Financial services provision and prevention of financial exclusion

Eurobarometer report

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PERSONAL • FINANCE • RESEARCH • CENTRE

Contents

1 Introduction

This report is part of a wider project for the European Commission which will identify and analyse the most effective policy measures taken by EU member states, and EFTA/EEA Countries in the area of financial services provision and the prevention of financial exclusion of people facing poverty or social exclusion. It uses data from the Eurobarometer survey to examine how financial exclusion generally, as well as banking, credit and savings exclusion more specifically, varies across the European Union. This includes analysis to identify which factors are most strongly correlated with financial exclusion in the EU and whether different factors assume importance in countries where levels of exclusion are high, compared to those where levels are far lower.

The main source that has been used to assess levels of financial exclusion in Europe is the Eurobarometer Survey 60.2, undertaken at the end of 2003 (Anderloni and Carluccio, 2006; Nieri, 2006; Corr, 2006). To date, however, use of the Eurobarometer data has been restricted to looking at access to specific products only (*banking*: Anderloni and Carluccio, 2006; Corr, 2006; *credit:* Nieri, 2006; *life insurance*: Corr, 2006). We have, therefore, re-analysed the data to take this analysis further and also taken into account data from Eurobarometer 2003.5 which looks at the EU 10 new member states over the same period. Although there is more recent data this was not suitable for the analysis we require[1]. One implication of this is that for some countries (Cyprus, Czech Republic, Estonia, Lithuania, Malta, Poland, Slovakia and Slovenia) the figures quoted will over-state the extent of financial exclusion as levels seem to be falling.

Although Eurobarometer surveys individuals aged 15 or over, our analysis was restricted to people aged over 18 as this is the legal age of access to some types of product (including a transaction bank account with an overdraft and unsecured credit). It asks about the holding of a range of financial products, including transaction accounts (with a cheque book and/or a payment card facility), deposit accounts (which pay interest but have no payment card or chequebook) and other savings products including life assurance policies, stocks/shares, collective investments (unit trusts) and bonds. The forms of credit covered include overdrafts, credit and charge cards and loans for car purchase and other purposes.

It is important to note that the Eurobarometer data is useful to draft a broad picture and to be able to draw very rough international comparisons, but that is it not 100% accurate information. Indeed, experts have underlined that the questions are sometimes interpreted differently from one country to another, and as the study shows, comparisons with national data sometimes show quite important gaps, which could not only be due to samples issues. To summarise, it is one of the best data available for the moment, but it can still be improved in the future.

[1] We have not used Eurobarometer 63.2 to undertake this analysis because the coding of the variables does not differentiate between people who 'do not know' if they have an account and those who 'do not' have one. It also lacks information on incomes. For further details, see Appendix 1.

1.1 Definitions used in this report

Within this report a number of terms are used which need to be defined as they have often been constrained by the data available.

People were considered '*fully banked*' if they had 'transaction bank account', that is if they said they had access to a current account which comes with a payment card or a chequebook. This group also includes people who said that they had only a deposit account but also said they had access to a chequebook or an overdraft facility. It was found that these people had similar characteristics to those who stated they had current accounts, suggesting that they had misunderstood the question regarding current accounts. People have been described as '*marginally banked*' if they said that had a deposit account but had no current account, payment card or chequebook. The term '*unbanked*' includes all those people they had neither a current account nor a deposit account.

In looking at '*credit exclusion*' we have focussed on people who said they did not have access to either credit cards or an overdraft facility on a current account. It was decided to use this narrower definition of credit for pragmatic reasons. Unfortunately the Eurobarometer does not collect details of all forms of fixed term credit – only loans. One notable omission is mail order catalogues, use of which is very common in some EU countries. Moreover, the data on credit cards and overdrafts does not include whether these were actually used for credit and had outstanding balances on them. As a consequence it is inappropriate to add them together with loans. By adopting the narrow definition we have, however, it is possible to get a common measure across all 26 countries. It also provides as indication of people's credit-worthiness and the likelihood that they would be considered for a loan from the mainstream credit market. Recognising that this was a compromise we also ran the analysis including the data on loans. We found that this did not make a significance difference to the levels of credit exclusion.

Turning now to savings, people have been considered as '*savings excluded*', if they lacked a range of savings and investment products: interest-bearing deposit accounts, life assurance policies, stocks/shares, collective investments (i.e. unit trusts) and bonds.

Finally, in this context, the term '*financially excluded*' refers to people who had no access to transaction banking or revolving credit or savings of any kind.

1.2 Structure of this report

The report begins, in section 2, by looking at the overall levels of financial exclusion in the EU25 countries, before moving on to investigate the variation in levels of financial exclusion between the different countries and then categorising all countries by whether their levels of financial exclusion are high, medium-high, medium low or low. Sections 2.2 to 2.4 cover levels of transaction banking, credit and savings exclusion respectively.

Section 3 investigates which groups of people are the most likely to be financially excluded, as well as examining whether particular attitudes to personal finance influence (or are influenced by) this. Section 3.1 identifies whether or not the same factors are important regardless of the level of financial exclusion faced in a country.

Section 4 draws together the findings in a short conclusion.

2 Levels of financial exclusion in the EU

The analysis of the Eurobarometer data sets shows that at the end of 2003, ten per cent of adults aged 18 and over in the EU 15 countries and 47 per cent of adults in the new member states had no bank account at all (Table 1 and Table 2). We describe these people as *'unbanked'*[2]. A further eight per cent in the EU 15 and six per cent in the new member states had only a deposit account with no payment card or cheque book – these we have called '*marginally banked'*.

In both groups of countries, adults were less likely to hold revolving credit[3] than savings. In all 40 per cent of EU 15 adults and 73 per cent of those in new member states had no access to revolving credit (credit card or overdraft) whilst 30 per cent and 54 per cent respectively did not have a savings product.

On the whole, people who lacked a bank account of any kind (transaction or deposit) were very likely to have neither a savings product (77 per cent in the EU 15; 74 per cent in the new member states) nor revolving credit (83 per cent and 93 per cent respectively) (Tables 1 and 2). Putting this together, we find that seven per cent of all adults in the EU 15 countries and 34 per cent of those in new member states had none of these three types of financial product and might, consequently, be considered '*financially excluded*' (see Table 3).

Table 1 Percentage of the EU 15 population excluded from credit and savings by banking status

Cell percentages[4]

	No revolving credit	No savings product[5]	All	*Weighted base*
All	*40*	*30*	-	***15526***
No transaction bank account	81	42	18	***2742***
Deposit account only[6]	80	0	8	***1266***
No bank account at all	83	77	10	***1476***

Source: Eurobarometer 60.2
Base: all adults aged 18 or over

[2] The derivation of these measures is described in the introduction.
[3] Credit repeatedly available up to a specified amount as periodic repayments are made. Definition by The American Heritage® Dictionary of the English Language, Fourth Edition, 2000, by Houghton Mifflin Company.
[4] All figures are expressed as cell percentages, e.g. 80 per cent of people with only a deposit account have no form of revolving credit.
[5] Savings products included a deposit account which pays interest but has no payment card or chequebook, life assurance policy, stocks/shares, collective investments (i.e. unit trusts) and bonds
[6] Some of the people listed as having a current account, actually stated that they had either a deposit or no bank account, but also said they had access to a chequebook and an overdraft facility. It was found that these people shared similar characteristics to people who stated they held current accounts, so for this reason it was felt that they were likely to be people with current accounts, but had misunderstood the question. Hence, we recoded them as holding a current account for the purposes of this research

Table 2 Percentage of the EU 10 population excluded from credit and savings by banking status

Cell percentages

	No revolving credit	No savings product	All	*Weighted base*
All	*72*	*54*	-	***8493***
No transaction bank account	93	66	53	***4456***
Deposit account only	96	0	6	***470***
No bank account at all	93	74	47	***3986***

Source: Eurobarometer 2003.5
Base: all adults aged 18 or over

2.1 Variations in levels of financial exclusion by country

Levels of financial exclusion varied widely, ranging from one per cent or less in Denmark, Belgium, Luxembourg, and the Netherlands, to 40 per cent in Poland and 48 per cent in Latvia (Table 3). Indeed, as we shall see in subsequent sections, the countries with large proportions of adults who are financially excluded feature among those with the highest proportions of people excluded from each of the three types of financial services we have studied in detail: banking, unsecured credit and savings.

Moreover, there was a broad a correlation between levels of financial exclusion and the levels of affluence (measured by the GDP per capita) and inequality (Gini coefficient), which is consistent with other research (Kempson, 2006). Where affluence was high *and* income inequality was low, levels of financial exclusion tended also to be low.

There are relatively few national surveys of financial exclusion against which the Eurobarometer figures can be assessed. They include surveys from the United Kingdom, Italy, Spain and Ireland[7].

In the United Kingdom there are two, both using data from the annual *Family Resources Survey* which collects information on the ownership of bank accounts of various kinds, as well as other savings products[8] and various forms of insurance. Analysis of this data identified seven per cent of *households* in Britain lacking any mainstream financial products at all (very similar to the six per cent of *individuals* identified using the Eurobarometer data). A further 19 per cent were on the margins of financial services, having only one or two products (usually these were a deposit account or a transaction banking account) (Kempson and Whyley, 1999; Meadows, 2000). Although the data are publicly available, this analysis has not been repeated for more recent years.

[7] http://www.cso.ie/surveysandmethodologies/surveys/housing_households/survey_hbs.htm
[8] Savings products included a deposit account which pays interest but has no payment card or chequebook, life assurance policy, stocks/shares, collective investments (i.e. unit trusts) and bonds.

Table 3 Levels of financial exclusion in individual EU 25 countries

	Percentage financially excluded	Unweighted base	Weighted base	Gini coefficients	GDP per capita
EU15	7	15453	15526	--	--
EU10	34	8516	8493	--	--
EU15					
Belgium	1	988	422	33	119
Denmark	1	970	214	24.7	122
Germany	3	2000	3517	28.3	109
Greece	28	964	434	34.3	82
Italy	16	955	2408	36	105
Spain	8	959	1659	34.7	98
France	2	957	2327	32.7	111
Ireland	12	949	145	34.3	139
UK	6	1294	2424	36	119
Luxembourg	< 1	574	17	--	223
Netherlands	1	978	645	30.9	120
Portugal	17	947	413	38.5	73
Finland	6	960	206	26.9	115
Sweden	2	969	356	25	116
Austria	3	989	339	29.1	122
EU10					
Cyprus	18	*456*	*79*	--	82
Czech Rep	17	*953*	*1165*	25.4	72
Estonia	16	*910*	*153*	35.8	50
Hungary	34	*1001*	*1200*	26.9	61
Latvia	48	*946*	*265*	37.7	43
Lithuania	41	*934*	*382*	36	48
Malta	21	*478*	*44*	--	72
Poland	40	*949*	*4368*	34.5	47
Slovakia	26	*950*	*614*	25.8	52
Slovenia	6	*939*	*223*	28.4	78

Source: Eurobarometer 60.2 and 2003.5
Base: All adults aged 18 or over[9]

Other countries have similar surveys although they have not been analysed to provide similar information on overall levels of exclusion. For example, in Italy the biennial panel survey on *Household Income and Wealth* collects data on deposit accounts (with a bank or the Post Office), other kind of financial assets (savings), life insurance and private supplementary pension plans. In Spain, the *Survey on Household finances (EFF)* collects data on bank accounts (including transaction accounts that offer payment facilities, deposit accounts without payment facilities and house-purchase

[9] 'Unweighted base' is the number of people actually interviewed in each country (approximately equal numbers of people were interviewed in each country)
'Weighted base' makes an adjustment so that the number per country reflects the country's population as a proportion of the EU15 and EU10 populations. Weighted data is therefore used when analysing at the EU15 and EU 10 levels.

saving accounts), other savings products, including pension schemes and unit-linked or mixed life insurance.

2.2 Levels of transaction banking exclusion

Again the Eurobarometer analysis shows wide variation in exclusion from transaction banking services across the 25 countries – ranging from two per cent of individuals in the Netherlands to 78 per cent in Greece (Table 4, column 2). Other countries with high proportions of individuals without a transaction account include Latvia and Lithuania (65 per cent), Poland (58 per cent), Slovakia and Cyprus (48 per cent). Spain (42 per cent), Ireland (41 per cent), Italy (26 per cent) and Portugal (20 per cent) stand out amongst the EU 15.

It should be noted, however, that in Greece, Spain and Ireland, a high proportion of individuals had a deposit account even though they lacked a transaction account, so the proportion lacking an account of any kind was a good deal lower (Table 4, column 4).

The proportion of individuals who were completely unbanked ranged from two per cent in the Netherlands to 62 per cent in Latvia. In general it was higher in the EU10 countries than in the EU15. It is, however, worth noting that the proportion of completely unbanked people remained high in Greece (36 per cent), despite the high level of deposit account-holding noted above. Among the EU10 counties, Slovenia stands out as having a particularly small proportion of its population who are completely unbanked.

In addition to the Eurobarometer surveys, national surveys have also been undertaken in a number of member states. These are summarised below and, generally speaking, they indicate levels of banking exclusion that are somewhat lower than is found using the Eurobarometer data. This may well have arisen because of the problems of defining the different types of account in a way that can be applied across Europe. For example, the people surveyed may have under-reported accounts held with the post office, savings banks or credit unions.

A 2005 survey of young people and adults in **Austria** aged 15 and over found that only two per cent had no relationship with a bank at all and seven per cent possessed no bank account. This was slightly lower than the nine per cent found from the Eurobarometer analysis, although a direct comparison cannot be made because of the difference in the age range of the people surveyed (Bank Austria Creditanstalt, 2006)[10].

[10] (Bank Austria Creditanstalt, 2006) [Lecture at the Annual Meeting 2006, European Bank for Reconstruction and Development, London May 21st 2006].

Table 4 Levels of financial exclusion in individual EU countries

Cell percentages

	No transaction bank account	Marginally banked	Unbanked	Financially excluded	Unweighted base	Weighted base
EU15	***18***	***8***	***10***	***7***	***15,453***	***15,526***
EU10	***53***	***6***	***47***	***34***	***8,516***	***8,493***
EU15						
Belgium	5	3	3	1	*988*	*422*
Denmark	11	7	5	1	*970*	*214*
Germany	7	2	5	3	*2,000*	*3,517*
Greece	78	42	36	28	*964*	*434*
Italy	26	7	19	16	*955*	*2,408*
Spain	42	30	11	8	*959*	*1,659*
France	4	1	3	2	*957*	*2,327*
Ireland	41	21	19	12	*949*	*145*
UK	15	6	9	6	*1,294*	*2,424*
Luxembourg	11	6	6	< 1	*574*	*17*
Netherlands	2	<1	2	1	*978*	*645*
Portugal	20	2	18	17	*947*	*413*
Finland	18	6	11	6	*960*	*206*
Sweden	17	9	8	2	*969*	*356*
Austria	20	11	9	3	*989*	*339*
EU10						
Cyprus	48	19	29	18	*456*	*79*
Czech Rep	40	11	29	17	*953*	*1,165*
Estonia	35	8	27	16	*910*	*153*
Hungary	49	6	43	34	*1,001*	*1,200*
Latvia	65	3	62	48	*946*	*265*
Lithuania	65	12	53	41	*934*	*382*
Malta	51	27	25	21	*478*	*44*
Poland	58	2	56	40	*949*	*4,368*
Slovakia	48	12	37	26	*950*	*614*
Slovenia	13	2	11	6	*939*	*223*

Source: Eurobarometer 60.2 and 2003.5
Base: All adults aged 18 or over

Researchers in **Belgium** believe that the proportion of individuals who were unbanked in 2005 was just 0.1 per cent – considerably less than the proportion of households identified in Eurobarometer (Disneur et al, 2006)[11]. However, they also indicate that the proportion has fallen considerably since their previous report in 2001, and so the discrepancy may be time-related.

[11] Disneur L., Radermacher F. and Bayot, B. (2006) "Evaluation de la loi sur le service bancaire de base", Etude réalisée par le Réseau financement Alternatif pour le compte de la Ministre en charge de la protection de la consommation.

Research from 2001 indicated that just one per cent of *households* in **France** lacked a transaction bank account (Daniel and Simon, 2001)[12], compared with the four per cent of *individuals* identified on Eurobarometer.

A recent report from the Combat Poverty Agency provides additional information on the extent of banking exclusion in **Ireland** (Combat Poverty Agency, 2006). This shows how measures can vary widely depending on the definitions used.

Drawing on data from the 1999/2000 Irish *Household Budget Survey*, they found that 33 per cent of *households* lacked a transaction bank account. While market research undertaken for the Irish Bankers Federation in 2003 showed that 28 per cent of *individuals* lacked such an account (Corr, 2006). Again these figures are somewhat lower than those from our re-analysis of the Eurobarometer data, which identifies 41 per cent of Irish individuals as lacking a transaction account in 2003.

Taking a narrower definition of the unbanked, the *Financial Regulator Consumer Survey*, in 2003, found that 10 per cent of *individuals* aged 15 or over lacked a bank account of any kind (Corr, 2006) – very similar to the level (11 per cent) in a survey for the Irish Payment Services Organisation in 2006 (Marketing Partners Ireland Ltd, 2006). Furthermore, subdividing the 11 per cent without a bank account, three per cent had no account but seven per cent did have access to a post office or credit union account. Again these are a good deal lower than the 19 per cent of individuals who were found to lack an account of any kind in the Eurobarometer survey. This could well be because credit union usage is high in Ireland and may not have been consistently identified by the Eurobarometer survey. It would not, however, explain the discrepancy found for transaction accounts as most credit unions do not offer transaction banking facilities – just a deposit account (only 0.4% offer transaction facilities).

In **Italy**, Banca d'Italia, since the 1960's, carries out bi-annual surveys with the aim of gathering data on the incomes and savings of Italian households. Over the years, the scope of the survey has grown and it now provides data on the access to the Italian banking system (Banca d'Italia 2002, 2004, 2006, and 2008). The most recent survey, in 2008, found that 10.8 per cent of workers in Italy lacked a bank account of any kind (Banca d'Italia 2008). Once again this is slightly lower than the 19 per cent of *individuals* lacking a bank account in the Eurobarometer data. It does, however, need to be remembered that the population being surveyed differs in the two studies.

Availability of local data in new member states is scarce. It is only in Poland and Slovakia that we identified banking sector reports (of commercial character) with data regarding the fact of having bank account. In **Poland**, unpublished research by Pentor International Research indicates that the percentage of individuals (aged 15 or over) without a current account in 2005 was 41 per cent and for households this fell to 30 per cent. As the age range is different, direct comparisons cannot be made with the Eurobarometer statistics. However, the survey of financial exclusion in Poland that

[12] Daniel A., Simon M.- (2001), L'utilisation des moyens de paiement et l'accès au crédit des bénéficiaires de minima sociaux, rapport d'enquête réalisé par le CREDOC pour le Conseil national du crédit et du titre, Paris.

was undertaken as part of our own study identified only 32 per cent of individuals aged 18-75 as lacking an account. It did, however, uncover very high proportions of people who were only marginally banked (Błędowski and Iwanicz-Drozdowska, 2007).

In **Slovakia**, according to the Focus Agency Report from 2005, the average of people with more than one bank account was around 72% and the rest were individuals with no bank account at all.

Although the Eurobarometer survey shows that 42 per cent of *individuals* in **Spain** lacked a transaction account, 11 per cent lacked an account of any kind; both figures are considerably higher than those identified in a panel survey commissioned by the Banco de España. This found that 17 per cent of *households* lacked an account with payment facilities, while only two per cent had no account at all (Banco de España, 2005). As in Italy, it is important to remember that the population being surveyed in the two studies differs and this may, in part, explain the discrepancy.

Finally, in the **United Kingdom,** analysis of the *Family Resources Survey* data shows that 12 per cent of *families* and 14 per cent of *individuals* lacked a current account in the 2002/3 survey. In this case the figures for individuals were similar to those found in the Eurobarometer data (15 per cent). Since then the Government's Financial Inclusion Taskforce has been monitoring progress towards the goal (shared by Government and the banking sector) to halve the numbers of individuals living in households without a transaction bank account,[13] and the numbers with no bank account at all. These show a considerable fall in levels of banking exclusion. In 2005/06 the number of *families* without a current account had fallen to 1.9 million (compared with 3 million in 2002/03); while the number of families with no bank account of any kind fell to 1.3 million (from 1.8 million in 2002/03) (Financial Inclusion Taskforce, 2007)[14]. There were also large falls in the numbers of *individuals* living in families either without a current account (from 4.5 million to 2.9 million) or with no account of any kind (2.8 million to 2 million).

The Financial Inclusion Taskforce has also commissioned a survey that was designed to explore the extent and nature of banking more fully. This included levels of use of accounts by account-holders and also the overlap between banking exclusion and the use of various forms of unsecured credit (BMRB, 2006). This found that eight per cent of individuals lacked a transaction bank account in their own name, while five per cent of individuals did not have such an account themselves nor did they live with a partner who had one. They also identified that seven per cent of *households* either lacked a transaction account or had one but did not use the transaction banking facilities.

[13] From 2003, basic bank accounts (simple transaction accounts that cannot become overdrawn) became more common, and the Post Office has offered a stored value card (The Post Office Card Account). The way that information about these was collected on the *Family Resources Survey* in 2003/03 and 2004/05 means that the data cannot be used to measure levels of account-holding accurately.

[14] http://www.financialinclusiontaskforce.org.uk/PDFs/second_annual_taskforce_banking_report_sept_2007.pdf

Summarising these national findings, it appears that, on the whole, the Eurobarometer surveys provide a broad international comparison based on "standard" functioning of markets and economies more than a perfectly accurate picture of the relative levels of financial exclusion across Europe. Although many of the discrepancies with national surveys can be explained in terms of differences in sampling or the timing of surveys, it does seem that Eurobarometer may slightly over-state the levels of banking exclusion. It is, however, known that measures of transaction bank account exclusion are heavily dependent on the wording of the question and the description of this type of account (Kempson and Whyley 1998).

Ways to improve the Eurobarometer data include, on the one hand, a better sampling, that is the panels in larger countries should be enlarged to better represent the population, and on the other hand, the questions should be better designed to reduce the potential misinterpretation, and therefore improve the quality of the answers. More attention should be paid on this interesting tool, to make it more accurate in its future use.

2.3 Levels of credit exclusion

Using the Eurobarometer data it is possible to compute two variables to measure the level of exclusion from unsecured credit. The first is the proportion of people with no credit in the form of an overdraft, credit card or loan; the second is a narrower definition - of access to mainstream revolving credit facilities (overdrafts and credit cards). Both measures, however, tend to provide an over-estimate of credit exclusion as they will include people who are opposed to borrowing and so decline such facilities,[15] or they simply did not need them. Importantly, the extent of this will vary from country to country, depending on the prevailing attitude towards borrowing. It should also be noted that there are three quite distinct types of credit card in Europe, and also that the Eurobarometer survey puts charge cards together with credit cards even though they do not offer extended credit. Secondly, the Eurobarometer survey excludes some forms of credit that are quite prevalent in some countries – including goods bought on credit through mail order catalogues and, in the United Kingdom and Ireland, a form of credit known as hire purchase. Finally, experience of designing surveys in the United Kingdom has identified that a significant proportion of consumers confuse debit cards with credit cards. Despite these concerns about the Eurobarometer data, it does offer at least some insight into levels of access to credit across the EU 15 countries. These should, however, be kept in mind when interpreting the findings of the analysis.

Across the EU 15 countries four in ten (40 per cent) of adults aged 18 or over did not have any revolving credit facilities in 2003; the comparable figure across new member states is 72 per cent (Table 5). Again there was wide variation across countries. The proportion of people with no revolving credit was lowest in France (14

[15] Research in the United Kingdom, for example, showed that eight per cent of households did not have any form of credit because they were opposed to borrowing. Although we lack precise figures, this phenomenon emerges also from qualitative surveys in Italy, France and Spain.

per cent)[16], Denmark (18 per cent) and Luxembourg (18 per cent). The highest proportions were found in Lithuania (86 per cent), Slovakia (81 per cent) Estonia and Latvia (80 per cent).

In the **United Kingdom**, a survey undertaken for the Government found that, in 2002, 26 per cent of *households* had no credit facilities (Kempson, 2002)[17]. This is consistent with the Eurobarometer data which shows that 30 per cent of British *adults* had no credit facilities. However, other research in the United Kingdom, using a longitudinal data set where the same people are re-interviewed each year, has shown that snapshot surveys lead to over-estimates of the numbers of people who are not using credit. Although 64 per cent of adults did not owe money on unsecured credit in 2000 a much smaller proportion of people (45 per cent of all adults) had not owed any money in either 1995 or 2000 (Kempson et al, 2004).

Where more direct measures of credit exclusion have been attempted at a national level, they show that the figures from the Eurobarometer do seem to greatly over-state the proportion of people excluded from the mainstream credit market – for the various reasons spelt out above. The **United Kingdom** National Consumer Council has, for example, estimated that 7.8 million people (17.5 per cent of the adult population aged over 18) had applied for credit and been refused several times and could therefore be considered excluded from mainstream credit (Treasury Select Committee 2006a). This is considerably lower than the 30 per cent of the United Kingdom population that the Eurobarometer data indicates as having no credit facilities.

A survey carried out in 2005 in **France, Spain** and **Italy** has attempted to understand the behaviour of people on low incomes (unemployed or employed on a temporary basis) with regard to credit access (Nieri, 2006). Although the aim of the research was not to measure the level of credit exclusion but to analyse qualitative aspects, it showed that a large proportion of people on low incomes *did* have access to credit, although not necessarily from a bank. Most of them, however, paid no attention to the difference in costs and terms between banks and other financial institutions and were not able to evaluate how high the costs were. About half of the people interviewed had never approached a bank or a credit institution for a loan: this percentage was higher still for migrants (62 per cent of the sample), especially those living in France. However, only 16 per cent of respondents said that they had applications for loans rejected – a level that is remarkably similar to that found in the United Kingdom. Adding to these the people who said they did not apply because they expected to be rejected (21 per cent) gives a figure of 37 per cent of people who needed credit but were excluded or chose to self-exclude (Nieri, 2006). The Eurobarometer data, which looks at the whole population, not just those on low incomes, indicates that levels of credit exclusion were 14 per cent in France; 46 per cent in Spain and 56 per cent in Italy.

16 This percentage would mean that 86% of people in France have access to revolving credit – a percentage which is considered totally inaccurate by the French expert. This shows that the Eurobarometer data are not always correct.

17 This includes credit cards and overdrafts on which no money was owed and is, therefore, similar to the Eurobarometer definition except that it does include people who have access to credit in the sub-prime market only.

Table 5 Levels of revolving credit and savings exclusion

Cell percentages

	No revolving credit	Have a loan(s)	No savings	Financially excluded	Unweighted base	Weighted base
EU15	***40***	**18**	***30***	***7***	***15453***	***15526***
EU10	***72***	**11**	***54***	***34***	***8516***	***8493***
EU15						
Belgium	37	17	13	1	*988*	*422*
Denmark	18	35	15	1	*970*	*214*
Germany	46	16	21	3	*2000*	*3517*
Greece	76	9	41	28	*964*	*434*
Italy	56	13	50	16	*955*	*2408*
Spain	46	16	25	8	*959*	*1659*
France	14	21	39	2	*957*	*2327*
Ireland	51	34	21	12	*949*	*145*
UK	30	24	22	6	*1294*	*2424*
Luxembourg	18	35	28	< 1	*574*	*17*
Netherlands	21	11	28	1	*978*	*645*
Portugal	75	12	62	17	*947*	*413*
Finland	48	23	34	6	*960*	*206*
Sweden	33	22	7	2	*969*	*356*
Austria	36	21	11	3	*989*	*339*
EU10						
Cyprus	54	33	24	18	*456*	*79*
Czech Rep	62	14	35	17	*953*	*1165*
Estonia	80	7	67	16	*910*	*153*
Hungary	78	11	58	34	*1001*	*1200*
Latvia	80	8	76	48	*946*	*265*
Lithuania	86	6	61	41	*934*	*382*
Malta	70	9	30	21	*478*	*44*
Poland	73	11	60	40	*949*	*4368*
Slovakia	81	13	40	26	*950*	*614*
Slovenia	36	23	32	6	*939*	*223*

Source: Eurobarometer 60.2 and 2003.5
Base: All adults aged 18 or over

Levels of credit refusal were, however, somewhat high in the survey of financial exclusion in **Poland**, in which 25 per cent of adults aged 18-75 said that they had no credit currently because they had been refused (Błędowski and Iwanicz-Drozdowska, 2007).

In other words, by using the Eurobarometer data to assess the numbers of people who do not have any credit facilities we are almost certainly adopting a wide definition of credit exclusion – including those who self-exclude through choice as well as those with constrained access.

2.4 Lack of savings

As we saw earlier, around a third (30 per cent) of adults living in one of the EU 15 countries and 54 per cent of those from the new member states had no savings account at the time of the 2003 Eurobarometer survey. Once again there were wide variations across individual countries (Table 5). Sweden was the country with the highest incidence of saving account-holding – only seven per cent of adults lacked a savings account. At the other extreme, countries in the EU 15 where a large proportion of the population did not have a savings account included Portugal (62 per cent), Italy (50 per cent), Greece (41 per cent) and France (39 per cent). Amongst the new member states, proportions of the population without a savings account ranged from 24 per cent in Cyprus to 76 per cent in Latvia.

Analysis of the *Family Resources Survey* in the **United Kingdom** suggests that just over a quarter (27 per cent) of *households* (Department for Work and Pensions, 2006) and over a third (37 per cent) of *individuals* (Rowlingson et al, 1999) lacked any savings. This last figure is rather more than the proportion indicated by the Eurobarometer survey (22 per cent) although it could be explained by the large time gap.

The survey of financial exclusion in **Poland** identified 65 per cent of adults aged 18-75 had no savings account – a figure that is close to that identified by the Eurobarometer (60 per cent) (Błędowski and Iwanicz-Drozdowska, 2007)

Analysis of the last Household Income and Wealth survey in **Italy** (Bank of Italy, 2008) shows that 10,8 per cent of *households* lack any savings, that is they have no assets at all.

3 Who is the most likely to be financially excluded?

Previous research in Europe[18] has shown that complete financial exclusion among households has very strong links to low income. It was, therefore, most common among people who were not in paid work and in households where there was no wage earner. Consequently unemployed people, lone parents and people unable to work through disability had above average levels of exclusion. There was also a link with age, with the youngest and oldest people being most likely to be excluded, and a link with educational attainment so that the more education someone had received the less likely they were to be excluded. Financial exclusion was also very prevalent among ethnic minorities and migrants. The country reports of the fourteen countries studied tended to confirm these research findings.

In addition to these personal characteristics, (multivariate) statistical analysis has also shown that living in a neighbourhood that had high levels of deprivation increased the likelihood of being financially excluded still further and so too did having friends and family who were financially excluded.

Research around Europe has looked largely at the types of people who lack access to transaction banking. On the whole, the findings are as just described above, although in countries where transaction banking exclusion is relatively uncommon, it tends to be concentrated among migrants and people who are over-indebted (see, for example Disneur et al, 2006; IFF, 2000; IFF, 2006; Linz, 2006). Indeed, in **Belgium** even though the numbers of people without a transaction account fell between 2001 and 2006, the types of people most likely to be affected (migrants, people with little or no education and people going through debt settlement programmes) had remained the same (Disneur et al, 2006). We explore the links between over-indebtedness and financial exclusion further in section 5.3. The study of financial exclusion in **Poland**, where financial exclusion is fairly high, found that levels of banking exclusion were highest among: the under 25s and people over retirement age; people on low incomes; people with low levels of education unemployed people, and students (Błędowski and Iwanicz-Drozdowska, 2007).

It is also worth noting that our country correspondents in the **Netherlands** and **Norway** indicated that financial exclusion is not considered to be a problem in their countries (and statistics bear this out). The Dutch correspondent commented that the only people excluded are those who choose not to have an account and a very small number of people who have been laundering money or have behaved fraudulently. Similarly, our Norwegian correspondent suggested that the only barriers to financial inclusion in Norway are related to self-exclusion because of problems relating to travelling or technology.

[18] Anderloni, 2003; Anderloni and Carluccio, 2006; Bank of Italy 2004, BMRB, 2006; Barr, 2004; Bayot, 2005; Błędowski and Iwanicz-Drozdowska, 2007; Corr, 2006; Devlin, 2005; Disneur et al, 2006; Gloukoviezoff, 2005; Kempson, 2006; Kempson and Whyley, 1998; Idzik, 2006; IFF, 2000; IFF, 2006; Marketing Partners Ireland Ltd, 2006; Mintel, 2005; Test Achats, 2001.

One previous study in the **United Kingdom** has explored gender differences in transaction account-holding and found that ethnicity, having children, personal income and economic activity status all had a greater effect on women's propensity to be financially excluded than they did on men. The authors note that this is consistent with qualitative research showing that some married women give up having an account in their own name when they give up work to have children (Kempson and Whyley, 1998).

We were only able to find one study that looked at the characteristics of people who had been refused credit – the study of financial exclusion in **Poland** (Błędowski and Iwanicz-Drozdowska, 2007). This found that refusals were highest among people who were over retirement age, had low incomes, had low levels of education or lived in a rural village.

Analysis of the Eurobarometer data is mostly consistent with this earlier research (Table 6, final two columns). This shows that women were more likely to be completely financially excluded than men. Young people (aged 18-25) and adults aged 65 and over were most likely to be financially excluded. Younger people were the ones who were most likely to be excluded in EU 15 countries, while in new member states it was most common among elderly people.

Lone parents and single people (who tended to be either quite young or quite old) included a greater proportion of who were financially excluded than people who were living with a partner, whether they had children or not.

There was a strong link between financial exclusion and level of education received and also with income. So the less well-educated people were and the lower their household income, the more likely they were to be excluded from all forms of financial services. Students were also far more likely than average to be excluded. Given that low income was associated with financial exclusion it is unsurprising that unemployed people and those looking after the home full-time had high levels of financial exclusion. Although it is not shown in the table, levels were also high for people living in households where the head of household was either unemployed or looking after a family full-time. In new member states, people who were retired or unable to work through disability also had above-average levels of exclusion – reflecting the age effect noted above.

Although a great deal has been written about the difficulties accessing financial services faced by people living in rural areas, levels of financial exclusion varied little by type of geographical area across EU15 countries. There was, however, a noticeable difference between levels in rural areas (43 per cent) and large towns (25 per cent) in new member states.

Table 6 Types of people likely to be financially excluded by national levels of financial exclusion (cell percentage)

	Level of national financial exclusion					All	
	Low	Low med	High-medium		High		
	EU15	EU15	EU15	EU10	EU10	EU15	EU10
All	1	5	18	20	39	7	34
Family type:							
Lone parent	4	12	24	25	46	11	40
Couple with children	1	5	10	9	33	5	28
Single no children	2	6	22	29	48	9	42
Couple no children	1	3	17	16	36	5	30
Respondent work status:							
Self employed	1	1	8	1	22	3	17
Employed	1	3	8	7	16	3	13
Looking after home	2	12	30	26	58	13	52
Student	5	11	38	17	47	17	39
Unemployed	4	9	33	36	63	12	57
Retired/unable to work	1	4	20	38	52	7	48
Age left education:							
Up to 15	1	6	24	48	61	10	57
16-19	1	5	13	16	40	5	32
20 +	1	1	7	6	18	2	16
Still studying	5	10	38	17	49	16	39
Gender:							
Male	1	4	14	17	35	5	30
Female	1	6	21	22	43	8	37
Age:							
18-25	3	10	33	16	44	13	36
26-44	1	4	12	11	28	5	23
45-64	1	4	12	15	37	5	31
65 +	1	4	25	46	60	8	56
Geographical area:							
Rural area or village	1	4	20	24	51	7	43
Small or middle sized town	2	5	17	17	36	7	30
Large town	1	5	16	17	28	6	25
Household income:							
Lowest income quartile	2	7	32	41	60	9	55
2nd lowest income quartile	<1	5	13	19	44	5	37
2nd highest income quartile	1	2	14	10	24	4	20
Highest income quartile	0	2	8	5	17	2	14
How easy to compare information from banks, about bank account features and charges:							
Very easy	2	3	8	8	19	4	16
Fairly easy	1	3	10	10	26	4	21
Don't know	2	6	22	40	53	9	49
Fairly difficult	3	12	46	40	61	18	56
Very difficult	1	6	16	17	37	7	32
How easy to know beforehand how much it's going to cost to borrow money							
Very easy	<1	2	8	12	27	2	22
Fairly easy	1	4	12	10	30	5	23
Don't know	3	10	34	38	61	15	55
Fairly difficult	1	5	18	17	36	7	31
Very difficult	3	7	27	38	45	11	44
The marketing techniques of financial institutions are aggressive							
Tend to agree	1	4	12	15	31	5	26
Don't know	2	9	27	13	33	14	47
Tend to disagree	1	3	15	29	53	5	28
I expect financial institutions to give me advice							
Yes	1	4	11	12	34	4	29
Don't know	6	14	36	28	55	20	47
No	2	8	28	27	48	12	41

Source: Eurobarometer 60.2 (EU15 countries)/Eurobarometer 2003.5 (EU10 countries)
Base: All adults aged 18 or over

We have also investigated the influence of a range of skills and attitudes on financial exclusion. Across both EU15 and new member states levels of exclusion were higher if people:

- found it difficult to compare information from banks about bank account features and charges;
- found it difficult to know beforehand how much it's going to cost to borrow money, and
- did not expect financial institutions to give them financial advice.

In each case, though, significant proportions of people replied 'don't know' to these questions and these people had higher levels of financial exclusion still. They were also very likely to say they did not know whether the marketing techniques of financial institutions are aggressive. Taken together, this suggests that financial exclusion is influenced by:

- perceived difficulties likely to be encountered finding out the costs of using banking services and credit;
- lack of knowledge about financial services, and
- not receiving any marketing materials – which other research has shown reinforces a belief that financial services are 'not for people like me'.

Clearly, many of these personal characteristics and attitudes are linked to one another. For example, lone parents are often out of the labour market because they are looking after their children and, as a group, they tend to have relatively low incomes. To disentangle these effects we have used a statistical technique known as logistic regression. This enables us to look at the effects of each factor in turn, independently of all others included in the analysis, and to see the extent to which it raises the odds of someone being financially excluded. It also enables us to disentangle the effects of attitudes and personal characteristics. (See Table 7 column 2 – all EU25).

This analysis showed that the largest, and most statistically significant influence on financial exclusion was being unemployed (which almost quadrupled the odds relative to someone in employment) and not knowing whether financial institutions would give advice or expecting they would not (both of which more than tripled the odds compared with someone expecting them to do so). Other factors with a sizeable effect (all of them doubling the odds) included: being retired or unable to work; being in the lowest income quartile[19], being a student and not knowing how easy it would be to compare bank charges. Age, gender and type of locality lived in were significant to some extent, but the effects were small. We were unable to include age at which people left education in this model because of the strong co-linearity with the work status variable (both having groups of current students).

[19] By this we mean among people living in the quarter of households with the lowest incomes.

Table 7 Logistic regression of the odds of being financially excluded across all EU25 countries and by national level of financial exclusion

R squared	**0.24**	**0.14**	**0.18**	**0.21**	**0.29**
Levels of exclusion	**All EU25**	**Low**	**Low-medium**	**High-medium**	**High**
	Exp(B)	**Exp(B)**	**Exp(B)**	**Exp(B)**	**Exp(B)**
Gender		ns	ns	ns	
Male (reference)					
Female	1.1				0.8*
Age		ns			
26-44 (reference)					
18-25	1.7**		2.2**	1.5**	1.6**
45-64	1.1		0.8	0.9	1.4*
65+	1.0		1.0	1.0	2.3**
Family		ns		ns	ns
Couple no children (reference)					
Single parent	1.2**		1.9**		
Couple with children	1.2*		1.5*		
Single no children	1.2**		1.9**		
Other	0.6		2.5		-
Respondent work status		ns			
Employed (reference)					
Self employed	1.1		0.8	0.9	0.8
Looking after home	2.3**		3.5**	3.0**	3.4**
Student	2.0**		1.4	2.2**	2.2**
Unemployed	3.6**		3.2**	3.2**	3.1**
Retired/unable to work	2.3**		1.5*	2.2**	1.5**
Household income		ns			
Highest income quartile (reference)					
Lowest income quartile	2.1**		2.8**	2.6**	2.4**
2nd lowest income quartile	1.9**		2.5**	1.9**	1.8**
2nd highest income quartile	1.4**		1.3	1.4*	1.3*
Geographical area		ns	ns		
Large town (reference)					
Rural area or village	1.2**			1.2*	1.9**
Small or middle sized town	1.0			1.0	1.3*
How easy to compare information from banks, about bank account features and charges ns					
Very easy (reference)					
Fairly easy	1.1		0.8	1.2	1.2
Don't know	1.8**		2.1**	2.0**	2.7**
Fairly difficult	1.5**		1.0	1.5*	3.0**
Very difficult	2.0**		1.3	1.6**	1.8**
How easy to know beforehand how much it's going to cost to borrow money ns					
Very easy (reference)					
Fairly easy	1.0	0.7	1.4	0.9	
Don't know	1.1	1.0	1.4	1.2	
Fairly difficult	1.4**	2.9*	1.6	1.8**	
Very difficult	1.9**	2.4	2.3**	1.5*	
The marketing techniques of financial institutions are aggressive ns					
Tend to agree (reference)					
Tend to disagree	1.2**			1.3*	1.1
Don't know	2.1**			1.4**	1.4**
I expect financial institutions to give me advice ns					
Tend to agree (reference)					
Tend to disagree	3.1**		2.1**	2.0**	1.6**
Don't know	3.0**		2.9**	2.1**	1.6**

Eurobarometer 60.2 and 2003.5 ***Base: All adults aged 18 or over***

*** Significance < 0.01 * Significance < 0.05 * ns= not significant*

3.1 Variations in the types of people who are financially excluded by overall level of exclusion

It is interesting to analyse whether the same types of people are financially excluded in countries with high levels of financial exclusion as are found in those where the levels are low, or whether a lower incidence of financial exclusion means that it tends to be even more concentrated among certain groups in society.

It is plausible that, in countries with a lower level of financial exclusion, it becomes concentrated among certain groups of people. To assess whether or not this is the case, we have grouped the 25 EU countries according to their levels of financial exclusion. These were as follows (Table 7 column 2-6):

- **Low level of financial exclusion** (i.e. those with levels of exclusion under three per cent) – Luxembourg, Belgium, Denmark, Netherlands, France and Sweden.
- **Medium-low level of financial exclusion** (between three and eight per cent) – Germany, Austria, the United Kingdom, Finland, Spain and Slovenia.
- **Medium-high level of financial exclusion** (between 12 and 28 per cent) – Italy, Ireland, Portugal, Greece, Estonia, Czech Republic, Cyprus, Malta and Slovakia.
- **High level of financial exclusion** (34 per cent and above) – Hungary, Poland, Lithuania and Latvia.

On the whole, the same types of people had an above-average likelihood of being financially excluded regardless of whether they lived in a country with higher or lower levels of financial exclusion. It is plausible that as one moves towards a low level of financial exclusion, some groups get left behind. In fact, all groups, regardless of their circumstances, benefit greatly as one moves from high to low levels of financial exclusion. Even so, some groups of people disproportionately experienced financial exclusion whether they lived in a country where overall levels were high or one where they were low. These were lone parents, young people (aged 18-25), students and people who were unemployed (Table 7 columns 2-6).

In contrast, the disproportionate exclusion experienced in countries with high and medium-high levels of financial exclusion by women, single people without children, retired people, those aged over 65, people who left school at an early age and rural dwellers, disappeared in countries where the level of financial exclusion was low. The effect of income also reduced markedly, as did the effects of attitudes, although people who did not know whether one could expect financial institutions to give advice remained disproportionately affected in areas of low exclusion.

As before, we have used regression analysis to identify whether different factors seem to drive financial exclusion depending on whether overall levels are high or low (Table 7 columns 3-6).

This showed that the number of factors that increased the odds of being financially excluded increased with the level of financial exclusion experienced in a country. So in Hungary, Poland, Lithuania and Latvia, where levels were high a large number of

factors were highly significant statistically (Table 7 column 6). These included: age, employment status, household income, geographical area and a range of attitudes.

In contrast, in the countries with the lowest levels of financial exclusion (Luxembourg, Belgium, Denmark, Netherlands, France and Sweden) no factor reached the higher level of significance (Table 7 column 3).

4 Conclusion

On the whole, a minority of the adult population living in the EU 15 countries is affected by financial exclusion – two in ten lacked access to transaction banking facilities; around three in ten had no savings and four in ten had no credit facilities, although rather fewer (less than one in ten) reported having been refused credit. The proportion of people lacking access to any of these three forms of financial service was lower still – at around seven per cent of the adult population aged 18 or over. In contrast, a third of people in the new member states were financially excluded; more than half had no transaction account, a similar proportion have no savings and almost three quarters had no immediate access to revolving credit.

There were, however, considerable variations in levels of financial exclusion even across the EU 15 countries. In general, levels were lowest in the countries such as Netherlands, Denmark, Sweden and Luxembourg where the standard of living is universally high. They are highest in countries like Latvia, Lithuania and Poland that had transition economies and low levels of gross domestic profit.

Financial exclusion affects some groups of people more than others and, on the whole, similar types of people were disproportionately affected regardless of the prevailing level of exclusion in their country. These were people living on low incomes; and consequently those who were unemployed, lone parents caring for children full-time and people who were unable to work through sickness or disability. In new member states, retired people also had high levels of financial exclusion. Regression analysis shows that these were the most significant factors statistically and had the largest effects.

There is also evidence that financial exclusion is linked to people's knowledge of and exposure to financial services and that this remains statistically significant and has a large effect even when other factors such as income and work status are controlled. There was a link with age, with younger (EU15) and older people (new member states) being most likely to be excluded. Single people were more likely to be excluded than those living with a partner. In both cases, however, the regression analysis showed that the effects were small even though they were statistically significant. This suggests that they mediate their effects through income and work status. Although women had slightly higher levels of financial exclusion than men, gender was not significant in the regression – again suggesting that gender effects may be attributed to work status and income, as people who are retired or looking after the home full-time are disproportionately women.

It is important to note that it is not just economic circumstances and personal characteristics that affect the propensity to be financially excluded. There is evidence that financial exclusion is concentrated in certain communities. So living in a deprived area increases the likelihood of being financially excluded and so, too, did living in a rural area in new member states. This almost certainly reflects the paucity of financial service provision in such communities. At the same time, there is evidence that people have higher levels of financial exclusion if their friends and family are also excluded.

This suggests that where operating in a cash economy is the norm, there is much less of an incentive to use financial services and may also explain the geographical effects.

Appendix 1: The Eurobarometer dataset

Eurobarometer is a series of surveys across the member states that have been commissioned by the European Commission since 1973. Surveys are carried out twice a year (each autumn and spring) and cover public opinion on specific issues, including, periodically, questions on people's use of and experiences with financial services. Until 2003, the Standard Eurobarometer covered the 15 countries in membership at that time, namely Belgium, Denmark, Germany, Greece, Italy, Spain, France, Ireland, UK, Luxembourg, Netherlands, Portugal, Finland, Sweden and Austria (the EU15). The last one to cover financial services was Eurobarometer 60.2 in 2003. In 2003 a Candidate Eurobarometer was held for countries that were due to enter the European Union (the EU10). This included Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. This survey also included questions on financial services. The most recent dataset to cover financial services for the expanded EU membership is Eurobarometer 63.2 carried out in 2005.

Unfortunately it was not possible to use this most recent data for several reasons. First, it does not collect information on household income, which we know from other research is an important indicator of financial inclusion. The earlier datasets each contain a variable for income quartiles. Secondly, while the earlier surveys asked respondents about their ownership of specific products in turn (with 'yes', 'no' and 'don't know' responses), the 2005 survey included a single question asking respondents to indicate which of a list of products they held. It is known that people miss items in lists and that, consequently, a single question will identify lower levels of product-holding than a series of questions asked about each product in turn. A question in this format also has the additional disadvantage that it conflates 'no' and 'don't know' replies. Consequently, Eurobarometer 63.2 overestimates the numbers of people in the EU15 countries, without different financial products. For example using Eurobarometer 63.2 data 33 per cent of UK adults have no access to a transaction banking account, whereas the figure using Eurobarometer 60.2 data is 15 per cent. Moreover, we know from survey data in the UK that the level is in fact, even lower than 15 per cent, so the data in Eurobarometer 63.2 is seriously over estimating financial exclusion. A similar pattern exists for other EU15 countries. In contrast, in some EU10 countries the Eurobarometer 63.2 data show a lower level of exclusion than 2005.5 survey. This was the case in Cyprus, Czech Republic, Estonia, Lithuania, Malta, Poland, Slovakia and Slovenia. (In Hungary and Latvia the percentages were broadly similar between the two surveys.) This seems to suggest that people in these counties are fairly rapidly integrating into the transaction banking system.

The analysis in this report is, therefore, based on the two earlier datasets: EU15 Standard Eurobarometer 60.2 and a EU10 Candidate Eurobarometer 2003.5. Both cover the period November to December 2003. They each include a nationally representative sample of around 1,000 people aged 15 or over per country (except Malta and Cyprus where samples sixes were just 500). The national samples reflect the respective populations in terms of age, gender, education level and marital status, regions of the country, settlement size. When comparisons have been made across

countries, the data has been weighted to reflect proportional population sizes. Our analysis was restricted to people aged 18 and over, as in most countries this is the age when people can access mainstream credit.