

Summary

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This analysis focuses on the role that loans play in payment problems. Although loans and other debts are important in payment problems, it is primarily life events, such as unemployment or illness that are the reasons why people experience payment problems.

We have divided payment problems into four stages: repeated reminders, collection notices, payment orders and debts registered with the Swedish Enforcement Authority. Low-income earners account for a high proportion of people with payment problems. This is the case both for debt that originates from loans and other kinds of debt. Low-income earners represent a high proportion at each of the four stages. Reminders and collection notices are more common among young borrowers, while middle-aged borrowers are more likely to have debt registered with the Swedish Enforcement Authority than the other age groups.

The analysis also shows that small loans lead to reminders and collection notices more often than large loans. However, borrowers with small loans often manage to pay before their debt is registered with the Swedish Enforcement Authority. It is therefore more common for borrowers with several or large loans to have a debt registered with the Swedish Enforcement Authority.

Over the period of a year, 3.2 per cent of everyone who takes out a loan in Sweden (who are natural persons) receive at least one new payment order, while 0.7 per cent of them still have this order in place one year later.

In 2020, 313,000 Swedish residents had some form of debt registered with the Swedish Enforcement Authority. Their combined debt stood at approximately SEK 74 billion. This included 65,000 people who had taken out loans and whose debt from loans was approximately SEK 14 billion; this equates to approximately one-fifth of the combined debt and one fifth of those whose debts were registered with the Swedish Enforcement Authority.



We analyse payment problems

Borrowing money enables households to consume without having to save first; this can be both good and bad. Loans are useful as they help households balance out their consumption over time or help them through times when they temporarily find themselves financially worse off. However, loans also commit part of their future income to interest payments and amortisation. People who take out loans can experience problems if the payments are too high in relation to their income.

The purpose of this analysis is to describe the different stages in the chain of payment problems where loans are involved, with each stage getting progressively worse. These stages comprise:

- repeated payment reminders
- collection notice
- payment order
- debt registered with the Swedish Enforcement Authority.

This is the first analysis of this area using Swedish data.

We have studied payment problems where loans are involved. However, we do not know if it is the loan itself that is *the cause* of the problems. The cause is often unknown and can involve several different factors. These causes include, for example: payments being too high in relation to a person's income; lenders not performing adequate credit checks before granting the loan; and the borrower's financial situation getting worse following a life event, such as illness, unemployment or divorce.

The analysis unfolds as follows. We start by comparing the developments in lending with the number of people who have asked for help from the budget and debt advisers (BUS). The municipal budget and debt advisory service helps people in debt with their finances and offers consumers advice on how to manage their debts. People who ask for help have a variety of payment problems that can be more or less severe; some have minor problems, while others have debts registered with the Swedish Enforcement Authority.

We then go through the four stages of payment problems. We study payment problems based on the borrower's income and age, as well as the size of their loans and debts. We conclude by reporting how common payment problems are where loans are involved, and comparing the significance of loans with other kinds of debt.

This analysis is based on data from three authorities

We have used information from BUS about the number of people who asked for help in 2019 and the type of debts they had. This information does not include any data about individual people.

We have then used information from Finansinspektionen's (FI's) data compilation of new mortgages and consumer loans in 2019 (see Finansinspektionen, 2020a and 2020b). This information contains anonymised data about individual borrowers. This data includes new

loans, any payment reminders and collection notices, the borrower's income and age, and data about the lender. We have also used FI's aggregated data, which contains information on new lending and total lending, broken down by lender. The companies included in FI's data account for a high proportion of loans in Sweden.¹

We have used the Swedish Enforcement Authority's data on payment orders from 2019 as well. This information includes, inter alia, data about the reason for the claim, who has applied for a payment order and the principal amount of the debt (original amount).² We have then used principal and debt amounts, where the debt from the payment orders for 2019 remained in the Swedish Enforcement Authority's recovery data in November 2020.

There are two main kinds of debt registered with the Swedish Enforcement Authority; public claims (A-claims) and private claims (E-claims). A-claims are debts to the state or municipality. E-claims are debts to private individuals or companies. Public debt often includes, for example, fines, and debts related to tax, vehicles and student loans. Private debt often includes, for example, loans, motor insurance and telecom debt. This analysis focuses on loans that have become debts registered with the Swedish Enforcement Authority.

The data we have used from our various sources is anonymised, and can thus not be linked together. We have therefore decided to use these sources to represent the different stages of payment problems that people who take out loans and people with other kinds of debt can experience. FI's data shows the number of payment reminders and collection notices shortly after a person has taken out a new loan.³ We have therefore set the prevalence of these (early) payment problems in relation to new lending. Data from the Swedish Enforcement Authority provides information about people who take out loans who have received payment orders and debts registered with the Swedish Enforcement Authority. As all loans (and not only new ones) can result in these kinds of (serious) payment problems, we relate these payment orders and debts registered with the Swedish Enforcement Authority to the total amount of new lending based on FI's aggregated data.

People who have payment problems can ask for advice from BUS; those asking for advice are not a homogeneous group. Although they have different payment problems, what they often have in common is that their problems are serious. However, there are some people who ask for advice from BUS even though they have not received any reminders or any kind of notice. They have contacted BUS because they are finding it difficult to manage their finances. There are also people who ask for advice who have a debt registered with the Swedish Enforcement Authority and use BUS when they are applying

1 The banks in FI's Mortgage Survey account for almost 93 per cent of the volume of mortgages. The companies in FI's survey of consumer loans total 86 per cent of the volume of unsecured loans and 90 per cent of the volume of loans that do not use houses as collateral.

2 The principal amount is the claim that the applicant is demanding payment for. The debt also includes any fees and interest.

3 For unsecured and non-property-backed loans, the period between the lending and the reminder or collection notice is a maximum of five months in FI's data. For credit cards and lines of credit, the lead time is ten months. Although it is not only new loans that can result in reminders and collection notices, we do not have the data for existing loans.

Diagram 1. Consumer loans and interest expenses as a proportion of income before tax and the number of people asking for advice from BUS

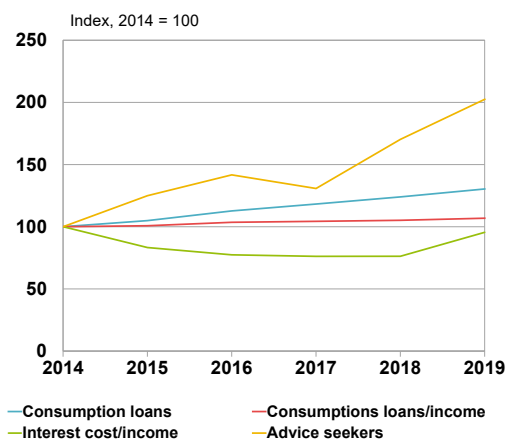
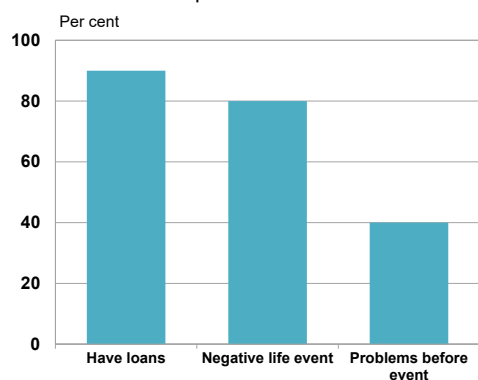


Diagram 2. Proportion of visitors to BUS advisers with specific characteristics



for debt restructuring. This means that the information from BUS provides a general picture of payment problems.

Lending and payment problems

LENDING HAS INCREASED OVER THE PAST 15 YEARS

Swedish household loans have increased sharply since 2006 (see Finansinspektionen, 2020b). It is primarily mortgages that have seen an increase, but consumer loans (unsecured loans, credit card loans, hire-purchase agreements, interest-bearing invoices, and car and boat loans) also increased significantly at certain periods.⁴ Consumer loans increased by more than 30 per cent between 2014 and 2019. As a proportion of household income, consumer loans increased by 6 per cent (Diagram 1). At the same time, interest payments on consumer loans as a proportion of income remained virtually the same because of the drop in interest rates.

Since 2014, the number of people asking for advice from BUS has doubled. This may partly be due to the fact that loans have increased during this period. However, this is probably not the main explanation, as interest payments account for approximately the same proportion of household income in 2019 as in 2014.⁵ The fact that an increasing number of people are asking for budgetary and debt advice could be because there is now greater awareness of BUS, particularly as a result of the work on over-indebtedness carried out by the Swedish authorities (see Konsumentverket (Swedish Consumer Agency), 2019). This increase is also due to a rise in the number of people applying for debt restructuring. There has been a 40 per cent increase in the number of individuals who turn to a BUS adviser when looking for help with debt restructuring.

LOANS MIGHT OFTEN BE PART OF THE PROBLEM, BUT THEY ARE NOT ALWAYS THE CAUSE

BUS states that loan expenses feature among the financial problems of 9 out of 10 people who ask for their help (Diagram 2).⁶ Loans are also common in the Swedish population as a whole; approximately 7 out of 10 Swedes have taken out a loan.⁷ It is therefore expected that many people who ask for help from BUS will have a loan.

The advisers also state that 8 out of 10 people who ask for advice have experienced a life event that changed their financial situation. These events include, for example, unemployment, divorce or illness.⁸ As these kinds of events are relatively uncommon in the population, they are probably an important reason why individuals turn to BUS. It is estimated that approximately 4 out of 10 people who asked for help already had payment problems before their life event. This means that half of those asking for help had experienced a life event without

⁴ See Finansinspektionen (2020) for a review of different types of consumer loans.

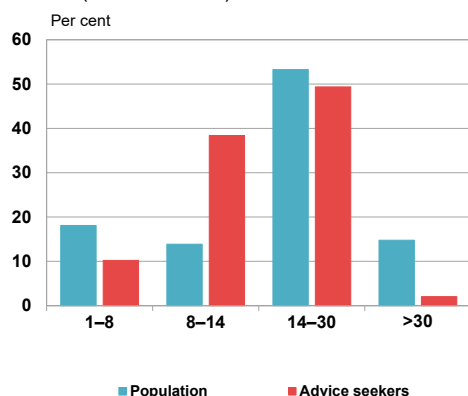
⁵ The average figure does not provide a complete description, as it is the proportion of households with high payments in relation to their income that shows how widespread the risk of payment problems is (see Andersson and Förster, 2021).

⁶ They may also have other debts, not only ones relating to loans.

⁷ Almost 70 per cent of Swedes had loans in 2013 (see Regeringen (Swedish Government), 2013). It is also likely that this proportion is higher today, as both mortgages and consumer loans have increased since 2013.

⁸ Payment problems can also be caused by different forms of misuse.

Diagram 3. Population and people asking for help from BUS, broken down by income after tax (SEK thousand)



Source: Swedish Consumer Agency and Statistics Sweden
 Note: Enter note

having had any financial problems beforehand.⁹ The information from BUS therefore shows that life events are often the cause of payment problems.

Almost half of those who have a debt registered with the Swedish Enforcement Authority stated that the cause was low income or that their income had fallen (see Kronofogden (Swedish Enforcement Authority), 2021).¹⁰ Just over 60 per cent of these people had lost their job or had suffered an illness. This reflects the fact that unemployment results in many people with consumer loans experiencing a shortfall in their finances (see Finansinspektionen, 2020). In addition, one in three people said that their family situation was the cause of their debt. Only 13 per cent stated that their debt was due to high costs or an increase in costs. However, more than half of those with a debt registered with the Swedish Enforcement Authority took out a loan to manage their regular expenditure (see Swedish Enforcement Authority, 2021). One in four people in debt also thought that they had been granted a loan without an adequate credit check. It is common for younger borrowers who have a debt registered with the Swedish Enforcement Authority to have chosen a lender who performs a less detailed credit check.

One important conclusion from the surveys carried out by BUS and the Swedish Enforcement Authority is that people often find it difficult to pay their loans (and other debts) because of an external reason that is not linked to the loan (or debt) itself, such as a life event. Debt can also make people vulnerable to unforeseen events.

Payment problems more common among low-income earners
 We use a low income standard, which is 60 per cent below the median wage, to describe the risk of poverty (see Statistics Sweden, 2017). This standard was just under SEK 14,000 a month after tax in 2019. Almost one in three adults in Sweden has an income of less than SEK 14,000 per month after tax (Diagram 3). At the same time, half of those who ask for help from a BUS adviser have an income in the low-income standard bracket, as defined above. This shows that payment problems are more common among low-income earners.

People in the group with an income of less than SEK 8,000 a month after tax account for 18 per cent of the adult population, but only 10 per cent of them ask for advice from BUS. This is a much lower proportion than in the group with an income of between SEK 8,000 and SEK 14,000 per month after tax. Both of these groups are overrepresented among those who have a debt registered with the Swedish Enforcement Authority.¹¹ This suggests that there is a high level of exclusion as they do not use the help offered by society. This conclusion is supported by the low levels of awareness of BUS among people with low levels of education (and therefore often with a low income).

Middle-aged people have larger debts

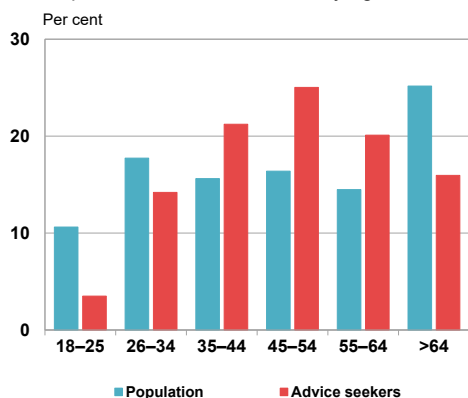
Young adults (18–25 years old) account for approximately 10 per cent of the population (Diagram 4). However, the proportion of people who

⁹ This equates to $0.8 \times (1-0.4) = 0.48$, i.e. 48 per cent.

¹⁰ This information is taken from a survey in which 1,614 people in debt responded.

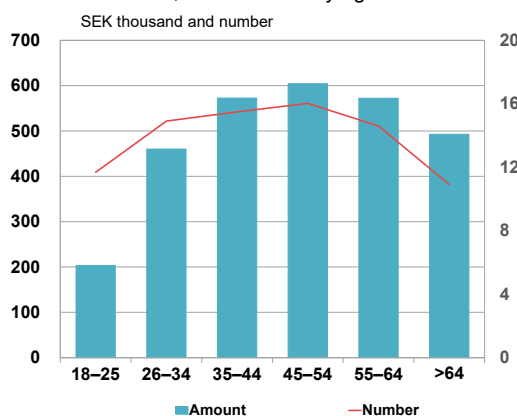
¹¹ Later on, we will show that people with an income of less than SEK 14,000 per month are overrepresented among those with a debt registered with the Swedish Enforcement Authority (see Diagram 6).

Diagram 4. Population and people asking for help from BUS, broken down by age



Source: Swedish Consumer Agency and Statistics Sweden
 Note: Enter note

Diagram 5. Average number of debts and average amount of debt among people asking for advice, broken down by age



Source: Swedish Consumer Agency
 Note: The diagram shows the average amount of debt on the left axis and the average number of debts on the right axis. The diagram uses information from 9,774 people who asked for advice.

ask for help from BUS is much lower among young people. The main reason for this is probably because fewer young people know about BUS compared with other age groups. If so, it could mean that young people sometimes have larger debt problems than they should. However, it could also be a sign that many young people resolve their payment problems in other ways, for example, with help from their parents.

People who ask for help from BUS have an average of 15 debts, with an average debt of SEK 37,000 (see Diagram 5)¹². This means that people asking for help have an average debt of almost SEK 550,000.

The average number of debts among people asking for advice from BUS differs only slightly among the various age groups. People asking for advice often have large debts in relation to their income; on average, these debts are almost three times higher than their monthly income after tax. This shows that it is common to ask for help from BUS only when the problems have become serious. There are also clear differences in debt amount between age groups who are asking for advice. The average debt of the youngest have is SEK 200,000. There are few young people who have large debts; 4 per cent of people who are under 25 have a debt of more than SEK 500,000. This can be compared with almost one in two people asking for help from BUS between the ages of 45 and 64 who have a debt of more than SEK 500,000. This could be because older people asking for advice may have collected debts over a longer period of time. Their debts have also had longer to increase through unpaid interest and fees. However, it could also be due to young people having a lower income, so they are not able to take out such large loans or other debt. The level of debt in relation to income differs slightly less than the debts between the different age groups. However, differences in income cannot fully explain the difference in debts between the groups.¹³

From an unpaid bill to a debt registered with the Swedish Enforcement Authority

The *first* stage in payment problems is when a person does not pay a bill.¹⁴ If this happens, they will almost always receive payment reminders.¹⁵ Reminders incur a cost of SEK 60 (see Figure 1). If the borrower does not pay after receiving the reminders, there are some lenders that will send a collection notice. Other lenders decide to sell the loan or allow a debt collection company to pursue the claim. If there is a collection notice for the claim, the cost will increase by a fee of SEK 180. Collection notices are the *second* stage in the chain of payment problems. The stages in the chain are not completely clear

12 These statistics are taken from a voluntary processing system for BUS advisers. The advisers can choose to fill in only certain sections, so this has to be taken into account when interpreting the figures. Advisers may sometimes combine debts with the same creditor, so the number of debts is higher than shown in the statistics.

13 People between the ages of 45 and 54 have an average of three times the level of debt as the youngest group. The average debt ratio is also 2.4 times higher.

14 If the bill payment is from a loan, the payment normally comprises the interest, amortisation and any fees. This debt can also be an entire loan that is due for payment.

15 Although one reminder can be a sign of temporary payment problems, it can also be a sign of carelessness or a decision by the borrower to delay the payment. However, multiple reminders for the same loan are a first indication of recurring payment problems.

Figure 1. Costs incurred for an unpaid loan bill (a calculation example)

SEK	
First down payment (incl. amortisation)	542
of which interest and fees	125
+	
Payment reminder	60
+	
Collection notice	180
+	
Application for payment order	300
Attorney's fees	380
+	
Basic fee for enforcement	600
=	
Sum including all fees	2,062
of which interest and fees	1,645

Source: Own calculations.

Note: This calculation example is for a loan of SEK 5,000 with an interest rate of 5 per cent over a period for 12 months, with SEK 500 in other agreed costs.

cut. Although lenders have to send a payment reminder, there are some companies that send several reminders, while other companies send a collection notice immediately after the first reminder. Collection notices are more serious, as they incur a higher cost for the borrower. Unpaid collection notices also lead to the next stage in payment problems.

If the company in charge of the debt collection case does not receive payment, the *third* stage is to decide to apply for a payment order from the Swedish Enforcement Authority. This will incur costs of SEK 680 for the application and legal fees. For borrowers, the payment order can refer to one bill payment or the entire loan.

The borrower can contest or pay the payment order. Otherwise, the debt will be registered by the Swedish Enforcement Authority. This is the *fourth* stage. If the debt is sent for recovery by the authority, the amount increases by an additional SEK 600. The total cost for the unpaid bill has therefore increased by SEK 1,520 (in addition to unpaid interest).¹⁶ If the debt is sent for recovery, the borrower may also be given a record of non-payment with the credit rating agencies.¹⁷ See Kronofogden (Swedish Enforcement Authority) (2008) for a complete review of the process and procedure in the event of payment problems.

WHO HAS PAYMENT PROBLEMS?

This section studies the people who have early (stages 1 and 2) and serious (stages 3 and 4) payment problems. We have broken this analysis down by age and income, as well as the amount of the loan and debt. The analysis includes people who are 18 or over.

Most payment problems among low-income earners

Low-income earners account for a high proportion of people with payment problems. This is the case for both early payment problems (stages 1 and 2) and more serious problems (stages 3 and 4). People with an income of less than SEK 8,000 per month after tax represent 18 per cent of the population and they account for 25 per cent of the new loans (Diagram 6). The same income group receives half of all the collection notices and represents a third of all E-claim debt.¹⁸

Borrowers with a monthly income of less than SEK 14,000 account for approximately 35 per cent of the population and borrowers. Their share of collection notices is almost 60 per cent and they account for more than half of E-claim debt.¹⁹ Payment problems, regardless of

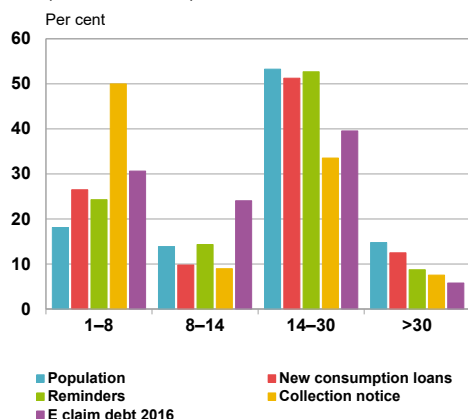
¹⁶ The debt continues to grow even after it has been received by the Swedish Enforcement Authority for recovery. This is partly due to interest. Appendix A provides more information about how much the debt from loans increases once it has been sent to the Swedish Enforcement Authority for recovery.

¹⁷ A record of non-payment shows that the person has not managed their payments. This may, for example, result in the person not being able to get a loan, apartment or a phone subscription.

¹⁸ This information comes from Finansinspektionen (2020) and Vuleta (2018). We have no information on payment orders, broken down by income.

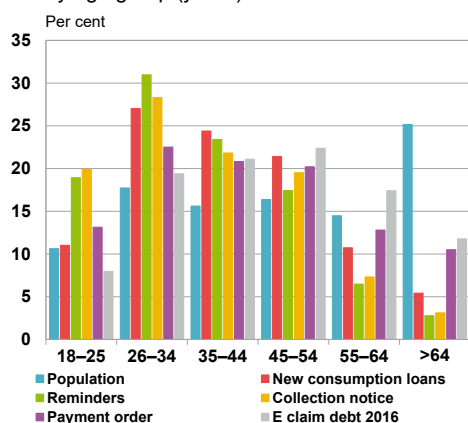
¹⁹ The distribution of E-claim debt may be different from debt from loans. However, the number of debts from loans is roughly the same as the number of loans that are not loan-related among people who ask for help from BUS.

Diagram 6. Payment problems in 2019, broken down by monthly income after tax (SEK thousand)



Source: FI, Statistics Sweden and Vuleta (2016)
 Note: This diagram shows income distribution in the population, among those taking out new consumer loans and at different stages of payment problems.

Diagram 7. Payment problems, broken down by age group (years)



Source: FI, Statistics Sweden and Swedish Enforcement Authority
 Note: The diagram shows the age distribution in the population, among those taking out new consumer loans and at different stages of payment problems.

their severity, are relatively uncommon among people with an income of more than SEK 30,000 a month after tax.

Early payment problems common among younger people – serious problems common among older people

Young borrowers often experience early payment problems. However, the proportion of young people with serious payment problems is low, relative to their numbers in the population and the lending rate. This situation is reversed for older people. One difference in payment problems between younger and older people could be that some younger people are less willing to pay, while some older people are less able to pay. The differences between the different stages in payment problems could also be due to the fact that young people are more likely to receive help from parents or relatives when they really need it. Added to this is the fact that young people's debts are often small, making them easier to pay off.

If many young people do not pay their bills, there is a risk that they will face more serious problems when they are older and have larger debts if they do not change their behaviour. If they also repay loans by taking out new loans, this will make the problem of debt accumulation worse.

The youngest borrowers (those under 25), take out about 10 per cent of the loans and account for 20 per cent of the early payment problems (Diagram 7). The proportion of young people with serious payment problems is lower; 8 per cent have a debt registered with the Swedish Enforcement Authority. Approximately 50 per cent of borrowers with early payment problems are under 35. In terms of the more serious problems (payment orders and debts registered with the Swedish Enforcement Authority), these figures are 36 per cent and 27 per cent respectively.

Compared with new lending, people over 45 have fewer early payment problems. However, they are overrepresented among those who have a debt registered with the Swedish Enforcement Authority, which is probably due to the fact that older people have large total debts. However, it is also because older people may have old debts registered with the Swedish Enforcement Authority.

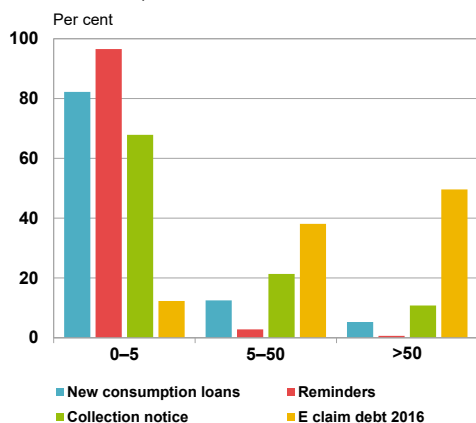
More serious payment problems with larger debts

Small loans account for a high proportion of payment problems in stages 1 and 2 (see Diagram 8). These kinds of payment problems can have a noticeable effect on consumers. However, larger debts account for a higher proportion of the more serious payment problems. One contributing factor could be the fact that borrowers sometimes repay small loans by taking out other larger loans, and this can result in an accumulation of large debts in the future. It may be these larger loans that result in a debt registered with the Swedish Enforcement Authority.

More than two out of three loan-related collection notices are for loans that are less than SEK 5,000 (Diagram 8).²⁰ At the same time, almost 90 per cent of those with a debt registered with the Swedish Enforcement Authority have an original debt that is more than SEK 5,000. This shows that people with a debt registered with the

²⁰ Collection notices can relate to an unpaid bill or an entire loan (if it has fallen due).

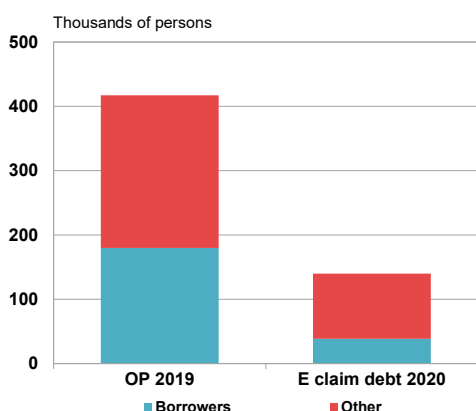
Diagram 8. Payment problems in 2019, broken down by size of loan/debt (SEK thousand)



Source: FI, Statistics Sweden and Vuleta (2016)

Note: The diagram shows the loan/debt distribution in the population, among those taking out new consumer loans and at different stages of payment problems.

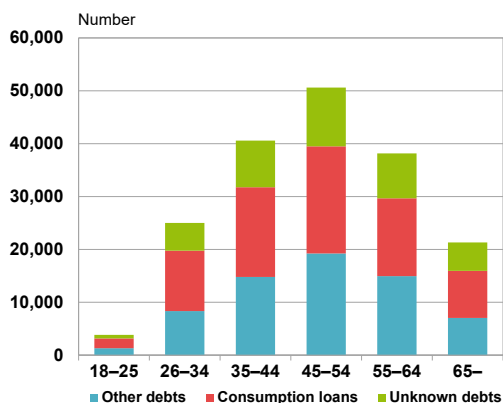
Diagram 9. People with an application for a payment order and an outstanding E-claim debt



Source: Swedish Enforcement Authority and FI

Note:

Diagram 10. Number of debts among people asking for help from BUS in 2019, broken down by age and type of debt



Source: Swedish Consumer Agency

Note: The diagram is based on 9,774 people asking for help from BUS with 146,367 debts.

Swedish Enforcement Authority often have large or more debts. The fact that it is common for people with payment problems to have several debts mirrors the calculations based on payment orders and the information from BUS (see Diagram 5).

HOW COMMON ARE PAYMENT PROBLEMS AMONG BORROWERS?

This section studies how common payment problems are when loans are involved. In this review, we will compare them with debts that do not originate from loans.

We will start once again by analysing early payment problems.

Almost 7 per cent of people who take out new consumer loans receive more than one payment reminder within a few months of taking out the new loan;²¹ and almost 5 per cent of borrowers receive a collection notice. It is not only people who have new loans who receive reminders and collection notices. A total of more than 2.5 million people received repeated payment reminders for consumer loans in 2019. In the same year, approximately half a million people with consumer loans were sent collection notices. In total, almost 9 million collection notice cases (for all kinds of debt) were registered in Sweden in 2019 (see Svensk Inkasso 2020). This shows that most collection notices are not related to consumer loans.

A total of almost 420,000 *people* received a payment order in 2019 (see Diagram 9). This includes 180,000 people (or 40 per cent) who received at least one payment order for unpaid loans (stage 3) from a company that is included in FI's data. Data from BUS advisers provide a similar picture: approximately 40 per cent of the number of problematic debts that people asking for advice have relate to consumer loans (Diagram 10). Other debts are roughly as common as loans, while 20 per cent of the debts are of an unknown origin.²² The distribution is approximately the same for all age groups.

We can also divide this data into the number of payment orders. This shows that debts from loans account for approximately 20 per cent of the number of applications for payment orders. These loans also account for almost 40 per cent of the principal amounts. All in all, this shows that debts from loans are often larger than other debts.²³

Approximately 39,000 borrowers who receive a payment order because of a loan still have a debt registered with the Swedish Enforcement Authority (stage 4) one year later. This represents 21 per cent of the borrowers who receive a payment order. As a comparison, 43 per cent of people with a payment order due to debts other than a loan still having their debt registered with the Swedish Enforcement Authority one year later. This shows that people who take out loans pay their payment orders more than other people.²⁴ One explanation why an unpaid bill becomes a debt registered with the Swedish Enforcement Authority is because the loan is terminated and falls due

21 See Andersson and Förster (2021) for more information on early payment problems.

22 Other debts are the debts that are not linked to consumer loans. Mortgage debts are not included in the figures.

23 The median for individual payment orders for a loan is SEK 8,900, which can be compared with SEK 800 for a payment order for anything other than a loan.

24 However, it is also because an established debt might not necessarily be sent for recovery, as the lender who applied for a payment order sometimes believes that they will not get paid.

for payment. If this is the case, the entire (outstanding part of the) loan becomes an unpaid debt. Another explanation could be that people who take out loans normally have a higher ability to pay, as their creditworthiness has been tested. This means that they are in a better position to get back on track following, for example, a negative life event. The reason why people who take out loans pay their payment orders more often could be because people with payment problems frequently want to pay what has the biggest impact on their life if they find themselves in a stressful situation. Although loans are one of these debts, the same is true of e.g. rents.

The size of the loan plays a role in whether borrowers with a payment order will end up with a debt registered with the Swedish Enforcement Authority. As previously described, 21 per cent of borrowers with payment orders that are related to loans end up with a debt registered with the Swedish Enforcement Authority. Their payment orders (in monetary terms) accounted for 34 per cent of all payment orders that are related to loans. This shows again that large loans result in a debt registered with the Swedish Enforcement Authority more often than small loans.

All in all, our analysis indicates that most borrowers with payment problems are able to pay before the debt becomes registered with the Swedish Enforcement Authority. However, it also shows that loans cause very serious problems for some borrowers. This is particularly true for borrowers who have payment problems, where large or several loans are involved.

LOANS ACCOUNT FOR 20 PER CENT OF DEBTS REGISTERED WITH THE SWEDISH ENFORCEMENT AUTHORITY

About 5.1 per cent of the adult population receive payment orders within one year. And 2.2 per cent of these orders are the result of a loan, which makes loans the largest single kind of debt. In addition, 1.7 per cent of everyone who had a payment order still has a debt registered with the Swedish Enforcement Authority one year later. Approximately 0.5 per cent of them were people who had taken out a loan. These figures correspond to 3.2 per cent of people who have taken out loans receiving payment orders within one year, with 0.7 percentage points of them still having this debt one year later.²⁵

There are more than 313,000 Swedish residents who have a debt registered with the Swedish Enforcement Authority and their total debt amounts to SEK 74.1 billion.²⁶ SEK 13.1 billion of the total debt amount is debt to the state or municipality, and SEK 61.0 billion is private debt. The amount of debt from loans is SEK 14.4 billion and approximately 65,000 borrowers have a debt registered with the Swedish Enforcement Authority.²⁷ Loans therefore account for around

²⁵ The number of people who have taken out loans is calculated using the same proportion of people who have taken out loans as in the adult population in 2012. The proportion in 2012 has been estimated using control data, see Andersson and Vestman (2021).

²⁶ This data refers to the end of 2020. In addition to these debts, the debt among debt collection companies amounts to SEK 77 billion (see Konsumentverket (the Swedish Consumer Agency), 2021).

²⁷ Here we have assumed that it is the same proportion of people taking out loans among the people in debt in total as in the relationship between people taking out loans with new debt and everyone with an E-case debt.

20 per cent of the total debt and 25 per cent of individual debts registered with the Swedish Enforcement Authority.

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