Though Central Banks in Euro area report a decrease in lending rate of consumer loans during the pandemic, our survey shows that of the consumers who borrow money to pay bills, six in 10 (61 per cent) say they are borrowing money each month, up from 52 per cent borrowing each month in 2019.

Consumers do, however, have misgivings about taking on additional debt at the present time. Despite the prospect of borrowing at record-low interest rates in much of Europe, two-thirds (65 per cent) are more wary than normal about taking on debt.

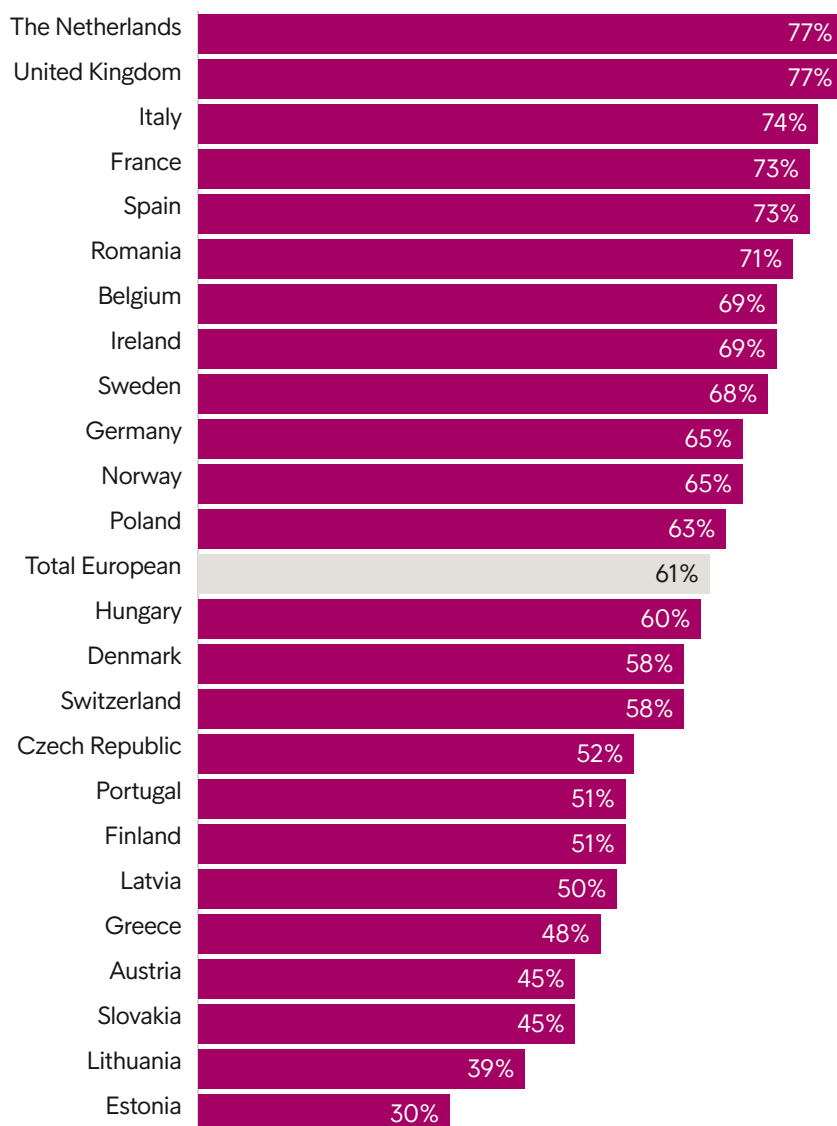


On average, how much do you borrow each month in relation to your monthly income (not included mortgage and credit card)?

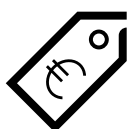
● 2019 ● 2020



Consumers who borrow money each month to cover monthly expenditures (split by country).



To what extent do you agree/disagree with the following statements?



The Covid-19 crisis has made no difference to the amount of money I borrow and spend.

40% agree

30% neither agree nor disagree

30% disagree



Due to low interest rates, I am more confident about borrowing money than I was 6 months ago.

16% agree

37% neither agree nor disagree

47% disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.

67% agree

25% neither agree nor disagree

9% disagree



Even though interest rates are low, I am more wary than normal about taking on debt.

65% agree

26% neither agree nor disagree

8% disagree

Saving for the future

76%

say they are able to save each month.
In 2019 75% stated the same.

56%

are dissatisfied with the amount they
are able to save each month. In 2019
52% stated the same.

The Covid-19 crisis has not only had an immediate impact on household finances; it also has much longer-term implications for consumers ability to save for the future. Our survey shows that the pandemic is increasing inequality in savings.

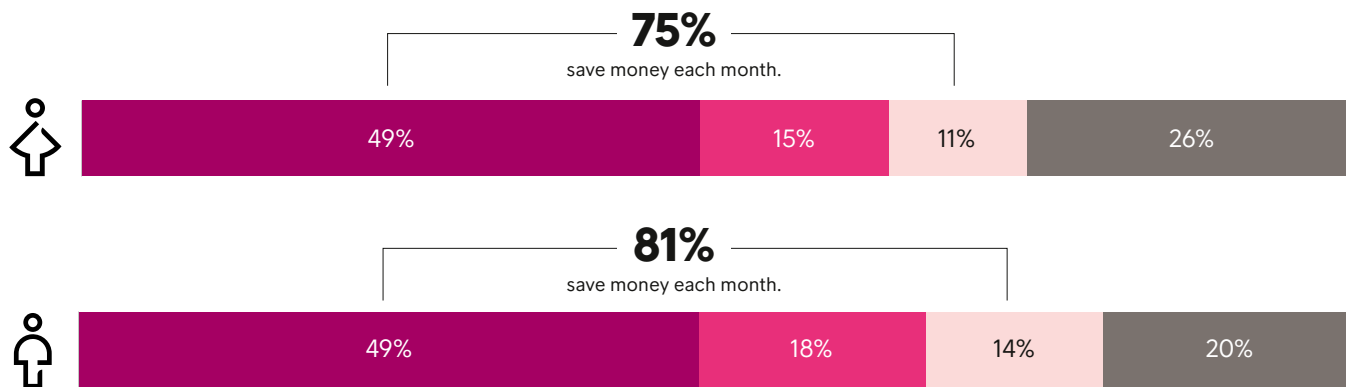
Although saving rates increase in Europe due to the pandemic, savings are highly skewed towards high income households, as savings increase unproportionally with income. When high income individuals increase their savings amount, overall savings can increase, even if fewer individuals are able to save. Our survey finds that 43 per cent of low incomers say they are saving less as a result of the pandemic compared to 28 per cent of high incomers saying the same.

Many tend to focus on short term savings rather than long term and we see a rise in the number of consumers saying they worry about their ability to afford a comfortable retirement. However, lower day-to-day expenses are helping some put extra money aside.



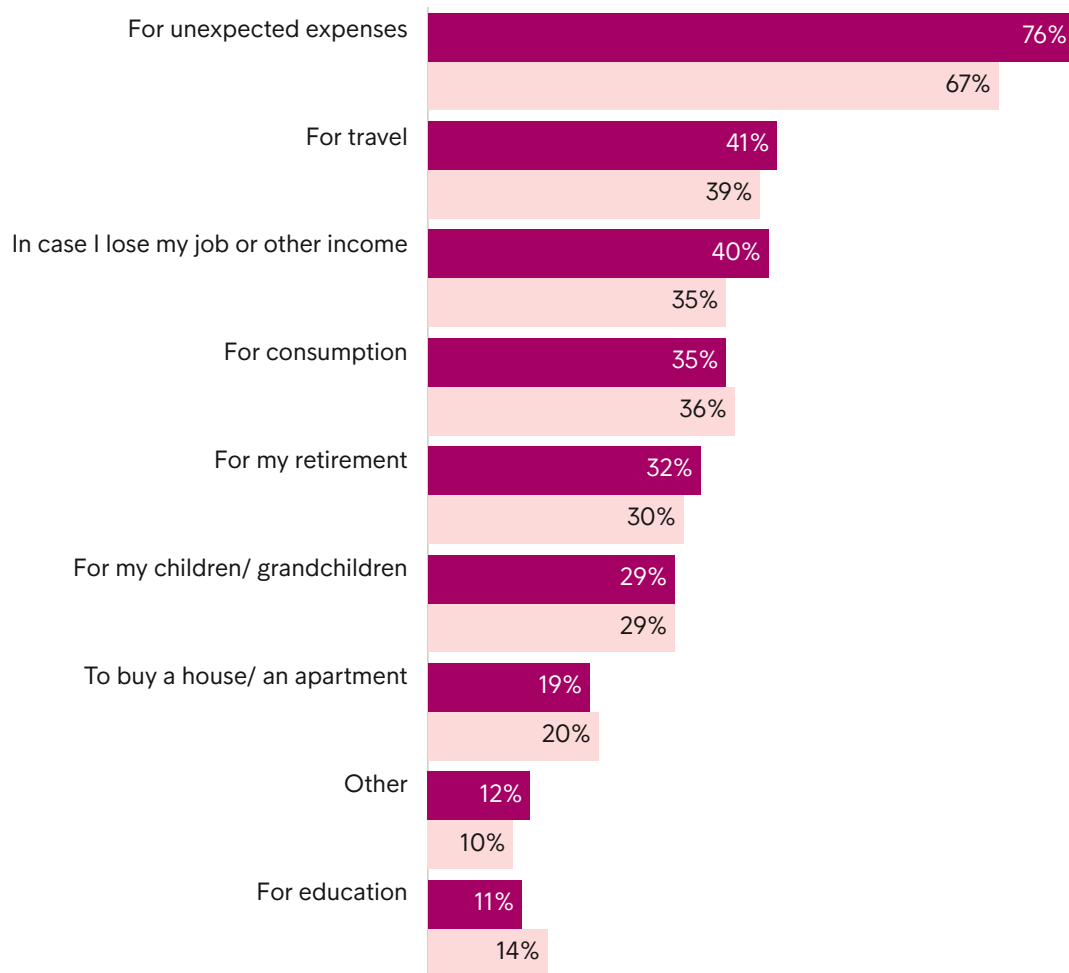
On average, what percentage of your salary do you save each month?

● <10% ● 10-20% ● >20% ● I do not save money each month.



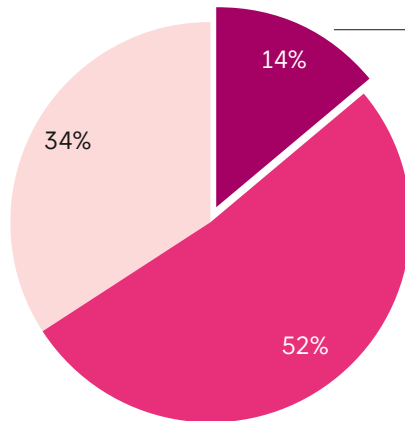
What are your main reasons for saving money each month?

● 2020
● 2019



Compared to the time before the Covid-19 crisis started, are you generally saving more or less money each month?

More
Unchanged
Less

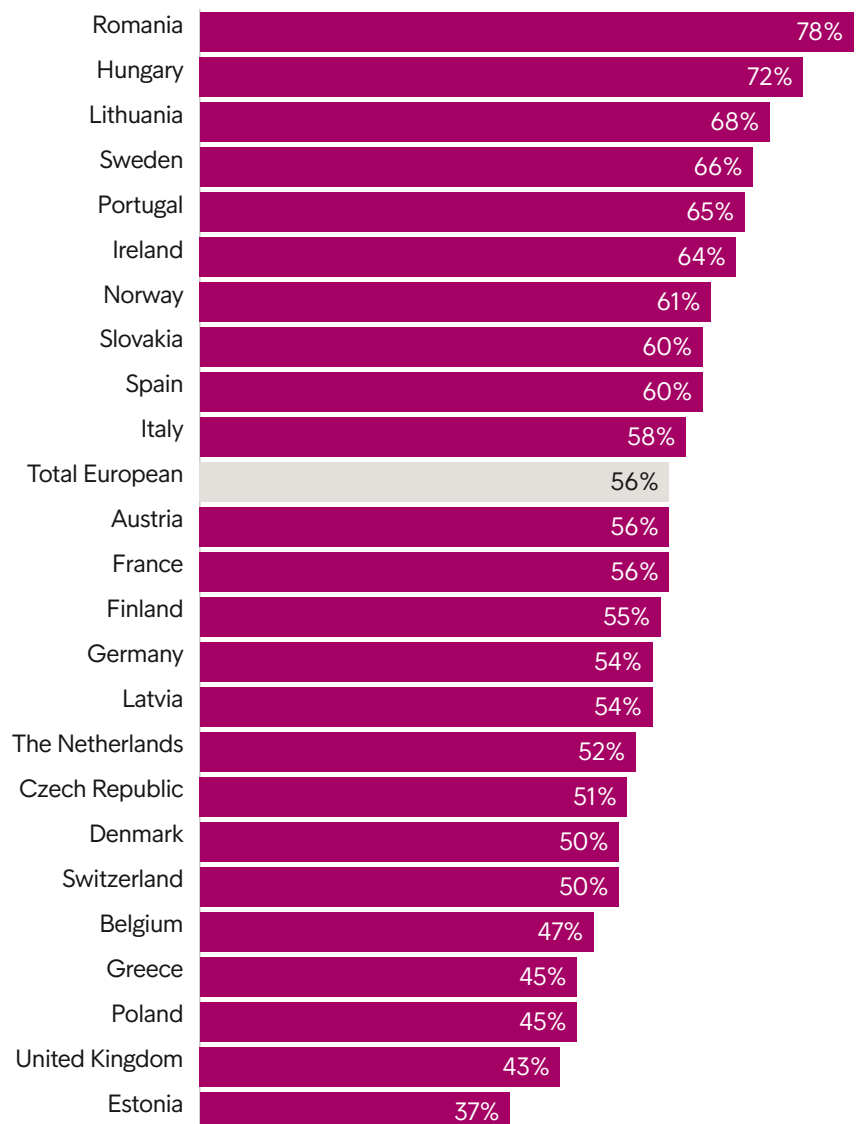


You indicated that you were saving more money than you were before the Covid-19 crisis started. What are the main reasons for this?

- 56%** Due to Covid-19 restrictions, I am spending less money on everyday expenses such as public transport and meals out.
- 43%** I am giving myself more financial security in case my income is affected by the Covid-19 crisis.
- 41%** I am less interested in buying new things than I used to be.
- 20%** I am saving up for a major purchase.
- 14%** I am paid more now than I was this time last year.

Consumers who agree with the statement below (split by country).

"I worry that I won't be able to afford a comfortable retirement."



Financial literacy

30%

of consumers answered incorrectly when asked: "If you had €200 in a savings account earning 2% interest a year, how much would you have in the account after five years (assuming you didn't pay any new money into the account or make any withdrawals)?"

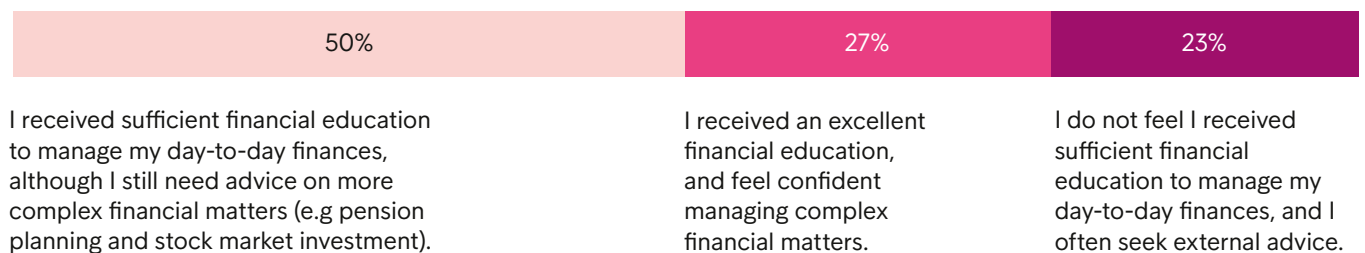
Financial literacy is the ability to understand how money works: the set of skills and knowledge that allow us to make informed and effective financial decisions. Reduced incomes, job uncertainty and the prospect of a global recession mean that now, more than ever, consumers should be equipped with the knowledge they need to manage their finances.

Our survey shows that the economic uncertainty is driving new interest in improving financial literacy across Europe. Around half (47 per cent) of European consumers indicate improving financial security has become a top priority for them since the outbreak of the crisis, while 40 per cent are actively improving their financial literacy to prepare for economic uncertainty.

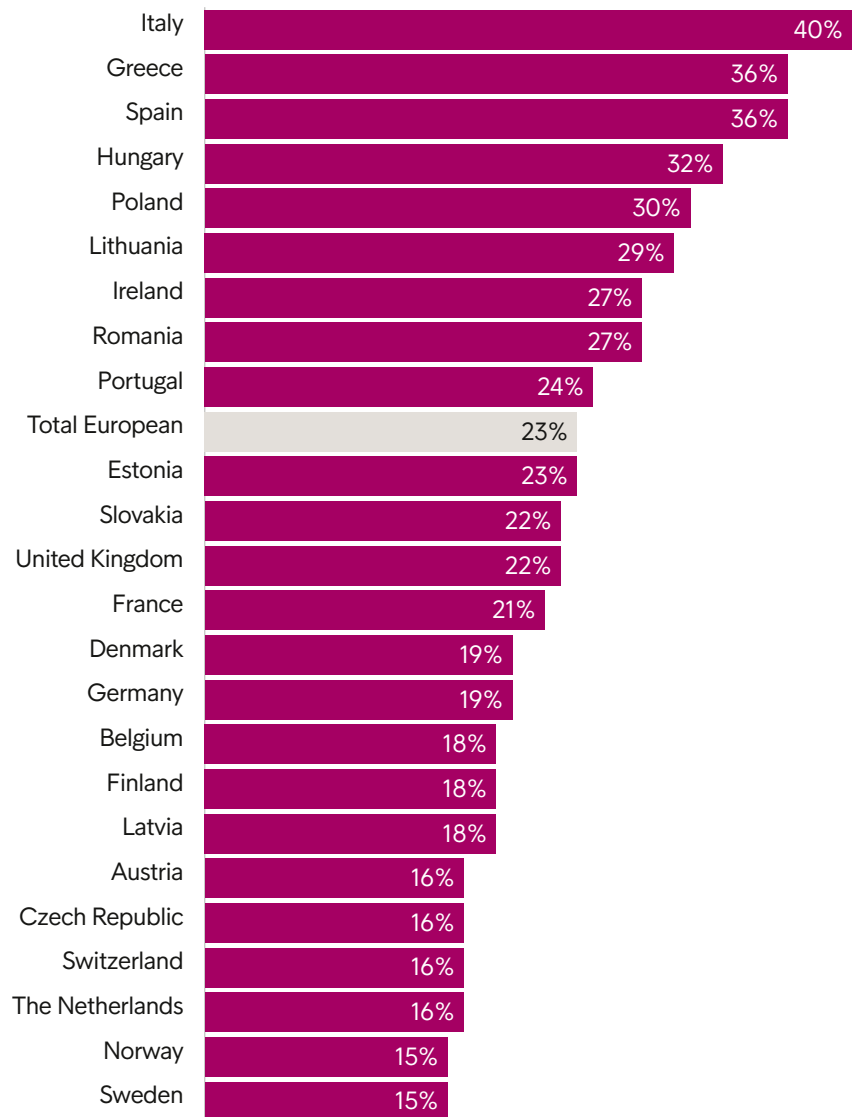
There is particular interest in improving financial security among at-risk countries in Southern Europe. Six in ten (66 per cent) Portuguese consumers say that, since the Covid-19 crisis began, improving their financial security has become one of their top priorities.



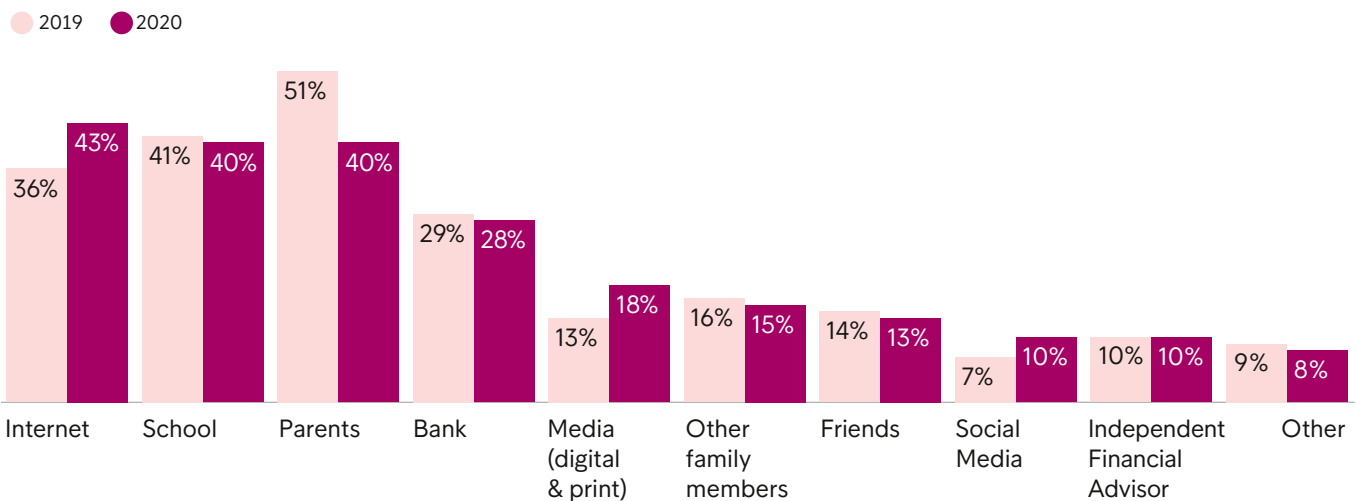
Have you received sufficient financial education to manage your daily finances?



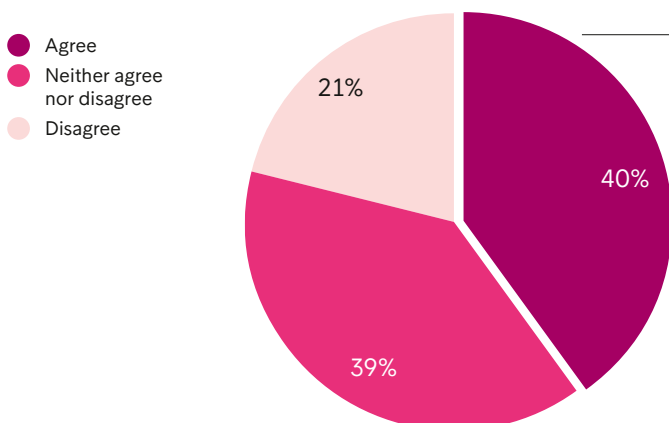
Consumers who say they do not feel they have received sufficient financial education to manage their day-to-day finances (split by country).



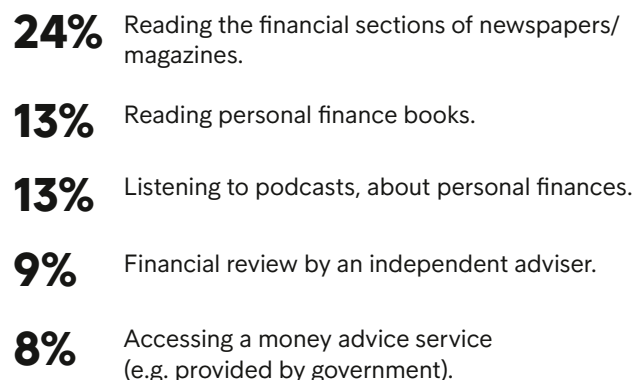
Over the course of your lifetime, what have been your primary sources of financial education?



To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy.

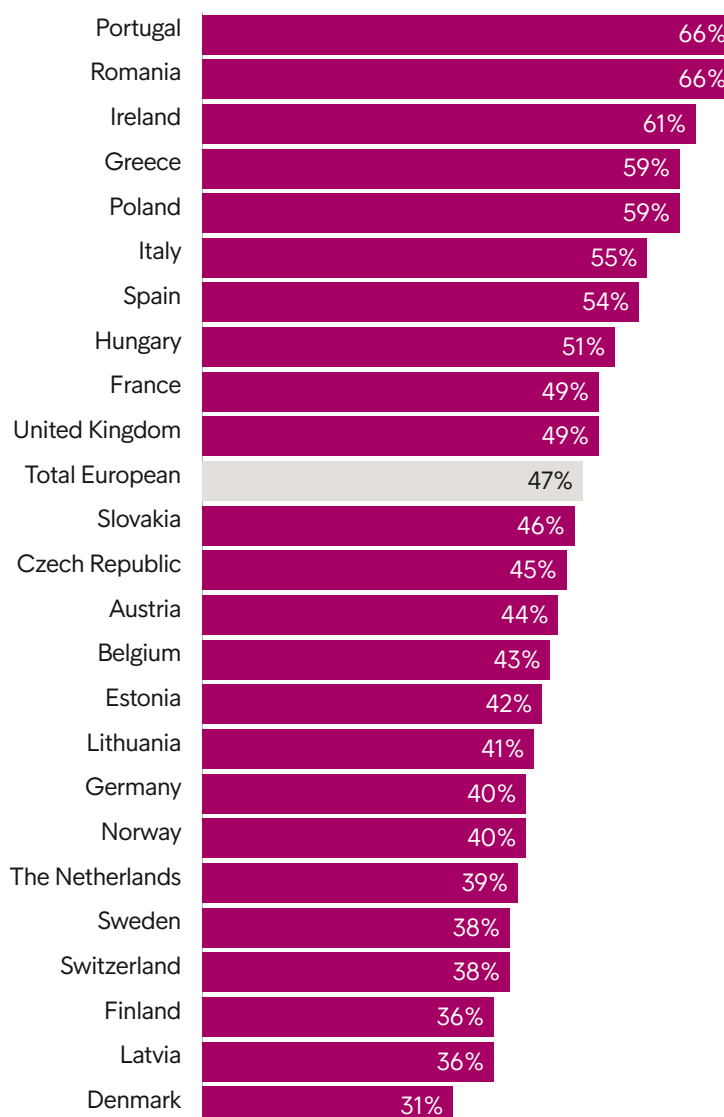


Which of the following steps have you taken, if any, to improve your financial literacy since the beginning of the Covid-19 crisis?



Consumers who agree with the statement below (split by country).

"Since the Covid-19 crisis began, improving my financial security has become one of my top priorities."



Family and household economy

53%

of parents say that the Covid-19 crisis has made them realise that finances are less secure than they need to be to live a stress-free life. 44 per cent of non-parents state the same.

Our 2019 consumer survey found that many households with children are struggling with their finances, and the on-going pandemic is increasing this pressure.

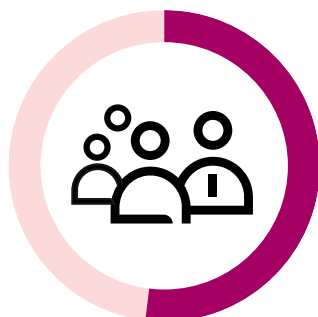
Eurostat data indicate that families with more than three children have fewer adults in the household with full-time employment, which again impacts disposable income of the family¹. Households with children often have stricter budgets and less flexibility to manage changes in income.

Our survey shows that 43 per cent of consumers with children in their household have had their income reduced as a result of the pandemic, compared to 32 per cent of consumers without children. Half of Europe's parents say they are more concerned about their financial wellbeing than they have been at any other point in their life.

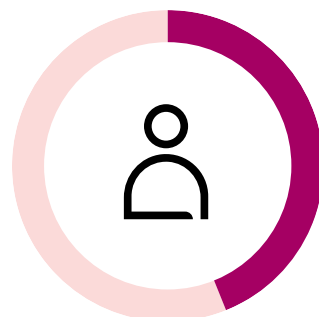
Money also impacts private relationships. Three in ten believe their relationship would benefit from better management of bills and saving.



I am more concerned about my financial wellbeing than I have been at any other point in my life.



52%
of parents agree with the statement above.

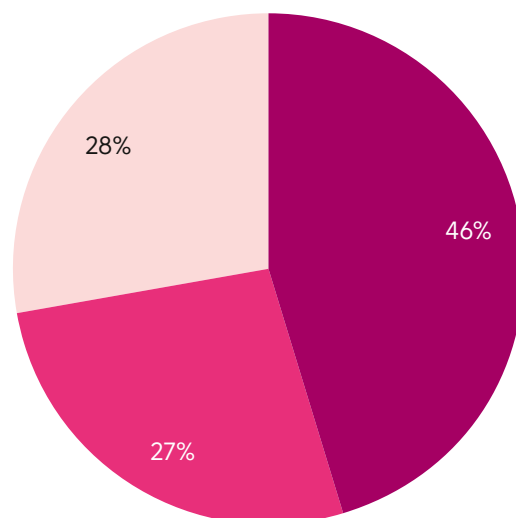


44%
of non-parents agree with the statement above.

¹) <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20200501-1>

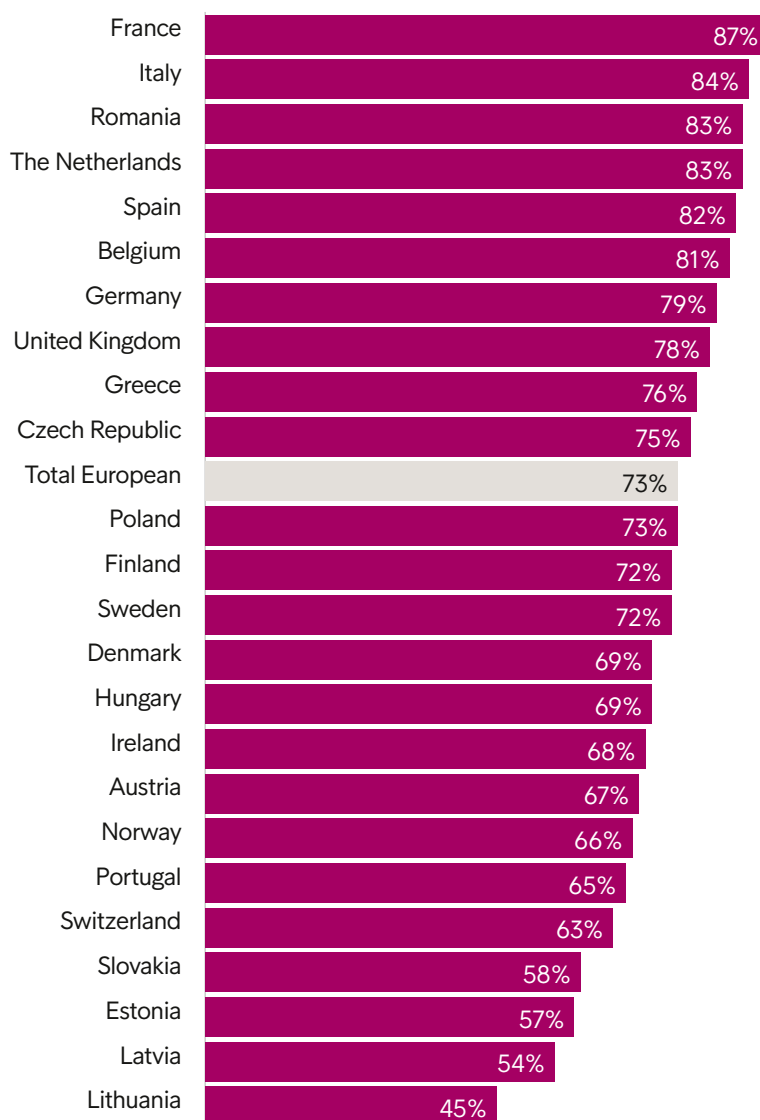
As a result of the Covid-19 crisis, have you borrowed money, apart from a mortgage, or reached your credit card limit in order to buy an item for your child/ children?

- Yes, once
- Yes, more than once
- No

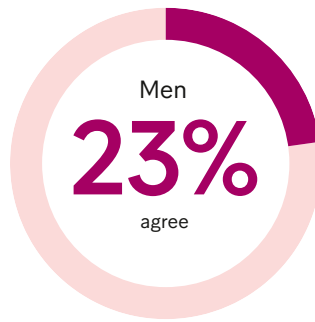
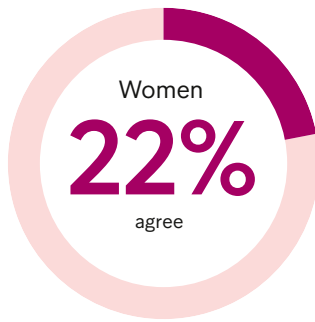


Consumers who say they have borrowed money or reached their credit card limit in order to buy an item for their child/children (split by country).

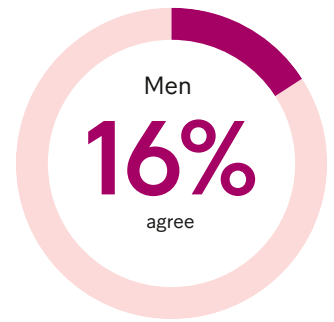
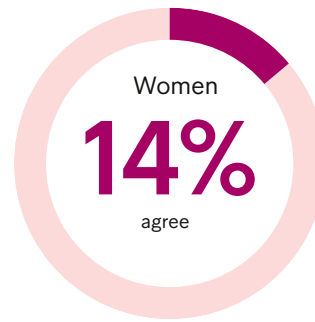
Graph show all who borrow money and have children in their household.



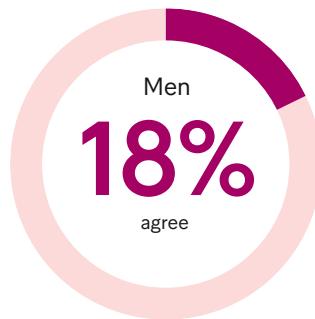
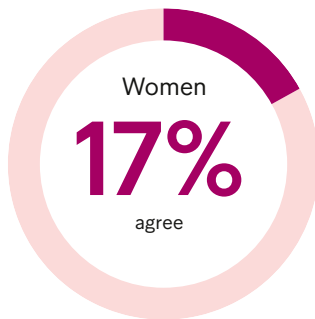
I struggle to talk openly about finances with my partner.



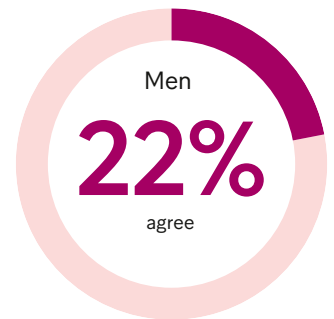
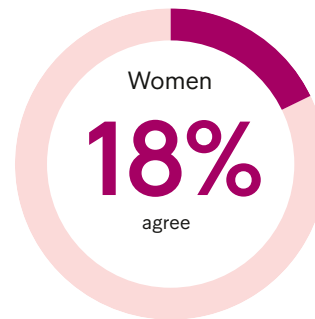
My financial situation has been a factor for not ending a romantic relationship.



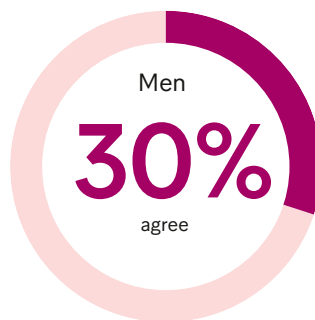
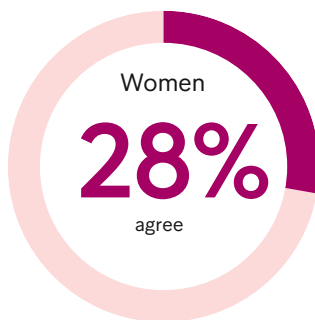
The only time my partner and I argue is when we are talking about money.



My partner has a poor understanding of financial matters and makes decisions that are bad for our household.



It would be better for my relationship if my partner and I were better at managing our bills and savings.



Sustainable spending and consumer outlook

41%

say social media creates a pressure to consume more than they should. In 2019 39 per cent stated the same.

35%

agree with the statement: Social media has increased my awareness of buying goods that are ethical/sustainable. In 2019 32 per cent stated the same.

Covid-19 is a stark reminder of the relationship between economic, human and planetary health. As consumers reflect on impending challenges, such as climate change, sustainability is influencing their purchasing behaviour.

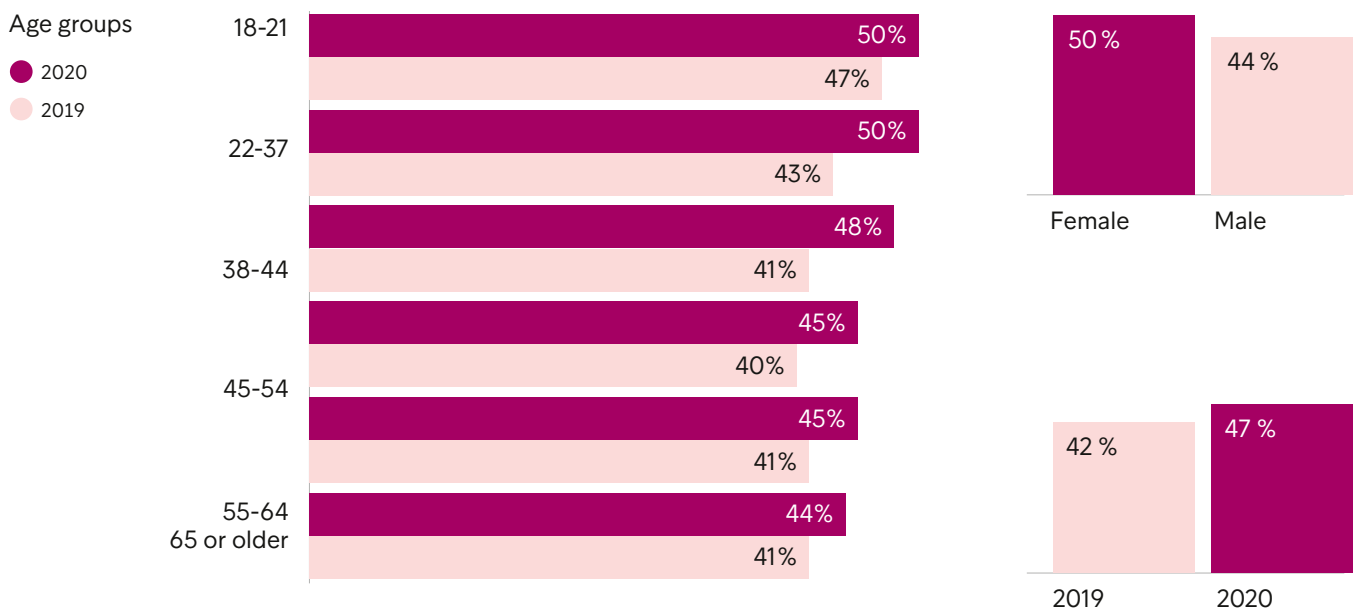
In 2020 we see a rise in the number of respondents limiting their spending due to their interest in sustainability. Millennials and Gen Z have been shown to be more aware of humanity's responsibility when it comes to combatting climate change, according to US data by the Pew Research Center¹. These eco-gender² and eco-generation gaps are reflected in our findings: 50 per cent of Millennials, Gen Z and female respondents limit their spending for sustainability reasons.

Interest in sustainability is also directly affecting Europeans' purchasing behaviour during seasonal events. Approximately half (47 per cent) are buying fewer Christmas gifts because they do not like the waste that is generated, and Gen Z and Millennials (between the age of 18 and 37) are twice as likely as older Boomers (65+) to spend extra money on environmentally friendly gifts that limit their carbon footprint.

The social impact of the crisis is giving consumers pause for thought. European consumers are anxious about the impact of the crisis on business and society more broadly. But there appears to be a disconnect at play, with many also downplaying the impact of their personal spending on local businesses; three in ten (29 per cent) see nothing wrong in making a late payment, and half (48 per cent) believe that the amount of money they spend is too small to make a material difference to a business' cash flow.

My interest in sustainability has motivated me to limit my spending.

Graphs show all who agree to the statement, split by age groups, gender and country/European average.

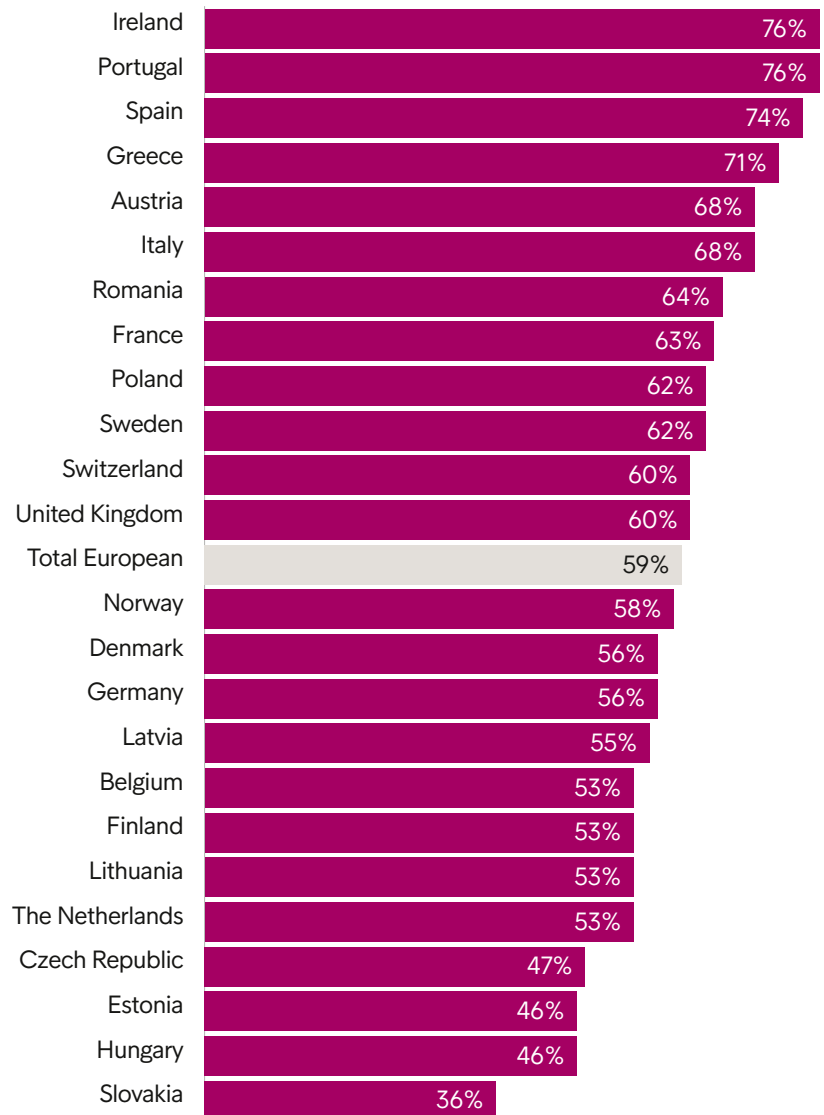


1) <https://www.pewresearch.org/fact-tank/2020/06/24/millennial-and-gen-z-republicans-stand-out-from-their-elders-on-climate-and-energy-issues/>

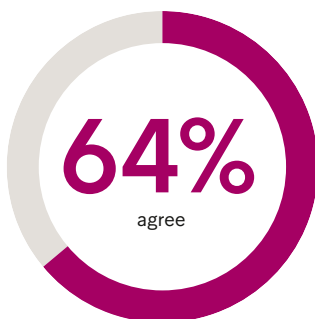
2) <https://www.mintel.com/press-centre/social-and-lifestyle/the-eco-gender-gap-71-of-women-try-to-live-more-ethically-compared-to-59-of-men>

Consumers who agree with the statement below (split by country).

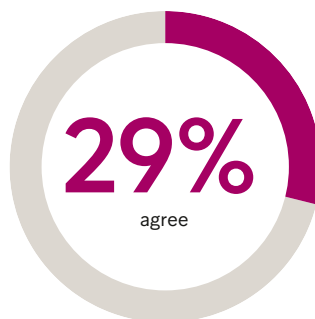
"After seeing the impact of Covid-19, I am more likely to support local businesses than I was before the crisis."



Do you agree with the following statements?



I am concerned that there will be more unemployment in my area if people do not do more to support local businesses.

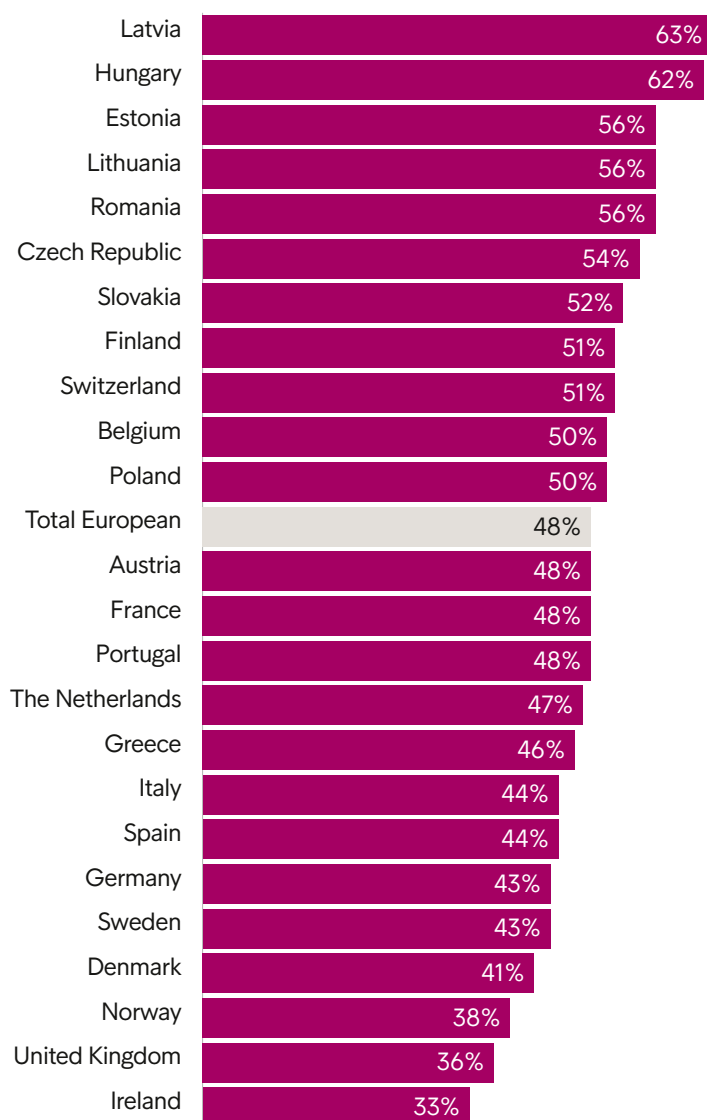


I am late in paying a bill, I do not generally worry about the impact it will have on the business that I am paying.



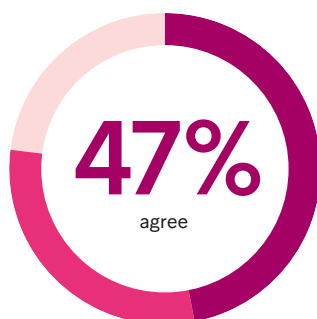
Consumers who agree with the statement below (split by country).

"The money I spend, as one individual, is too small to make any real difference to a business."

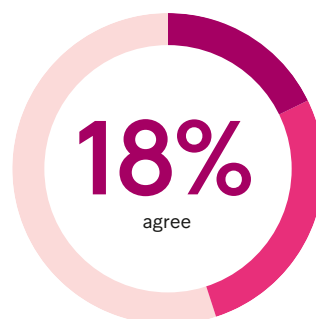


Do you agree with the following statements?

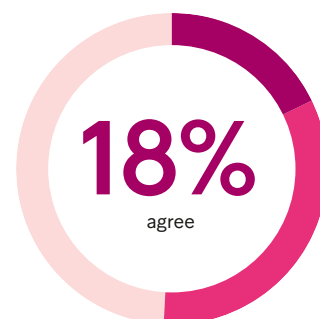
- Agree
- Neither agree nor disagree
- Disagree



I do not like the waste that is generated by Christmas presents so I buy fewer gifts now than I did a few years ago.



As 2020 has been a difficult year, due to Covid-19, I expect I will spend more money than normal on Christmas to make sure my family is happy.



As sustainable Christmas presents are more expensive, I spend more money than I can afford in an effort to be green.

Country snapshots



Austria

- Overall financial wellbeing: 2nd
- Ability to pay bills: 2nd
- Saving for the future: 5th
- Financial literacy: 7th

After introducing a lockdown early on in the pandemic, the Austrian economy has weathered the crisis relatively well. It does, however, rely heavily on exports and tourism, which continue to be impacted by Covid-19.¹

Today, Austria ranks second on the Financial Wellbeing Barometer. Austrian consumers' ability to pay their bills on time was boosted by low unemployment and a healthy household disposable income.

The country did, however, drop three places on our financial literacy ranking. Our survey shows a slight decline in the number of Austrian consumers who can match basic financial terms: 69 per cent can match common financial terms with their correct definitions, on average, 2 percentage points lower than last year.

Saving for the future

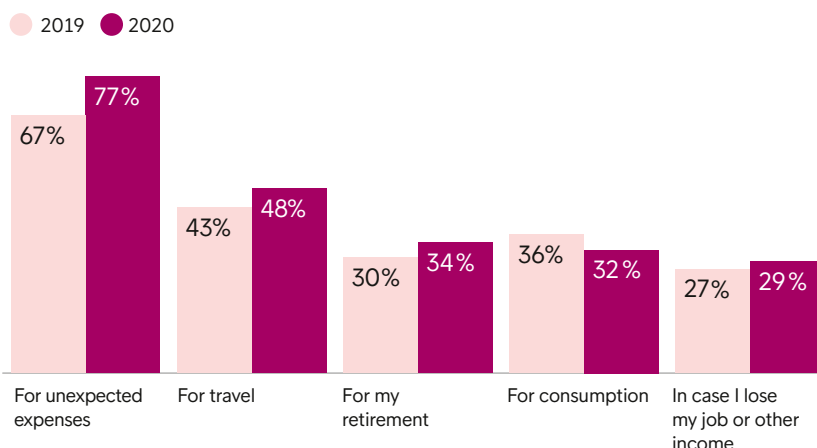
75%

say they are able to save each month. In 2019 77% stated the same. European average for 2020 is 76%.

51%

are dissatisfied with the amount they are able to save each month. In 2019 48% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



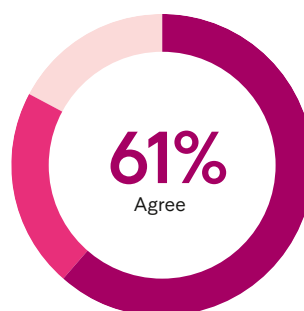
Loans and borrowed money

19%

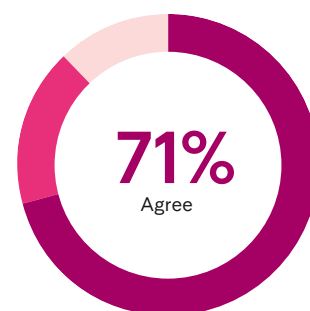
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



Even though interest rates are low, I am more wary than normal about taking on debt.

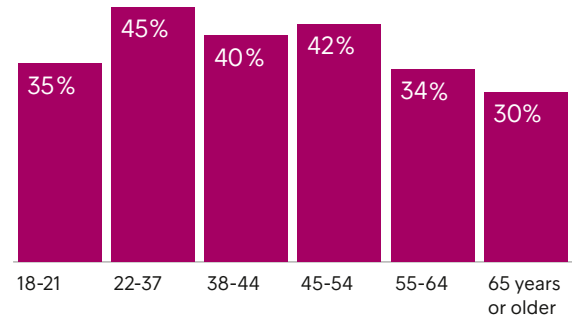
¹ <https://www.ft.com/content/31ec24ef-3378-4ba1-b5ca-5ca0a80abde3>

Ability to pay bills

27%

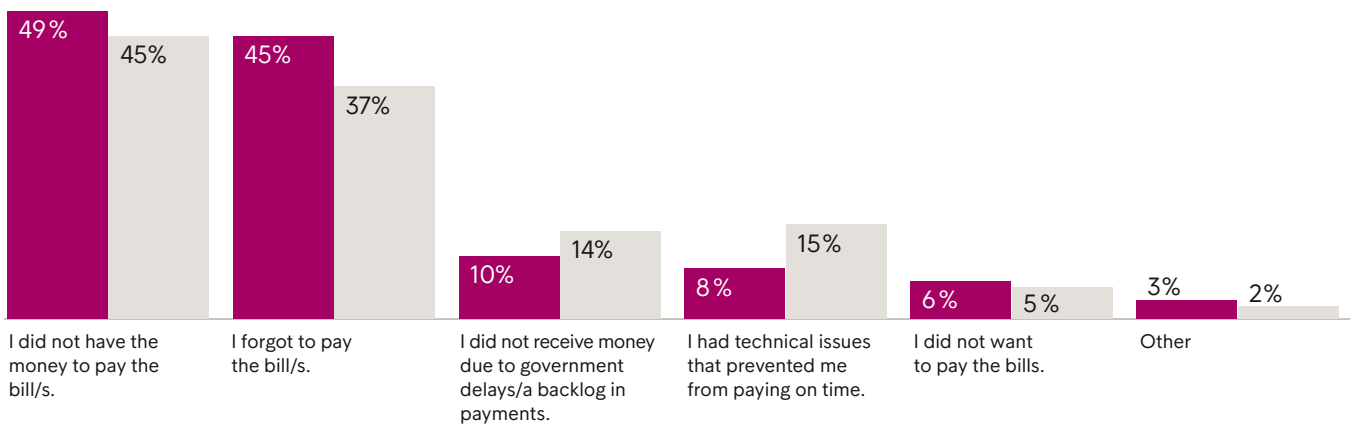
say they have missed paying a bill on time during the last 12 months. In 2019 30% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Austria ● EU average



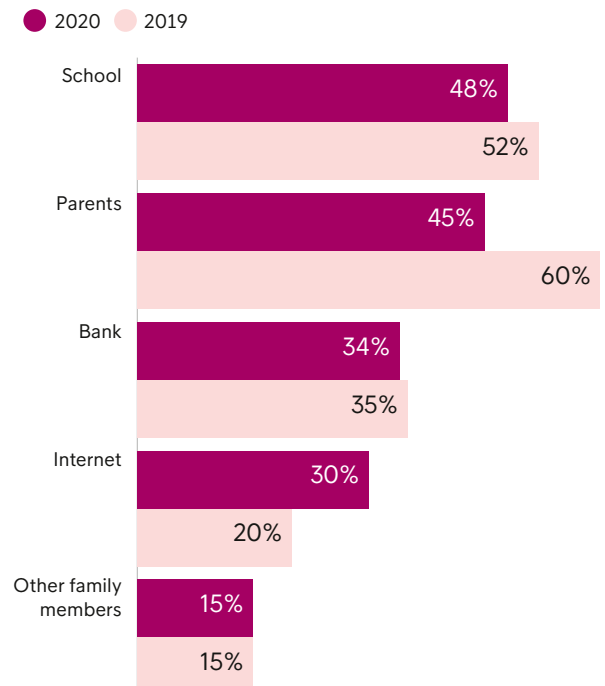
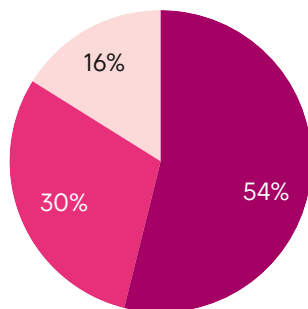
Financial literacy

41%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g. pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



Belgium

- Overall financial wellbeing: 9th
- Ability to pay bills: 6th
- Saving for the future: 4th
- Financial literacy: 20th

As a country with strong trading links to the UK, Belgium is facing Brexit uncertainties that could potentially cost tens of thousands of jobs². In recent years, however, the country has benefited from falling unemployment³.

Growing household incomes have helped Belgium climb to 9th place in the Barometer. The country has also maintained its overall saving for the future score, supported by a five-ranking gain on the underlying savings rate indicator. Three-quarters of respondents can save each month.

The country dropped three rankings on the financial literacy pillar, to 20th place. This was largely because other countries were more successful at matching financial terms to their correct definitions. Despite this, less than a third of Belgians are taking steps to improve their financial literacy.

Saving for the future

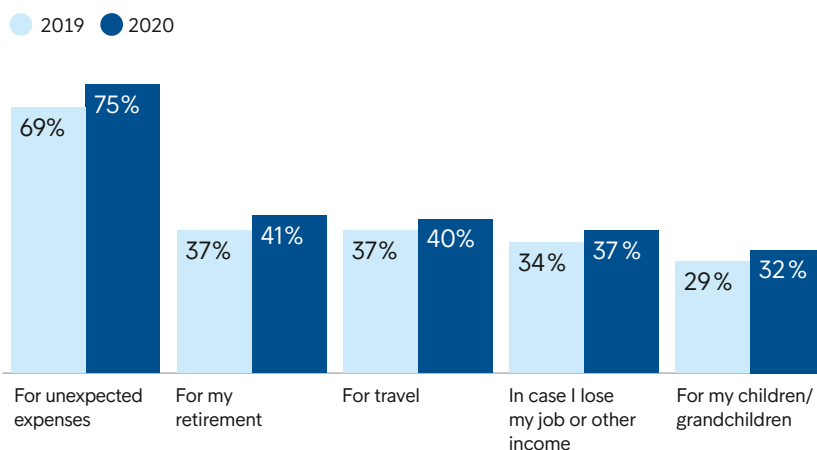
81%

say they are able to save each month. In 2019 77% stated the same. European average for 2020 is 76%.

50%

are dissatisfied with the amount they are able to save each month. In 2019 46% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



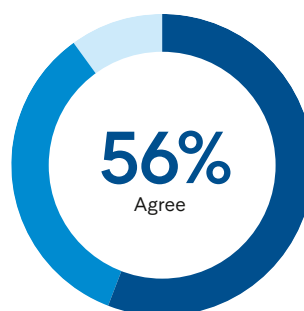
Loans and borrowed money

20%

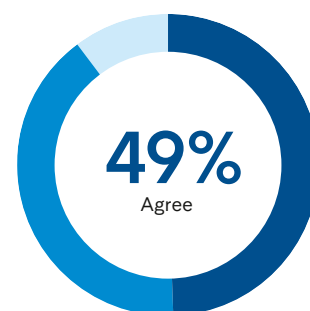
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
- Neutral
- Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



Even though interest rates are low, I am more wary than normal about taking on debt.

2) <https://www.ft.com/content/61596993-d6ce-40a1-ba39-a8a735a36e45>

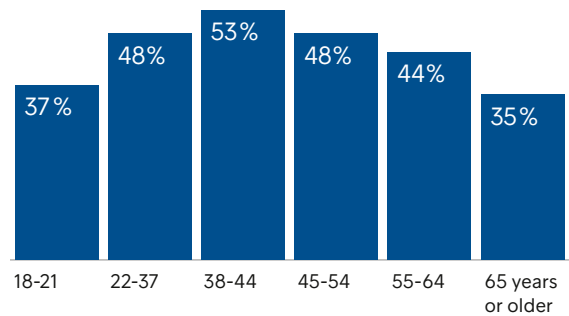
3) <https://www.statista.com/statistics/328818/unemployment-rate-in-belgium/>

Ability to pay bills

30%

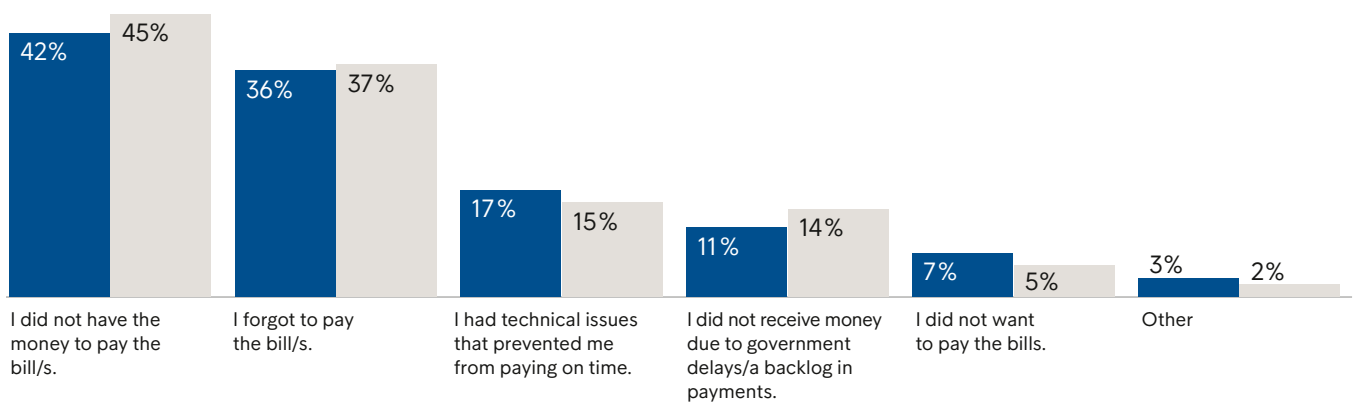
say they have missed paying a bill on time during the last 12 months. In 2019 33% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Belgium ● EU average



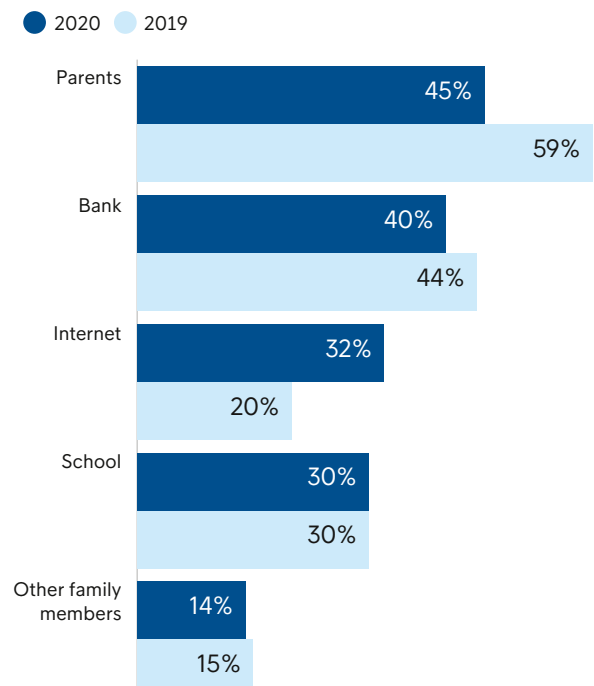
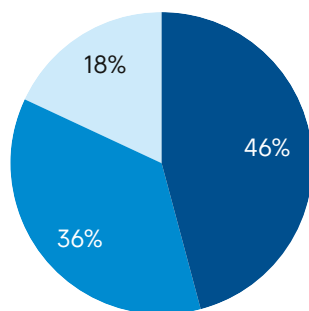
Financial literacy

32%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



Czech Republic

- Overall financial wellbeing: 7th
- Ability to pay bills: 15th
- Saving for the future: 6th
- Financial literacy: 18th

Although relatively unscathed by the first wave of Covid-19, the Czech Republic was badly hit by the second wave⁴. Looking forward, its economy will, however, benefit from its close trading relationship with Germany, as well as the country's ability – outside the eurozone – to devalue the koruna⁵.

We see the country's citizens saving for the future and improving their financial literacy, which has helped the country move 10 places up the rankings.

The country topped the underlying savings rate indicator, supported by income growth and falling unemployment. Today 17 per cent of Czech consumers save more than a fifth of their monthly salary. At the same time, financial education at school appears to be supporting financial literacy in the Czech Republic.

Saving for the future

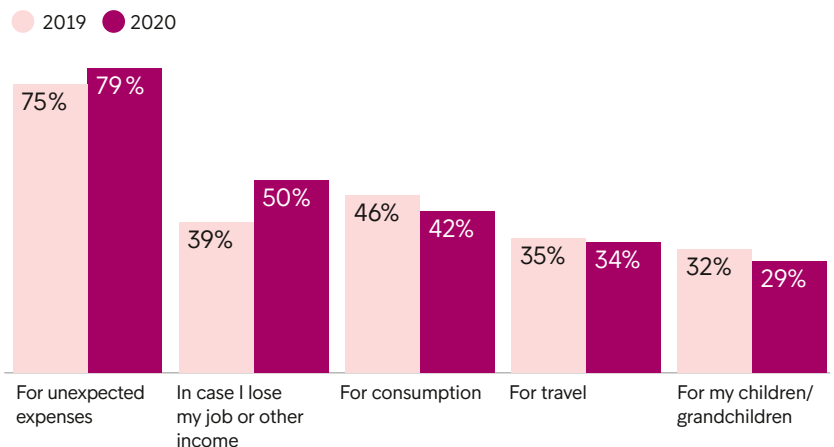
85%

say they are able to save each month. In 2019 84% stated the same. European average for 2020 is 76%.

54%

are dissatisfied with the amount they are able to save each month. In 2019 37% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



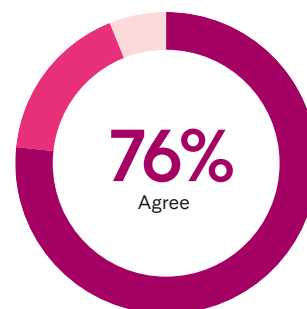
Loans and borrowed money

20%

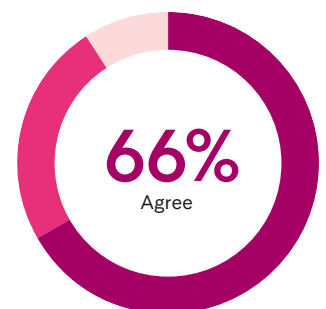
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



Even though interest rates are low, I am more wary than normal about taking on debt.

4) <https://www.ft.com/content/b1a7d1e8-4bb9-41cf-be5b-2f7f04bdb9bb>

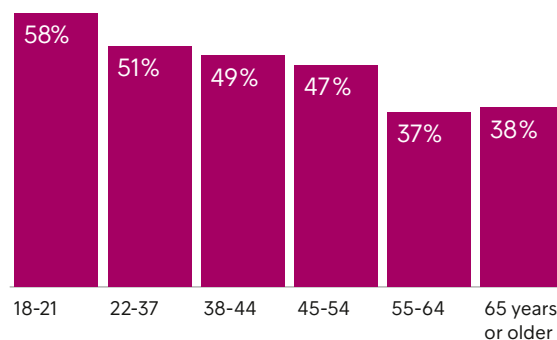
5) <https://www.economist.com/europe/2020/05/28/eastern-europes-covid-19-recession-could-match-its-post-communist-one>

Ability to pay bills

21%

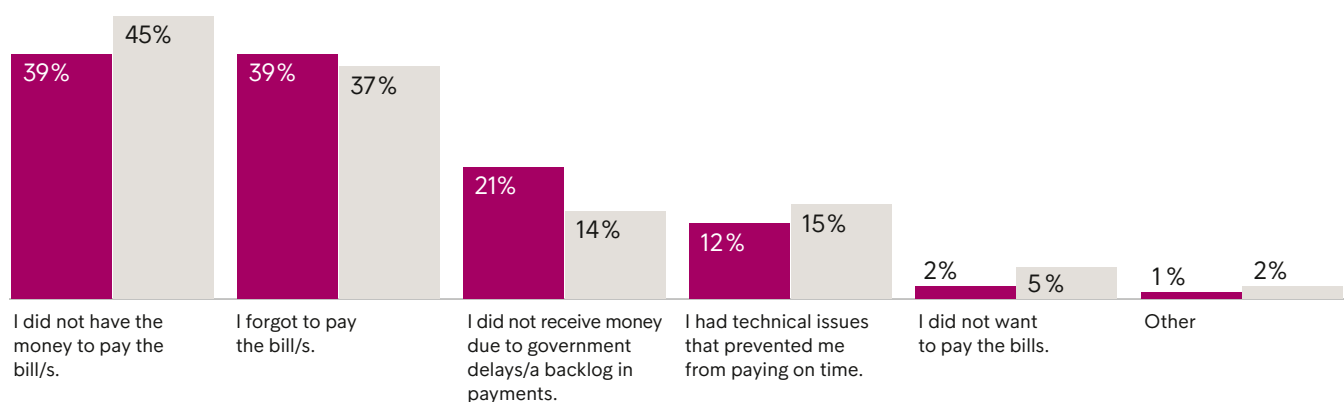
say they have missed paying a bill on time during the last 12 months. In 2019 23% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Czech Republic ● EU average



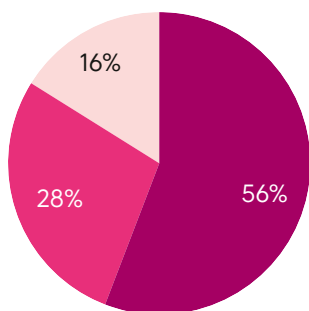
Financial literacy

44%

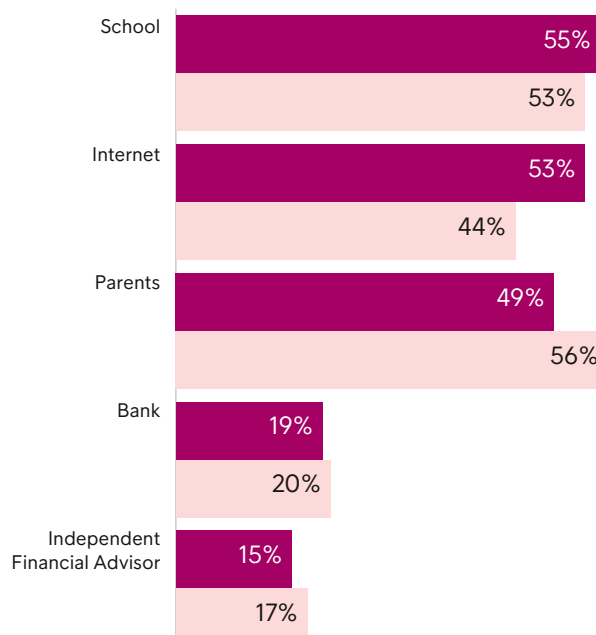
agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



● 2020 ● 2019



Denmark

- Overall financial wellbeing: 14th
- Ability to pay bills: 3rd
- Saving for the future: 14th
- Financial literacy: 13th

Political leaders in Denmark have stressed that the strength of the country's principal exports, of pharmaceuticals and food, will help the economy recover from the Covid-19 crisis⁶.

In our research, we see Danish consumers' high incomes during the Covid-19 crisis supporting their confidence levels. Their ranking for financial literacy has, however, slipped four places from last year.

Payment punctuality has declined slightly among Danes, dragging the country down by a place on the ability to pay bills pillar. While Denmark's financial literacy indicators remained relatively stable, gains by other countries in the financial calculation part of the survey saw it slip to 13th position. The country has also slipped down in the ability to save pillar.

Saving for the future

77%

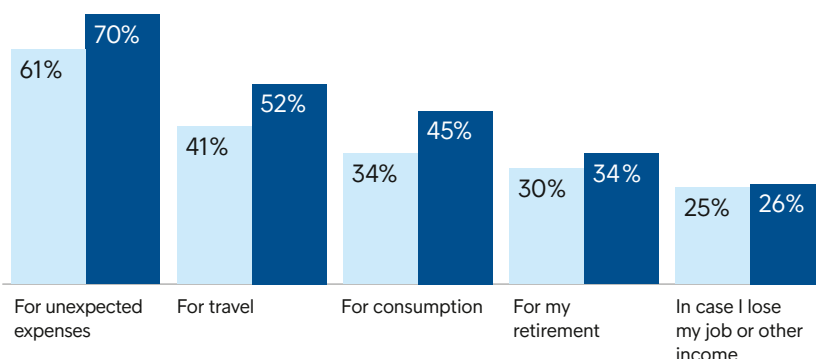
say they are able to save each month. In 2019 75% stated the same. European average for 2020 is 76%.

43%

are dissatisfied with the amount they are able to save each month. In 2019 40% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:

● 2019 ● 2020



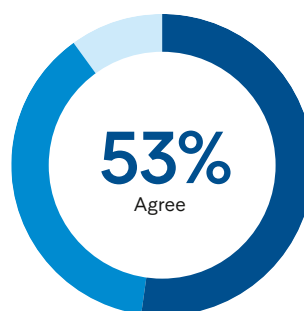
Loans and borrowed money

20%

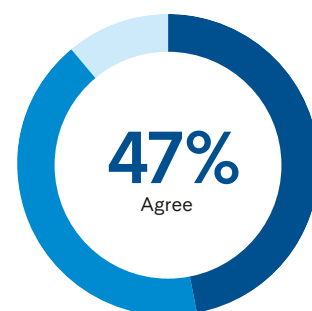
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

● Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



Even though interest rates are low, I am more wary than normal about taking on debt.

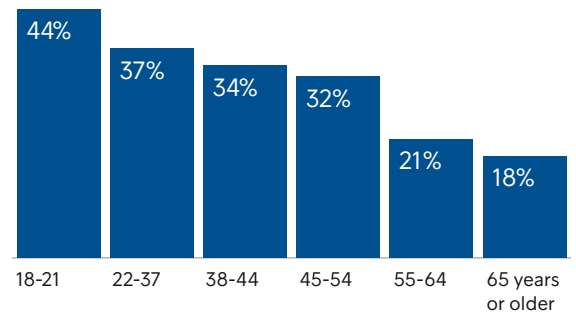
⁶ <https://www.ft.com/content/ca2f127e-698a-4274-917f-cbe2231a08d7>

Ability to pay bills

22%

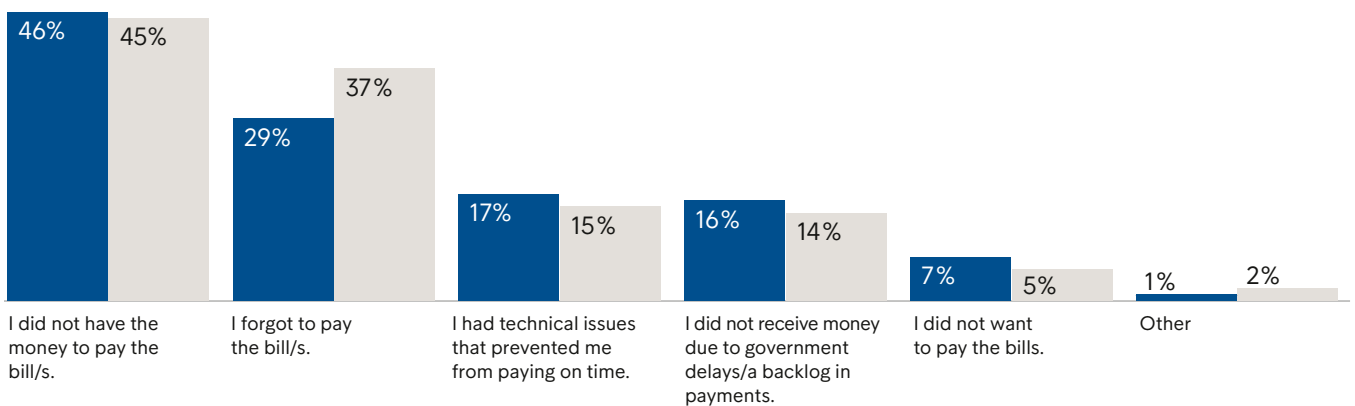
say they have missed paying a bill on time during the last 12 months. In 2019 20% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Denmark ● EU average



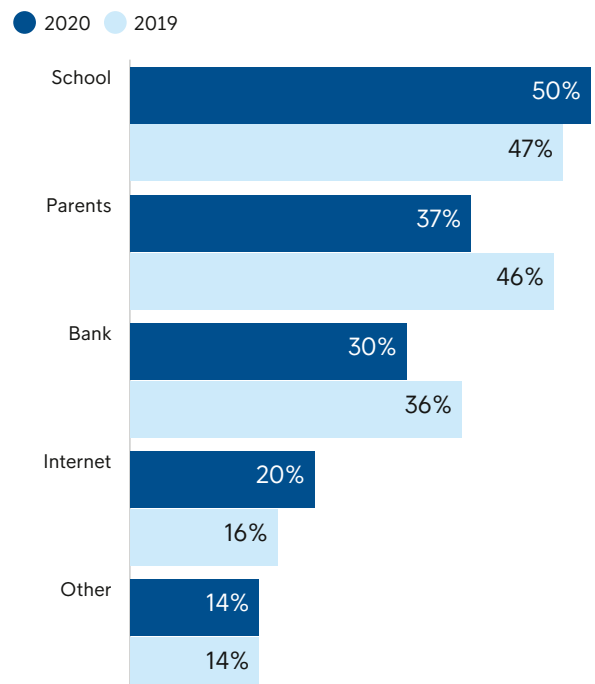
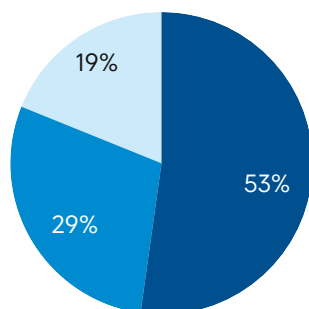
Financial literacy

23%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



Estonia

- Overall financial wellbeing: 3rd
- Ability to pay bills: 13th
- Saving for the future: 9th
- Financial literacy: 3rd

Estonia's digital economy has been a major success in recent years, with the country holding the record for the largest number of tech unicorns per capita. Estonia has also successfully digitalised almost all of its public services⁷.

In this year's research, we see Estonia rising up the Barometer, supported by strong performance in financial literacy and punctual bill payments. The country topped the survey's financial calculation test and its consumers also scored strongly when matching basic financial terms to their definitions.

Estonian incomes appear to have been relatively shielded from the crisis, with only 26 per cent of consumers reporting declines versus a 35 per cent European average. This has helped Estonia top the underlying punctual payments indicator and lifted its ranking in the ability to pay bills pillar by five places. More than eight in 10 respondents (82 per cent) say they paid their bills on time in the last 12 months.

Saving for the future

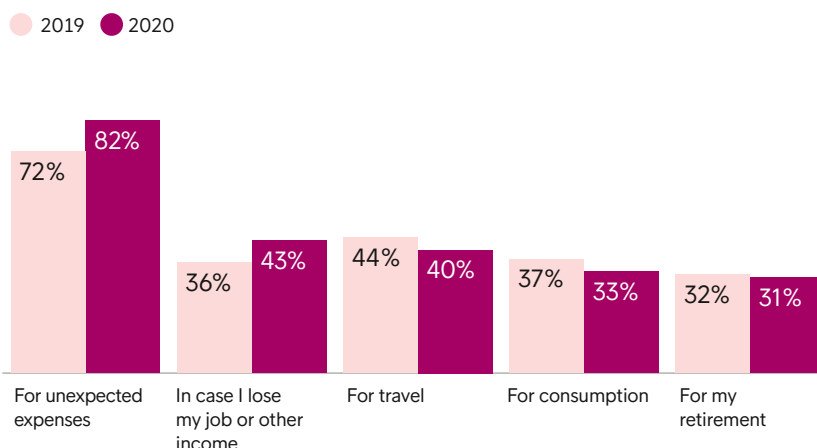
74%

say they are able to save each month. In 2019 64% stated the same. European average for 2020 is 76%.

65%

are dissatisfied with the amount they are able to save each month. In 2019 61% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



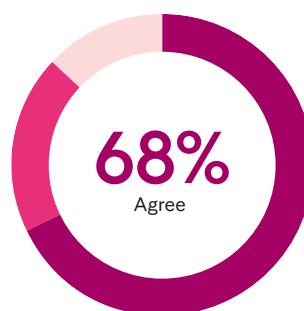
Loans and borrowed money

10%

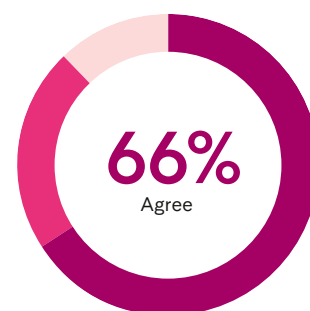
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



Even though interest rates are low, I am more wary than normal about taking on debt.

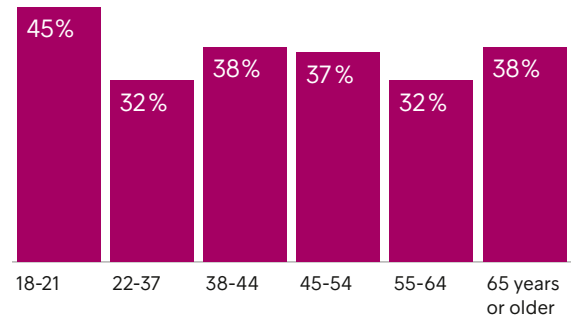
⁷) <https://www.ft.com/content/e84f97bc-2d79-442c-a86c-97474351253a>

Ability to pay bills

16%

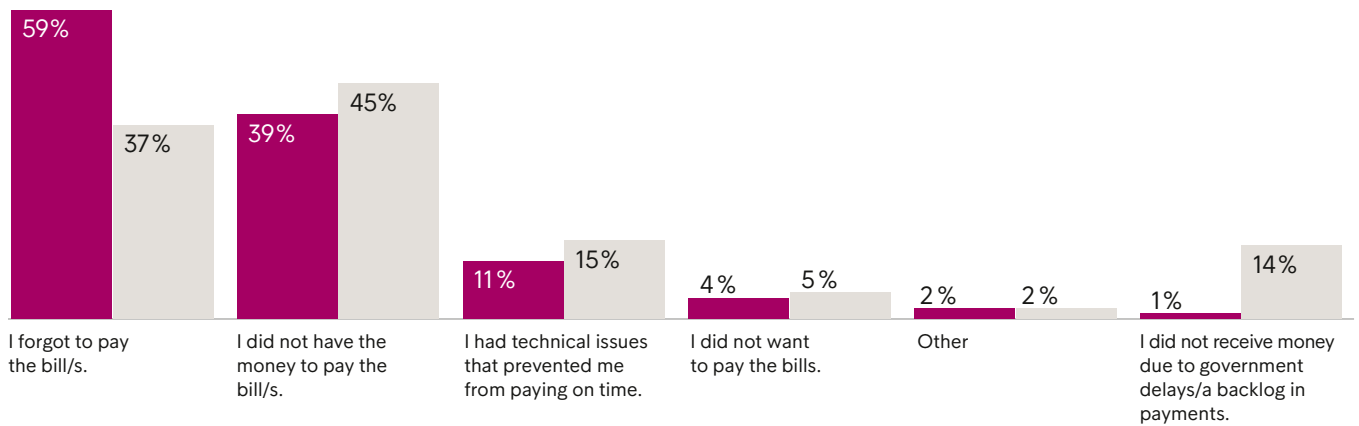
say they have missed paying a bill on time during the last 12 months. In 2019 29% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Estonia ● EU average



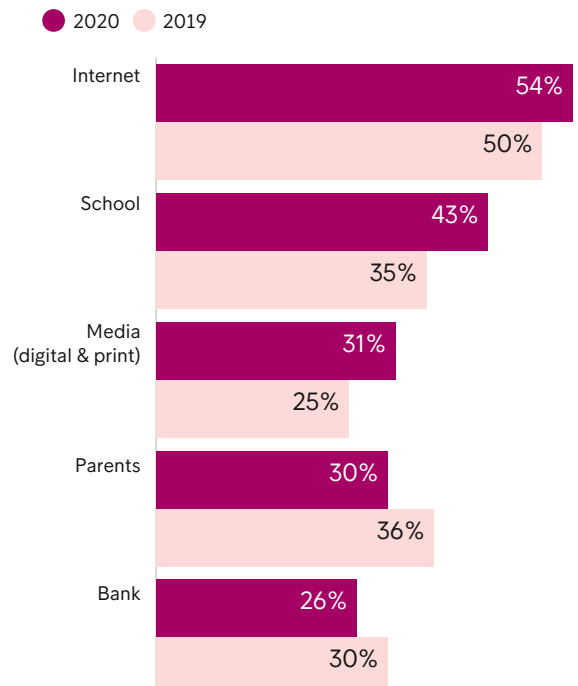
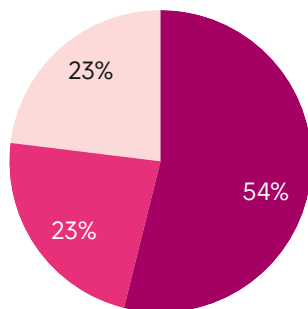
Financial literacy

33%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



Finland

- Overall financial wellbeing: 8th
- Ability to pay bills: 12th
- Saving for the future: 20th
- Financial literacy: 1st

Finland's economy has been one of the least affected by the coronavirus pandemic. The country has, however, fallen to eighth position in the overall rankings, partly due to pressure from rising bill costs⁸.

Despite its relatively resilient incomes, Finland dropped five places on the ability to pay bills on time pillar. Of those that missed a payment in the past 12 months, 55 per cent say it was because they didn't have enough money, 10 percentage points above the European average.

Finland has scooped the top score for financial literacy in Europe, for the second consecutive year. Its consumers attribute their financial education largely to their parents (49 per cent). Nearly four in 10 (38 per cent) says they received an excellent financial education, compared with just over a quarter (27 per cent) of Europeans.

Saving for the future

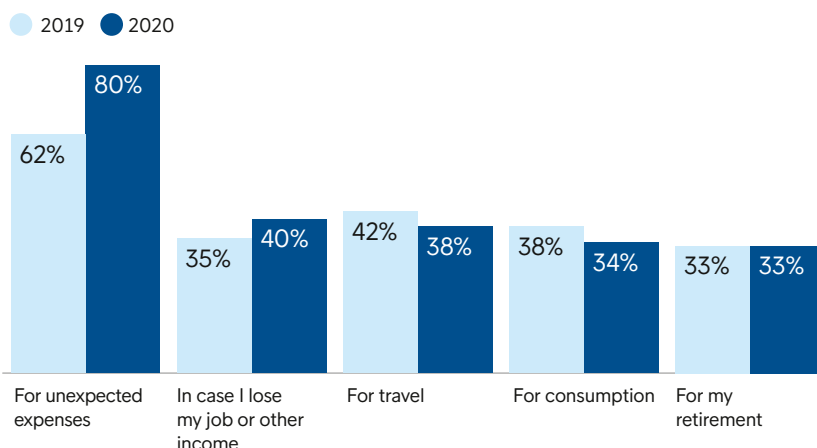
69%

say they are able to save each month. In 2019 63% stated the same. European average for 2020 is 76%.

61%

are dissatisfied with the amount they are able to save each month. In 2019 55% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



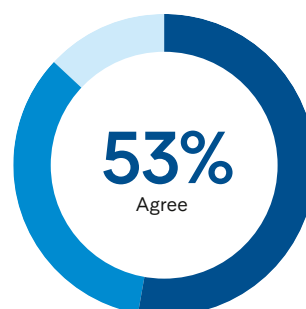
Loans and borrowed money

25%

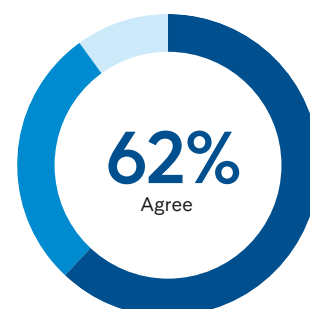
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
- Neutral
- Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



Even though interest rates are low, I am more wary than normal about taking on debt.

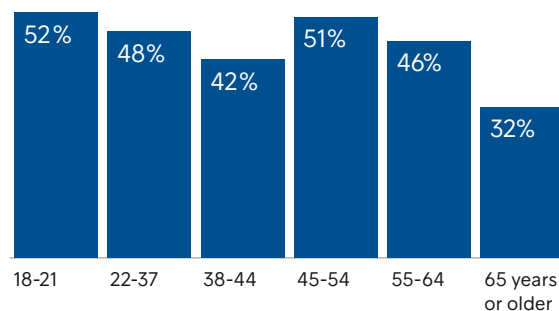
⁸ <https://www.ft.com/content/aa8319e3-c212-4f28-9dd7-121aa-121ceed>

Ability to pay bills

43%

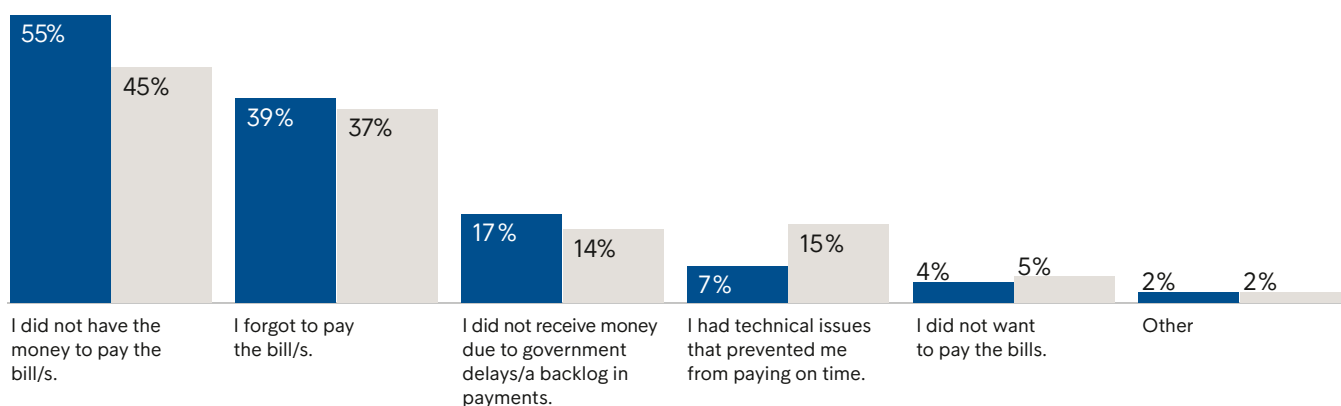
say they have missed paying a bill on time during the last 12 months. In 2019 46% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Finland ● EU average



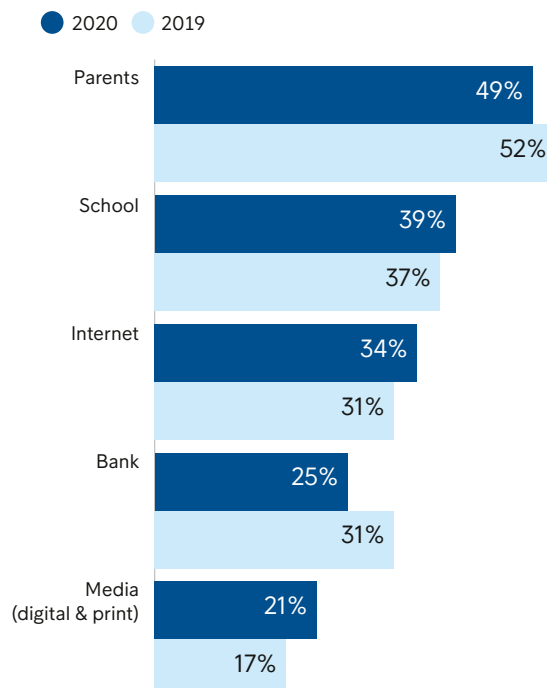
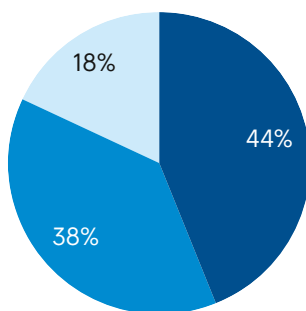
Financial literacy

35%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



France

- Overall financial wellbeing: 12th
- Ability to pay bills: 9th
- Saving for the future: 8th
- Financial literacy: 23rd

During 2020, the French economy shrank as coronavirus restrictions led to a sharp decline in activity in the country's large public sector⁹.

Nonetheless, the country has risen one place in the overall rankings, supported in part by relatively high household disposable income. At the same time, its consumers' ability to save for the future have remained stable.

France's financial literacy score dropped five places on the pillar, following poorer performance on the survey's terminology calculation, which asked consumers to match basic financial terms to their definitions.

The country climbed a place on the ability to pay bills pillar, however, thanks to a relatively static but high household disposable income. More than a third of consumers (35 per cent) say their income has stayed the same since the Covid-19 crisis but may decrease soon, 10 percentage points above the European average.

Saving for the future

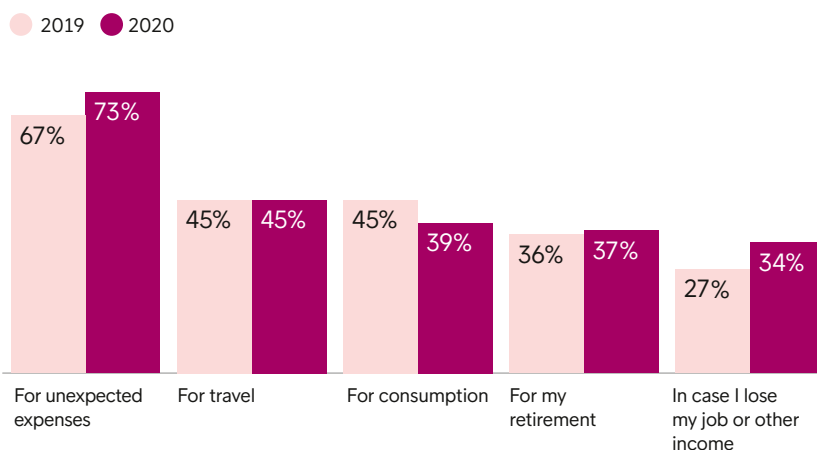
81%

say they are able to save each month. In 2019 77% stated the same. European average for 2020 is 76%.

49%

are dissatisfied with the amount they are able to save each month. In 2019 46% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



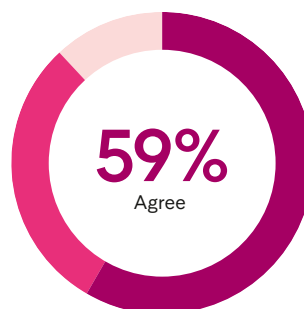
Loans and borrowed money

21%

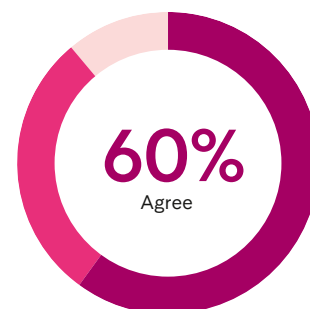
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



Even though interest rates are low, I am more wary than normal about taking on debt.

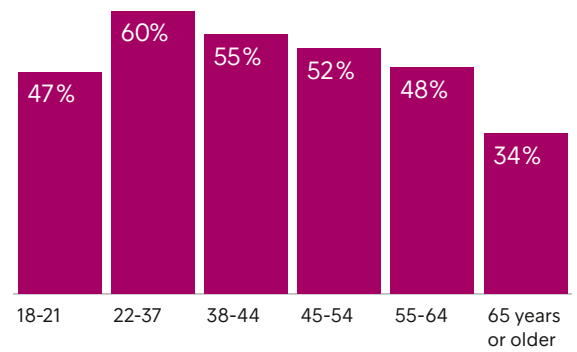
⁹ <https://www.ft.com/content/a5614ed7-c4a8-445a-84b9-fe7c058370e7>

Ability to pay bills

27%

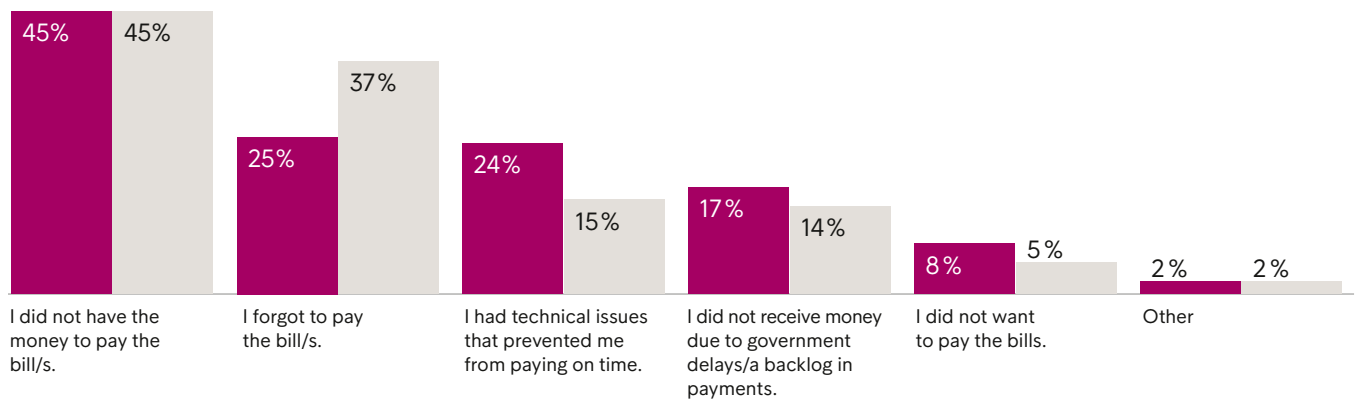
say they have missed paying a bill on time during the last 12 months. In 2019 26% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● France ● EU average



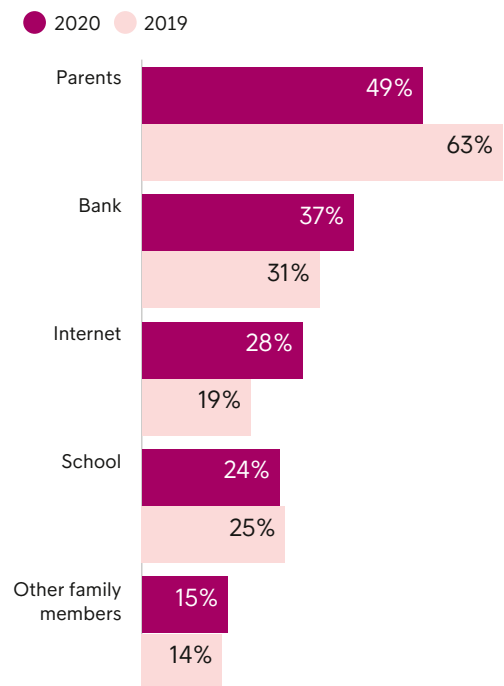
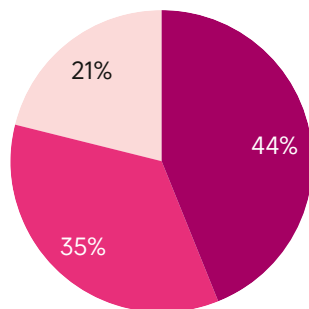
Financial literacy

38%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



Germany

- Overall financial wellbeing: 1st
- Ability to pay bills: 1st
- Saving for the future: 2nd
- Financial literacy: 16th

Europe's largest economy has held onto the top spot for overall financial wellbeing, thanks to number one rankings on both the ability to pay bills and the saving for the future pillars.

The country was held up by its top-ranking gross disposable household income per capita (€30,333) and household savings rate (18.4 per cent), which boosted consumers' ability to pay their bills on time and protect themselves against unforeseen events. Nearly three quarters of German consumers (74 per cent) paid their bills on time in the last 12 months (European average: 68 per cent), and 46 per cent say their income has stayed the same, and should remain steady or increase (European average: 38 per cent).

The country dropped nine places on the financial literacy pillar, due to a sliding score on the financial calculation test, of which it was the poorest performer in Europe.

Saving for the future

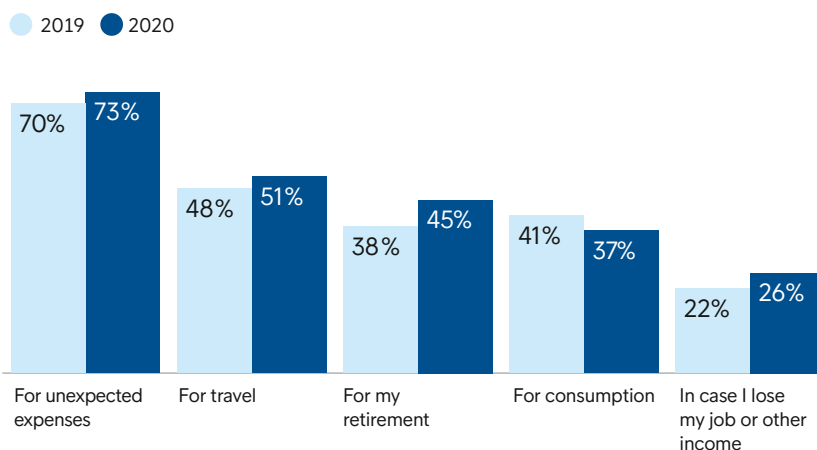
77%

say they are able to save each month. In 2019 76% stated the same. European average for 2020 is 76%.

43%

are dissatisfied with the amount they are able to save each month. In 2019 42% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



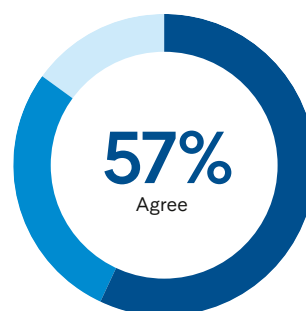
Loans and borrowed money

20%

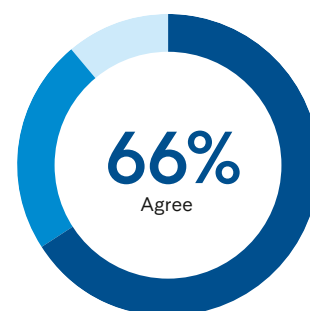
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
- Neutral
- Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



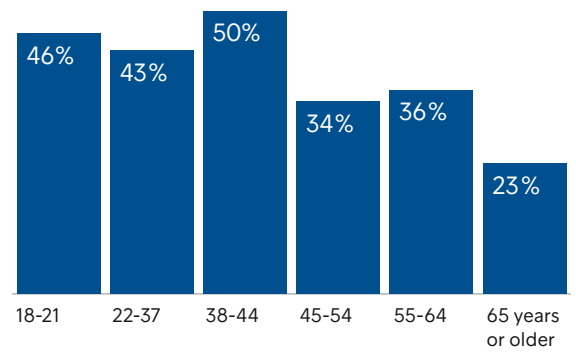
Even though interest rates are low, I am more wary than normal about taking on debt.

Ability to pay bills

23%

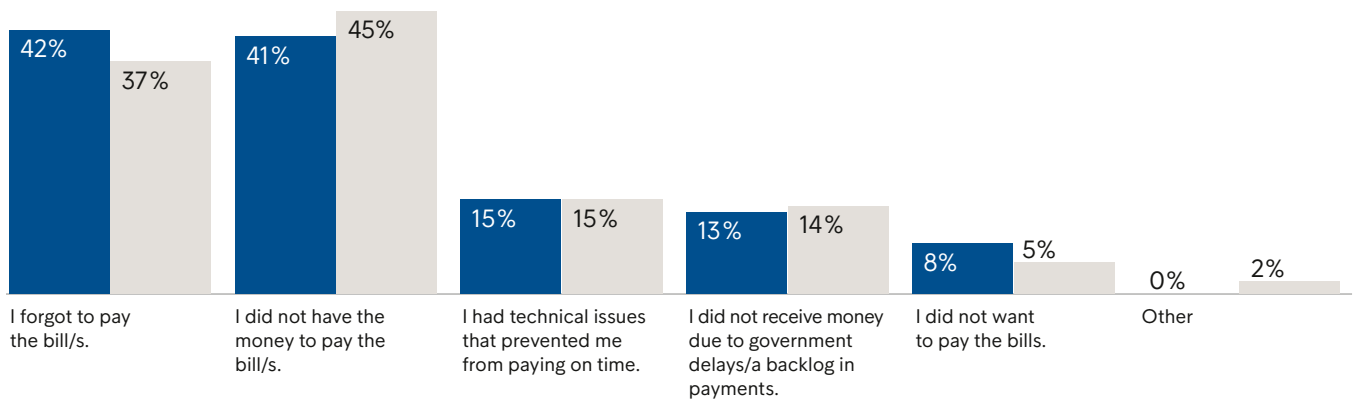
say they have missed paying a bill on time during the last 12 months. In 2019 24% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Germany ● EU average



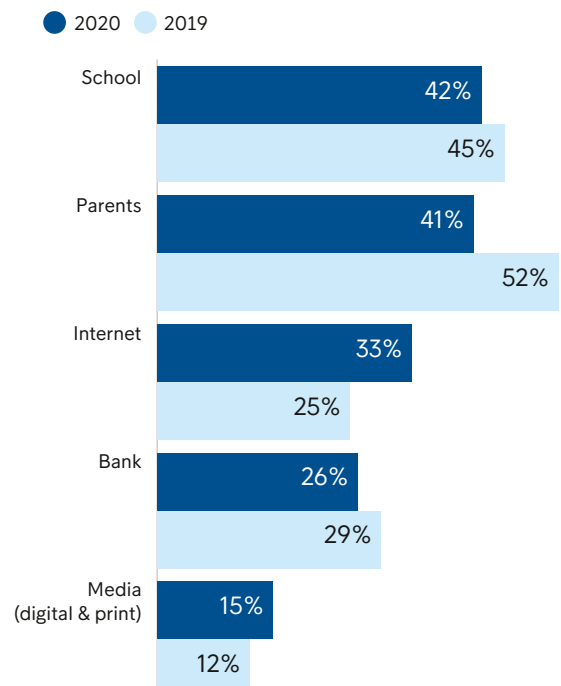
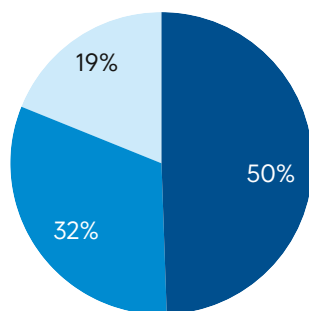
Financial literacy

41%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



Greece

- Overall financial wellbeing: 24th
- Ability to pay bills: 24th
- Saving for the future: 24th
- Financial literacy: 11th

The pandemic has been a huge setback for Greece's tourism sector and an economy that is still recovering from a 10-year financial crisis¹⁰. Consumers have been impacted heavily, with their financial wellbeing ranking the lowest in Europe for a second year running.

The country is at the bottom of the rankings for the ability to pay bills and saving for the future pillars, as it was in 2019.

Half of Greek consumers (49 per cent) report a decline in their income as a result of Covid-19 – the highest figure in Europe. This is putting a strain on essential payments: nearly seven in 10 (69 per cent) say that rising bills are having a negative impact on their general wellbeing versus a 47 per cent European average. Four in 10 respondents (41 per cent) say they do not save at all, the highest figure in Europe.

Financial literacy is a silver lining, up four places on the pillar. Greek consumers scored second on the survey's financial calculation test. Moreover, around half of respondents (51 per cent) say they are taking steps to improve their financial literacy to prepare for Covid-19 uncertainty.

Saving for the future

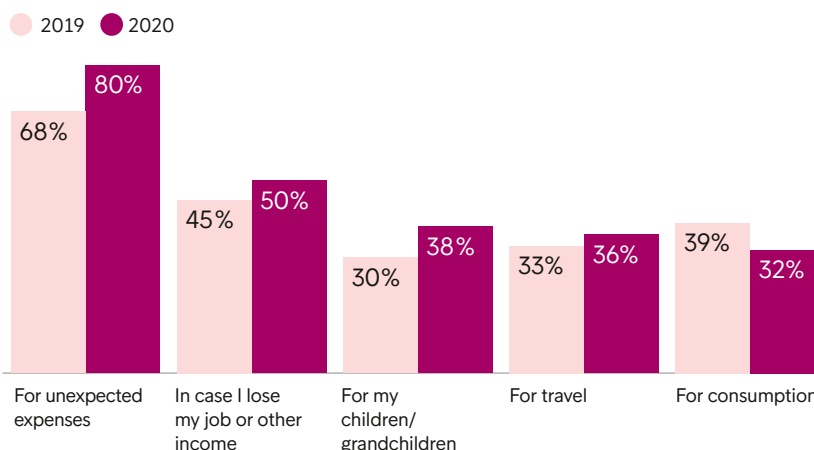
59%

say they are able to save each month. In 2019 62% stated the same. European average for 2020 is 76%.

77%

are dissatisfied with the amount they are able to save each month. In 2019 75% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



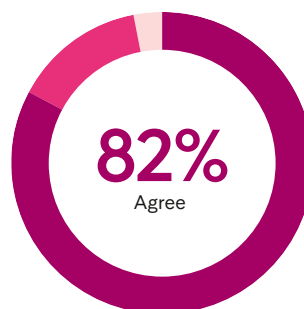
Loans and borrowed money

37%

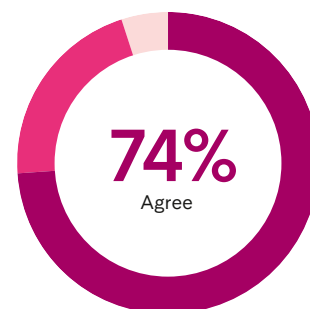
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



Even though interest rates are low, I am more wary than normal about taking on debt.

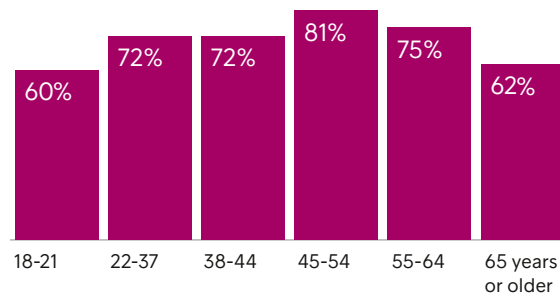
¹⁰) <https://www.cnbc.com/2020/04/28/coronavirus-hits-greece-tourism-with-more-people-at-risk-of-unemployment.html>

Ability to pay bills

55%

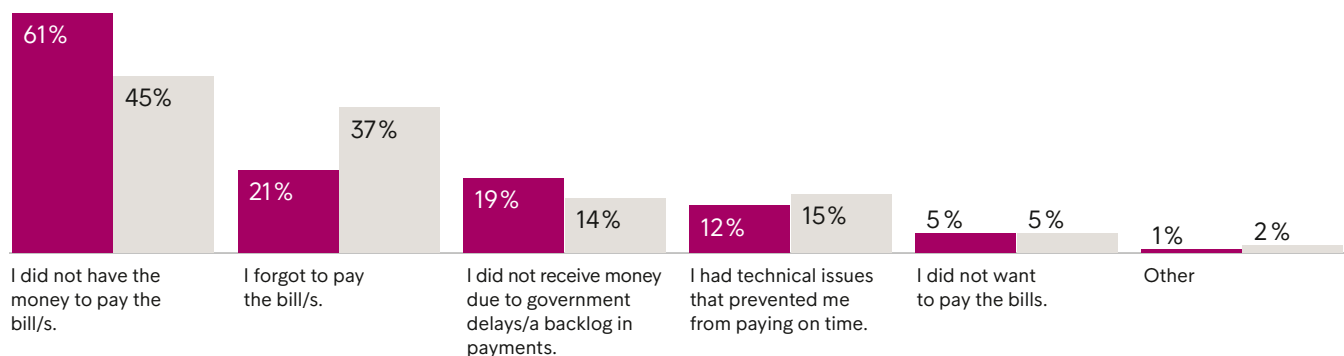
say they have missed paying a bill on time during the last 12 months. In 2019 61% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Greece ● EU average



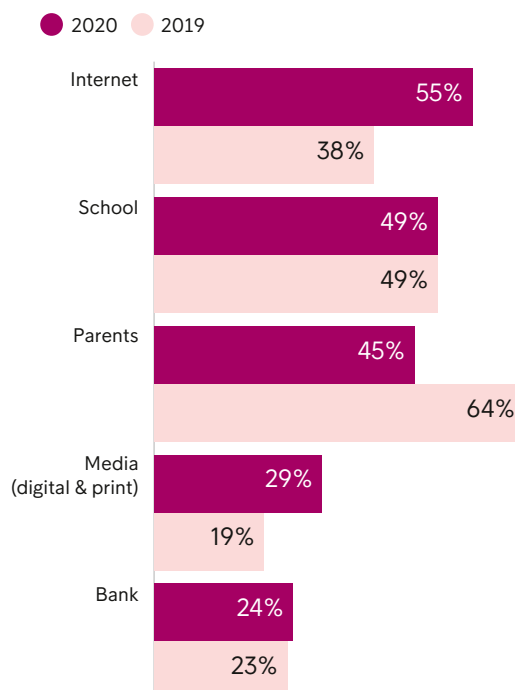
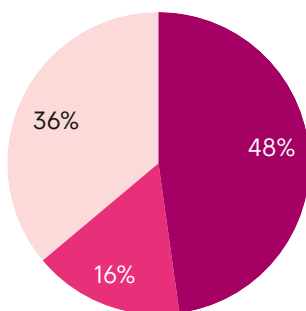
Financial literacy

51%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



Hungary

- Overall financial wellbeing: 20th
- Ability to pay bills: 23rd
- Saving for the future: 18th
- Financial literacy: 14th

Hungary's economy was already slowing before Covid-19 hit,¹¹ following a period of strong growth, and the crisis has squeezed consumer finances further. This has dragged the country five places lower in this year's rankings.

Household finances in Hungary are tight after paying household bills. Payment punctuality has slipped slightly from 2019, leading the country to fall three places on the ability to pay bills on time pillar.

Household savings have also taken a hit in the past year: around one in three consumers (30 per cent) they are not able to save each month, compared with 23 per cent of Europeans, on average.

Nearly a third of consumers (32 per cent) say they do not feel that they received sufficient financial education to manage their day-to-day finances. This is perhaps reflected in consumers' terminology test scores, which lagged their European counterparts and saw Hungary slip two places on the financial literacy pillar.

Saving for the future

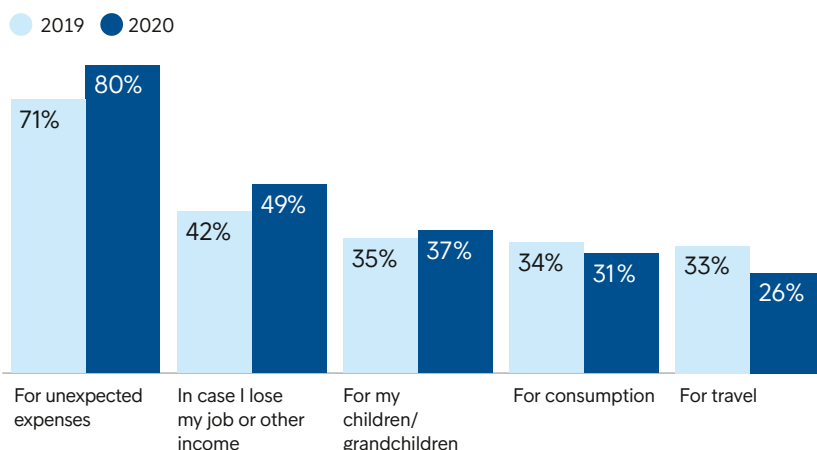
70%

say they are able to save each month. In 2019 67% stated the same. European average for 2020 is 76%.

51%

are dissatisfied with the amount they are able to save each month. In 2019 48% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



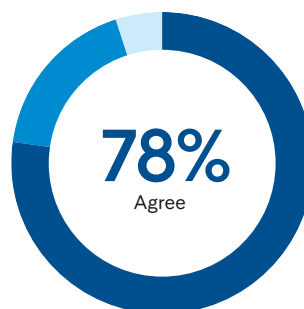
Loans and borrowed money

20%

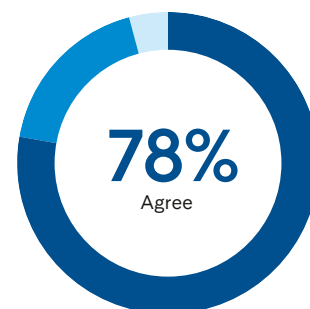
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



Even though interest rates are low, I am more wary than normal about taking on debt.

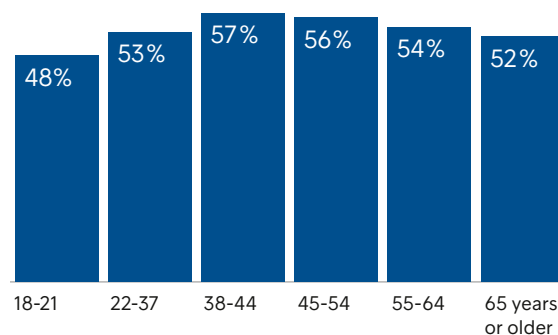
11) <http://www.oecd.org/economy/hungary-economic-snapshot/>

Ability to pay bills

31%

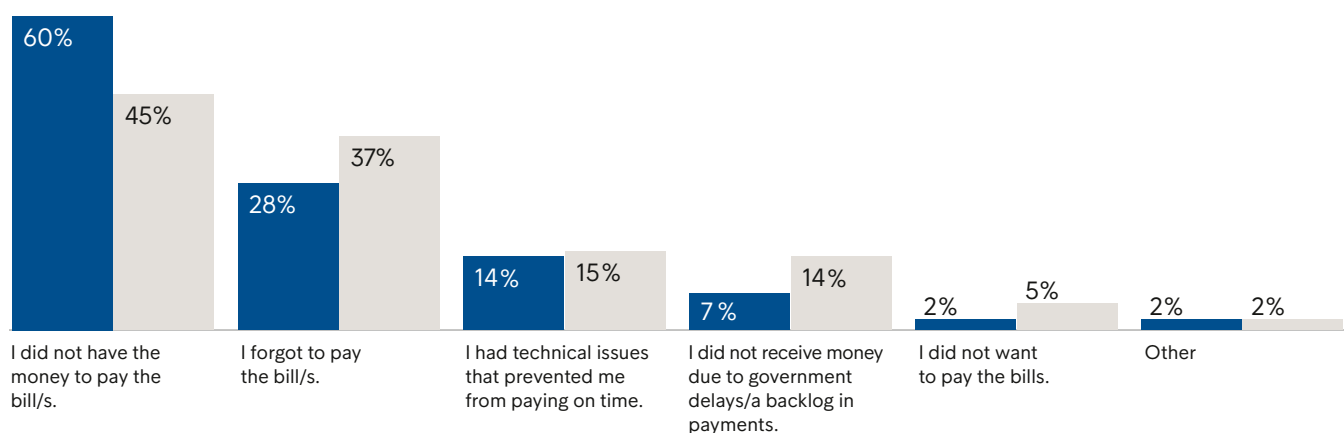
say they have missed paying a bill on time during the last 12 months. In 2019 37% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Hungary ● EU average



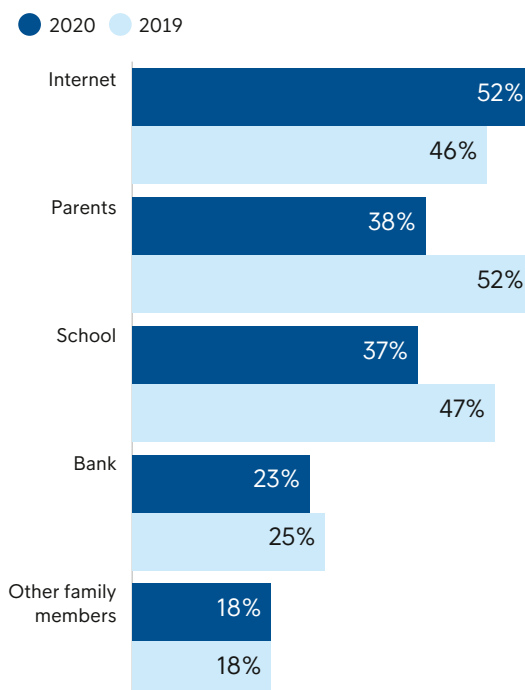
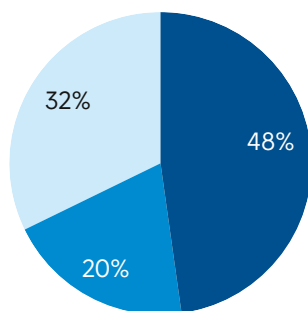
Financial literacy

46%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



Ireland

- Overall financial wellbeing: 5th
- Ability to pay bills: 14th
- Saving for the future: 7th
- Financial literacy: 2nd

Ireland's economy is expected to recover relatively quickly from the Covid-19 crisis, thanks in large part to the performance of tech giants such as Google and Facebook, which have a significant presence in Dublin¹².

In the rankings, Ireland's gains in the financial literacy and saving for the future scores have helped the country climb five places in this year's overall financial wellbeing rankings. Strong knowledge of financial terminology such as 'annual percentage rate', 'variable interest rate' and 'inflation', saw the country rise two places on the financial literacy pillar.

More than eight in 10 (84 per cent) say they are able to save each month – well above the European average (76 per cent) – helping the country climb one place on the saving for the future pillar.

Saving for the future

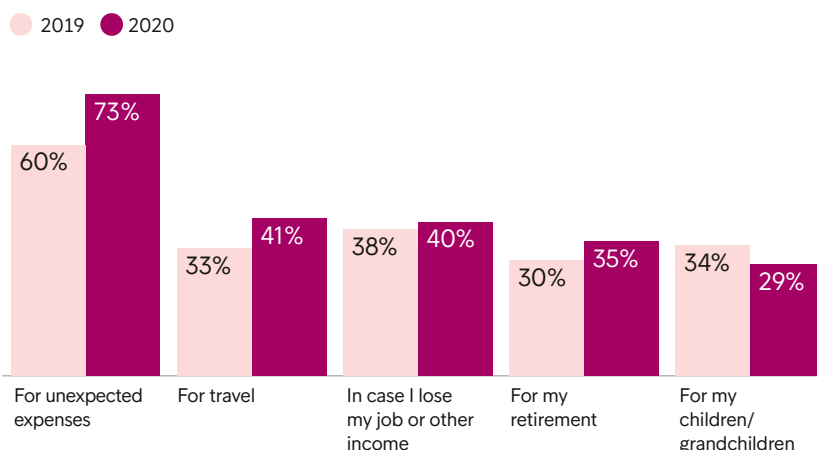
84%

say they are able to save each month. In 2019 80% stated the same. European average for 2020 is 76%.

56%

are dissatisfied with the amount they are able to save each month. In 2019 61% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



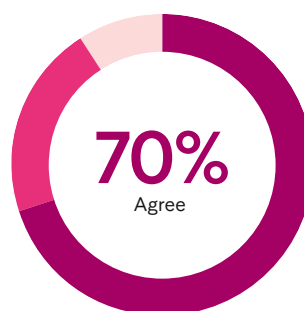
Loans and borrowed money

24%

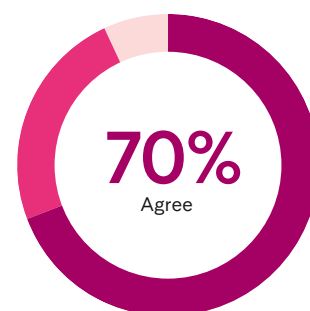
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



Even though interest rates are low, I am more wary than normal about taking on debt.

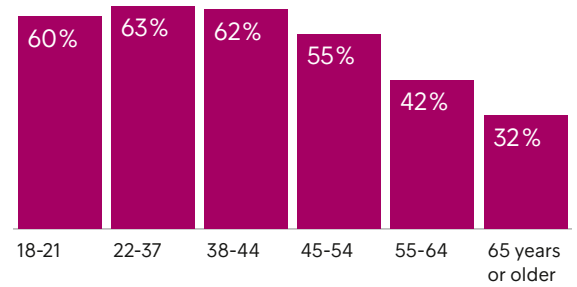
¹²) <https://www.ft.com/content/2a23d1a5-d8c4-448a-9782-6ccf3bb4d7b1>

Ability to pay bills

31%

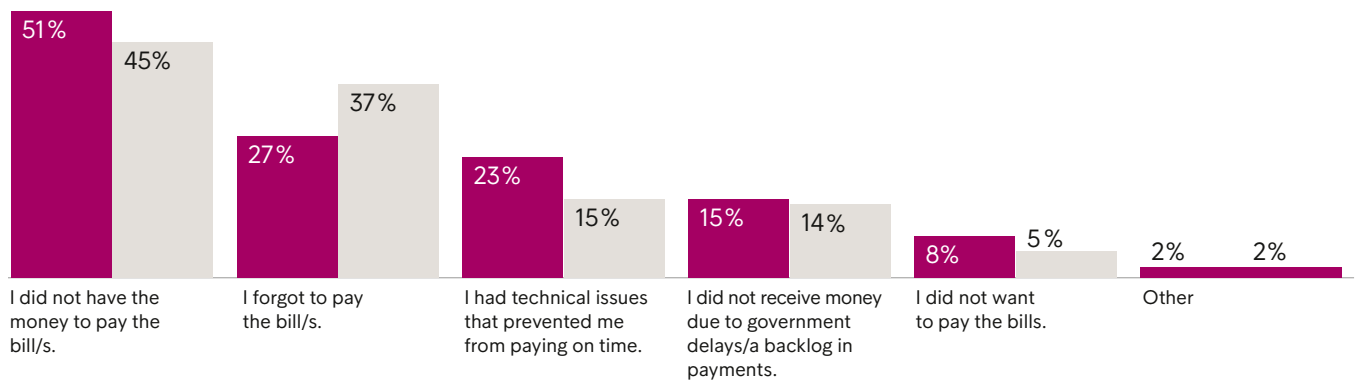
say they have missed paying a bill on time during the last 12 months. In 2019 36% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Ireland ● EU average



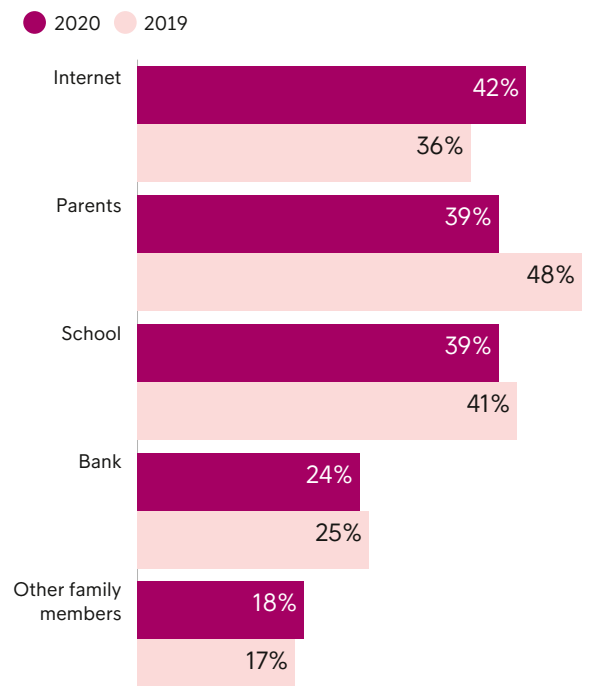
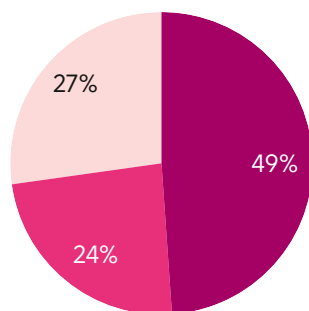
Financial literacy

50%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



Italy

- Overall financial wellbeing: 23rd
- Ability to pay bills: 19th
- Saving for the future: 13th
- Financial literacy: 24th

Covid-19 has stalled Italy's economic recovery. Like many of its Southern European peers, the country's financial wellbeing is suffering as a result, leading to a 14-place drop on the overall rankings – the year's biggest fall.

Nearly half of Italian consumers (47 per cent) say their income has been negatively impacted by the crisis – the joint second-highest figure in Europe. This has had a detrimental impact on Italy's performance across all pillars. The country has dropped seven places on the ability to pay bills pillar, with two thirds (66 per cent) saying they have less than 20 per cent of their monthly income left after paying household bills, versus just 41 per cent of Europeans.

Italy has also dropped eight places on the financial literacy pillar and its consumers now have the lowest score in Europe, having performed poorly on financial terminology and calculation.

Saving for the future

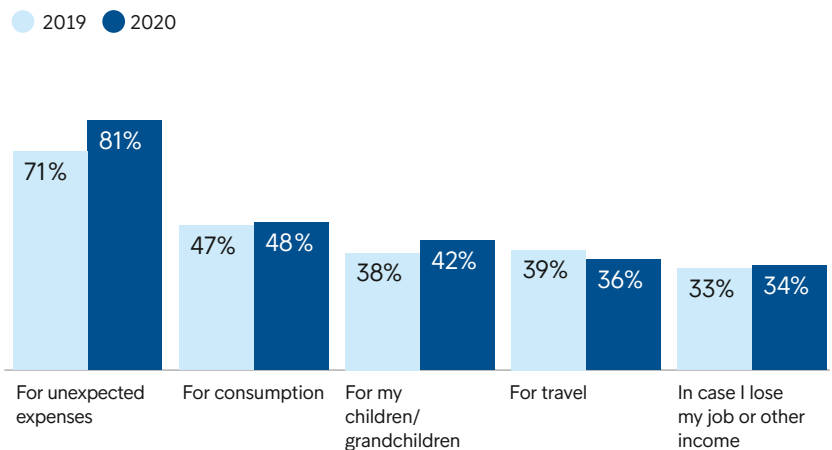
83%

say they are able to save each month. In 2019 84% stated the same. European average for 2020 is 76%.

58%

are dissatisfied with the amount they are able to save each month. In 2019 53% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



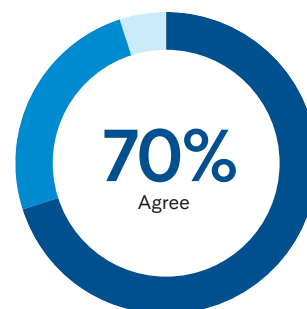
Loans and borrowed money

21%

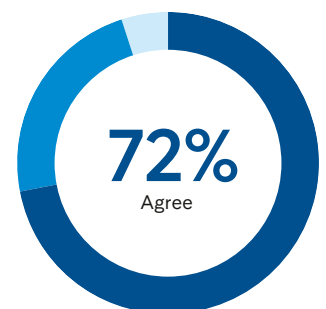
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



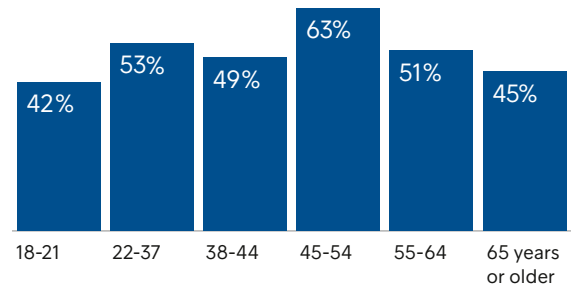
Even though interest rates are low, I am more wary than normal about taking on debt.

Ability to pay bills

35%

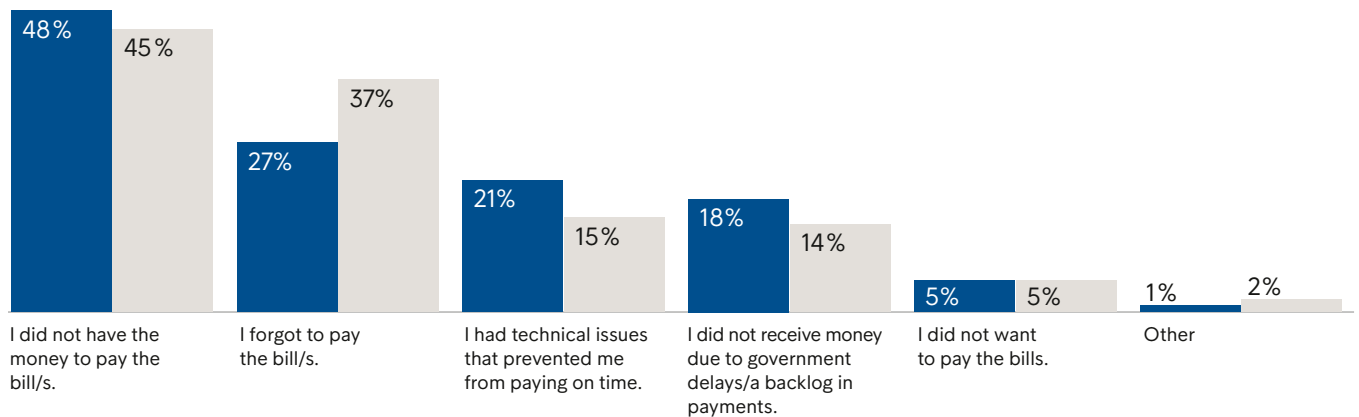
say they have missed paying a bill on time during the last 12 months. In 2019 30% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Italy ● EU average



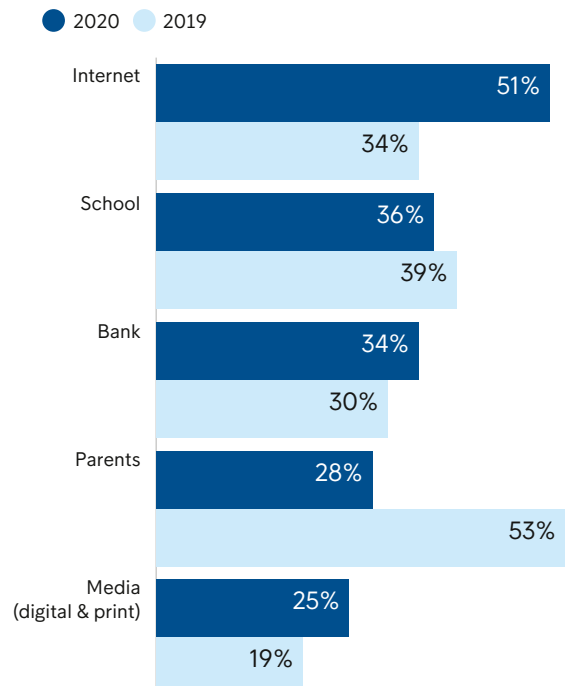
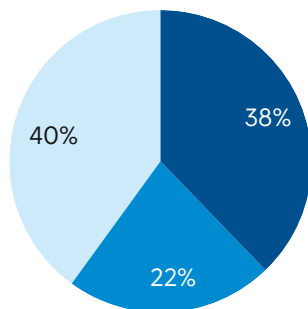
Financial literacy

36%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



Latvia

- Overall financial wellbeing: 16th
- Ability to pay bills: 17th
- Saving for the future: 22nd
- Financial literacy: 4th

The OECD expects investment in Latvia to decline and remain low during 2021, especially if additional lockdowns are necessary.

Latvia has, however, risen five places to 16th position in our Barometer, thanks to improvements in its financial literacy scores and payment punctuality. Six in 10 consumers (63 per cent) in Latvia believes their financial education has been sufficient to manage their day-to-day finances and this appears to hold true: 68 per cent of consumers matched basic financial terms to their correct definitions.

Despite economic disruption from Covid-19, three-quarters (75 per cent) of consumers are paying their bills on time, up from 66 per cent in 2019. A larger number of Latvian consumers are able to save for a rainy day than they were a year ago, thanks to wage growth¹³ and a slight improvement in the gross household savings rate.

Saving for the future

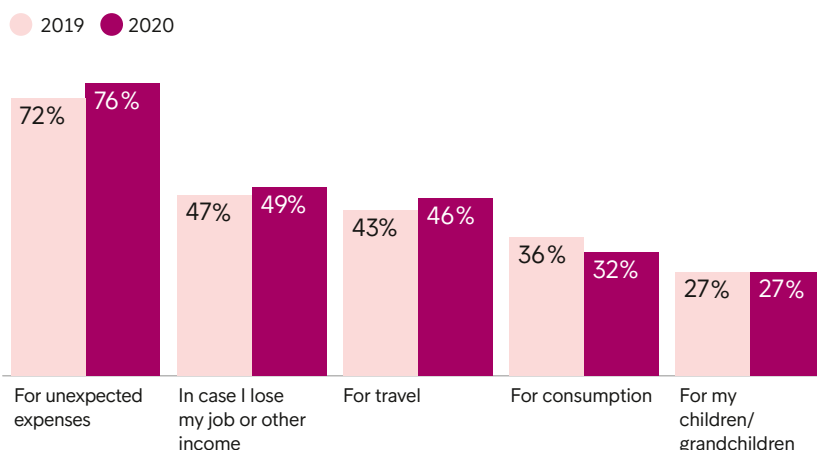
69%

say they are able to save each month. In 2019 65% stated the same. European average for 2020 is 76%.

57%

are dissatisfied with the amount they are able to save each month. In 2019 59% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



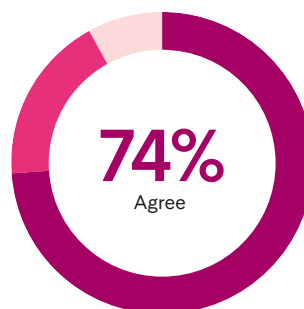
Loans and borrowed money

18%

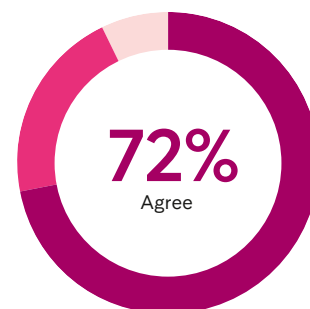
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



Even though interest rates are low, I am more wary than normal about taking on debt.

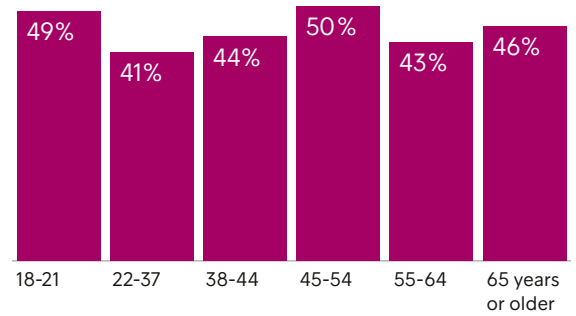
¹³ <http://www.oecd.org/economy/latvia-economic-snapshot/>

Ability to pay bills

24%

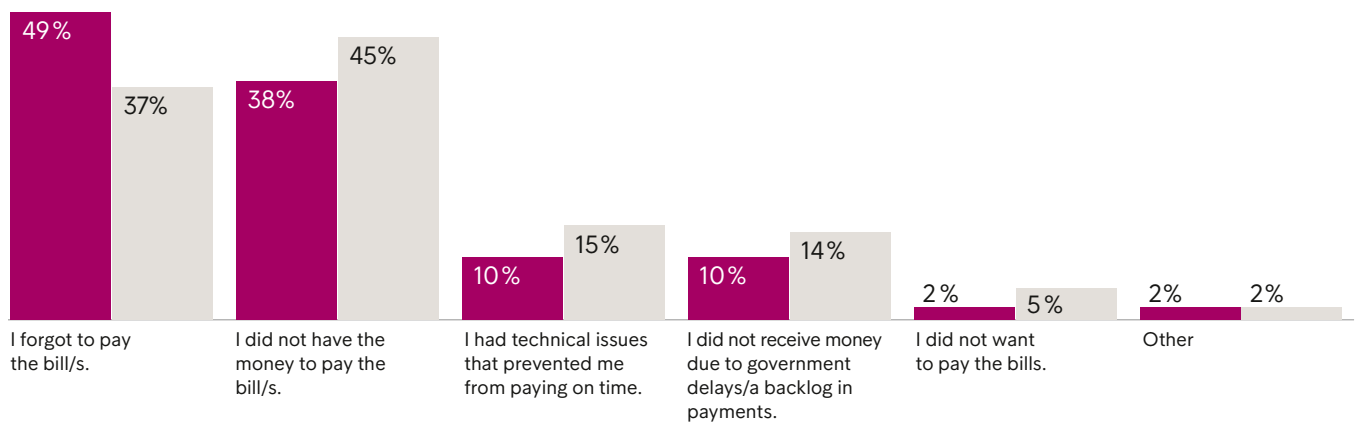
say they have missed paying a bill on time during the last 12 months. In 2019 34% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Latvia ● EU average



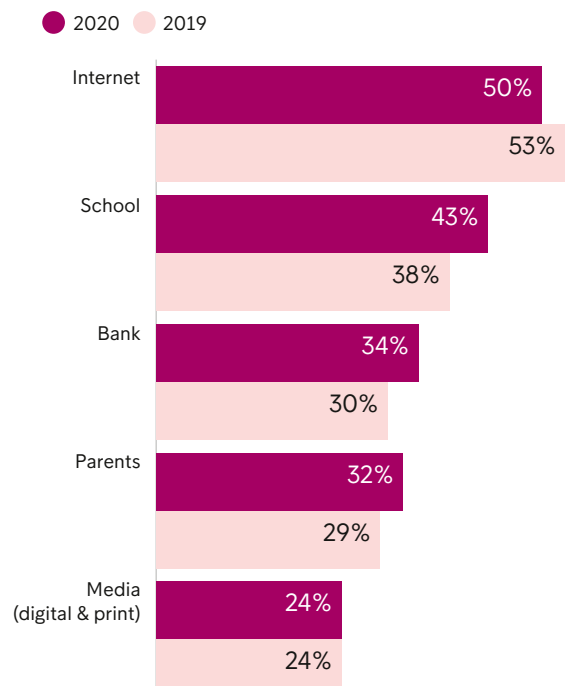
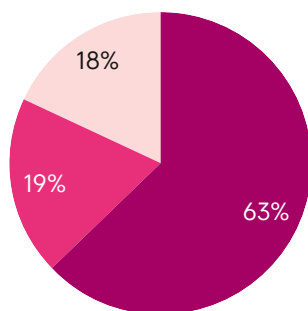
Financial literacy

42%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



Lithuania

- Overall financial wellbeing: 6th
- Ability to pay bills: 7th
- Saving for the future: 21st
- Financial literacy: 10th

Lithuania is the joint biggest climber in the Barometer this year, along with Estonia. The country has risen 17 places, following improvements in its consumers' financial literacy and payment punctuality.

The country tops the list for allowance levels for a consecutive year. Its consumers have the highest percentage of their monthly salary left after paying all household bills. Nearly four in 10 consumers (38 per cent) have more than half of their monthly salary left over, over twice that of their European peers (15 per cent).

Consumers are also more punctual with their payments than they were a year ago. Three in four (76 per cent) pay bills on time, up from 69 per cent in 2019 and eight percentage points above the European average.

Lithuania has improved markedly on its financial literacy in the past year, rising 14 places on the pillar, thanks to strong scores on both financial calculation and terminology.

Saving for the future

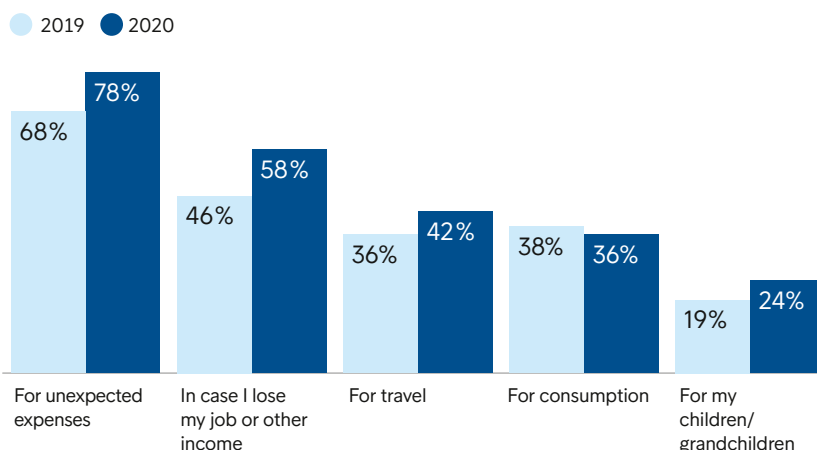
78%

say they are able to save each month. In 2019 71% stated the same. European average for 2020 is 76%.

58%

are dissatisfied with the amount they are able to save each month. In 2019 59% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



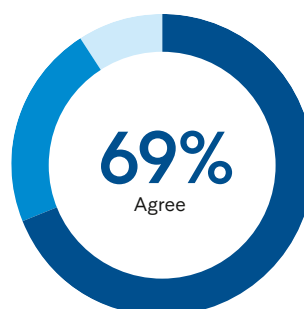
Loans and borrowed money

13%

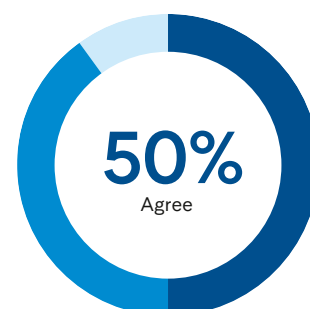
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



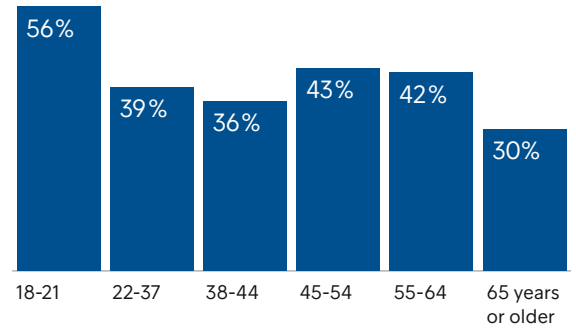
Even though interest rates are low, I am more wary than normal about taking on debt.

Ability to pay bills

21%

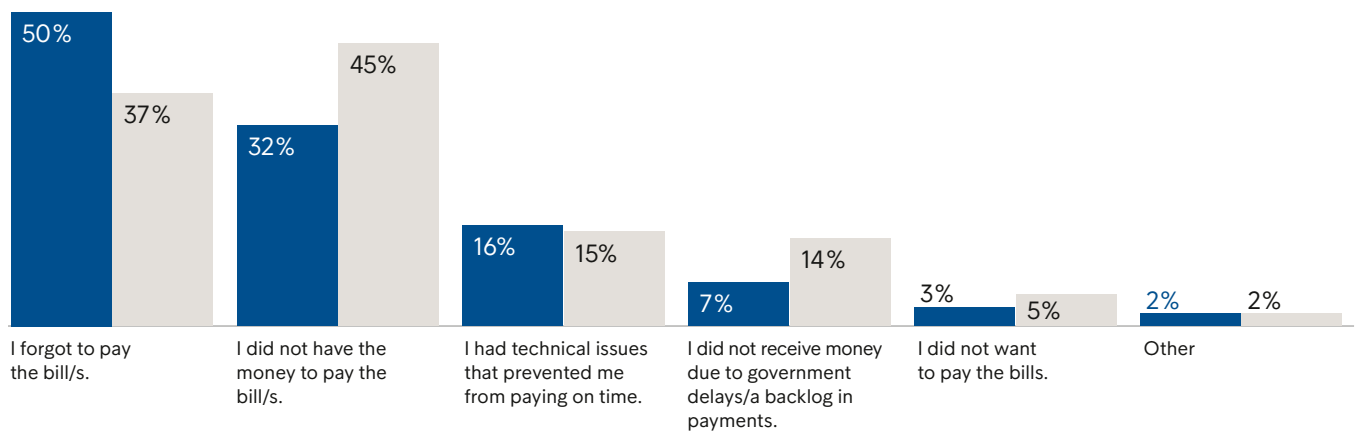
say they have missed paying a bill on time during the last 12 months. In 2019 31% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Lithuania ● EU average



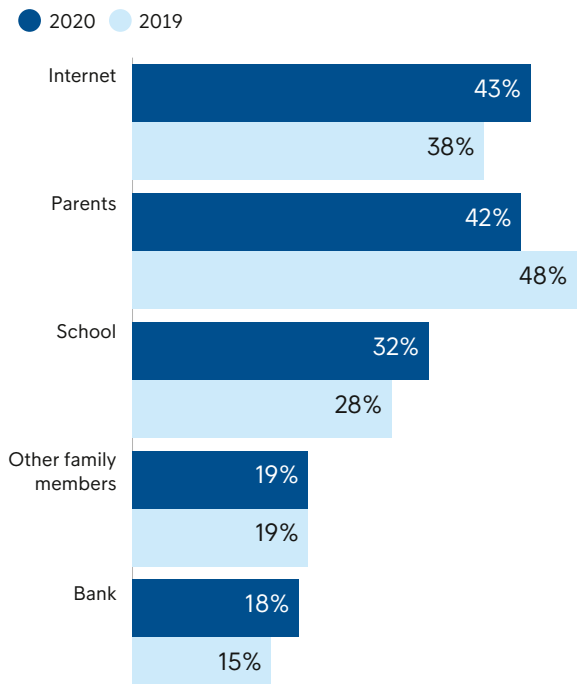
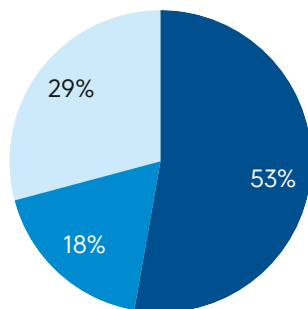
Financial literacy

36%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



The Netherlands

- Overall financial wellbeing: 11th
- Ability to pay bills: 5th
- Saving for the future: 3rd
- Financial literacy: 17th

In response to Covid-19, the Dutch government provided support to cover up to 90 per cent of companies' wage bills, along with a number of policies to help businesses and the self-employed¹⁴.

The Netherlands has risen one place on the rankings, partly thanks to strong savings and punctual payments. More than a quarter of Dutch consumers (27 per cent) say they could pay 2-3 times their monthly salary out of their savings, to pay for an unforeseen event, without falling into debt.

The Dutch are also punctual payers, likely helped by more than four in 10 (42 per cent) in the country having more than a fifth of their salary left over after paying all of their household bills. The country dropped six places on the financial literacy pillar, however, as consumers underperformed on the financial terminology test.

Saving for the future

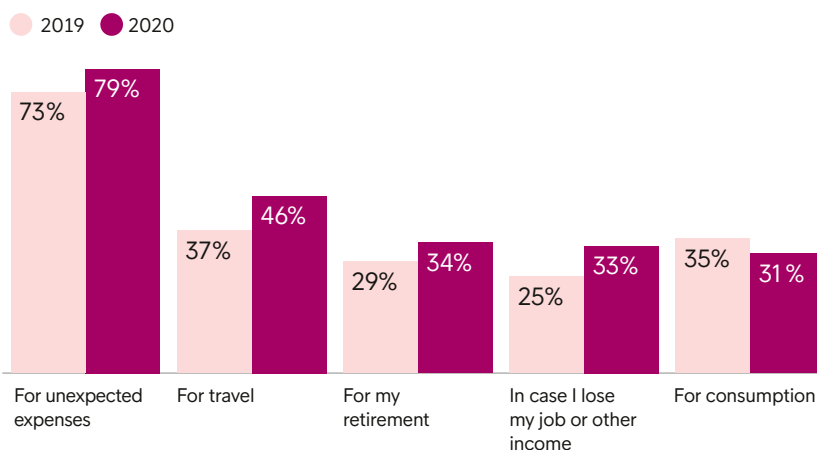
77%

say they are able to save each month. In 2019 75% stated the same. European average for 2020 is 76%.

44%

are dissatisfied with the amount they are able to save each month. In 2019 42% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



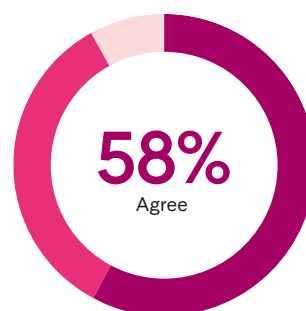
Loans and borrowed money

17%

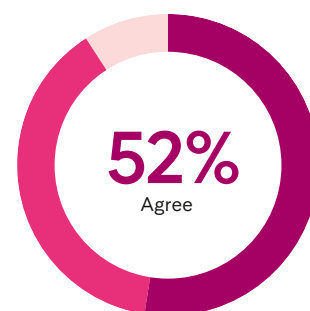
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



Even though interest rates are low, I am more wary than normal about taking on debt.

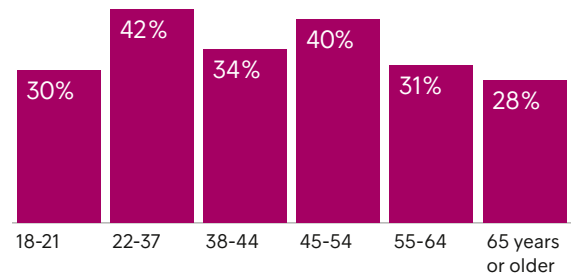
¹⁴) <http://www.oecd.org/economy/netherlands-economic-snapshot/>

Ability to pay bills

24%

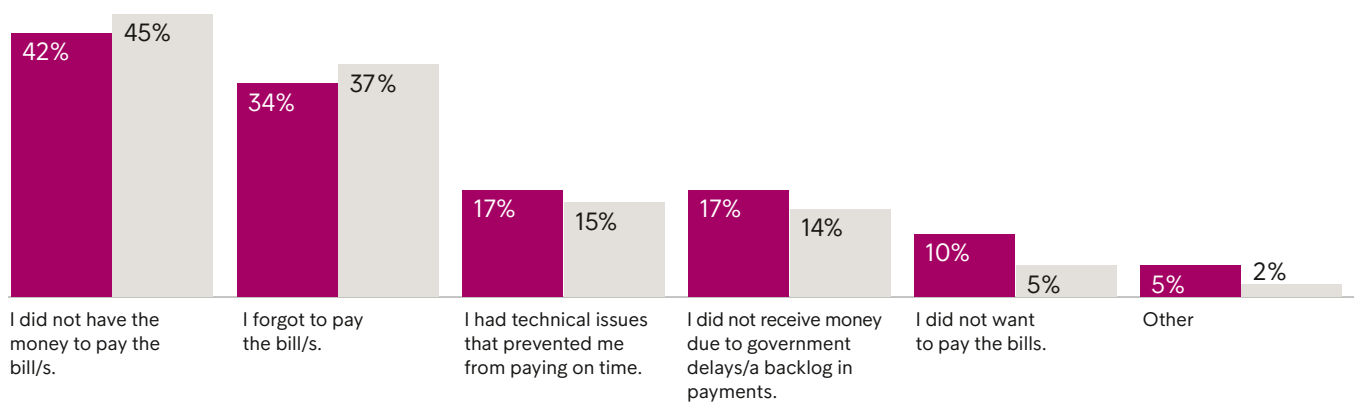
say they have missed paying a bill on time during the last 12 months. In 2019 24% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● The Netherlands ● EU average



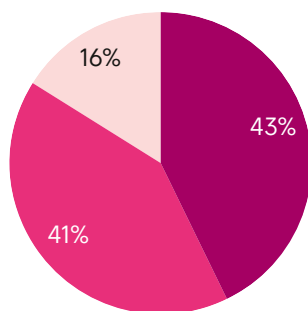
Financial literacy

30%

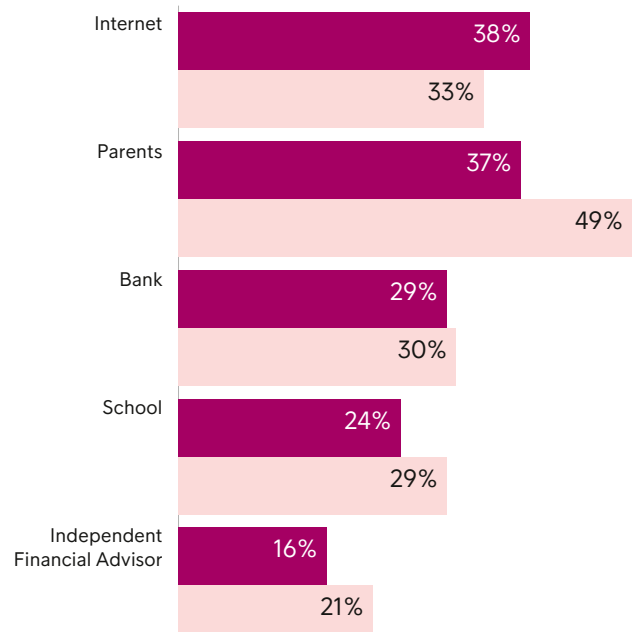
agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g. pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



● 2020 ● 2019



Norway

- Overall financial wellbeing: 13th
- Ability to pay bills: 8th
- Saving for the future: 10th
- Financial literacy: 9th

A comprehensive welfare system, along with government measures to cushion the impact of Covid-19, have not been enough to shield falls in Norway's financial wellbeing, which drops seven places down the ranking this year.

Less than a quarter of Norwegian consumers (24 per cent) say their income decreased as a result of Covid-19 – the third-lowest figure in Europe and well below the 35 per cent average. Consumers are not staying on top of their household finances, however, perhaps because of their high debt-to-income ratio or due to rising unemployment¹⁵ in the country.

Despite greater payment punctuality than in 2019, late payments were well above the average. However, the consumers that were late paying a bill typically say it was because they forgot to do so (47 per cent), rather than because didn't have the money (36 per cent). This lateness, coupled with a decline on the household income indicator, contributed to Norway's four-place fall on the ability to pay bills on time pillar.

Saving for the future

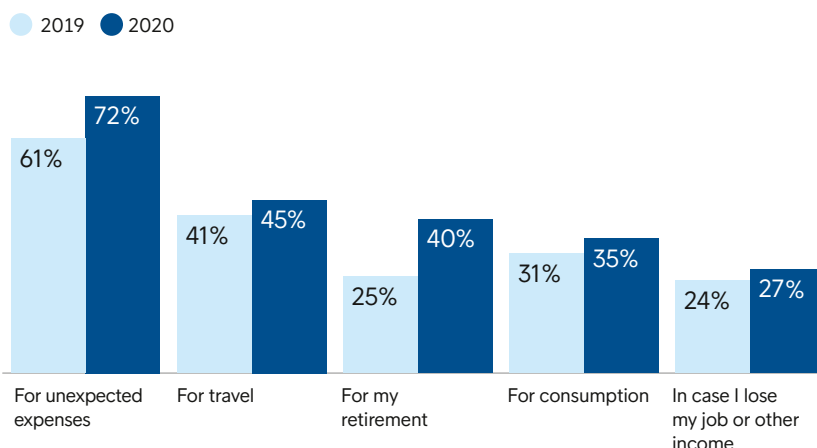
77%

say they are able to save each month. In 2019 74% stated the same. European average for 2020 is 76%.

48%

are dissatisfied with the amount they are able to save each month. In 2019 48% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



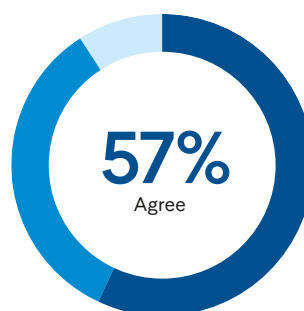
Loans and borrowed money

22%

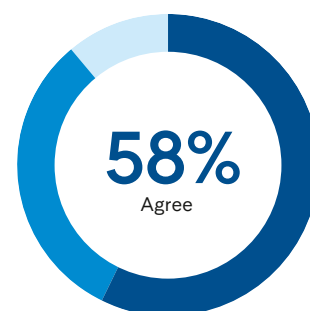
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
- Neutral
- Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



Even though interest rates are low, I am more wary than normal about taking on debt.

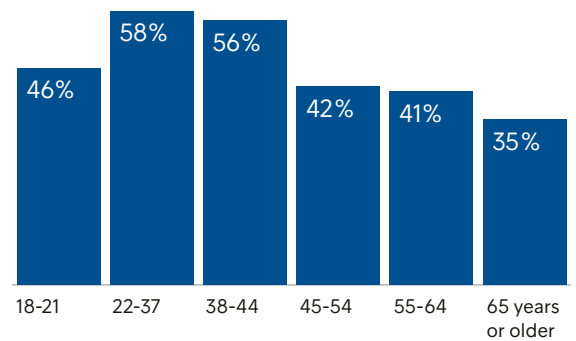
¹⁵ <https://www.reuters.com/article/norway-economy-unemployment/norways-unemployment-rises-for-the-first-time-in-7-months-idUSO9N2CB01T>

Ability to pay bills

41%

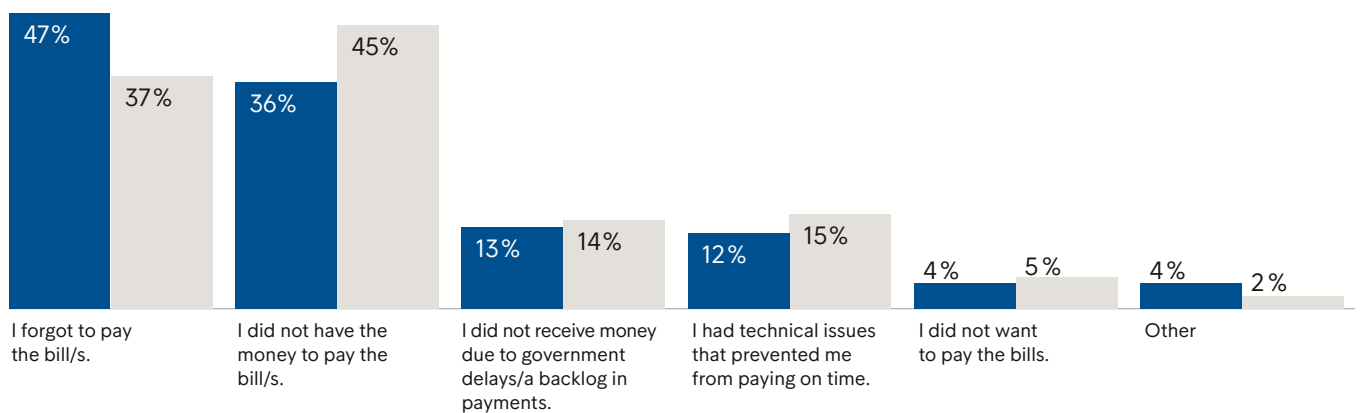
say they have missed paying a bill on time during the last 12 months. In 2019 48% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Norway ● EU average



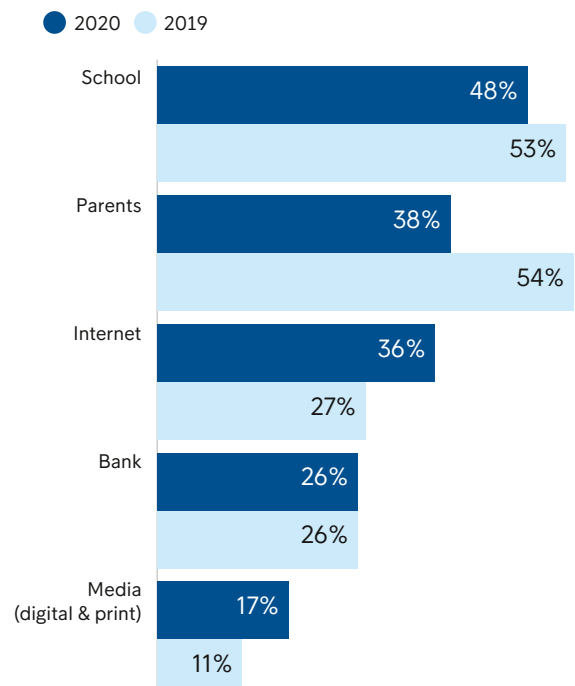
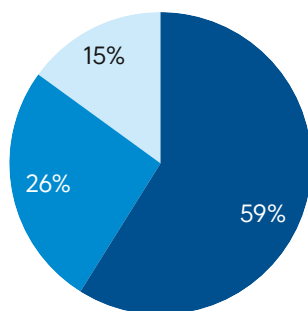
Financial literacy

33%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



Poland

- Overall financial wellbeing: 21st
- Ability to pay bills: 16th
- Saving for the future: 23rd
- Financial literacy: 12th

As they manage squeezed household incomes and rising bills, consumers in Poland are taking steps to boost their financial literacy. This has helped lift the country's financial wellbeing one place over the past year.

Poland is 11 places higher on the financial literacy pillar than it was in 2019, thanks to a strong performance on the survey's financial terminology test. Two thirds (66 per cent) of consumers matched basic financial terms to their correct definitions compared to a European average of 64 per cent.

They are also staying on top of bills, ranking second on the Barometer's underlying allowance indicator, which tracks the proportion of salary that consumers have left over after paying household bills.

Covid-19 has, however, made this a difficult balancing act. Approaching half of consumers (45 per cent) say their income went down as a result of the pandemic, the fourth-highest figure in Europe and 10 percentage points above the European average.

Saving for the future

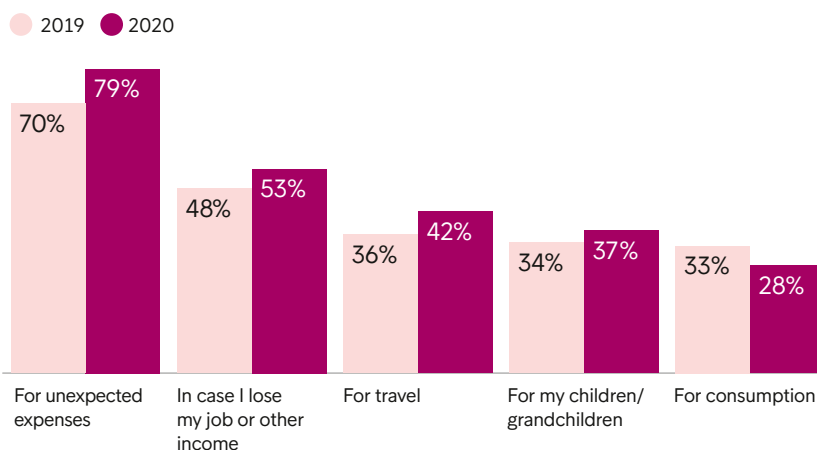
80%

say they are able to save each month. In 2019 79% stated the same. European average for 2020 is 76%.

69%

are dissatisfied with the amount they are able to save each month. In 2019 65% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



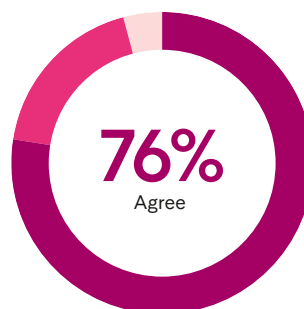
Loans and borrowed money

32%

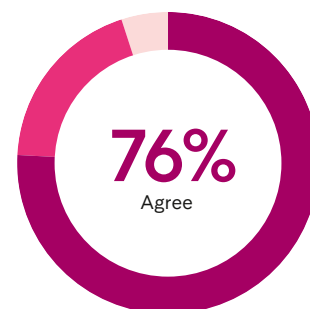
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



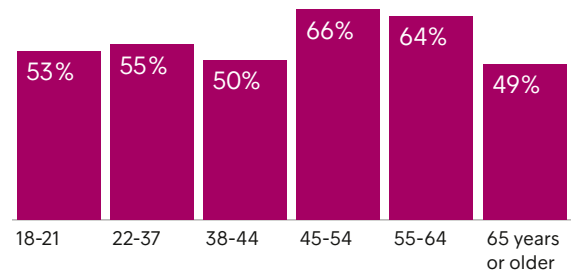
Even though interest rates are low, I am more wary than normal about taking on debt.

Ability to pay bills

38%

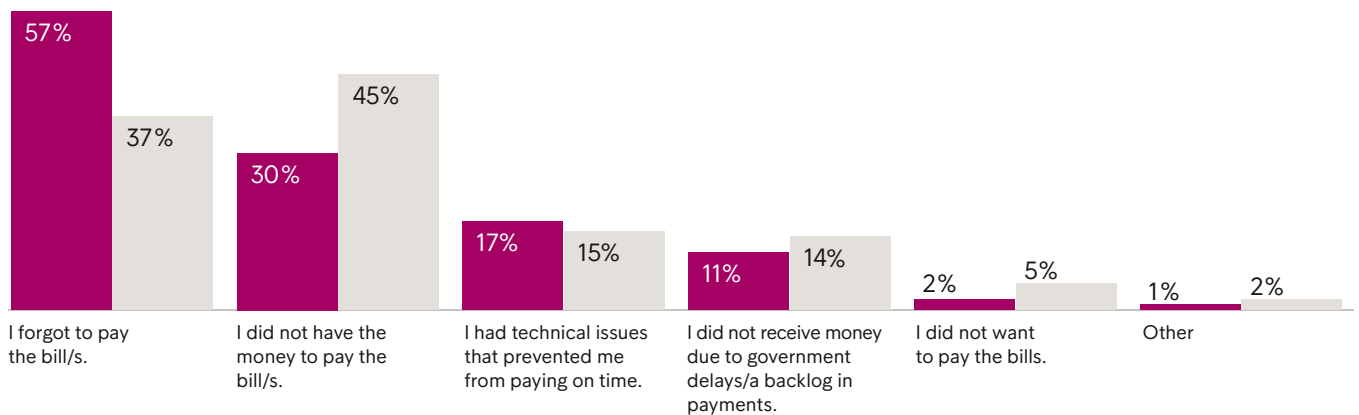
say they have missed paying a bill on time during the last 12 months. In 2019 38% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Poland ● EU average



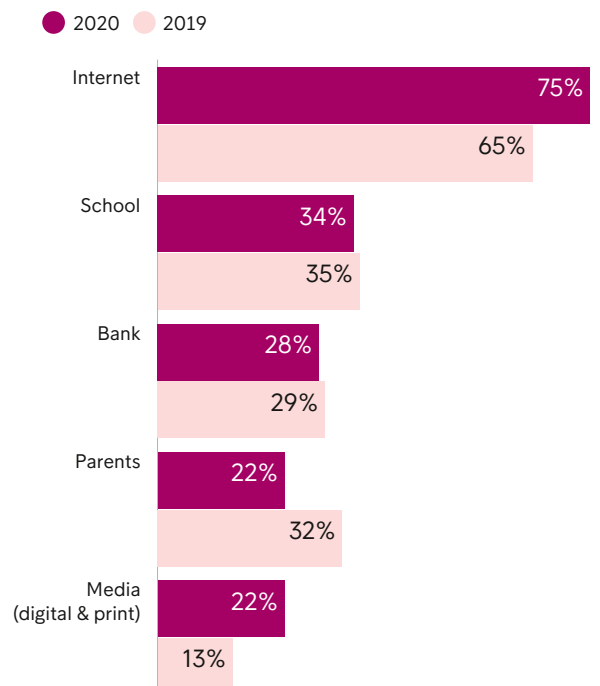
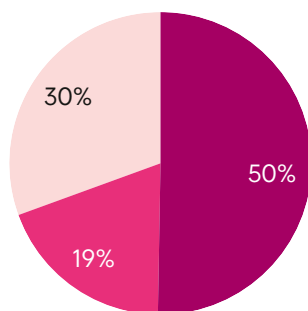
Financial literacy

48%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



Portugal

- Overall financial wellbeing: 19th
- Ability to pay bills: 22nd
- Saving for the future: 19th
- Financial literacy: 8th

Covid-19 has derailed Portugal's economic comeback. The country's consumers have been hard hit, but steps to improve their financial literacy have helped the country move one place higher on the rankings this year.

Tighter incomes and rising bill costs are a cause of concern for consumers: 60 per cent agree they are more concerned than ever about their financial wellbeing – well above the 47 per cent European average and the second-highest figure in Europe.

However, Portuguese respondents are the most proactive cohort when it comes to financial literacy and are reaping the rewards: 61 per cent are taking steps to improve their understanding, more than 20 percentage points above the European average (40 per cent). Two-thirds (66 per cent) say improving financial security has become one of their biggest priorities (versus 47 per cent on average) since the crisis.

Saving for the future

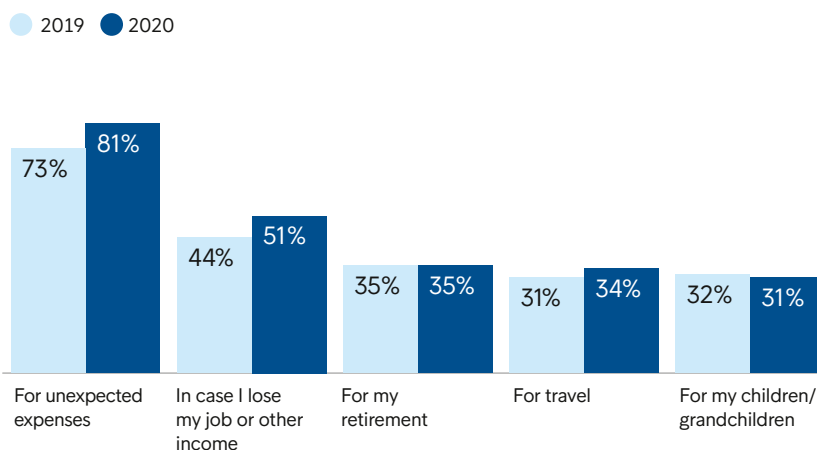
83%

say they are able to save each month. In 2019 81% stated the same. European average for 2020 is 76%.

66%

are dissatisfied with the amount they are able to save each month. In 2019 61% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



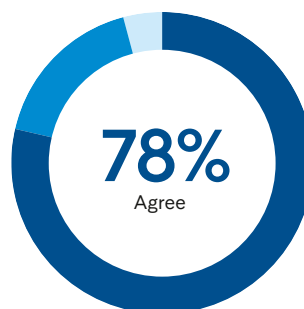
Loans and borrowed money

23%

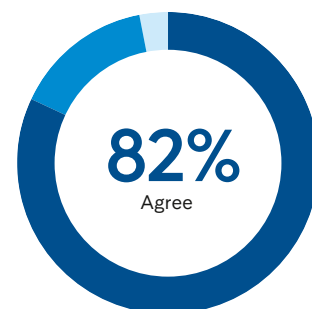
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



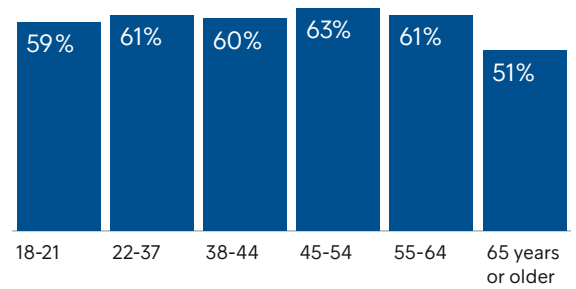
Even though interest rates are low, I am more wary than normal about taking on debt.

Ability to pay bills

25%

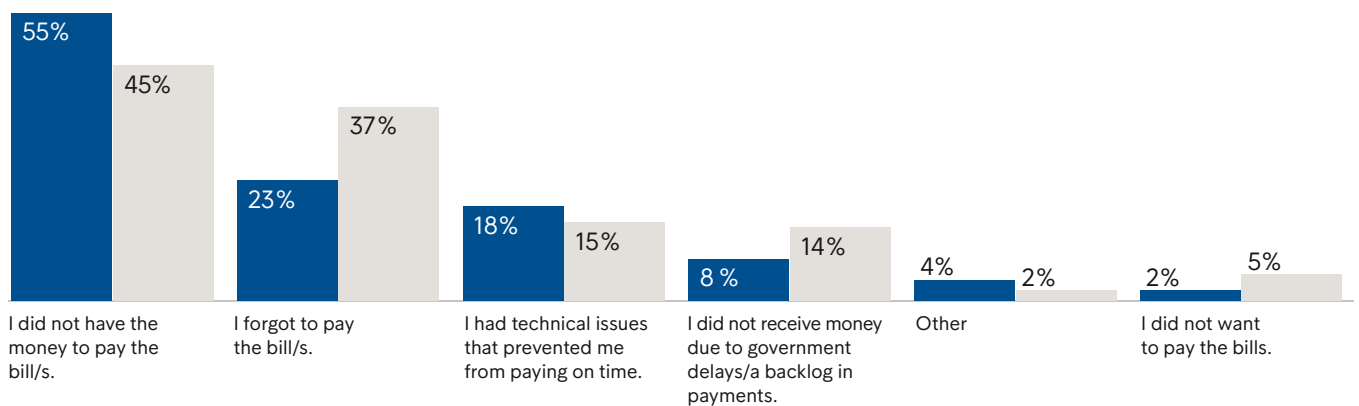
say they have missed paying a bill on time during the last 12 months. In 2019 28% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Portugal ● EU average



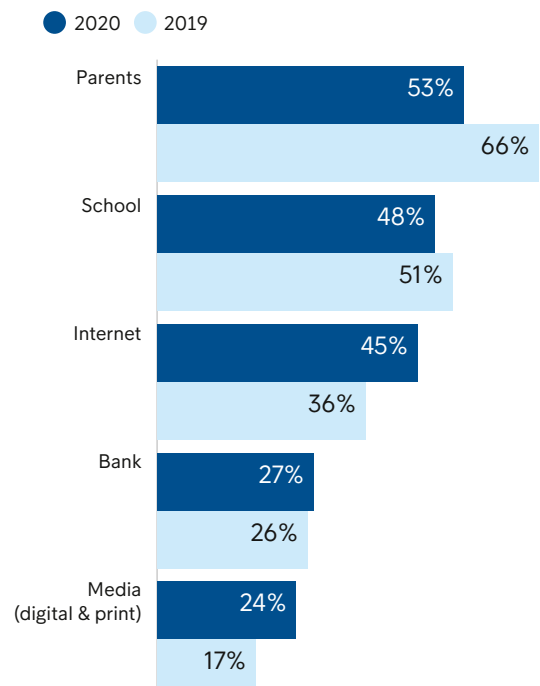
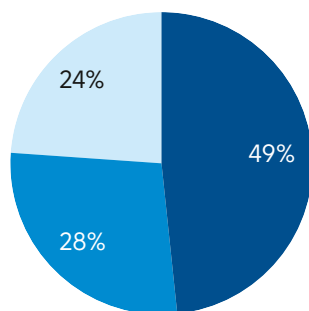
Financial literacy

61%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



Romania

- Overall financial wellbeing: 18th
- Ability to pay bills: 21st
- Saving for the future: 12th
- Financial literacy: 22nd

Romanian consumers' concern for their financial capacity has grown in the fallout from Covid-19. The country remains low on the rankings, though has risen one place since last year.

More than half (56 per cent) of Romanian consumers agree that their bills are rising faster than their income – above the 47 per cent European average and the fifth-highest figure in Europe.

Despite having less money after paying bills, slightly more consumers (77 per cent) are saving each month than the European average (76 per cent). Two-thirds (66 per cent) say improving financial security has become one of their biggest priorities, versus 47 per cent of Europeans. However, Romanians' financial literacy remains low: the country is bottom for financial terminology scores, which contributed to its nine-place fall on the financial literacy pillar.

Saving for the future

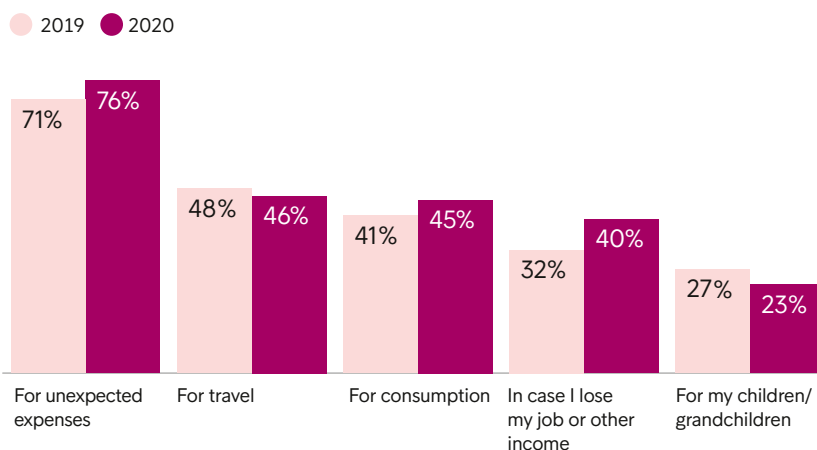
77%

say they are able to save each month. In 2019 74% stated the same. European average for 2020 is 76%.

72%

are dissatisfied with the amount they are able to save each month. In 2019 61% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



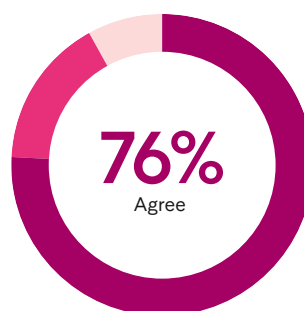
Loans and borrowed money

32%

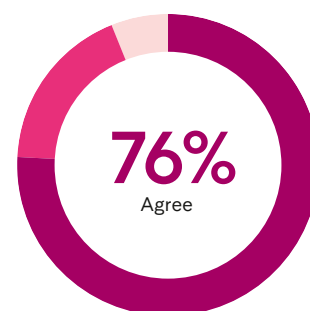
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



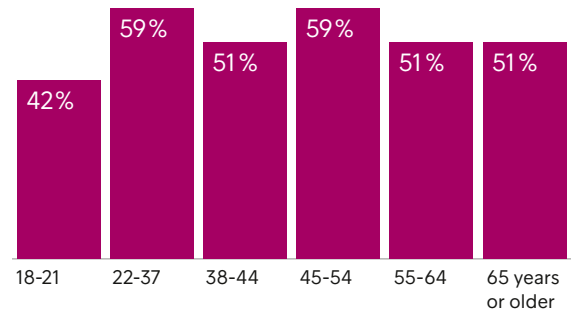
Even though interest rates are low, I am more wary than normal about taking on debt.

Ability to pay bills

41%

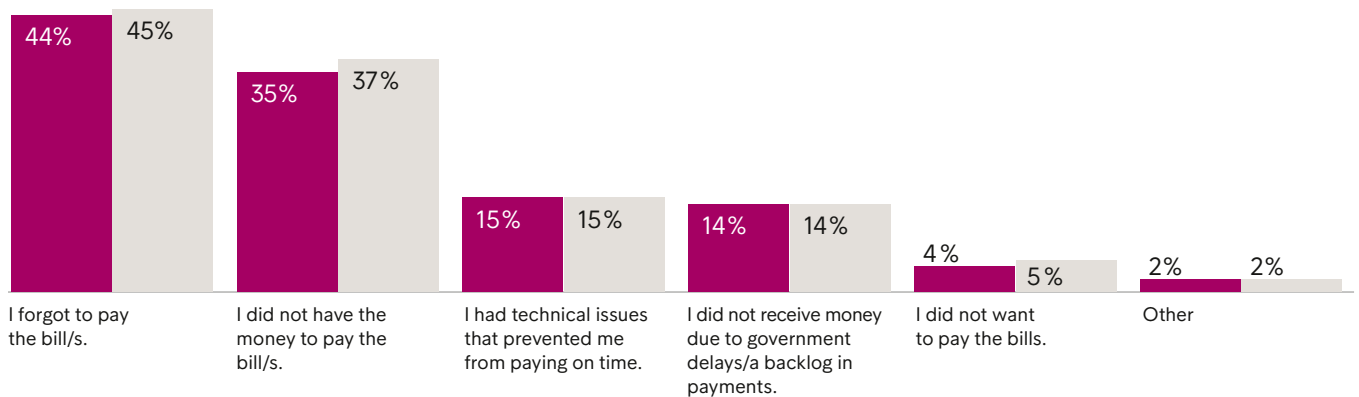
say they have missed paying a bill on time during the last 12 months. In 2019 42% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Romania ● EU average



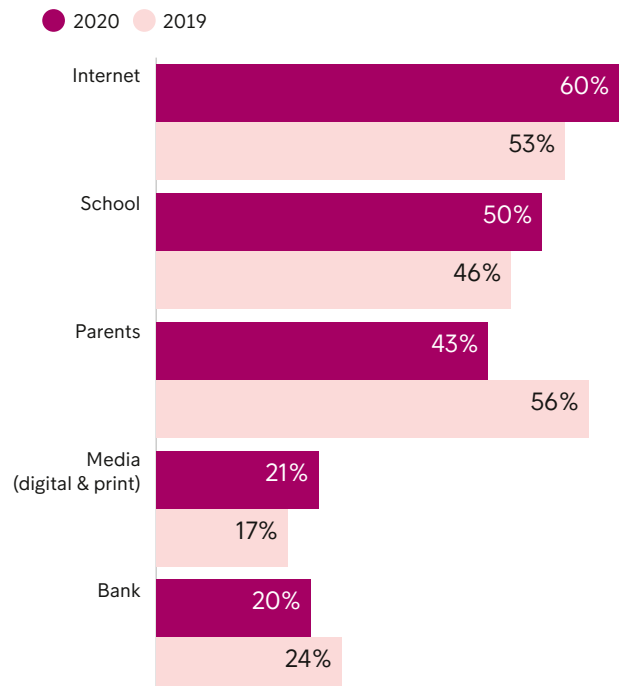
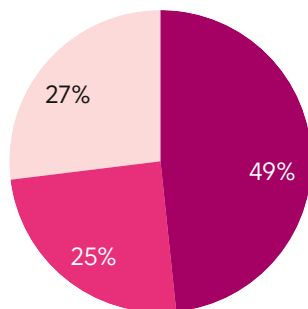
Financial literacy

53%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



Slovakia

- Overall financial wellbeing: 17th
- Ability to pay bills: 20th
- Saving for the future: 16th
- Financial literacy: 19th

Slovakia has taken bold moves to get the coronavirus outbreak under control, with an ambition to test almost the entire population for the disease¹⁶.

Rising bill costs and a fall in income levels have, however, damaged Slovakian consumers' financial wellbeing. In 2020, we see the country dropping one place in the overall rankings.

Monthly allowances have taken a hit as gross disposable household incomes have fallen during the crisis: 44 per cent say their income went down as a result of Covid-19 (European average: 35 per cent). These pressures have seen the country fall three rankings on the ability to pay bills on time pillar in the past year.

The country's ranking remains unchanged for the saving for the future and the financial literacy pillars, but stress levels continue to rise. More than half of consumers (52 per cent) agree that rising bills are having a negative impact on their general wellbeing, above the European average of 47 per cent.

Saving for the future

82%

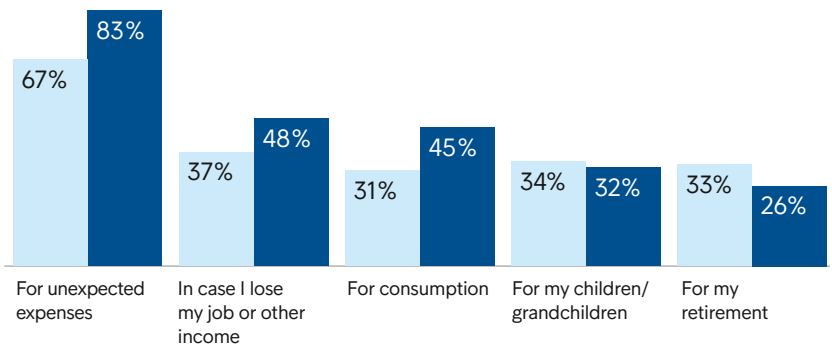
say they are able to save each month. In 2019 80% stated the same. European average for 2020 is 76%.

64%

are dissatisfied with the amount they are able to save each month. In 2019 63% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:

● 2019 ● 2020



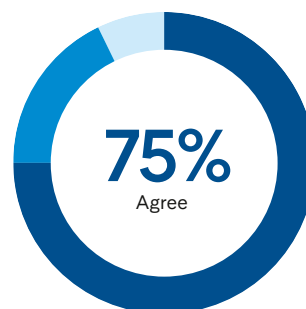
Loans and borrowed money

20%

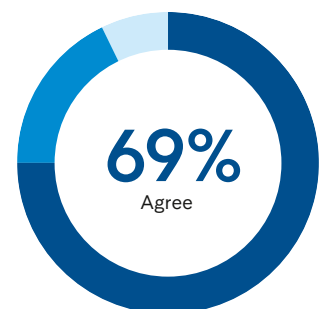
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

● Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



Even though interest rates are low, I am more wary than normal about taking on debt.

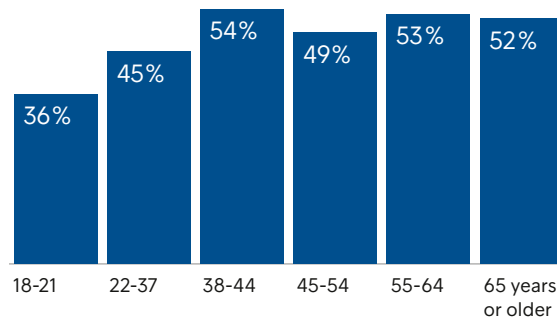
¹⁶) <https://www.ft.com/content/6d20007c-25ad-4d1a-b678-591acaa57df9>

Ability to pay bills

22%

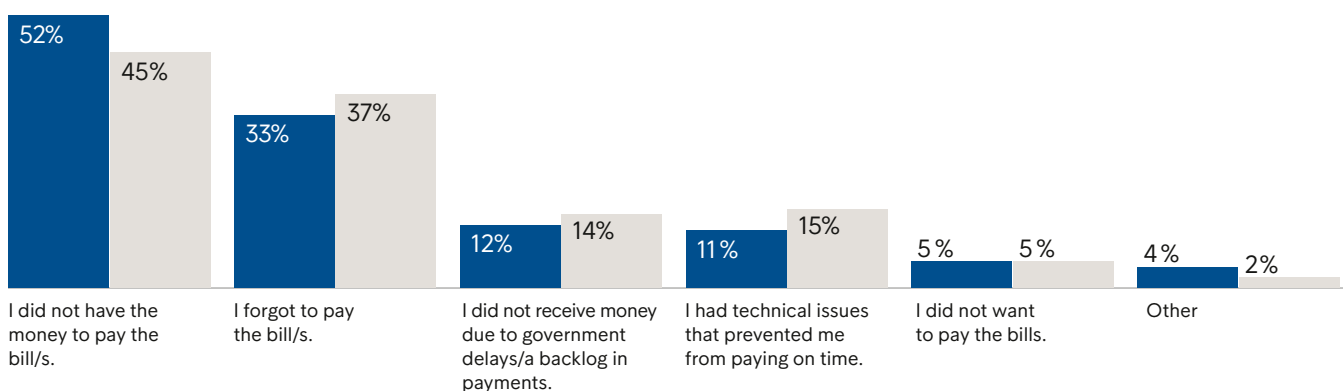
say they have missed paying a bill on time during the last 12 months. In 2019 27% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Slovakia ● EU average



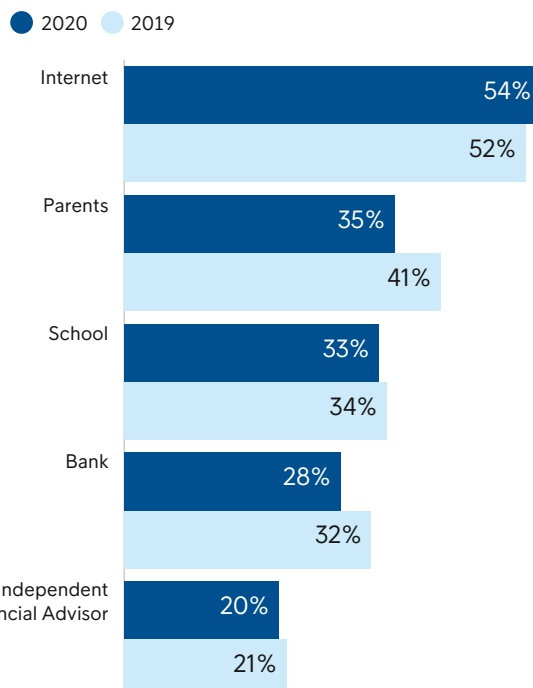
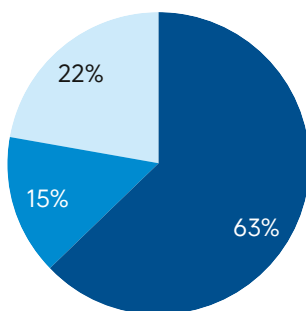
Financial literacy

39%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g. pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



Spain

- Overall financial wellbeing: 22nd
- Ability to pay bills: 18th
- Saving for the future: 17th
- Financial literacy: 21st

Spain's financial wellbeing has fallen across the board, and the outlook for the country is worrying. Indeed, the Bank of Spain warns that the economy could still be 6 per cent smaller at the end of 2022 than it was before the outbreak began¹⁷.

In our research, we see a fall in consumers' ability to save and pay their bills on time, leading to an eight-place fall on this year's overall rankings. The pandemic has had a destructive impact on the country's economy and worsened its already high unemployment level, putting an increased strain on consumers' finances.

More than one in two consumers (54 per cent) say that they have less than a fifth of their monthly income left after paying all of their bills, compared with 41 per cent of Europeans, on average.

Financial literacy has also declined significantly in the past year. This has fallen 11 places, with consumers underperforming the European average on both the financial terminology and calculation tests.

Saving for the future

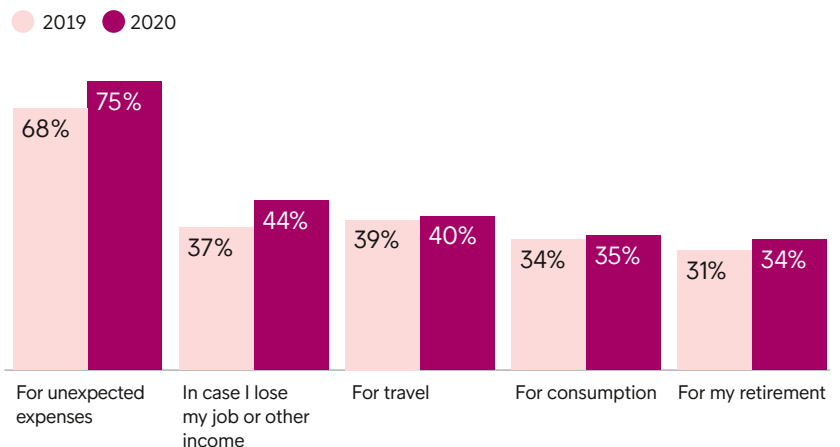
85%

say they are able to save each month. In 2019 85% stated the same. European average for 2020 is 76%.

55%

are dissatisfied with the amount they are able to save each month. In 2019 57% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



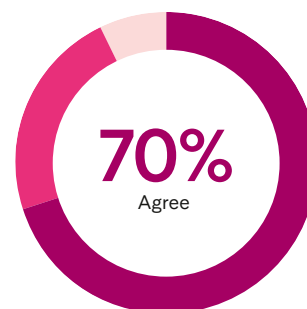
Loans and borrowed money

24%

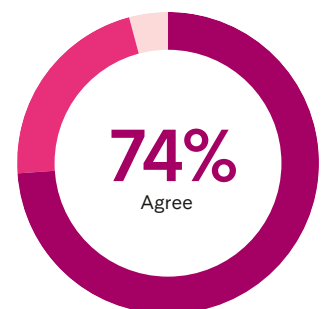
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



Even though interest rates are low, I am more wary than normal about taking on debt.

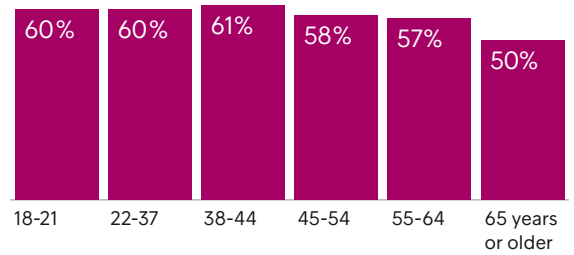
¹⁷) <https://www.ft.com/content/53ab7751-56cb-4c19-8855-43065aea6448>

Ability to pay bills

24%

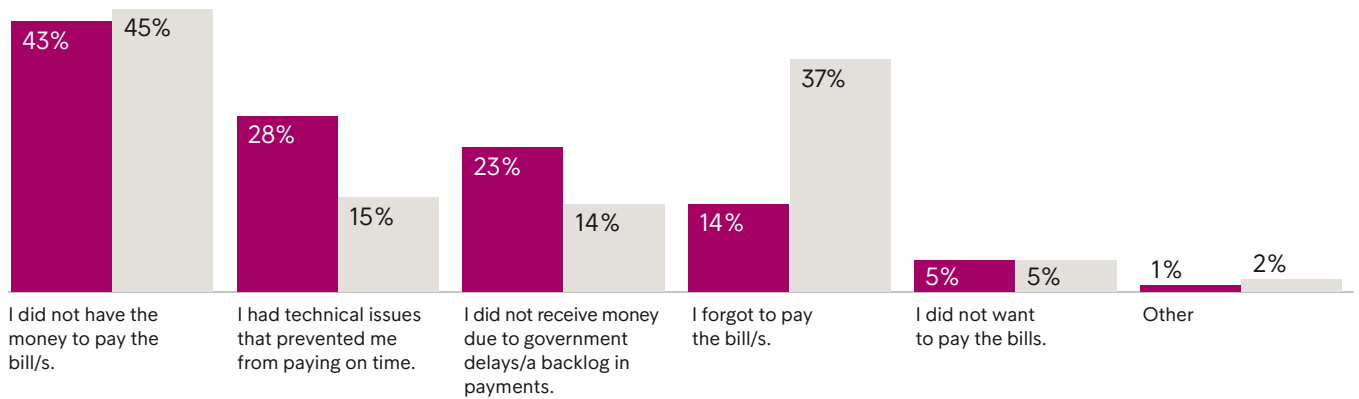
say they have missed paying a bill on time during the last 12 months. In 2019 20% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

Spain EU average



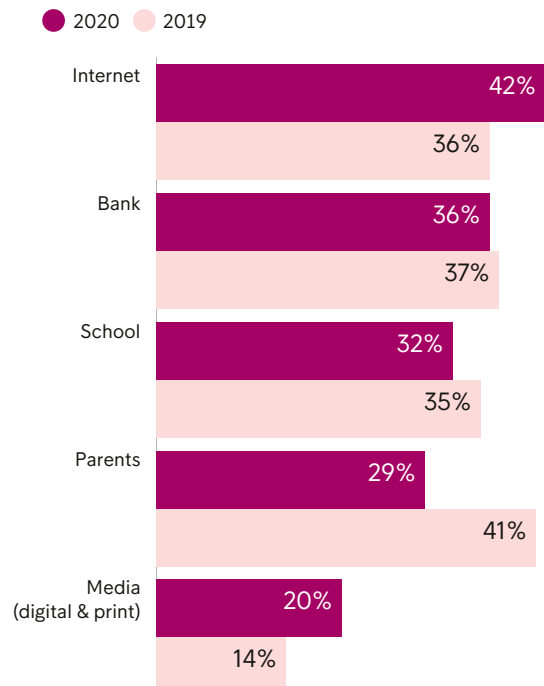
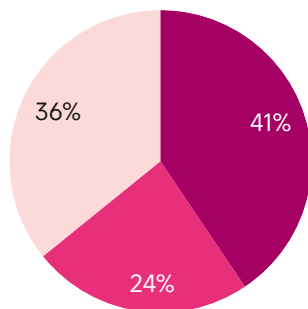
Financial literacy

39%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



Sweden

- Overall financial wellbeing: 4th
- Ability to pay bills: 4th
- Saving for the future: 1st
- Financial literacy: 6th

Sweden's healthy savings culture and resilient incomes have helped the country weather the economic headwinds of Covid-19.

The country has the second-highest gross household savings rate in Europe, with eight in 10 consumers (82 per cent) indicating that they can save each month versus the European average of 76 per cent.

Bill payment punctuality is surprisingly low in the country: more than a third (36 per cent) were late paying one or more bills during the past 12 months, compared with 29 per cent of Europeans on average. The majority of these late payers said it was because they had forgotten about the bill, rather than because they lacked the money.

This perhaps reflects the fact that Swedish consumers are relatively unconcerned about their financial wellbeing: 36 per cent say it is a significant concern (European average: 47 per cent).

Saving for the future

82%

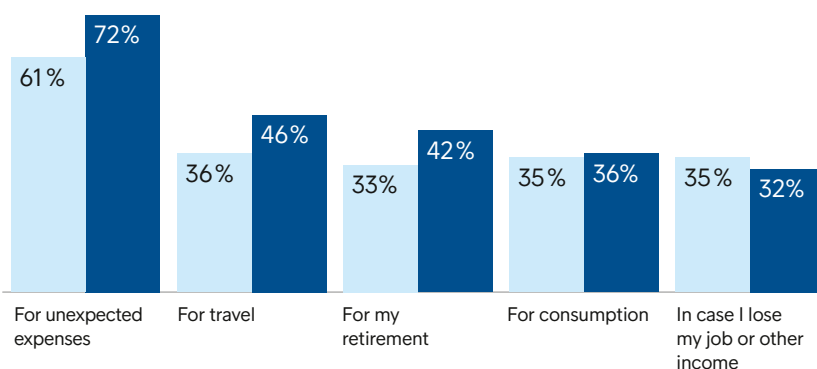
say they are able to save each month. In 2019 77% stated the same. European average for 2020 is 76%.

46%

are dissatisfied with the amount they are able to save each month. In 2019 35% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:

● 2019 ● 2020



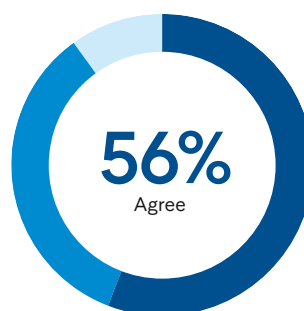
Loans and borrowed money

23%

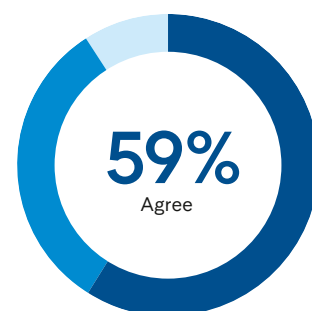
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

● Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



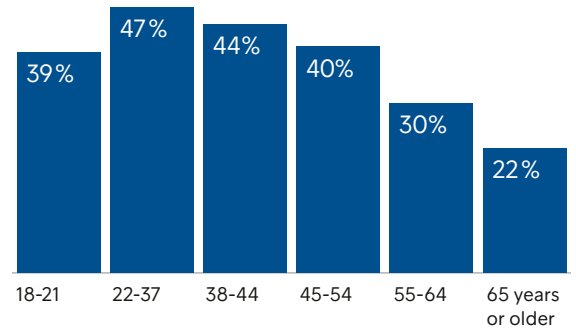
Even though interest rates are low, I am more wary than normal about taking on debt.

Ability to pay bills

36%

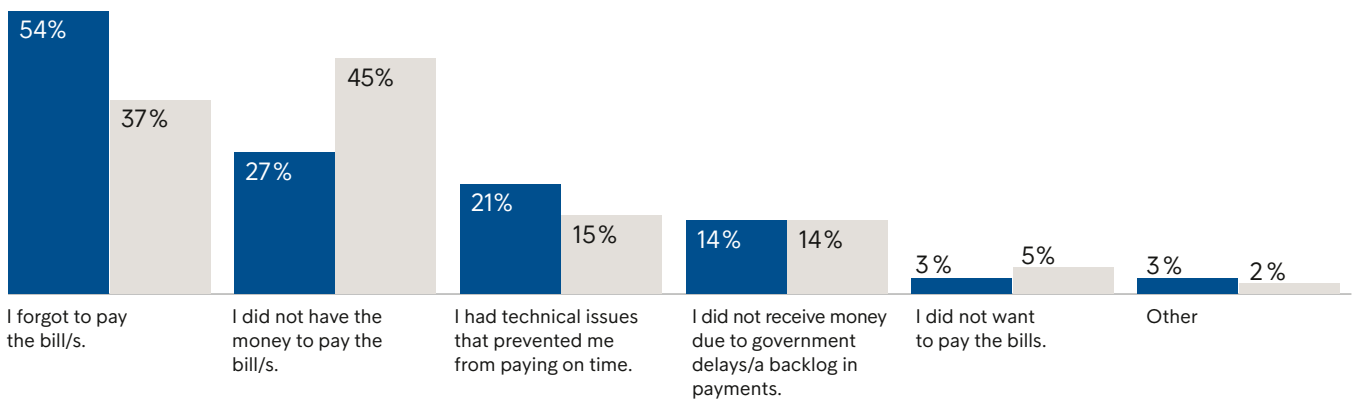
say they have missed paying a bill on time during the last 12 months. In 2019 35% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Sweden ● EU average



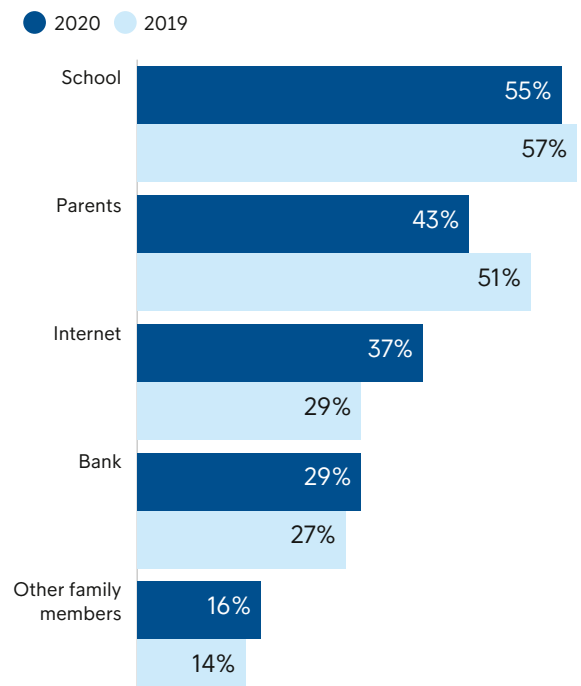
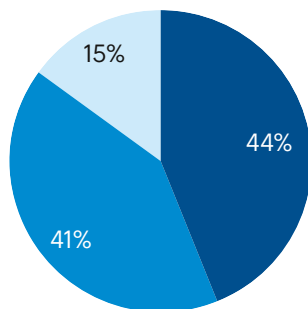
Financial literacy

38%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



Switzerland

- Overall financial wellbeing: 15th
- Ability to pay bills: 11th
- Saving for the future: 11th
- Financial literacy: 15th

The Covid-19 crisis has had a considerable impact on consumer finances in Switzerland. The country has fallen across all pillars on this year's Barometer. It has dropped 11 places in the overall rankings.

High living costs in Switzerland are putting a strain on savings and payment punctuality: more than half of consumers (55 per cent) have less than a fifth of their monthly income left after paying their bills, compared with 41 per cent of Europeans on average.

While the savings culture remains strong in Switzerland, slightly fewer (74 per cent) are able to save each month than the European average (76 per cent).

Saving for the future

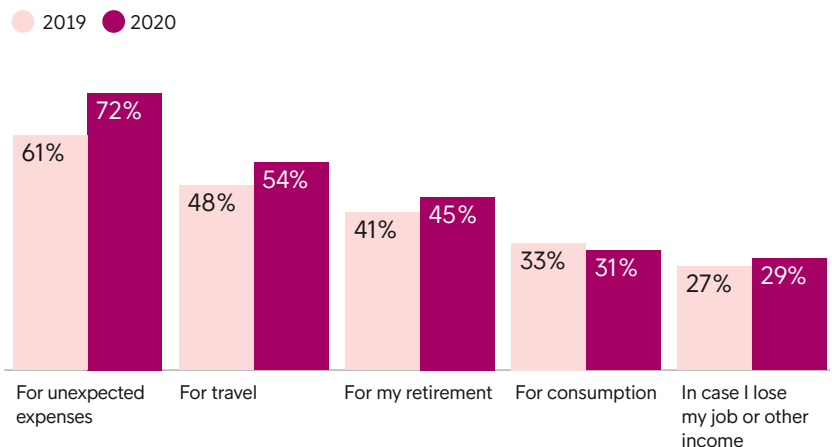
74%

say they are able to save each month. In 2019 74% stated the same. European average for 2020 is 76%.

53%

are dissatisfied with the amount they are able to save each month. In 2019 48% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



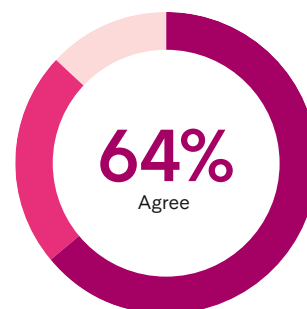
Loans and borrowed money

20%

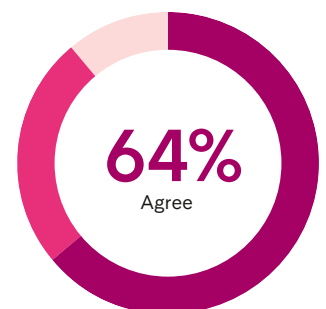
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



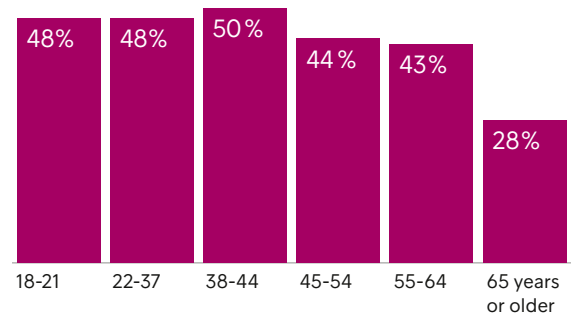
Even though interest rates are low, I am more wary than normal about taking on debt.

Ability to pay bills

42%

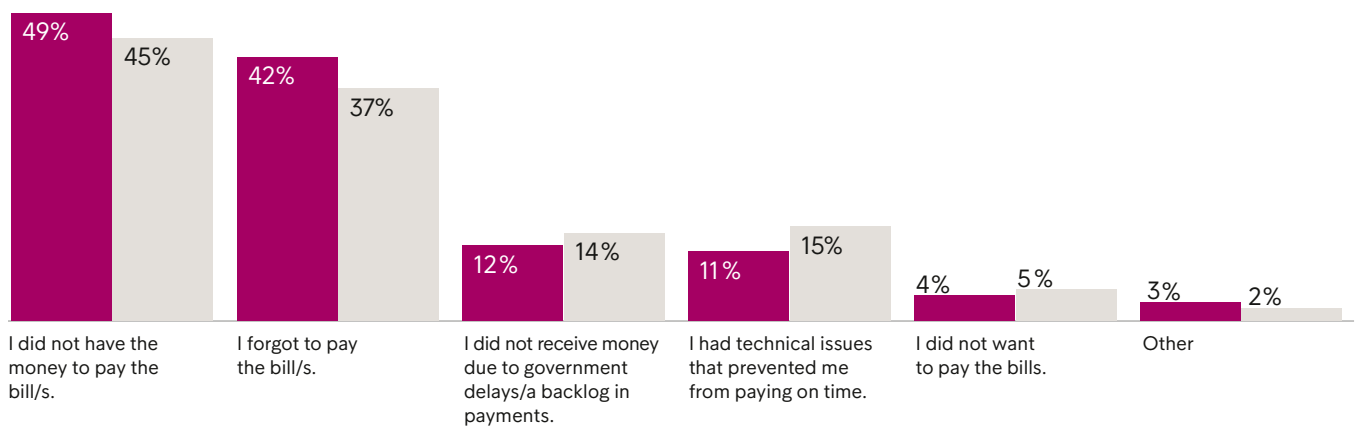
say they have missed paying a bill on time during the last 12 months. In 2019 44% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● Switzerland ● EU average



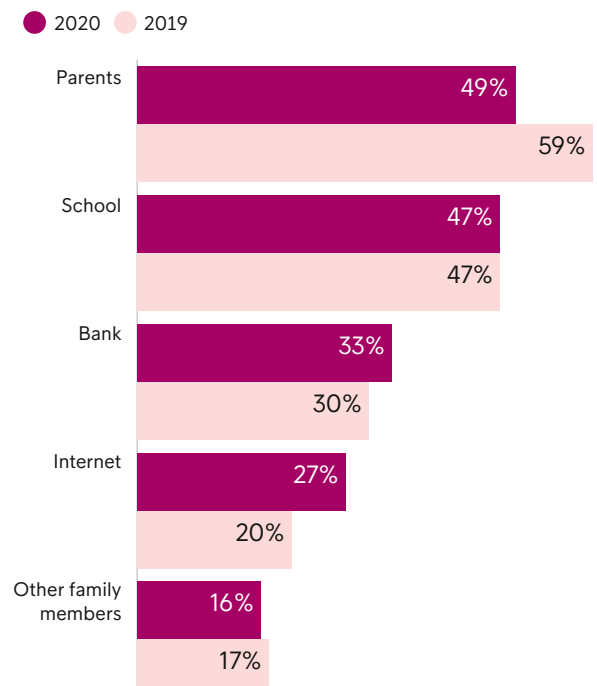
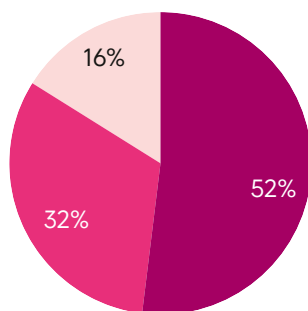
Financial literacy

34%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g. pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



United Kingdom

- Overall financial wellbeing: 10th
- Ability to pay bills: 10th
- Saving for the future: 15th
- Financial literacy: 5th

The UK economy has been hard hit by the Covid-19 crisis, at a time when the country is preparing to leave the European Union. Long-term savings and a decent score for financial literacy have, however, limited the country's slide down the Barometer. It takes 10th place in this year's rankings.

Consumer allowance levels have improved in the past year. This has boosted the UK's performance on the ability to pay bills pillar: 60 per cent say they have more than 10 per cent of their income left over after paying all household bills, just below the European average (64 per cent).

The UK tops the underlying indicator rankings for saving for unforeseen events, with more than a fifth (22 per cent) saying they could pay more than their annual salary out of their savings without falling into debt – the highest figure in Europe.

Saving for the future

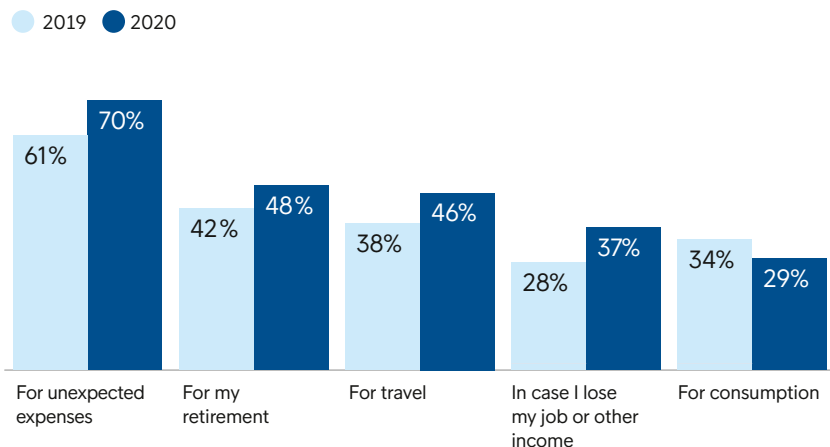
78%

say they are able to save each month. In 2019 78% stated the same. European average for 2020 is 76%.

49%

are dissatisfied with the amount they are able to save each month. In 2019 48% stated the same. European average for 2020 is 56%.

Top five reasons for saving money each month:



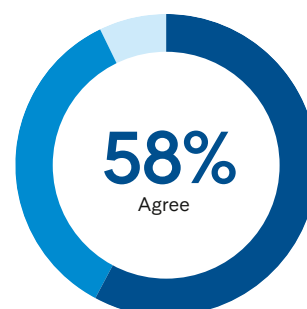
Loans and borrowed money

20%

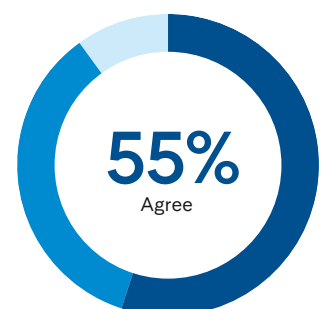
say they over the past 6 months, have borrowed money, apart from a mortgage, or reached the credit card limit in order to pay bills. European average for 2020 is 21%.

To what extent do you agree/disagree with the following statements?

- Agree
● Neutral
● Disagree



I don't want to borrow money to spend on major purchases until I can be sure the crisis is over.



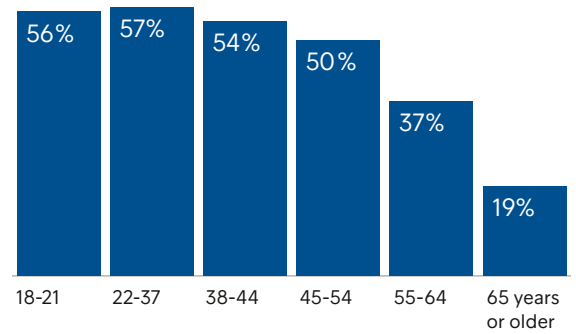
Even though interest rates are low, I am more wary than normal about taking on debt.

Ability to pay bills

23%

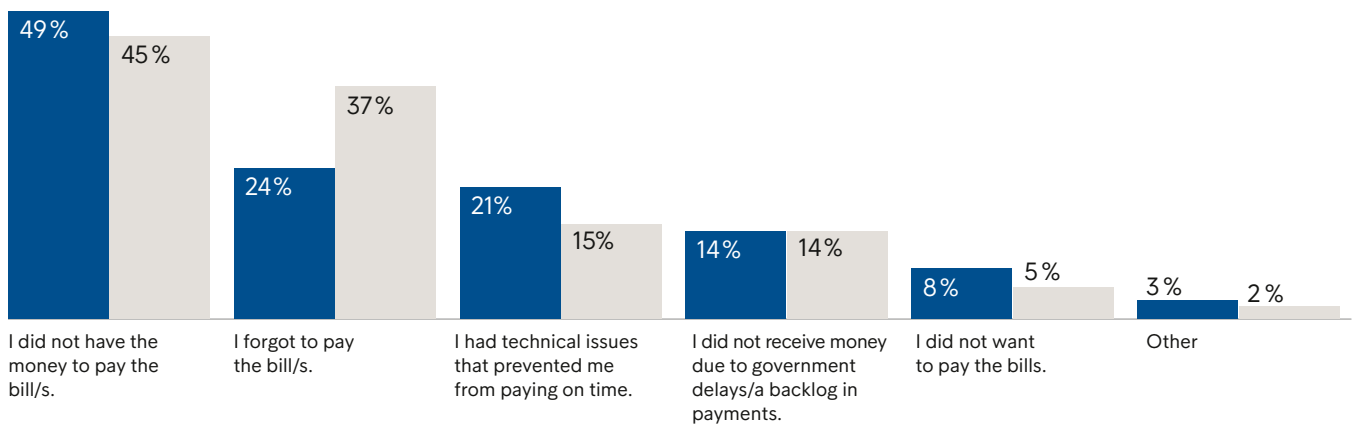
say they have missed paying a bill on time during the last 12 months. In 2019 26% stated the same. European average for 2020 is 29%.

I am more concerned about my financial wellbeing today than at any other point in my life. (age split)



Reasons for not paying your bill(s) on time:

● United Kingdom ● EU average



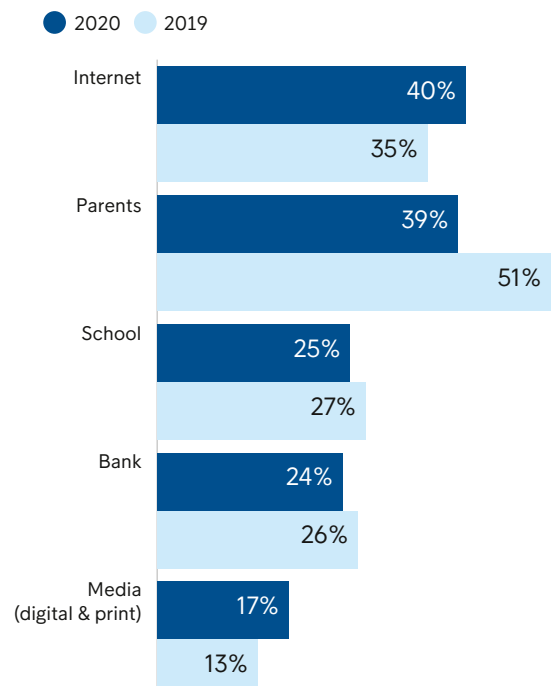
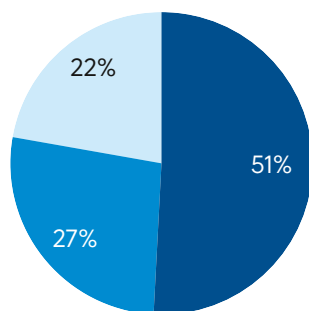
Financial literacy

39%

agree with the statement: "To prepare for the economic uncertainty caused by Covid-19, I am taking steps to improve my financial literacy."

Have you received sufficient financial education to manage your daily finances?

- I received sufficient financial education to manage my day-to-day finances, although I still need advice on more complex financial matters (e.g pension planning and stock market investment).
- I received an excellent financial education, and feel confident managing complex financial matters.
- I do not feel I received sufficient financial education to manage my day-to-day finances, and I often seek external advice.



About the report

The European Consumer Payment Report provides insights into European consumers' everyday life; their spending habits and ability to manage their household finances on a monthly basis.

Intrum has published the European Consumer Payment Report on a yearly basis since 2013 and this is the 8th annual edition of the report.

The Intrum European Consumer Payment Report 2020 is based on an external research conducted by Longitude, a specialist provider of thought leadership and research services to a multinational corporate and institutional client base, headquartered in London, England.

The field work was conducted simultaneously across 24 European countries between 28th of August and 5th of October. In 2020, 24,198 consumers participated to the survey.

Design by Passion/Jeanette Friman.

The report is published in December 2020. You can find more insights about trends and development of late payments on intrum.com.

Legal disclaimer

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About the survey

Intrum has gathered data from 24,198 consumers across 24 European countries. This study has been conducted by means of self-completion online research. Respondents completed the questionnaire on their computer, laptop, tablet or smartphone. Per country at least n=1,000 respondents have participated resulting in n=24,198 in total for all 24 countries. The fieldwork for the study was conducted between 28th of August and 5th of December.

The target group of this research was defined as persons (both male and female) of 18 years and over who were mainly or partly responsible for their personal or household financial administration. Per country quotas were set on gender, age and region in order to achieve a national representative sample for each country.

Note: Please note that, due to rounding, the numbers presented throughout this report may not add up exactly to 100%.

Calculations of Financial Wellbeing Barometer

The Intrum Financial Wellbeing Barometer is a tool to measure and easily compare the Financial Wellbeing of European Consumers across 24 European markets.

The Barometer presents an overall financial wellbeing score for each country – an aggregate ranking that combines scores (1-10) across three pillars, including calculations that considers key indicators relating to consumers' debt-to-income ratio and level of borrowing money to pay bills.

Eight of the eleven indicators are based on data collected through a consumer survey conducted in between 28th of August to 5th of October 2020. Each survey-based indicator is computed via the attribution of scores (on a 0-10 scale) to each survey possible response, with the best possible answer – i.e. warranting the highest financial security – receiving ten points and the worst possible one zero points. In a second step, the country score is calculated using the average of the 1,000 consumer responses for that country and indicator.

The remaining three indicators are based on data from Eurostat. To normalise these indicators – i.e. to turn the raw data into scores (on a 0-10 scale) – each country's value is first measured against the mean and expressed in multiples of the standard deviation. In a second step, these standard deviations are transformed into 0-10 scores, whereby countries with a standard deviation of +2.5 receive ten points and those with standard deviations of -2.5 zero points.

The scores for each pillar represent the average score of the underlying indicators. The Overall Financial Wellbeing Score is the average of the underlying three pillars. The 24 countries are ranked in descending order and on the basis of their scores rounded to the second decimal. Within each pillar and within the overall barometer, the weights for indicators and pillars are kept equal. In other words, each indicator/pillar are judged to be equally important to achieving financial security.

Glossary

Financial Wellbeing: Having the financial security to meet everyday spending needs and be in control of ones finances.

Financial Literacy: Possessing the skills and knowledge on financial matters to effectively manage ones personal finances.

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