

From credit repayment incidents to overindebtedness: aggregate developments and individual trajectories

The *Fichier national des incidents de remboursement des crédits aux particuliers* (FICP – National Register of Household Credit Repayment Incidents) records payment incidents related to loans. In the event of persistent difficulties, individuals can apply for debt restructuring to find a solution tailored to their situation.

At the aggregate level, there is a relationship between the number of new cases recorded in the FICP and the number of debt restructuring applications filed 12 months later. In 2024, 58% of applicants had experienced at least one payment incident over the 2016-24 period. These individuals tend to be more indebted, younger and better integrated into the labour market than those that have never had a payment incident. However, the latter group still accounted for 42% of applications in 2024, suggesting that payment incidents are not necessarily a precondition for overindebtedness.

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JEL codes
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G51

58%

of people who applied for debt restructuring in 2024 had experienced at least one payment incident beforehand

Of these 58%

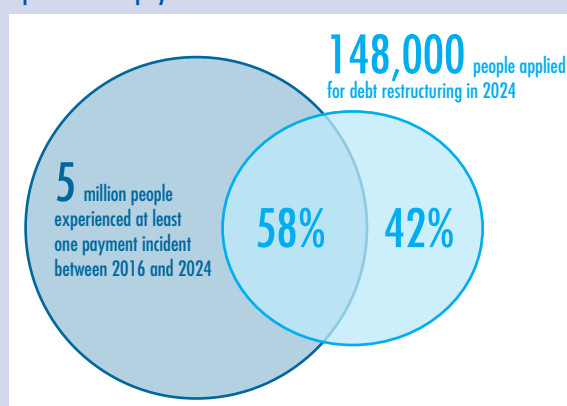
21%

had experienced their first payment incident in the year in which they applied for debt restructuring

4

Average number of payment incidents per person

Debt restructuring applications filed in 2024 and prior loan repayment incidents



Source: Banque de France.

Note: Applications submitted by debtors and co-debtors.

Interpretation: 58% of people who applied for debt restructuring in 2024 had experienced at least one loan repayment incident in the period 2016-24; 42% had never experienced an incident.

1 A link between FICP entries and applications for debt restructuring

FICP entries are an indicator of households' financial health

The *Fichier national des incidents de remboursement des crédits aux particuliers* (FICP – National Register of Household Credit Repayment Incidents) records all late payments reported by banks on non-business overdrafts and loans, as well as individuals who have begun debt restructuring proceedings (see appendix). The register is used by banks to assess borrowers' creditworthiness. Being listed on the FICP may lead a bank to refuse a loan application, but it is not in itself a legal obstacle to obtaining a loan. In addition to helping measure credit risk, the FICP is designed to prevent households from getting into excessive debt. Entries in the register are published monthly in the *Baromètre de l'inclusion financière* (Financial Inclusion Barometer, Banque de France, 2019 et seq.) and provide insight into the difficulties individuals encounter in repaying bank loans.

After slowing during the Covid-19 pandemic, payment incidents¹ began to rise as of 2022, fuelled by issues with consumer credit and overdrafts (see box). This mainly reflects the impact on households of the energy crisis of 2022-23: the rise in consumer goods prices (especially

food and energy) affected poorer households disproportionately (Abdouni et al., 2024), leaving them less able to repay debts and, in some cases, forcing them to take out new loans to cover their day-to-day expenses (OIB, 2024).

The rise in debt restructuring applications from 2023 followed on from the increase in payment incidents

The rise in debt restructuring applications over the past two years follows a period of decline that began with the adoption of the Lagarde Law in 2014, which tightened conditions for providing consumer credit (Banque de France, 2020). The decline accelerated further during the Covid-19 crisis, due to the difficulty of physically submitting applications during lockdown and the government's decision to provide substantial aid for households (Antipa, Jean and Nivat, 2021).

According to a survey of online debt restructuring applicants conducted by the Banque de France since 2023,² 41% of respondents cite a worsening of their financial situation as the main reason for applying. A third of respondents say these difficulties date back less than 12 months, while a third say they have lasted for between one and two years, and another third say they have lasted for over two years.

1 Payment incidents here refer to incidents concerning the repayment of non-business loans and overdrafts and excludes applications for debt restructuring (see box).

2 The aim of the survey is to provide insight into the difficulties encountered by individuals and the reasons behind their application (Banque de France, 2025).

BOX

The rise in payment incidents as of 2022 mainly concerns consumer credit

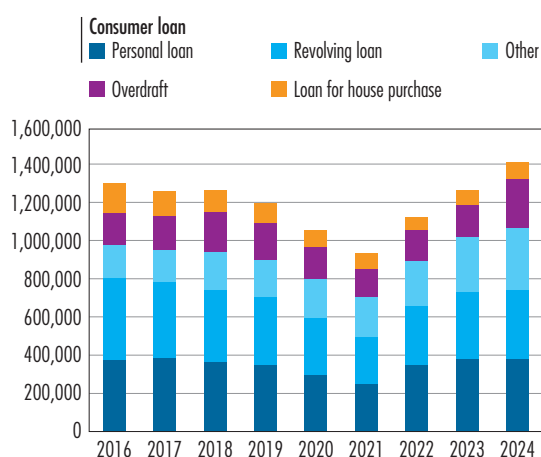
In 2024, more than 900,000 individuals were placed on the *Fichier national des incidents de remboursement des crédits aux particuliers* (FICP – National Register of Household Credit Repayment Incidents), representing a total of 1.4 million payment incidents. Of these incidents, 76% involved consumer loans, of which 27% were personal loans, 26% revolving loans and 23% other types of loan. The “other” category includes single-purpose loans, leases with purchase options, split payment loans and mini-loans. The share of incidents involving loans for house purchase was 6%.

Loan repayment incidents have been rising steadily since 2022: +20% from 2021 to 2022, +13% from 2022 to 2023 and +12% from 2023 to 2024. In 2024, the number was significantly higher than in the previous observation period (2016-23) – see Chart A.

Over the past three years, the rise has been fuelled by revolving and personal loans (which make up the majority of debt in debt restructuring applications). Incidents involving overdrafts increased sharply in 2024 but remain limited (see Chart B).

CA Loan repayment incidents

(in units)

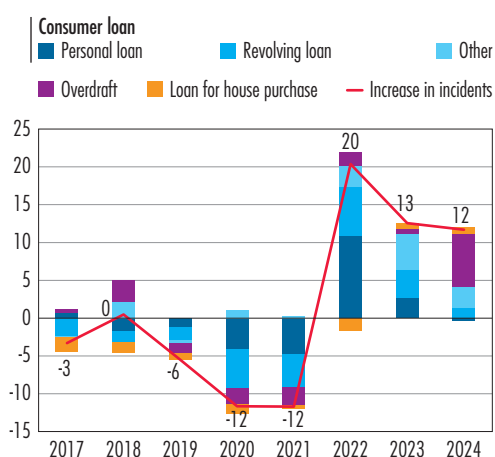


Source: Banque de France.

Note: Number of incidents recorded in the *Fichier national des incidents de remboursement des crédits aux particuliers* (FICP – National Register of Household Credit Repayment Incidents), excluding entries related to debt restructuring proceedings.

CB Annual change in payment incidents and contribution by loan type

(% change, contributions in percentage points)



Source: Banque de France.

Interpretation: Payment incidents increased by 12% in 2024 compared with 2023.

Overdrafts accounted for 7 percentage points of this rise. Other consumer loans include single-purpose loans, leases with purchase options and mini-loans.

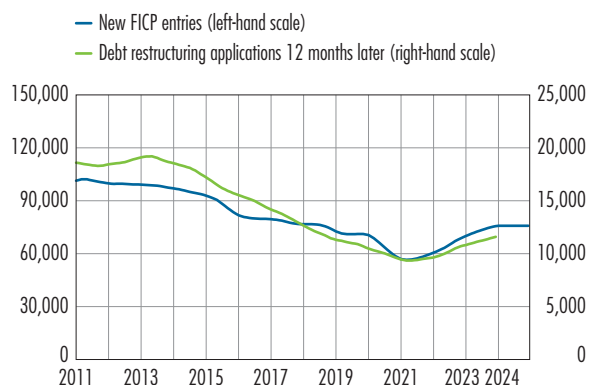
A link between loan repayment incidents and the number of debt restructuring applications 12 months later

Over the 2010-24 period, there is a strong correlation between the number of individuals placed on the FICP and applications for debt restructuring. This is confirmed by comparing new loan repayment incidents and debt restructuring applications submitted after a 12-month lag.³ However, not all loan repayment incidents lead to a debt restructuring application; indeed, only one in six new incidents is followed by an application (see Chart 1).

In nearly a third of cases, the incident proves temporary and is resolved by the borrower within three months. In another third of cases, the individual remains on the FICP for the legal maximum of five years, reflecting a structural inability to repay their future loan instalments.

C1 New FICP entries and debt restructuring applications

(monthly flows in units, adjusted for seasonal and irregular variations)



Source: Banque de France, *Baromètre de l'inclusion financière* (Financial Inclusion Barometer, 2019 onwards).

Notes: New entries in the FICP for all reasons, including debt restructuring proceedings, and number of debt restructuring applications filed after 12 months (see appendix).

In the long term statistical series, it is not possible to distinguish between the two reasons for inclusion in the FICP and delete data relating to debt restructuring proceedings. However, the latter only account for 5% of FICP entries at the end of the observation period.

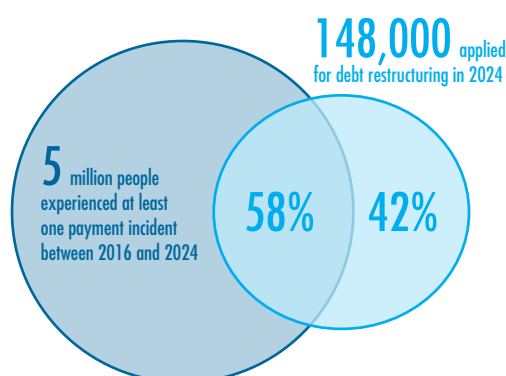
2 A majority of applicants have experienced a payment incident before filing for debt restructuring

The following analysis is based on individual data on people who applied for debt restructuring in 2024 and those who experienced at least one payment incident between 2016 and 2024 (see appendix).⁴ For each individual that filed an application in 2024 (and, where applicable, their co-applicant), we counted the number of times they were unable to meet a repayment on a loan or overdraft over the eight previous years.

In 2024, 58% of individuals who applied for debt restructuring had experienced a payment incident beforehand

Of the 148,000 people who applied for debt restructuring in 2024, 85,000 (58%) had been placed on the FICP due to one or more incidents involving a loan repayment or excessive overdraft in 2016-24 (see Chart 2).⁵

C2 Debt restructuring applications filed in 2024 and prior loan repayment incidents



Source: Banque de France.

Note: Applications submitted by debtors and co-debtors.

Interpretation: 58% of people who applied for debt restructuring in 2024 had experienced at least one loan repayment incident in the period 2016-24; 42% had never experienced an incident.

³ The 12-month lag results from a step-by-step selection of lags in a regression model linking overindebtedness to new FICP entries.

⁴ The study takes account of all FICP entries, even if the individual is subsequently removed from the list after repaying their arrears or after the legal maximum of five years. Entries resulting from debt restructuring proceedings are excluded.

⁵ In the vast majority of cases, the debt restructuring application is part of a pattern of repeated payment incidents. In some cases, the application is not the first or the last (Fraisie and Mueller, 2011).

Conversely, 42% of applicants (i.e. the remainder) were not listed in the FICP. In nearly two-thirds of these cases, the individual had taken out a loan but met all their repayments, from the first instalment to the time of the debt restructuring application. The remaining third of applicants had no loans, but were overindebted due to arrears on regular expenses⁶ (rent, utility bills, etc.) or other debts (taxes, legal penalties, etc.) – see table.

The share of applicants with prior repayment incidents is probably underestimated due to a lack of detailed data before 2016. However, it is unlikely that a debt restructuring application would be linked to a payment incident that occurred more than eight years earlier. Beyond this observation window, the overindebtedness is likely to be caused by factors other than those leading to the payment incident.

Nearly a fifth of first-time payment incidents occur in the year the debt restructuring application is filed

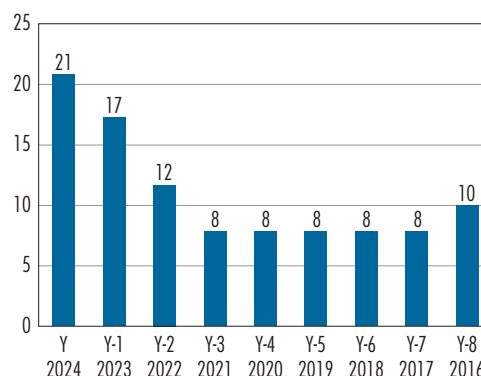
Of those people who applied for debt restructuring in 2024 following a payment incident in 2016-24, 21% had experienced their first payment incident in 2024, and 17% in 2023. In the majority of cases, therefore, the first payment incident had occurred before 2023 (see Chart 3). For 2021 and all previous years, the proportion was stable at 8%, except in 2016 when it was 10%.⁷

Overindebted individuals who have had a payment incident are younger and better integrated into the labour market than those with no payment incidents

On average, individuals placed on the FICP over the period 2016-24 had experienced two prior payment incidents, while those who applied for debt restructuring in 2024 had experienced nearly four (see table).

C3 Year of first loan repayment incident for individuals who applied for debt restructuring in 2024

(breakdown in %)



Source: Banque de France.

Interpretation: Of the 58% of people who applied for debt restructuring in 2024 and had experienced a repayment incident since 2016, 21% experienced their first incident in 2024.

For two thirds of applicants, the incident(s) only related to one bank, while for 22.1% they related to two banks, and for 12.5% to three or more.

On average, those who experienced a payment incident prior to their debt restructuring application were younger (aged 45 compared with aged 50). They were more frequently in employment (65.1% compared with 54.1%) and had higher resources, as well as a higher median level of debt.⁸ They were more likely to have a bank loan because they were more likely to meet the banks' lending criteria: 85.8% had at least one bank loan, compared with 62.8% of those who applied for debt restructuring without a prior payment incident (see table, note c).

Those who filed an application without a payment incident were more likely to have outstanding debts on regular expenses (37.2% compared with 14.2%).

⁶ Failure to pay these debts does not lead to inclusion in the FICP.

⁷ 2016 is the first year of observation for individuals experiencing payment incidents. They may have experienced prior incidents.

⁸ Value separating a population into two halves.

Characteristics of debt restructuring applications filed in 2024, with or without a prior payment incident in 2016-24

	Unit of measure	With incident(s)	Without incident
Incidents	Units (average)	3.6	0
Banks ^{a)}			
1	%	65.4	–
2	%	22.1	–
3 or more	%	12.5	–
Debt	Euro (median ^{b)})	25,011.3	16,708.5
Regular expenses or other debts	%	14.2	37.2
At least one loan taken out	%	85.8 ^{c)}	62.8
Age	Years (average)	45.5	49.6
In work	%	65.1	54.1
Unemployed	%	22.9	27.8
Retired	%	12	18.1
Monthly income	Euro (average)	1,968.7	1,780.4

Source: Banque de France.

Scope: Applications filed, applications rejected or closed – which account for 16% of all applications.

a) Number of banks that reported an incident.

Measurement not possible for situations where no incident was declared.

b) The median is the value that separates a population into two halves.

c) The share is not 100% because, in 7% of cases, the loan to which the payment incident related at the date of application was an overdraft, and for the remaining 7% the loan had been repaid.

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In the majority of cases, applications for debt restructuring are preceded by several payment incidents. The individuals concerned are more likely to be in work, have higher levels of debt, and are more likely to have taken out more than one loan than those who have not encountered a payment incident before debt restructuring. Future studies could look more closely at the factors leading up to debt restructuring: macroeconomic or individual risks, sociodemographic features, etc.

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Appendix

Concepts and data used in the study

Definitions

Debt restructuring application: The study looks at filed applications rather than those that have actually been processed, which form the basis for the annual *Enquête typologique sur le surendettement des ménages* (Typological Survey on Household Overdebtedness, Banque de France, 2025). A filed application is one that has been signed and submitted by the applicant, and for which the Banque de France has acknowledged receipt. Processed applications are those that have been examined and on which the household debt commissions (for which the Banque de France provides secretariat services) have issued a final decision (solution, rejection, closure).

Fichier national des incidents de remboursement des crédits aux particuliers (National Register of Household Credit Repayment Incidents): The FICP is managed by the Banque de France and lists all individuals who have encountered difficulties paying back one or more non-business loans or overdrafts. Overindebted individuals are also placed on the register from the date they file a debt restructuring application with a household debt commission; the amount of time they remain on the list varies depending on the repayment plan drawn up under the restructuring procedure. An individual can be placed on the register for more than one incident or reason.

A payment incident is recorded if an individual:

- has missed payments equal to the amount of the last two instalments on a loan that is repayable monthly;
- is more than 60 days past due on an instalment of a loan repayable at a frequency other than monthly;
- is more than 60 days past due on the repayment of a non-instalment loan of at least EUR 500 (e.g. an overdraft) after receiving notice to pay from the bank;

- has failed to pay back a loan that has to be repaid immediately and in full because the bank has started legal proceedings or has foreclosed on the loan due to the borrower's failure to respond to a formal notice.

The bank is required to warn the customer that they must settle the loan within 30 days, after which they will be placed on the FICP. The maximum amount of time an individual can remain on the FICP is five years, but they can be removed in advance if they settle their debts.

Preparation of the data

Aggregate data (part 1 of the article): The aggregate series correspond to the flow of individuals placed on the FICP and the number of applications filed for debt restructuring.

For the 2010-18 period, new FICP entries are calculated using unpublished Banque de France data. From 2019 onwards, the data correspond to the statistics published in the *Baromètre de l'inclusion financière* (Financial Inclusion Barometer). The indicator is the gross monthly flow of entries; "gross" means that each register entry counts as one individual, even if the borrower has been removed after settling their debts and then placed on the register for a second time.

A person can be placed on the FICP either because of a loan repayment incident or prolonged overdraft, or because they have begun debt restructuring proceedings. It is not possible to distinguish between the two reasons in the long-run aggregate series, but debt restructuring only accounted for some 5% of FICP entries at the end of the observation period (calculated for the most recent period in which it is possible to make the distinction).

The flow of debt restructuring applications is constructed using data from the Banque de France's overindebtedness management application. The data have been published in the *Baromètre de l'inclusion financière* since 2019.

Granular data (part 2): Granular FICP data are only available from 2016 onwards. The study examines the characteristics of incidents recorded in the FICP due to late payments on loans or a prolonged overdraft (number, type of incident, etc.). Register entries resulting from debt restructuring proceedings (filing of an application or incident concerning the repayment plan) are excluded from the study. No natural or legal person can be identified from this study.

It is possible to trace, for each individual who filed an application – alone or with a co-debtor – the trajectory of loan repayment incidents or overdrafts leading up to the application. Individuals who filed an application in 2024 (134,803 applications over the year) are matched with those who experienced a payment incident between 2016 and 2024 (see table below). The matching process is somewhat complex and requires additional data processing.

Breakdown of debt restructuring applicants in 2024 according to whether or not they had a prior payment incident

(number in units, % share)

	Number	Share
Total	147,897	100
Of which: individuals who experienced a payment incident between 2016 and 2024	85,055	58
people with no incident	62,842	42

Source: Banque de France.

Notes: Applications filed by debtors and co-debtors.

FICP, *Fichier national des incidents de remboursement des crédits aux particuliers* (National Register of Household Credit Repayment Incidents).

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