

Consumer Lending - Canada - March 2015

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“Leveraging the goodwill generated through customer interactions while selling complex products such as mortgages, can be a catalyst for the sale of other lending products.”

– Sanjay Sharma, Senior Financial Services Analyst

This report looks at the following areas:

- Establishing positive banking relationships with debt burdened groups
- Mortgage owners and their intention to switch financial institutions
- Marketing additional lending products to existing customers
- Can specialized credit card companies successfully expand into the larger consumer lending market in the coming years?

The consumer lending business has thrived under the prolonged low interest rate environment and Canada's strong economic fundamentals. The continued strength of the housing market in most parts of the country has ensured record profits for financial institutions. Canada has one of the highest rates of home ownership in the world and around a third of Canadians have a mortgage product. In addition to mortgages, Canadians continue to borrow money through lines of credit, credit cards and specific product loans, such as auto or Registered Retirement Savings Plan (RRSP) loans. The lending market is dominated by the major banks but smaller banks, credit unions and specialized lending companies also continue to thrive.

This report covers consumer behaviour and attitudes related to consumer lending (credit cards, mortgages, loans and lines of credit). In this survey, we explore issues such as lending product ownership rates, which lenders are dominant in the Canadian lending market, the reasons for their dominance; satisfaction with the lending process among customers of different financial institutions and general attitudes related to lending/debt.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Three target groups

Figure 36: Target Groups, January 2015

Debt Minimalists (34%)

Savvy Borrowers (36%)

Debt Burdened (30%)

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