



EQUIFAX®

Global Credit Trends

Emerging credit trends from the first half of 2026

1H
2026
RELEASE



Despite regional recoveries and rebounds driven by cooling inflation, persistent headwinds remain. Widespread cost-of-living pressures continue to cloud the outlook for global credit demand and performance.

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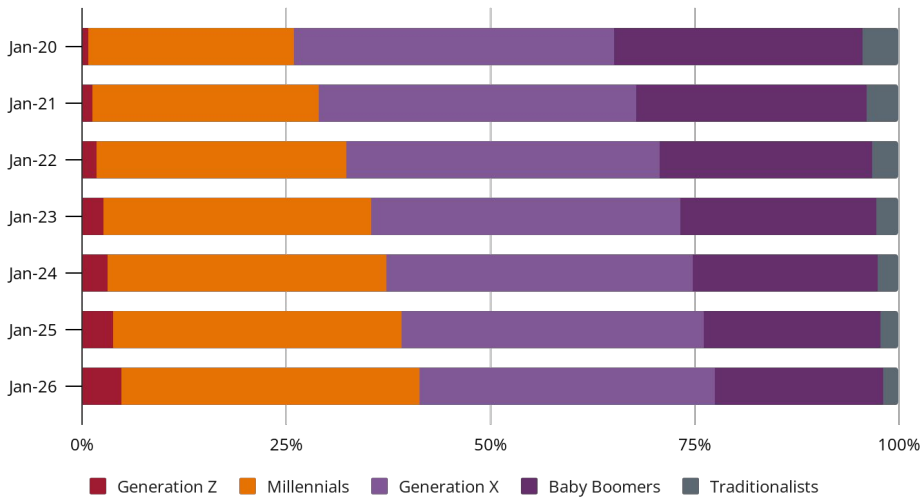


A generational credit shift is underway

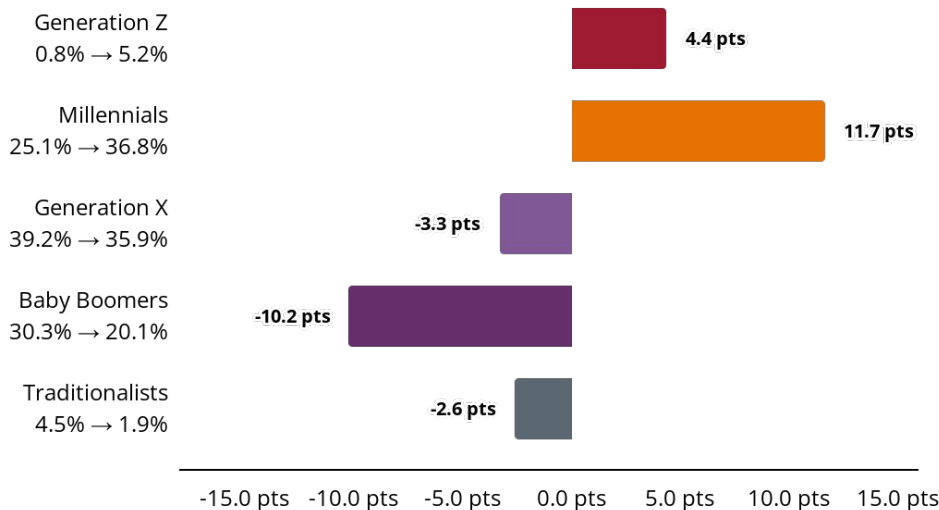
Millennials' share of U.S. debt caught up and surpassed Generation X in 2026, fueled by a surge in mortgage borrowing as older generations deleverage.

This Millennial growth is driven by homeownership, responsible for 70% of their overall debt and held by 30% of Millennial borrowers.

Share of U.S. debt by generation 2020 to 2026



Millennials lead debt share, Gen Z builds credit participation Generation Debt Share Transition: Jan'20 to May'26



What does this mean for customers?

- **Millennials caught up:** Millennials doubled their consumer debt footprint over six years, surpassing Generation X.
- **Generation Z is surging:** Generation Z is the fastest-growing credit demographic, expanding their overall debt share from 4.8% to 5.2% from January '26 to May '26.
- **The takeaway:** Partnering with Generation Z as they build their credit profiles presents a prime opportunity to secure long-term growth and customer loyalty.

Source: Equifax US National Consumer Credit Trends - Data as of May 2026



Assessing the BNPL pre-regulation baseline

As Buy Now Pay Later (BNPL) enters FCA regulation in the UK, proprietary transaction data highlights the rapid evolution of the product from an alternative payment method into core credit infrastructure, with consumers across cohorts evidently valuing the frictionless and embedded nature of the product.

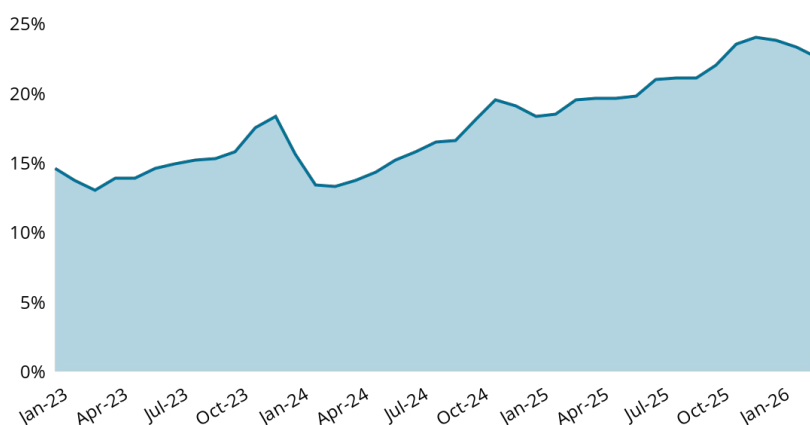
Analyzing the monthly total repayment share split between BNPL and credit cards demonstrates how **BNPL continues to capture retail finance market share**.

With that, BNPL is redefining financial inclusion, particularly for the next generation of borrowers. In 2025, **nearly 30% of BNPL users aged 18-24** made no other traditional credit repayments.

What does this mean for customers?

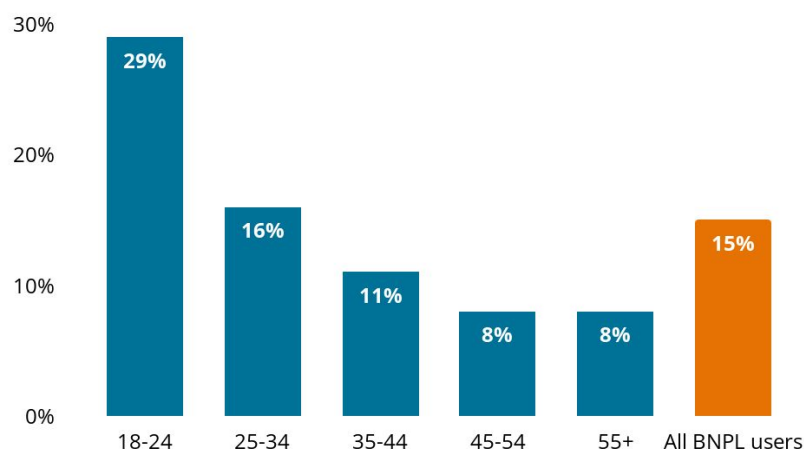
- BNPL has become deeply embedded in daily financial management. UK households are strategically leveraging BNPL as a tool to smooth their everyday cash flow.
 - **38%** of UK consumers utilized BNPL in 2025
 - **45%** of users had 5+ transactions in peak months

BNPL wallet share is growing



Serving the underserved

% of BNPL users by age group





Government policy reform triggers broad credit contraction

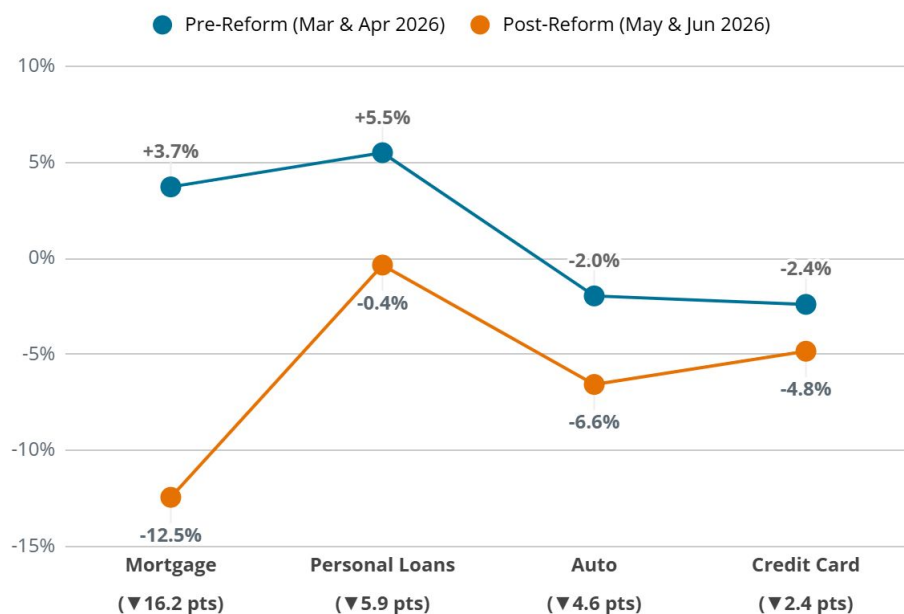
In May '26, the Australian Government announced major tax changes targeting property investors. Combined with sustained high interest rates, this policy reform caused an immediate, broad-based cooling in consumer credit demand.

Mortgage demand suffered a sharp 16.2 percentage point drop, swinging from pre-reform growth of +3.7% down to a -12.5% post-reform contraction. The pullback was not isolated to mortgages. Personal loan growth inverted into negative territory (-0.4%, down 5.9 pts), while ongoing contractions in Auto (-6.6%, down 4.6 pts) and Credit Cards (-4.8%, down 2.4 pts) deepened post-budget.

What does this mean for customers?

- With new market demand contracting, credit providers can refocus efforts towards retaining and refinancing existing low risk borrowers.
- The simultaneous drops in auto and credit cards show households are tightening spend. Lenders should monitor cross product behavior to spot early distress warning signs.
- In a shrinking market, winning prime applicants comes down to fast, automated decisioning and precise risk pricing.

Demand change by product vs. previous year





Mortgage holders face persistent financial pressures

While national credit health remains relatively stable in Q2'26, persistent high interest rates and mortgage renewal shocks continue to strain certain homeowners across all their credit obligations.

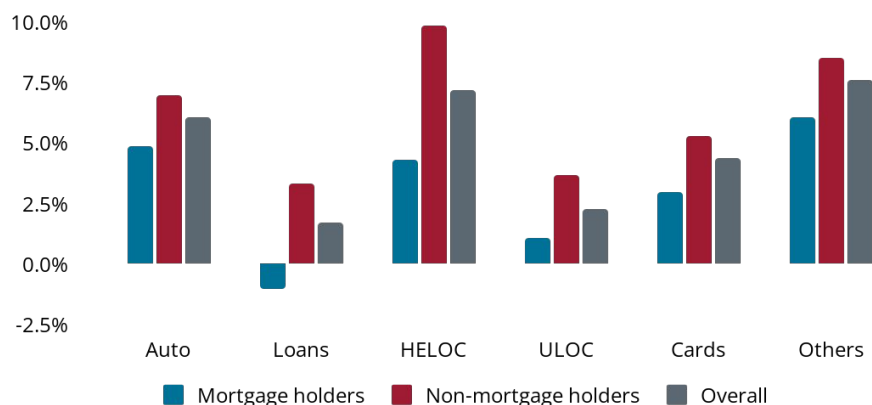
In Ontario, the 90+ day non-mortgage delinquency rate reached 0.86% — a **27% YoY increase**. While in rest of Canada, it rose just 2% YoY, highlighting the divergence for Ontario mortgage holders.

Homeowners in high-cost markets like Ontario face acute pressures that outpace rest of the country.

What does this mean for customers?

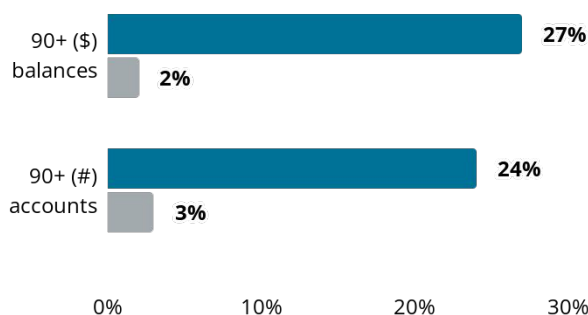
- **Spillover to consumer debt:** The burden of maintaining a mortgage is causing homeowners to fall behind on other bills. Nationally, the 90+ day non-mortgage delinquency rate crept up to 0.77% (+12.5% YoY) in Q2'26.
- **Heavy reliance on generational wealth:** For younger first-time home buyers, the immense costs of housing mean they can rarely do it alone. First-time buyers under 35 in Ontario and British Columbia are securing joint mortgages with older borrowers (typically parents) at **twice the rate** seen in the rest of Canada.

% YoY change in non-mortgage debt



% YoY change in 90+ delinquency rates

■ Mortgage holders in Ontario ■ Mortgage holders in rest of Canada



Global insight

As global tariffs and oil shocks intensify, these geopolitical pressures are compounding across the world economy, driving up costs for consumers and businesses alike.

United States

1H'26 was defined by a widening K-shaped consumer battling sticky inflation and depleted savings. As GDP sputtered to a sluggish 1.5%, the 'no hire, no fire' labor market cooled, hitting 4.2% unemployment alongside shrinking participation. Businesses navigated severe margin squeezes driven by compounding geopolitical shocks in Iran and skyrocketing 'RAMageddon' AI infrastructure costs.

Canada

Canada's economy is seeing a modest rebound in Q2'26, driven by consecutive months of GDP growth and cooling inflation at 2.8%. However, even as consumer activity picks up, financial strain remains, causing consumers to stay cautious with major purchases amid lingering and growing pockets of financial stress.

United Kingdom

The UK economy rebounded with robust momentum in the 1H'26. Driving G7-leading growth, GDP expanded by 0.6% in the first quarter and 0.4% in the second. While core inflation dropped to 2.6% in June, easing consumer cost-of-living pressures, geopolitical headwinds kept the Bank of England cautious, holding the base rate steady at 3.75%.

Spain

Spain concluded 1H'26 with strong momentum, solidifying its position as one of the Eurozone's main growth drivers. GDP growth accelerated to 0.7% in Q2'26 (2.7% YoY), fueled by resilient domestic demand, solid household consumption, and vibrant services activity. The economy maintains a solid outlook heading into 2H'26.

Australia

The RBA maintained the official cash rate at 4.35%. This decision follows evidence of softening underlying inflation. The Board noted significant upside risks, particularly persistent inflationary pressures and higher fuel prices, remain critical factors in their outlook.

New Zealand

The official cash rate remained unchanged at 2.25% through 1H'26, bringing an end to the cutting cycle as inflationary pressures re-emerged with the headline metric above the 1-3% target band at 4.1% at Q2'26. The Middle East conflict has yet to fully hit GDP.

Brazil

In Q2'26, Brazil cut the Selic rate to 14.25% to control inflation (3.36% YTD / 4.64% YoY) as GDP grew 0.2–0.3% QoQ (2.2–2.5% full-year). Despite tight monetary conditions, household credit expanded 8.5–9.2% YoY, while overall 30+ DPD delinquency stabilized at 7.00%. Credit demand (hard inquiries) rebounded slightly to 38.6 million applications under a selective lender risk appetite.

India

Gold loan disbursements continue to grow, with overall portfolio value rising at a similar rate QoQ. Small ticket lending outside private and public sector banks (NBFC, Fintechs) is gaining momentum.

Argentina

Economic activity grew 2.3% YoY in Q1'26 and 1.6% YoY in Q2'26, driven by agriculture and mining, despite an industrial contraction. Meanwhile, formal jobs have dropped since May '25, keeping unemployment near 8% and informal labor above 44%. 1H'26 inflation reached 33.5% YoY with a late-period deceleration, as interest rates fell 11.1 p.p. to 20.3%.

Ecuador

In 1H'26, private bank lending expanding by 9.8% YoY supported Ecuador's 2.0% non-oil economic growth, primarily financing business working capital and consumer needs. Lower interest rates and steady system liquidity boosted conversion rates, even as financial institutions kept strict underwriting standards.

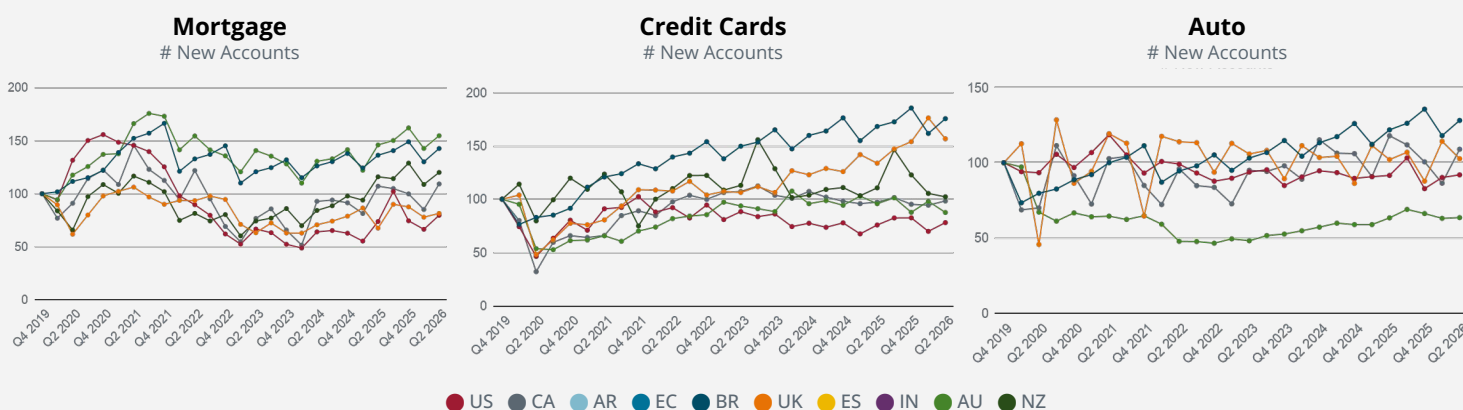
1H'26		GDP/Capita	Inflation		Interest Rate		Unemployment	
		+/- %YoY*	Percent	+/- YoY#	Percent	+/- YoY#	Percent	+/- YoY*
North America	US	1.82% ▲	3.50%	0.80 ▲	3.63%	-0.75 ▼	4.20%	0.10 ▲
	CA	1.59% ▲	3.00%	1.3 ▲	2.25%	-0.50 ▼	6.40%	-0.50 ▼
South America	AR	2.33% ▲	6.80%	-5.90 ▼	20.30%	-11.10 ▼	7.90%	0.00
	EC	2.10% ▲	0.70%	0.18 ▲	6.85%	-1.61 ▼	3.10%	-1.10 ▼
	BR	2.00% ▲	4.64%	-0.71 ▼	14.25%	-0.75 ▼	5.40%	-0.40 ▼
Europe	UK	0.95% ▲	2.60%	-1.00 ▼	3.75%	-0.25 ▼	4.90%	-0.20 ▼
	ES	4.90% ▲	3.00%	3.50 ▲	2.40%	0.25 ▲	9.87%	-2.30 ▼
Oceania & Asia	AU ¹	1.00% ▲	3.80%	1.70 ▲	4.35%	0.75 ▲	4.40%	0.20 ▲
	NZ ²	0.10% ▼	4.10%	1.30 ▲	2.25%	-1.00 ▼	5.60%	0.40 ▲
	IN	7.80% ▲	4.38%	-2.28 ▲	5.25%	-0.25 ▼	5.50%	0.40 ▲

*Data shows change in percentage compared to this quarter last year

#Data shows change in basis points compared to this quarter last year

Demand

Global credit demand in 1H'26 shows regional divergence, where market resilience is increasingly tempered by economic headwinds and tight monetary policy, notably impacting mortgage markets that had previously experienced long-term, sustained growth.



North America

Canada

Consumer credit demand softened in the first half of 2026, with non-mortgage inquiries dropping below 1H'25 levels. Auto demand remained sluggish compared to 1H'25, dropping by 9%.

This overall contraction highlights a widespread reluctance among Canadians to finance big-ticket items. While rising delinquency levels have started to slow, isolated pockets of financial strain continue to grow in some areas.

South America

Argentina

Demand declined during 1H'26, dropping 22.4% versus 2H'25 and 36% against 1H'25 (YoY).

Ecuador

Credit demand showed positive growth during 2026, supported by strong demand for business working capital and personal loans.

Brazil

Credit demand showed a mild seasonal rebound in Q2'26 — reaching 38.6 million applications (+5.1% QoQ) — as the Central Bank brought the Selic rate down to 14.25%. Lenders remained selective due to high household debt and overall 30+ DPD delinquency stabilizing at 7.00%.

Oceania and Asia

Australia

Mortgage demand and inquiries fell 9% YoY in Q2'26, reversing previous growth trends. This downturn follows announced tax reforms abolishing most negative gearing and capital gains tax benefits for investors.

New Zealand

Growth in mortgage inquiries driven by a competitive market and borrower churn has tempered in 1H'26 but volumes remain elevated (+10.5% vs. 1H'25). Personal loans also saw 4.9% YoY growth, while credit cards fell 2.6%.

India

Demand for gold loans continued to increase, growing at a similar rate to the previous half-year.

Europe

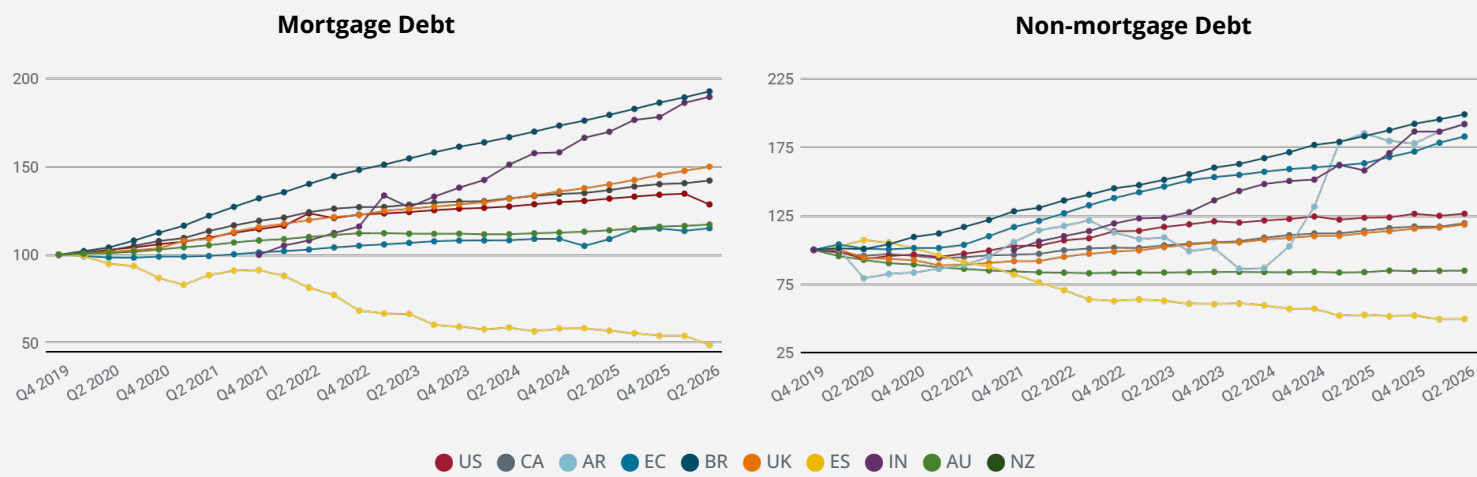
Spain

Domestic demand stood out as the main growth engine for Spain in 1H'26. Resilient private spending — backed by steady job creation, real wage gains, and lower borrowing costs — effectively offset softer net external demand.

Chart data is indexed as of Q4 2019, except India which is Q4 2021. The New Zealand index was rebased in Q4 2021 due to account adjustments. Chart data may not include all countries represented in the chart legend.

Overall debt

Debt levels are currently resilient, though momentum is cooling in originations for some regions with a combination of tighter monetary controls and cautious consumer spend.



Mortgage debt

United States

In Q1'26 mortgage debt continued the upward trajectory from the prior year to \$13.2T before dipping 2.5% YoY in Q2'26.

Canada

Mortgage debt maintained a steady upward climb in Q2'26, rising 1.04% quarter-over-quarter and 3.96% YoY.

Australia

A decline in mortgage applications has yet to impact overall portfolio size. Total value of mortgage credit limits grew by 7.2% year-on-year in Q2'26.

Brazil

In Q2'26, credit expansion remained robust, with total consumer credit and household lending growing by 8.5–9.2% YoY. Non-mortgage origination (credit cards, auto, and personal loans) surged 11.8% YoY, continuing to drive market growth and representing the majority of total household debt.

Spain

In 1H'26, Spain's public debt reached a record nominal high of €1.76 trillion in June, though strong economic growth helped lower its debt-to-GDP ratio to approximately 101.5%.

India

Overall portfolio debt grew by 10% compared to last year.

Non-mortgage debt

United States

U.S. non-mortgage debt remained mostly flat during 1H'26, rising 1.2% from Q1'26 to Q2'26.

Canada

Following a drop in non-mortgage debt in Q1'26, balances saw a seasonal rebound in the second quarter. Non-mortgage debt reached \$712.2B in Q2'26, marking a 4.8% jump YoY and a 2.09% increase from Q1'26.

United Kingdom

The long term increasing trend in credit card balances continued into 2026, demonstrating the strong demand and supply in the market. Total credit card debt is now 18.5% above pre-pandemic levels.

Argentina

During 1H'26, debt levels rose by 5.8% vs 2H'25 and 22.8% vs 1H'25.

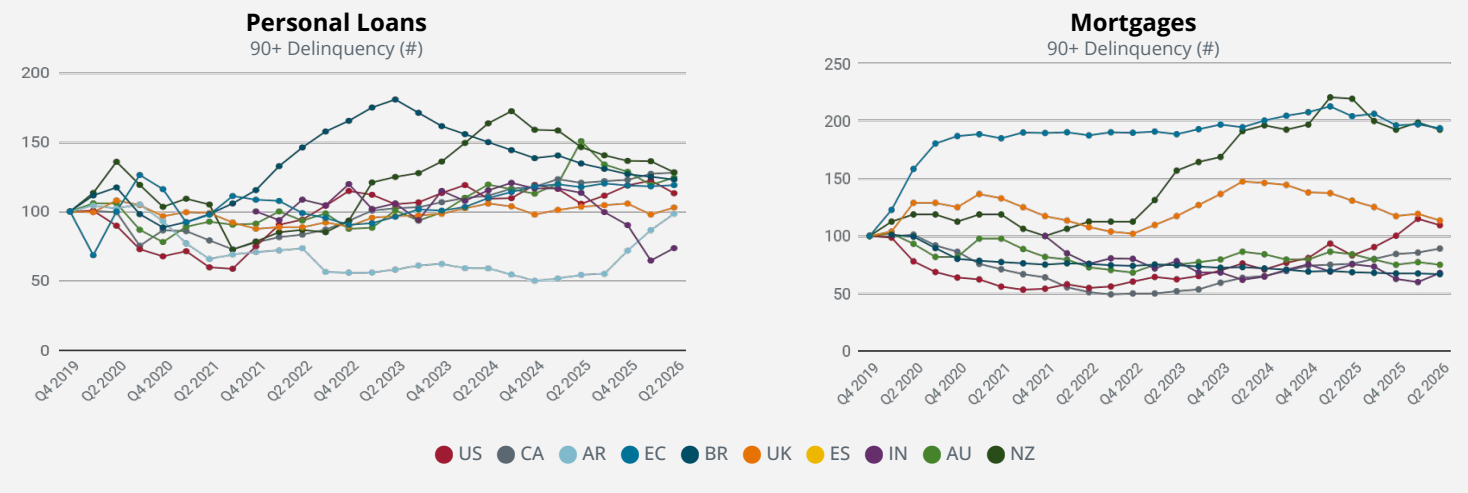
Spain

Spain's debt profile in 1H'26 is characterized by a strong, continued deleveraging of the private sector (both households and corporations) paired with high but gradually consolidating public debt. Robust nominal GDP growth and lower interest rates have helped keep financial debt burdens well below Eurozone averages.

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Delinquencies

Delinquency rates for both personal loans and mortgages staying resilient for many regions despite headwinds in the economy.



North America

United States

Mortgage delinquencies ticked higher to 0.99% in Q1'26 before leveling to 0.94% in Q2'26, both notably higher compared to corresponding YoY time periods (0.81% in Q1'25 and 0.72% in Q2'25). Installment Loan delinquency rates began the year at 2.15% before sliding to 1.99% in Q2'26.

Canada

National non-mortgage delinquency rates saw a seasonal improvement from the previous quarter, but remain persistently elevated YoY. This ongoing financial strain is widely felt, with approximately 1 in 21 Canadians missing a credit payment during 2Q'26.

South America

Argentina

Delinquency rates kept rising, hitting 15% in Q2'26, almost doubling the Q2'25 rate.

Ecuador

Delinquency remained stable overall, mitigating flat real incomes with collection strategies and provisioning.

Brazil

By Q2'26, overall delinquency (30+) showed signs of stabilization at 7%, easing slightly from Q1'26 peaks (7.28%) as the Central Bank started Selic rate cuts (down to 14.25%). Despite a resilient labor market, high household leverage and credit usage continue to weigh on repayment capacity.

Europe

United Kingdom

While credit metrics stabilized through late 2025, delinquency rates across unsecured markets have recently edged upward. This emerging trend highlights how cumulative debt burdens continue to squeeze household liquidity despite broader economic recovery.

Oceania and Asia

Australia

While mortgage and personal loan delinquency rates by accounts remain stable, the total value of delinquent balances for these accounts rose significantly, increasing by 7.5% and 14.1% respectively.

New Zealand

Mortgage delinquencies remained broadly stable at 0.29% through 1H'26. Meanwhile, non-mortgage delinquencies saw varying levels of improvement, led by auto loans (-26 bps), personal loans (-5 bps), and credit cards (-2 bps).

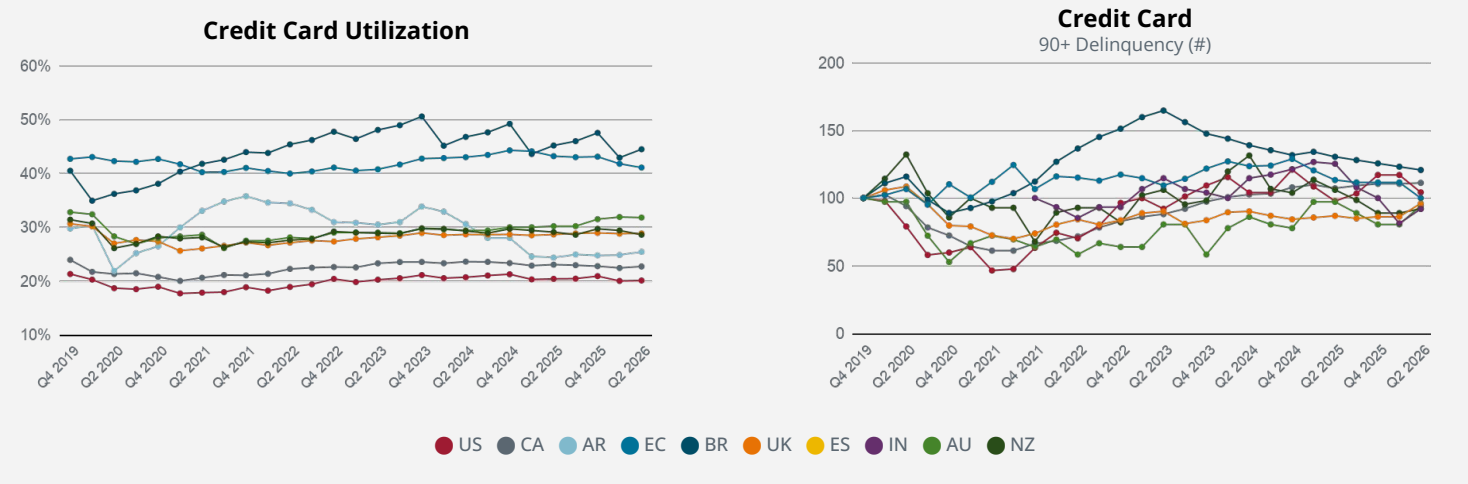
India

Mortgage delinquencies improved by 18bps in Q2'26 compared to Q2'25.

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Credit cards

Most regions continue to see stable delinquency rates, with pockets of improvement, reflecting the underlying resilience of consumers amidst market turbulence.



Card utilization

United States

U.S. credit card utilization remained flat to just above 20% to begin the year and through 1H'26.

Canada

After a slow start to the year in consumer card usage, credit card balances and utilization grew in the second quarter, supported by a seasonal rise in consumer spending.

Argentina

Credit card utilization remains stable during 1H'26, around a ratio of 25.4%.

Ecuador

Credit card utilization remains stable, supported by steady debt and limits.

India

Credit cards continue to decline resulting in both lower acquisitions and also lower limits on new acquisitions.

Card Delinquency

United States

U.S. credit card 90+ delinquencies remained flat to begin the year at 1.86% before dipping to 1.65% in Q2'26. The Q2 rate was marginally higher than the comparable Q2'25 time period of 1.55%.

Canada

The overall 90+ (\$) delinquency rate for credit cards improved slightly to 4.19% in Q2'26, down from 4.28% in the previous quarter, but still remained higher than 2025, showing a 6.8% annual increase.

Brazil

Credit card interest rates, particularly for revolving credit, remained at extremely elevated levels through Q2'26. According to Central Bank data, average revolving credit rates stayed above 400% annually, despite the initial reduction in the Selic rate to 14.25%. Coupled with a 44.50% limit utilization rate, these conditions continued to constrain borrowers' repayment capacity, sustaining pressure on household finances and keeping delinquency levels under close monitoring.

Australia

General card delinquency rates remain stable despite challenging environments. While the 90+ day delinquency rate for credit cards remained unchanged, the total value of delinquent balances increased by 3.4% YoY.

Chart data is indexed as of Q4 2019, except India which is Q4 2021. The New Zealand index was rebased in Q4 2021 due to account adjustments. Chart data may not include all countries represented in the chart legend.



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Non-mortgage: Includes Buy Now Pay Later, credit cards, installment loans, personal loans and automobile loans. Availability and coverage will vary by region. Debt: Money borrowed by consumers at a point in time. Refers to amortised limit or outstanding balance depending on data collected from each region, except Spain which reports just defaulted assets because Spanish Bureau manages negative data only. Delinquency (#): The delinquency rate refers to the percentage of loans that are 90 or more days past due.

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