



The COVID-19 Pandemic's Financial Impact on Hong Kong Consumers

The COVID-19 pandemic is creating a new reality as its impact has stretched to consumers of all generations and income levels.

TransUnion is tracking the changes of this data weekly and will be sharing it with all of you.

WEEK

2

Data collected week of
13 April

BACKGROUND

The current global COVID-19 pandemic is creating major economic and financial distress for consumers across the globe. Many jobs in the Hong Kong economy are already being impacted or at risk due to drastic demand shifts. We've conducted research to better understand consumers' perceptions and expectations for how this rapidly evolving situation is affecting their financial situation and subsequent ability to pay their bills. The insights in this report aim to help you make informed decisions at a time when information on consumer impact is still emerging. We are providing this report and additional resources to all so we can come together to support people during this trying time.

Key Takeaways

- 72% of Hong Kong consumers indicated that the COVID-19 pandemic has already had a negative impact on their household incomes, and an additional 11% of the respondents expected that their household incomes will be negatively impacted by the pandemic going forward.
- 68% of financially impacted consumers are concerned about paying their bills.
- 40% of impacted respondents contacted their creditors to discuss payment options and 57% of respondents said that at least some of the companies they have accounts with have provided guidance on payment options.
- Approximately 8% of all respondents became victims of digital fraud related to COVID-19.

RESEARCH METHODOLOGY

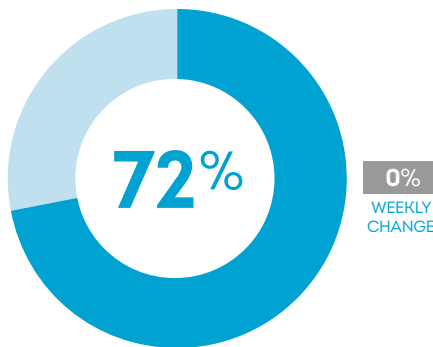
This online survey of 1,047 adults in Hong Kong was conducted from April 13 to April 16, 2020, by TransUnion in partnership with third-party research provider Qualtrics® Research-Services. Adults 18 years of age and older residing in Hong Kong were surveyed using an online research panel method across a combination of computer, mobile, and tablet devices. Survey questions were administered in English or Cantonese. To ensure the general population sample representativeness across Hong Kong resident demographics, the survey included quotas to balance responses to the population statistics on the dimensions of age, gender, household income, and region. These research results are unweighted and statistically significant at a 95% confidence level within ±3.03 percentage points based on a calculated error margin.

FINANCIAL IMPACT

WHAT IS THE SCALE AND TYPE OF IMPACT?

Approximately 72% of all respondents indicated that their household incomes were negatively impacted by the COVID-19 pandemic. An additional 11% of respondents indicated that they expect their household incomes will be impacted by the pandemic going forward. Approximately 56% of financially impacted respondents replied that their working hours were reduced and 29% indicated that their partners either lost their jobs or their partners' working hours were reduced.

Figure 1. Perceived impact.



Percentage of consumers who indicated their household income has been impacted.

Figure 2. Are you expecting to be impacted in the future?

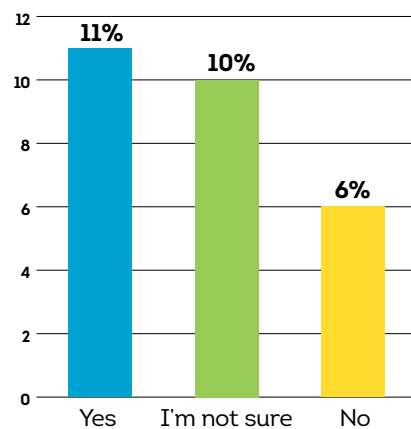
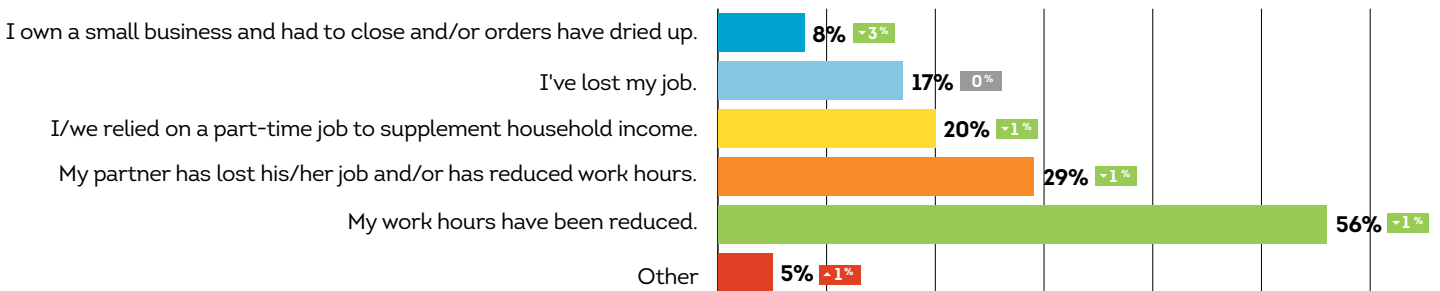


Figure 3. How is your current household income being impacted?



BILLS AND LOANS

HOW MUCH OF AN IMPACT WILL THIS HAVE ON BILLS AND LOANS?

Approximately 68% of negatively impacted consumers are concerned about their abilities to pay their bills and loans. Further details of consumer impact include the following:

- 46% of these consumers indicated that they will have difficulties paying their bills in 1-3 months.
- Credit cards is the bill most often indicated by consumers that they won't be able to pay (48%), followed by rental payment (39%), insurance premiums (31%), personal loan instalments (29%), and mortgage / home loan installments (22%).
- On average, impacted consumers expect to be short HK\$ 10,102.90 when trying to pay their bills.

Figure 4. How much is your budget shortfall?

On average, amount consumers who were impacted expect they will be short when paying bills or loans.



How soon will you not be able to pay?

Consumers who were impacted expect they will not be able to pay their bills or loans in

8.2 weeks.

Figure 5. Are you concerned about your ability to pay your current bills and loans?

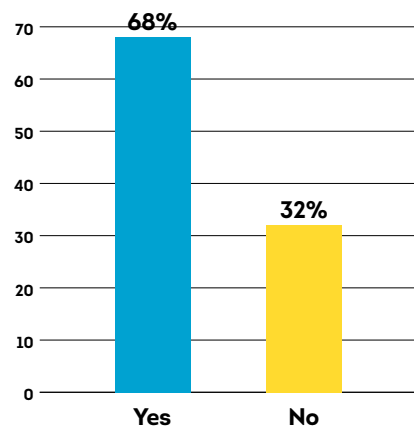


Figure 6. Regional level of concern regarding ability to pay bill(s)/loan(s).

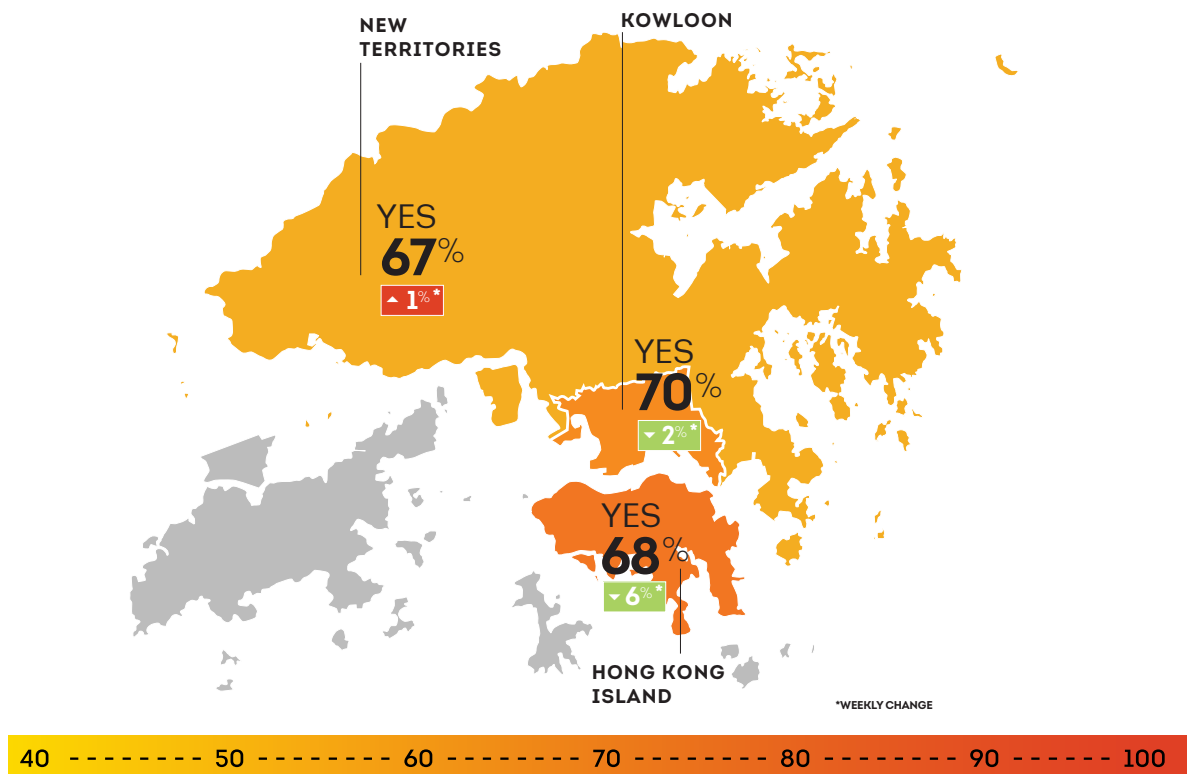
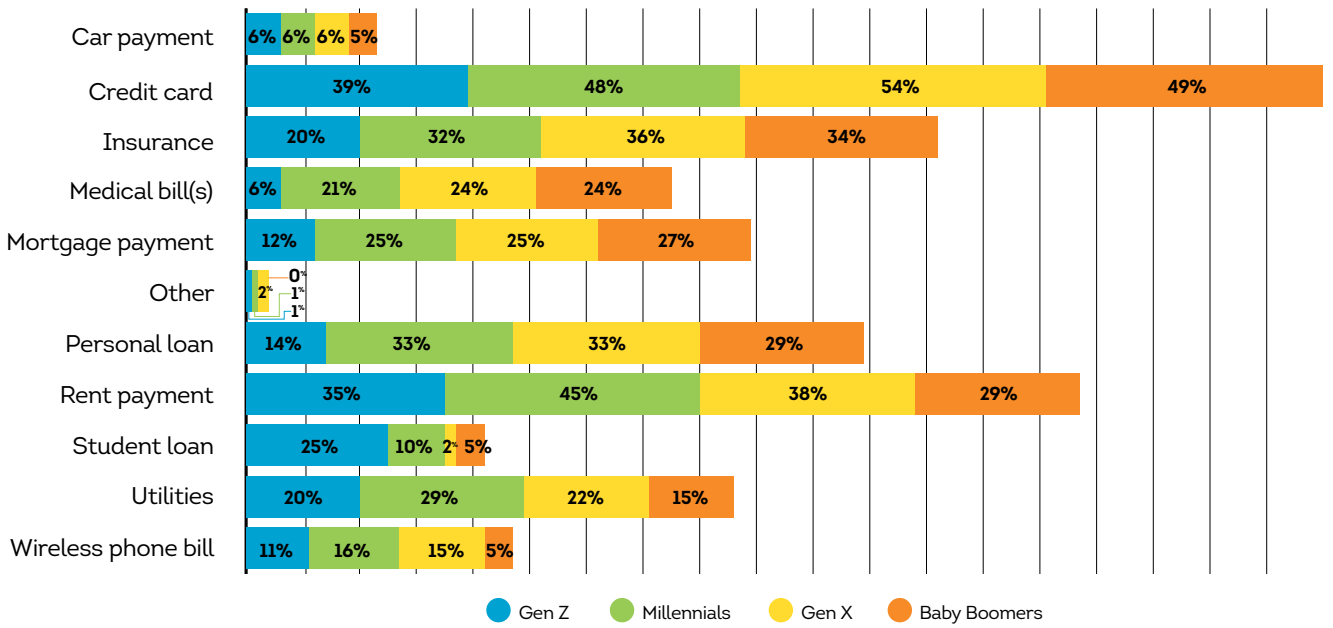


Figure 7. What bills and loans?



NEXT ACTION

WHAT IS YOUR GAME PLAN?

With regard to consumer plans to pay bills, 51% of impacted consumers plan to draw on their savings, 40% expect to borrow money from friends or family members and 29% anticipate partially settling outstanding payments. Approximately 40% of impacted respondents have contacted their creditors to discuss payment options and 57% said that at least some of the companies they have accounts with have provided guidance on payment options.

In addition, 50% plan to delay a vacation and 16% expect to defer a home purchase due to the COVID-19 pandemic.

Figure 8. What is your plan to help pay your current bill(s) or loans?

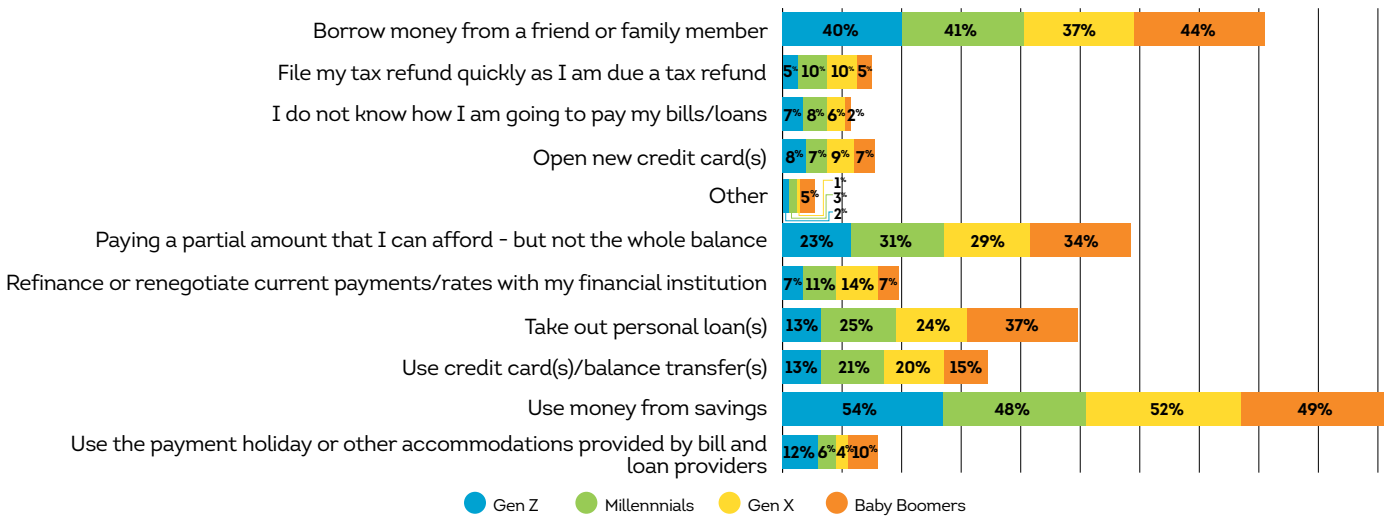


Figure 9. Have you reached out to companies you have accounts with to discuss payment options?

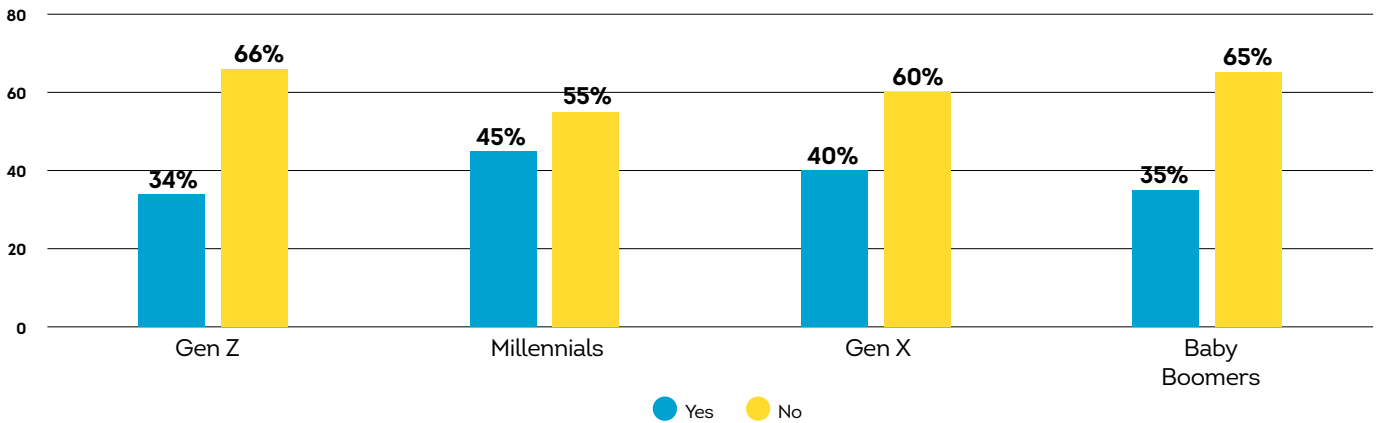
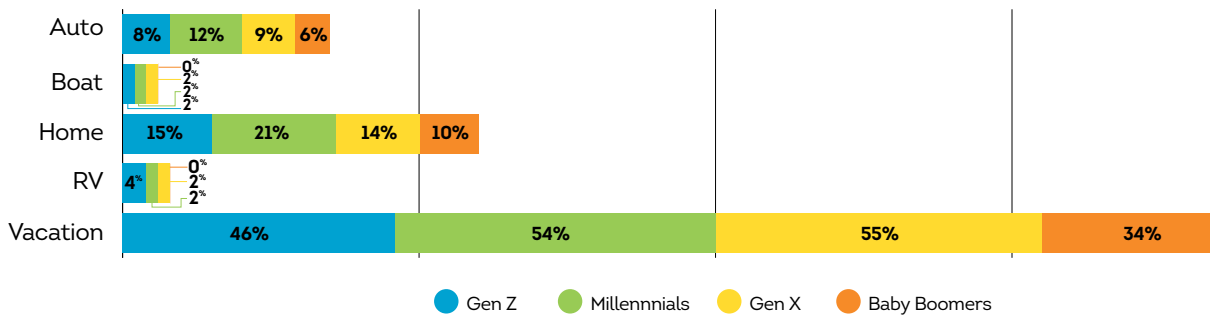


Figure 10. Are you delaying any of the following major purchases?



Other Key Insights

- Nearly all (95%) consumers indicated that the costs for treatment and screening of COVID-19 are important (slightly to extremely) when considering treatment.
- 8% of consumers said they have been victims of digital fraud related to COVID-19.

Figure 11. How important is cost to you when evaluating potential screening or treatment?

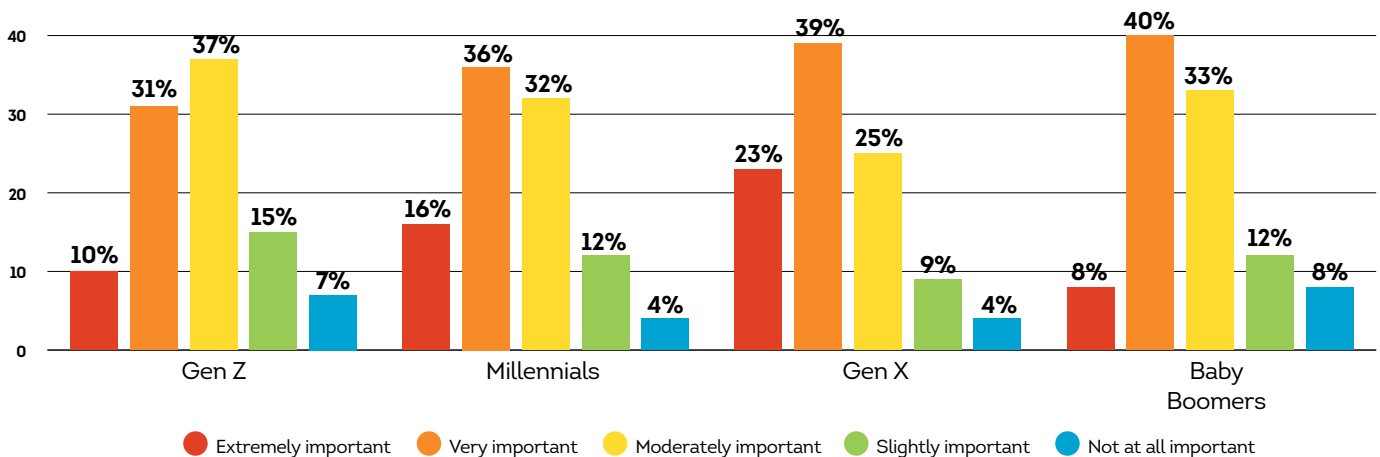
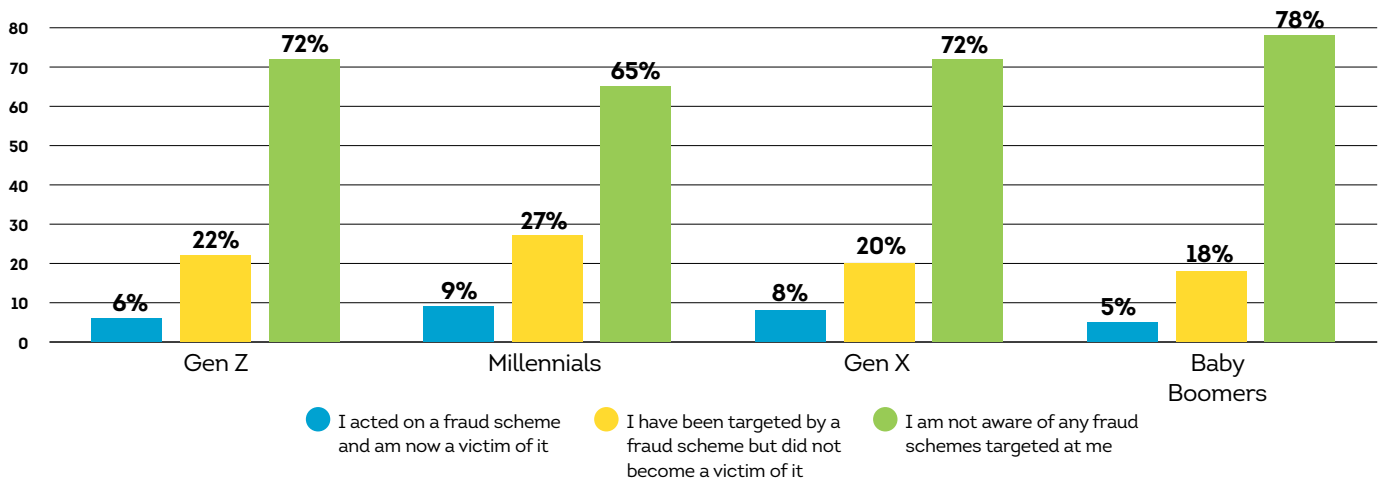


Figure 12. Which statement best describes your personal experience with any digital fraud attempts related to COVID-19?



CALL TO ACTION

If you found this information useful and would like to learn more, please come back for next week's report and visit our [Hong Kong Consumer Financial Hardship Study website](#). We at TransUnion are committed to continuing to provide you the updates, tools and resources you need to understand this evolving situation.

If you are a member of the media and would like to learn more, please contact:

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