



The Car Represents Freedom  
- Nordic Trends in Private Car Finances 2024



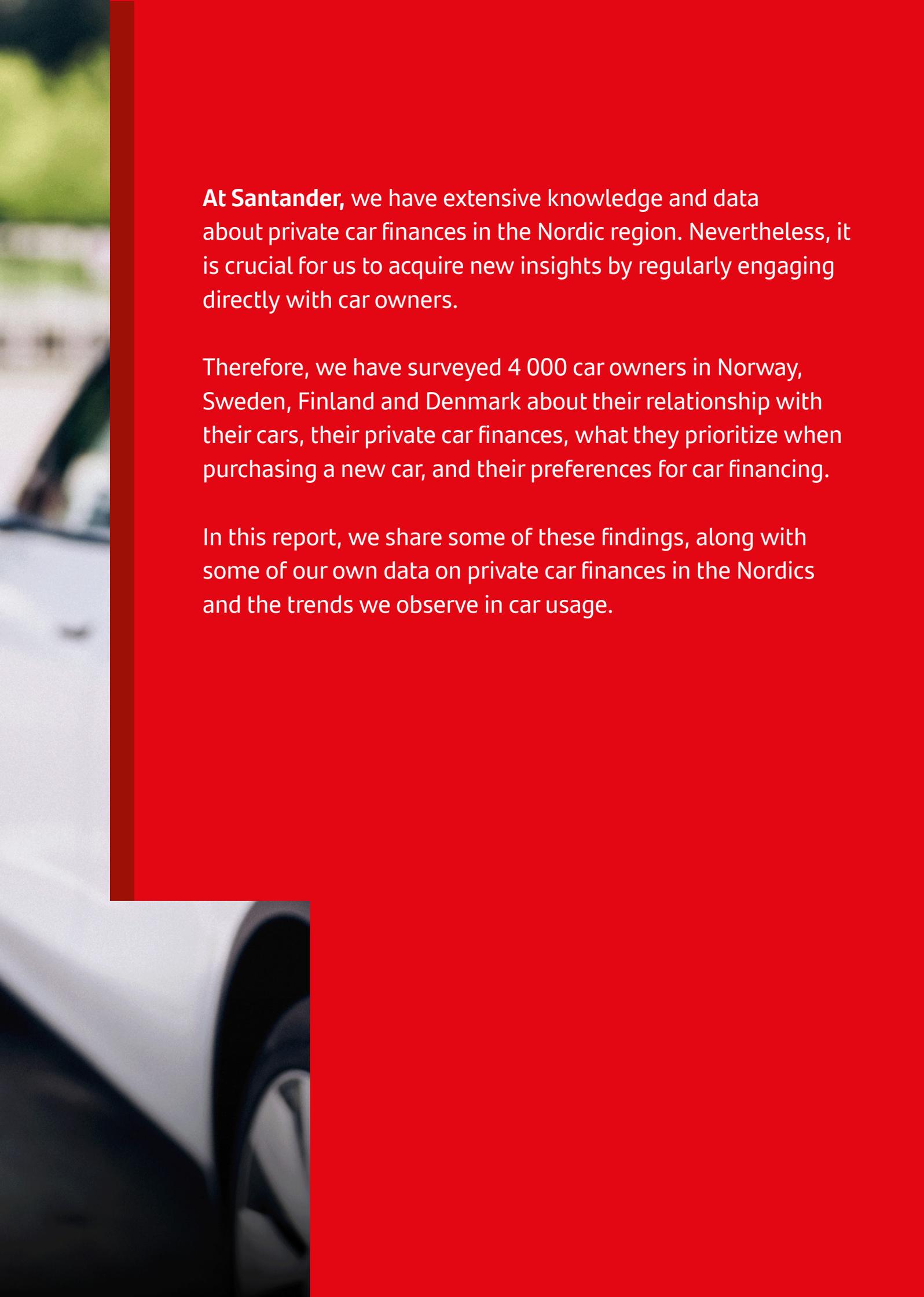
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**There is little doubt that the car is of vital importance for many car owners. Only 44 % say that the mobile phone is more important than their car.**





**At Santander,** we have extensive knowledge and data about private car finances in the Nordic region. Nevertheless, it is crucial for us to acquire new insights by regularly engaging directly with car owners.

Therefore, we have surveyed 4 000 car owners in Norway, Sweden, Finland and Denmark about their relationship with their cars, their private car finances, what they prioritize when purchasing a new car, and their preferences for car financing.

In this report, we share some of these findings, along with some of our own data on private car finances in the Nordics and the trends we observe in car usage.



“ The car is not just a necessity; it means freedom and is an enabler for living the life one desires.

# The car is highly important in people's lives

**There is no doubt that the car is a fantastic asset in our lives. Most of us have fond memories of road trips with our family, we have spent valuable time with our children to and from school activities and it simply makes our everyday logistics easier. For many, the car is essential to be able to travel and get around.**

This last point is highlighted by the results from the survey we present in this report, carried out in all four Nordic countries: The car is not just a necessity, it means freedom.

There is little doubt that the car is of vital importance for many. In the survey 56 % say they are highly dependent on their car. Only 44 % say that the mobile phone is more important.

Another survey we did in Norway this summer among young people, shows that as many as 88 % wants to own a car in the future. That tells me that the car is here to stay. It will be exciting though, to follow the trends going forward: Which type of cars and mobility solutions will be in demand in the future, in what ways will we have access to them, and how do we intend to finance them?

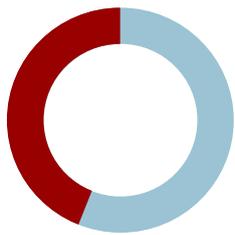
At Santander in the Nordics we are following these trends so we can continue to offer our customers and partners the best solutions.

In this report, we share some of our newest insights. I hope you will find it interesting. Happy reading!



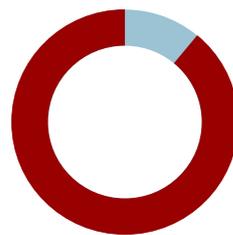
**Michael Hvidsten,**  
CEO Santander Nordics

**People in the Nordics** remain highly dependent on their cars and are generally satisfied with the cars they currently own. Although many plan to purchase an electric vehicle as their next car, we observe that safety, price and size are prioritized over environmental friendliness.



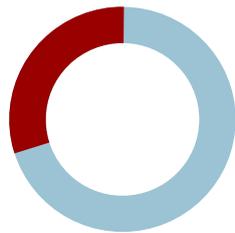
**44%**

A total of 44 % are very satisfied with the car they currently have



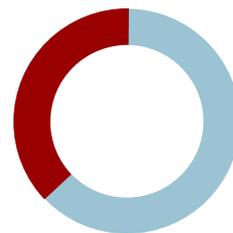
**89%**

A total of 89 % currently own a gasoline/diesel car



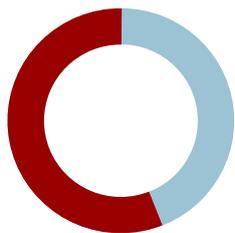
**18%**

A total of 18 % plan to buy a new car within the next year



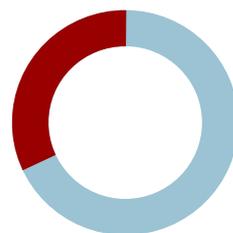
**37%**

A total of 37 % are considering an electric car as their next vehicle



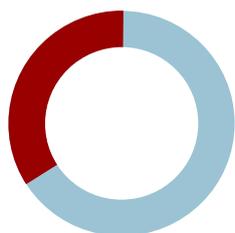
**56%**

A total of 56 % say they are highly dependent on their car



**32%**

A total of 32 % rank the freedom to travel and get around as the most important aspect of having a car



**34%**

A total of 34 % consider a car loan when buying the next car



## The car represents freedom

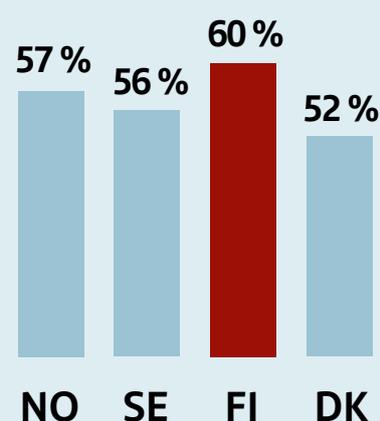
**The car is not just a necessity;** it means freedom and is an enabler for living the life one desires. In three out of four countries, respondents indicate that the most important aspect of having a car is the freedom to travel and get around. Only in one country do respondents say that the most important aspect is commuting to and from work.

### The most important aspects of having a car

	Norway	Sweden	Finland	Denmark
The freedom to travel/get around whenever I want	36 %	28 %	35 %	28 %
Commuting to and from work	20 %	21 %	25 %	33 %
The opportunity to visit family and/or friends	10 %	10 %	7 %	11 %
Helps in managing the daily transportation needs of family members	12 %	12 %	10 %	9 %
Provides convenience for transporting groceries and other purchases	14 %	20 %	17 %	11 %
It gives me a wider range of job opportunities	5 %	6 %	3 %	4 %

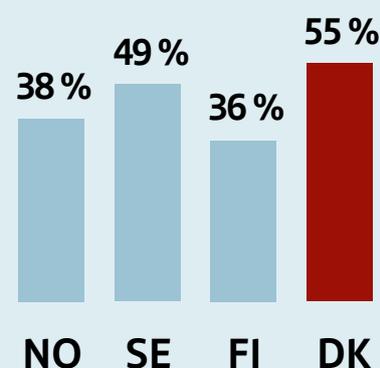
## To what extent are you dependent on your car?

People are highly dependent on cars throughout the Nordic countries. In Finland, as many as six out of ten people say they are dependent on cars to a large or very large extent. Women report that they are more dependent on their car than men.



## To what extent are you satisfied with the car you have today?

Denmark stands out as the country most satisfied with the car they have. The oldest respondents in the Nordics are the most satisfied. In Denmark, as many as seven out of ten over 60 years old are very satisfied with their car.



# A bird's-eye-view: Key insights and trends

**In the Nordics, Santander finances between 240 000 and 275 000 cars each year. These are our key takeaways from 2024.**

## **Back on the road: The return of young people**

Nicknamed "Generation Greta," after the Swedish activist, young people have been associated with the fight against climate change. As increasing emissions threaten the future state of the planet, young people have seemed committed to turning the tide. As a result, they have refrained from excessive travelling by air and even car. This has also affected the number of people acquiring a driving license.

A recent survey we conducted among young people between the ages of 18 and 24 in Norway shows that 9/10 want to have access to a car in the future, and almost 3/4 think they will be dependent on a car in ten years.

The reasons why more young people are returning to the road remain unclear. Some point to the sense of accomplishment by having a license, while others mention the freedom of travel. Our insights show that freedom is the most important aspect of

having a car in 3/4 Nordic countries. Whether the trend will continue is yet to be seen, but young people seem to be back on the road.

## **EV-lution continuing**

The Nordic region has consistently set benchmarks in EV adoption. Norway remains the global frontrunner, where 90 % of new passenger car sales are electric or plug-in hybrids. Other Nordic countries are catching up, with Sweden and Denmark having made substantial strides in boosting EV market share.

## **Leasing on the rise**

As the Nordic economies still face pressure from high inflation and interest rates, some consumers are hesitant to make larger investments. According to our numbers, under 1/5 of Nordic car owners plan to buy a car the next year. However, more people are opting for leasing. In all Nordic markets except Sweden, the number of people leasing their cars has increased in the past year.



**” Young people seem to be back on the road.**



## Price and safety come first

**Price and safety are the most important factors when considering buying the next car in all Nordic countries.**

Only 35 % believe that environmental friendliness is very important when considering a new car, still electric vehicles are gaining momentum. Currently, 15 % of respondents own an electric car, and 37 % are considering an electric car as their next vehicle. A total of 59 % currently have a gasoline car, while 36 % are considering a gasoline car as their next vehicle.



In the survey, participants were asked (multiple choice) about which car(s) they currently own and which car they are considering purchasing next. A large number of people are now considering electric and hybrid cars as their next vehicle. Nearly 50 % in Norway and Denmark are considering an electric car for their next purchase. The corresponding figures for Sweden and Finland are 29 and 24 %, respectively, while hybrids are considered by 43 % in both of these countries.

Fuel type	Norway		Sweden		Finland		Denmark	
	Have today	Considering						
Electric	30 %	48 %	10 %	29 %	5 %	24 %	14 %	49 %
Hybrid	14 %	25 %	14 %	43 %	9 %	43 %	9 %	22 %
Diesel	39 %	28 %	32 %	24 %	26 %	17 %	21 %	8 %
Gasoline	32 %	22 %	63 %	39 %	72 %	49 %	69 %	33 %

## Highlights per country

In the survey, participants were asked (multiple choice) about how important the following factors are when considering the purchase of a car. 79 % in the Nordics consider price and 78 % consider safety as very important when considering a new car. Only 39 % consider brand and 39 % consider design as very important factors. The charts illustrate the differences between the various countries.

### Norway

	To a great/ very great extent	To some extent	Not at all/ to a small extent
Price	82 %	14 %	3 %
Safety	80 %	15 %	5 %
Size	59 %	33 %	7 %
Design and look	39 %	39 %	20 %
Brand	39 %	36 %	23 %
Environmentally friendly	30 %	35 %	32 %

### Sweden

	To a great/ very great extent	To some extent	Not at all/ to a small extent
Price	75 %	20 %	4 %
Safety	78 %	15 %	6 %
Size	57 %	33 %	8 %
Design and look	36 %	39 %	24 %
Brand	39 %	37 %	22 %
Environmentally friendly	36 %	36 %	26 %

## Finland

	To a great/ very great extent	To some extent	Not at all/ to a small extent
Price	82 %	16 %	1 %
Safety	75 %	21 %	3 %
Size	54 %	38 %	7 %
Design and look	37 %	41 %	21 %
Brand	44 %	39 %	15 %
Environmentally friendly	29 %	39 %	30 %

## Denmark

	To a great/ very great extent	To some extent	Not at all/ to a small extent
Price	77 %	19 %	3 %
Safety	78 %	18 %	3 %
Size	54 %	37 %	7 %
Design and look	44 %	38 %	16 %
Brand	42 %	40 %	16 %
Environmentally friendly	44 %	38 %	16 %

# EVs in 2024: Keep racing on, or at a crossroad?

Long hailed for their commitment to transitioning their vehicles from fossil fuels to electric, the Nordic countries have been a frontrunner in going green. Norway with a large set of incentives led the transition in Europe, with Sweden following close behind. Recently, Denmark and Finland have been catching up rapidly and are also ahead of most other European countries. But are EVs still selling at the same pace in 2024 in the Nordics? Let's look at the numbers.

### Increased range and sales

Initially, EVs depended on government incentives, as they could not compete with traditional forms of fuel like petrol and diesel in terms of range and vehicle price. However, as the technology has rapidly progressed, EVs have become an option for more people, especially in rural areas.

"Ten years ago, the average range of an EV was 200 kilometers. Today, it has more than doubled, averaging around 450 kilometers, removing "range anxiety" as a barrier for many potential buyers", says Steve Franklin, Chief Commercial Officer at Santander Nordics.

This also shows in the demographics of those who purchase EVs. Even

though the penetration still is the highest in the capital cities, more rural areas with longer distances are catching up. One example is Vestland of the western coast of Norway with its coast and fjords, which currently sits second in the ratio of electric vehicles, with over a third of every sold car being electric. Västra Götaland and Skåne are not far behind the capital in new EVs sold in Sweden.

### Market development

We at Santander see the development firsthand as we finance a significant market share of new cars. In 2016, only 3 % of the cars financed in the Nordic region were EVs. In 2023, the number had increased to a whopping 42 %, making EVs the uncontested favorite among car buyers.



Even though the penetration still is the highest in the capital cities, more rural areas with longer distances are catching up.

But how do the numbers look so far in 2024?

“The Nordic EV market continues to grow in Denmark but is declining slightly elsewhere. New registrations for all fuel types were down by 1,5 % in 2023, but EVs are still the most financed type, with around a third of all new cars being electric”, tells Franklin.

However, other fuel types, such as hybrids, diesel, and even petrol, are seeing a slight increase. While Norway and Finland are only experiencing a marginal decrease, the change has been most apparent in Sweden, where EVs’ financing dropped from 41,83 % at the end of 2022 to 30,67 % at the beginning of 2024. But what has caused this shift?

### Changes in Sweden

The governments in the Nordic countries have been eager to help transition away from combustion engines. Sweden had a climate bonus of

SEK 70 000, which was reimbursed to everyone who bought an electric car. However, at the end of 2022, this incentive was removed due to budgetary constraints, as it had been widely utilized by consumers.

While EVs are still the preferred option among Swedish buyers, all other fuel types have taken some market



**Steve Franklin,**  
CCO Santander Nordics

share. Like Finland, the popularity of full (HEV) and chargeable hybrids (PHEV) is increasing, indicating the use of zero-emission on shorter distances while taking advantage of combustion on longer drives, possibly due to the need to reduce charging time. Especially diesel, but also petrol has seen a slight increase in recent sales.

### **Incentives matter, but not completely**

As Sweden has removed some of the incentives, we are starting to see how it will affect the domestic market. This also helps us predict how other Nordic markets might respond if their governments remove or reduce similar incentives. While removing the climate bonus seems to have shifted consumer preferences in Sweden, the number of newly registered EVs is still high. For some more price-sensitive consumers, an increased price of SEK 70 000 has encouraged different fuel types, such as hybrids or diesel. However, as technology has progressed, especially regarding range and comfort, EVs stand their ground in competing with other types. This, and the penalties manufacturers face through the EU regulations when

producing polluting vehicles (CAFE) will ensure EVs will be produced and sold. So, even though they are less dominant, there is no sign to write off EVs as the leading type in the Swedish market.

But what does this mean for the rest of the Nordics? Looking into the future is difficult, as demographics, economics, and culture affect consumer behaviors. As EVs become more popular, government subsidies become more costly, making the risk of removal or reduction plausible. Compared to Sweden's example, the subsidies have effectively increased sales but also made them last.

"It might be too early to tell if this is a possible outcome in other markets with a high EV ratio, like Denmark or Norway. As of now, EVs might have slowed down slightly, but they are still leading the race as Nordic consumers' most preferred type of car", concludes Franklin.

### **How many EVs does Santander Nordics finance each year?**

About 36 000 EVs were financed by Santander Nordics throughout 2023, which makes up 11 % of the registered EVs.

### **How do I finance an EV?**

The best option is to check Santander's car loan calculator, giving you the best option in terms of down payment, costs and other variables.

### **Which country has the most EVs?**

Sweden has the most EVs with 2 327 142 cars. However, Norway has the highest ratio with almost one third of all cars being electric.

### **What shares of registrations were financed?**

Most people use financing when acquiring a new car. For instance, the latest numbers show that over 90 % of cars registered in Sweden were financed.

### **What are the most purchased engine types for new cars in the Nordics in 2023?**

In the Nordics as a whole EVs come in first with 42 % market share, petrol is number two with 18 %, while diesel and plug-in hybrid share third place with 14 % market share each.

# Funds in reserve important for car purchase

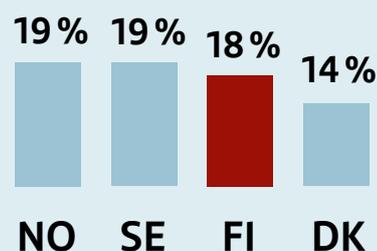
**Cash purchase, car loan, and personal savings are the three most common ways respondents financed their current car in the Nordic countries.**

When asked about the type of financing they are considering for their next car purchase, cash purchase, personal savings, and trade-in are the three preferred financing methods. While 6 % have financed their current car with leasing, 14 % are considering this for their next car purchase.



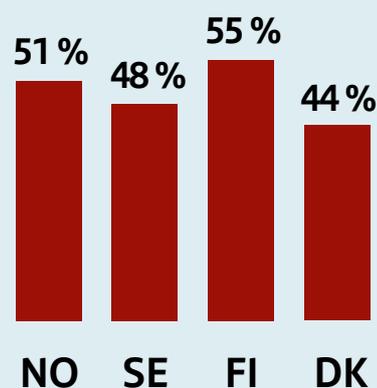
## Plans to buy a car within the next year

The survey shows that the Finnish respondents rate their financial situation poorer than the three other countries. However, there is little difference between the countries in whether one plans to buy a car within the next year.



## Expect to keep current car up to three years

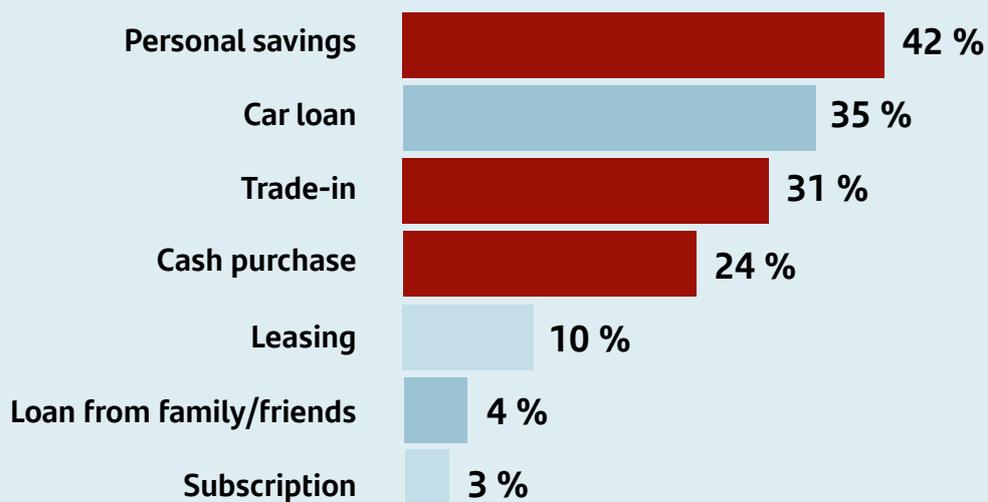
About half of the car owners in the Nordic countries plan to keep their current car for a maximum of three years. 11 % of them intend to keep the car for up to one year.



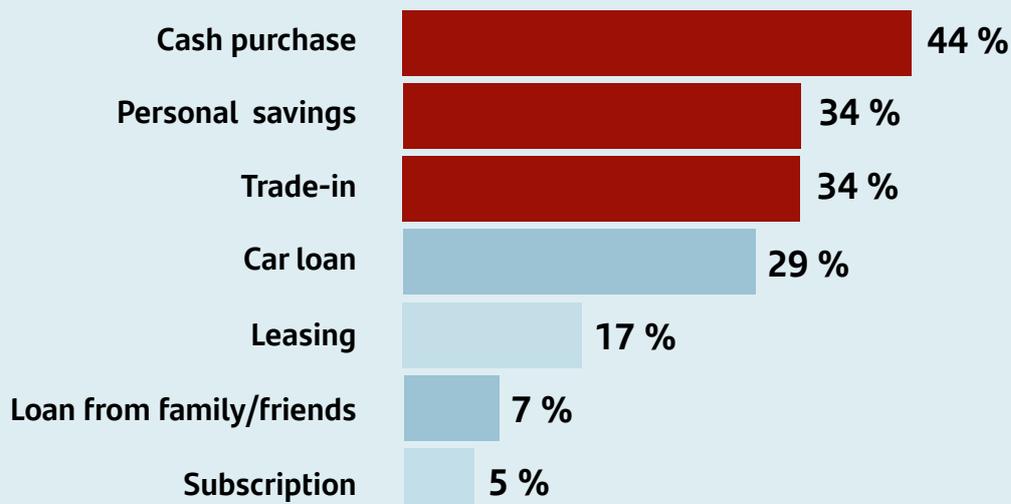
## Highlights per country

**Cash purchase**, personal savings and trade-in are the three preferred financing methods car owners are considering for their next car purchase. The charts illustrate the differences between the various countries.

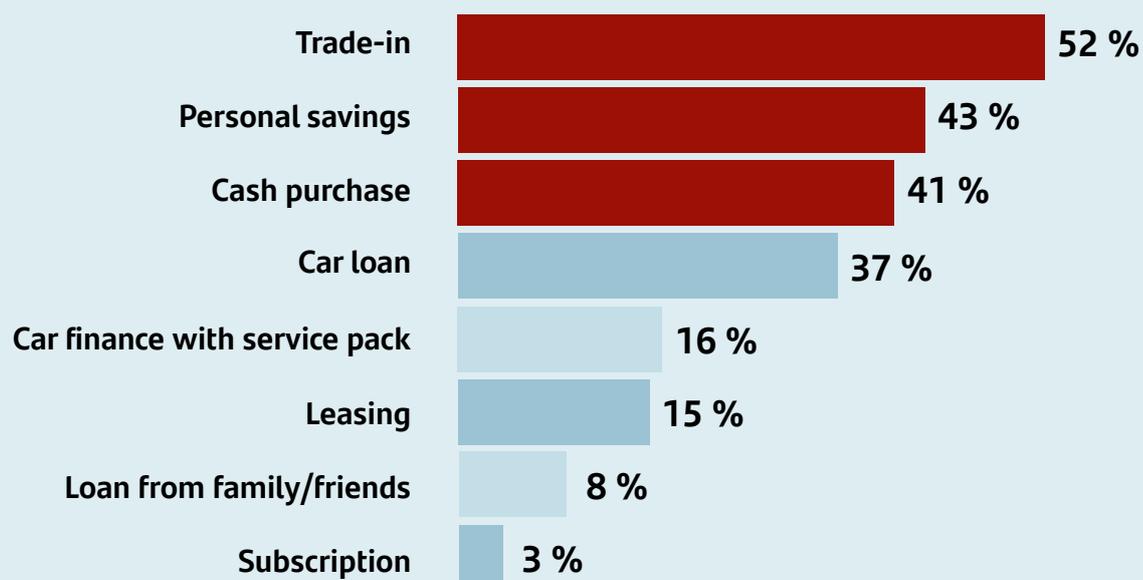
### Norway



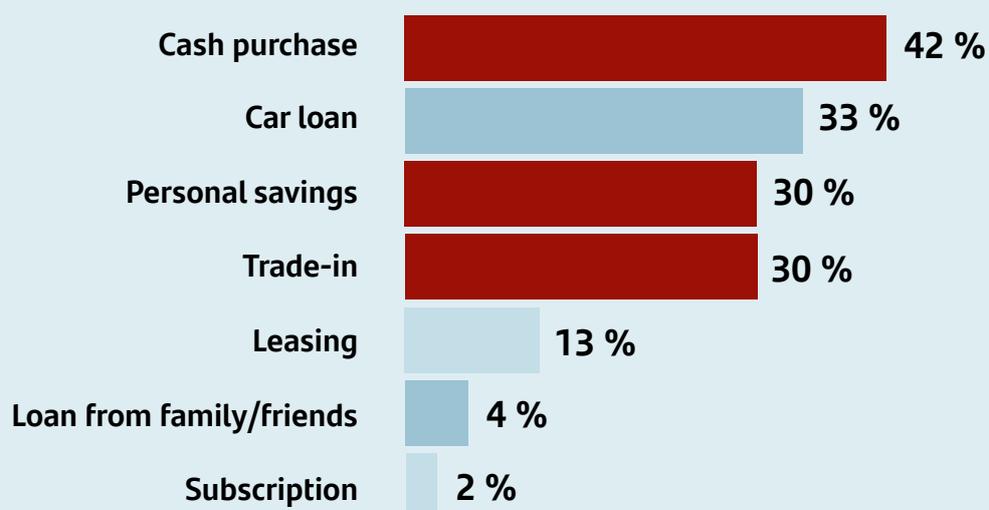
### Sweden



## Finland



## Denmark



# Loan or leasing: Which to choose, and how is the market developing?

**Acquiring a new car is a big decision for most people. They must choose between brands, models, and consider factors like mileage. Another crucial decision is whether to finance the car through a loan or choose leasing. Which is the best decision, and what are other people in the Nordics opting for in 2024?**

### **Freedom of ownership**

The main reason to opt for a loan is ownership. With each payment, the path to full ownership becomes shorter. Once the loan is paid off, the car is entirely yours, meaning you can use it without any further payments. With ownership, even with depreciation, it is possible to sell the car and reinvest it in a new vehicle or other assets. This ensures some form of financial return at the end.

Practically, there are also some reasons for opting for a loan. When leasing a car, there are often restrictions on mileage, and exceeding that limit will result in additional costs. Frequent drivers who often travel longer distances, for instance, to visit a vacation home or family, having the

freedom not to worry about mileage could be important.

“If you plan to drive over 25 000 kilometers a year, you should consider owning the vehicle.”, says Olav Hasund, Auto Director at Santander Nordics.

### **Safety of leasing**

Leasing, on the other hand, is often a safer option. Leasing a car often results in lower monthly payments compared to a loan. Therefore, leasing allows for easier access to higher-end or newer models. Reselling might also be difficult, which can be avoided with leasing, as the vehicle can be returned to the dealership when the three-to-four-year period is over.



Even though ownership is still the preferred option among drivers, more prefer to opt for leasing than earlier.

“If you are concerned about selling the car in the future, leasing is the safest option. As long as you can afford the monthly payments, the risk is minimized at the end of the period. Additionally, you avoid the cost of depreciation, as cars often lose the most value in their initial years of usage.”, says Hasund.

### **What to consider**

Both loans and leasing have their advantages. According to the experts, there are several key questions to consider:

“The decision should ultimately depend on three main factors: your financial situation, driving habits, and personal preferences.”, says Hasund.

However, how are these precautions affecting decision-making in the Nordics, especially considering the economic and political climate?

### **Leasing has become more normal, but ownership still dominates**

Recently, the number of people opting for leasing has increased significantly. Although ownership remains the preferred option among urban drivers, leasing has become more popular, especially among urban drivers. A study by Statistics Norway shows a larger increase in leasing around the capital area. Possible reasons include younger urban residents' preference for leasing, increased restrictions on driving in cities, improvements in public transport, and a reduced need for cars compared to a few years ago. Additionally, high inflation and interest rates have increased car financing costs across the Nordics.

However, the Nordics differ widely in terms of which form they prefer. Norway, and especially Finland, prefers to use loans when purchasing cars, with the latter having over 80 % financed. The Danes are on the op-

posite side, with over 80 % leasing, while the Swedes follow closely behind with above 70 %.

The common denominator is that leasing has increased in all markets except Sweden. As the Nordic economies look to improve, this could hint at a new shift, as Sweden was the first to lower interest rates in May.

However, the impact might take a while until it becomes noticeable. Until then, leasing looks to be increasing further throughout 2024.

<b>Country</b>	<b>Year</b>	<b>Loans %</b>	<b>Leasing %</b>
Denmark	2023 Full year	19,8 %	80,2 %
Denmark	2024 YTD	19,7 %	80,3 %
Finland	2023 Full year	83,1 %	16,9 %
Finland	2024 YTD	80,5 %	19,5 %
Norway	2023 Full year	65,0 %	35,0 %
Norway	2024 YTD	64,5 %	35,5 %
Sweden	2023 Full year	28,3 %	71,7 %
Sweden	2024 YTD	29,7 %	70,3 %

### **What are the benefits of leasing?**

Lower monthly payments, option to switch car more often and no issues with reselling or depreciation of value.

### **What are the benefits of loans?**

No restriction on milage and full ownership of the car after the loan period.

### **What should you consider when choosing between leasing and loan?**

Financial situation, driving habits, and personal preferences on owning and total cost of ownership.

### **What is most normal: Loan or leasing?**

Most people finance with Santander through loans in Finland and Norway, but leasing has increased the most in recent years and is now the preferred option in Denmark and Sweden.

### **How many cars does Santander Nordics finance?**

Each year Santander Nordics finances between 240 000 and 275 000 cars.



**The Nordic survey** was conducted by YouGov on behalf of Santander Nordics in July 2024, among 4 000 car owners in Denmark, Sweden, Finland and Norway.

**Would you like to know more?** Visit our local websites for contact details.

[santander.no](https://santander.no), [santander.se](https://santander.se), [santander.dk](https://santander.dk), [santander.fi](https://santander.fi)