



**EQUIFAX**

# Global Credit Trends

Emerging credit trends from 2025

Full year  
**2025** RELEASE



While global economic conditions show diverse levels of volatility, a general moderation in monetary policy has led to a rebound in demand and delinquency rate stabilization in many regions. However, persistent cost pressures continue to drive reliance on unsecured credit to maintain household necessities.

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# The Equifax Market Pulse Index shows a shift in generational momentum

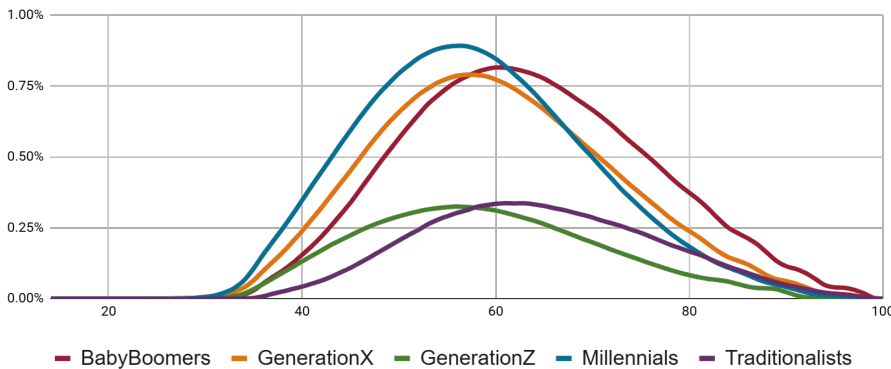
Equifax introduced the [Market Pulse Index](#) in 2025 as a way to better highlight and provide a multidimensional view of the financial state of U.S. consumers.

About the Market Pulse Index:

- Measures key consumer financial data points such as **credit, debt, income, capacity** and **assets**
- Allows for precise comparisons across diverse demographics and generations
- Built on a scale from 1 to 100 and updated on a quarterly basis
- Average Market Pulse Index across the U.S. population rose slightly to 61.6 to end Q4'25

The chart below derived from the Market Pulse Index visualizes the **financial diversity within each generation**, showing the stabilizing effect of accumulated assets — older consumers are more consistently financially stable, with fewer falling into the lower-Index areas. Younger generations, Gen Z in particular, have not had the advantage of time and show more variability as they begin their financial lives.

### Generational comparison by Market Pulse Index



## What does this mean for customers?

- Gen Z saw a 0.71% increase in their Market Pulse Index Score for Q3'25, surpassing Millennials, suggesting that as Gen Z enters the workforce and builds credit, their financial stability is growing and moving closer to the current national average of 61.6.
  - Signals a prime opportunity to build relationships with Gen Z now, before they are fully established.
  - Lenders and retailers should focus on engaging Gen Z with credit-building tools and entry-level products today to earn their loyalty for tomorrow.
- Businesses need to adopt nuanced and segmented strategies, including personalized campaigns, flexible repayment plans, and proactive financial education, to address the divergent experiences of different consumer groups in a K-shaped economy.



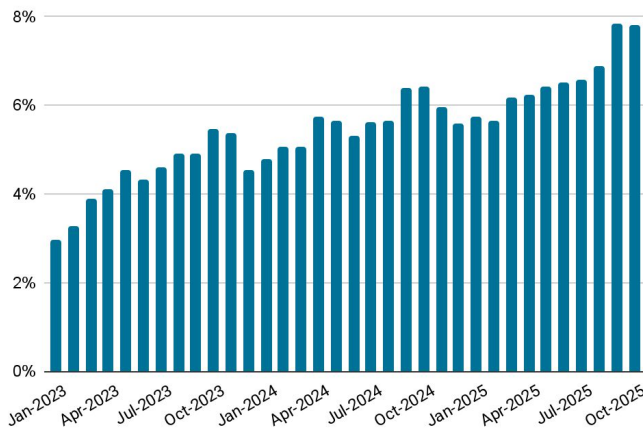
# The Rise of Re-Commerce

The growth in re-commerce platforms and activity demonstrates a significant shift towards the circular economy, driven by clear financial motivations.

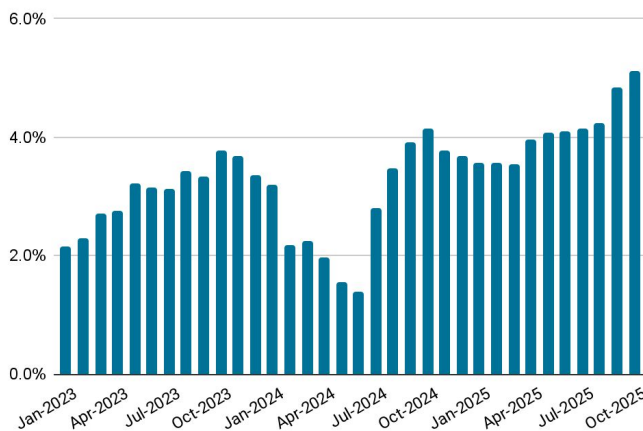
**For buyers:** This is a prudent cost-management strategy, allowing households to acquire goods at lower prices to stretch disposable income. The prevalence of second-hand purchasing has seen a **2.6x increase**, growing from under **3%** to **nearly 8%** since early 2023.

**For sellers:** The platforms offer an accessible channel for generating supplemental income from unwanted items, boosting household budgets. The proportion of sellers has seen a **136% growth**, with participation rising from **2.2% to 5.1%** over the same period.

**% of UK consumers purchasing from second-hand vendors**



**% of UK consumers selling on second-hand marketplaces**



## What does this mean for customers?

- Consumers are increasingly treating their household goods as liquid assets, using marketplaces to generate supplemental income, helping to shield their core credit commitments from delinquency.
- As some consumers pivot from high-end retail to second-hand platforms, transaction data may show lower individual ticket sizes but higher frequency; this requires a more nuanced view of credit card and BNPL usage to distinguish between prudent money management and financial distress.



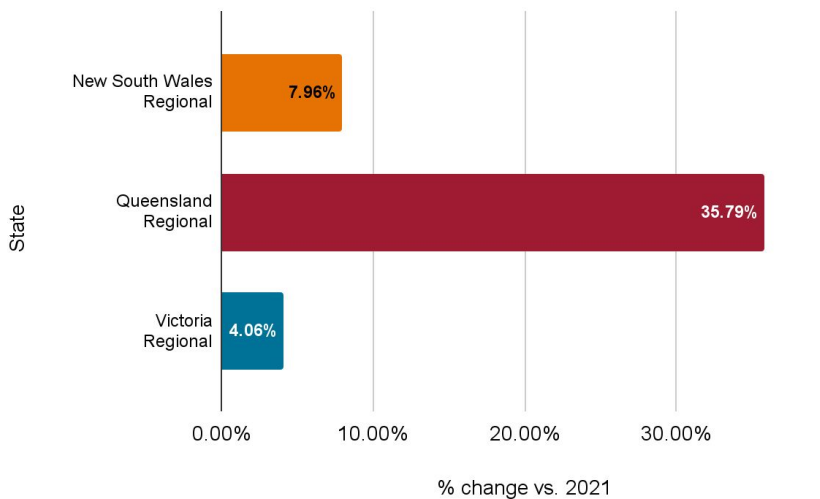


# Surge in investor-backed mortgage accounts in more rural locales as property values rise in metro areas

Recent government incentives to actively help Australians own their own home has driven some positive results. In Q4'25, we saw 11.2% more first home buyers\* compared to Q4'24. Rising property values have pushed both investors and owner occupied buyers towards more rural locales, as capital and city centers become more expensive.

Investor-backed\* mortgage account growth outside of city centers reached 18.27% in 2025, substantially higher than the 6.62% growth in primary residence\* mortgage accounts. This aggressive expansion was led by Queensland's 36% increase (compared to 2021), with New South Wales and Victoria also contributing 8% and 4% growth, respectively.

**Investor-backed mortgage account % change by state regions vs. 2021**



## What does this mean for customers?

- Government interventions can cause sudden surges in application volumes. Review lending assessment frameworks, to ensure enough agility to capture changing borrower profiles.
- Volatility of regional markets, particularly those with high exposure to single-industry risks, means loan providers should consider localized risk assessment policies.
- Lenders have an opportunity to optimize their refinancing strategies in anticipation of higher cash rates, as consumers will be actively seeking better interest rates.

\*Equifax identifies investor-backed versus primary residence mortgage holders using a data-driven proxy. This classification is based on individuals who hold two or more mortgage accounts, or opened a new mortgage account without updating their residential address within four months of the account opening.



# Escalating Fraud: \$1.3B in 'Hidden Fraud' across Canadian credit

Credit fraud in Canada is becoming increasingly sophisticated as organized crime groups leverage digital gaps and AI to exploit the financial system. In 2025, we saw a significant rise in vehicle-related fraud and "faceless" identity crimes that may bypass traditional security.

The most prevalent forms of credit fraud in Canada are **auto loan stacking**, where criminals exploit reporting delays to finance multiple vehicles simultaneously with no intent to repay; **"never pay" fraud**, involving the opening of new accounts followed by immediate, total default; and **"bust out" fraud**, a "long-con" where fraudsters build strong profiles only to max out all limits and vanish.

Synthetic identity fraud often acts as the engine for these schemes — blending real stolen data with fake details to execute these high-value operations without a real victim ever being alerted.

## What does this mean for customers?

- Lenders are increasingly exposed to financial losses from "hidden" fraud within their portfolios, which can go unidentified and lead to ineffective, reactive adjudication strategy decisions, such as tightening credit score cut-offs that ultimately hamper portfolio growth.
- Collections and recovery strategies may also be impeded, resulting in wasted operational activity and resources spent attempting to recover outstanding balances from fraudulent accounts.
- Leveraging targeted fraud tackling scores and AI models combined with improved collections and recovery segmentation can assist in lenders growing their portfolios while mitigating this risk.

Estimated levels of "hidden fraud" in Canada within 90+ day balances at the end of 2025



**\$444M**



**\$141M**



**\$570M**



**\$136M**

# Global insight

Economies around the globe show diverse economic conditions with some regions experiencing more volatility towards the end of 2025

## United States

Closing 2025, the U.S. economy navigated a complex transition. AI integration fueled a productivity and infrastructure boom, countering tariff-driven supply chain volatility. As the labor market softened, a distinct K-shaped divide deepened as affluent households flourished, while lower-income segments faced rising mortgage and credit delinquencies amid persistent cost pressures.

## Canada

Canada's economy is experiencing a period of volatility and moderation, highlighted by a cooling labor market and stubborn inflation. The cost of living remains a persistent challenge as consumer prices — driven largely by food and rent — continued a steady upward climb.

## United Kingdom

The UK economic landscape remained subdued as we closed out 2025. While the year overall saw a modest 1.3% expansion, the momentum from a stronger start faded into a near-halt, with GDP growing by just 0.1% in the final quarter. Inflationary pressures showed a slight year-end uptick, prompting a cautious stance from the Bank of England.

## Spain

Spain ended 2025 with steady growth driven by resilient domestic demand. The labor market remained strong as unemployment stabilized, while improving credit conditions supported consumer activity. Despite a slight moderation in Q4'25, the economy maintained a solid trajectory heading into 2026.

## Australia

The Reserve Bank of Australia held rates at 3.6% in Dec 2025, maintaining a steady monetary policy. However, a spike in Dec inflation to 3.8% (up from 3.4% in Oct) is likely to force the RBA to review its policy in the new year.

## New Zealand

The Reserve Bank slashed the OCR by 75bps over Q4'25, bringing it to 2.25% as signs emerged that the recovery was losing steam. However, that stimulus has seen inflationary pressures resurface as headline inflation nudged back above the target band to hit 3.1% in Dec 2025.

## Brazil

Brazil kept the Selic rate at 15% for a tight monetary stance, controlling inflation which dropped to 4.26%. Economic activity grew 2.2–2.5%. Despite high interest rates, credit expanded 10%, primarily through household lending, but delinquency remained high. Credit demand and risk appetite decreased in Q4'25.

## India

Big-ticket and credit card lending is slowing as gold and auto loans surge. Micro-loans show high growth, yet also signal rising stress. Consequently, fintechs are pivoting toward small-ticket, short-term credit with high-frequency payments to manage risk.

## Argentina

The end of 2025 saw the announcement of a U.S. Free Trade Agreement (FTA), boosting trade by cutting tariffs and opening markets. Concurrently, the FTA and the removal of capital controls dramatically lowered country risk, falling below 600-bps for the first time in years. These developments fueled a surge in CAPEX as long-term projects became viable, solidifying the shift from stabilization to robust, export-led economic growth.

## Ecuador

In the second half of 2025, Ecuador saw a notable growth in private bank lending, supported by a strategic reduction in interest rates and historically high levels of liquidity and reserves. Driven by a surging non-oil sector and GDP growth, the financial system pivoted toward supporting increased local consumption and productive investment while maintaining low, stable inflation.

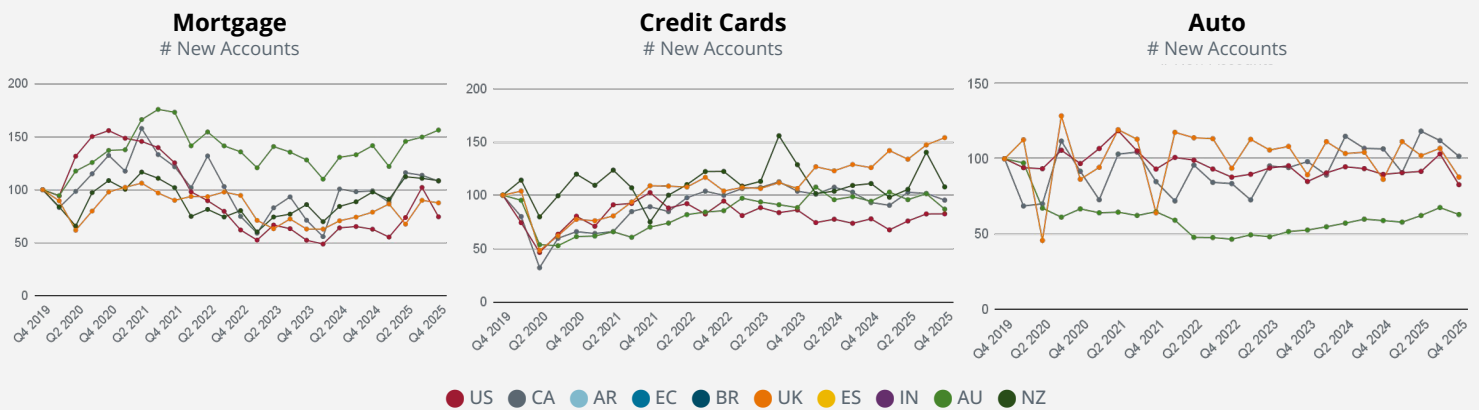
		GDP/Capita	Inflation	Interest Rate	Unemployment			
		+/- %YoY*	Percent	+/- YoY#	Percent			+/- YoY#
North America	US	1.79% ▲	2.70%	0.20 ▲	3.60%	-0.73 ▼	4.40%	0.30 ▲
	CA	0.52% ▲	2.30%	0.40 ▲	2.25%	-0.75 ▼	6.50%	-0.10 ▼
South America	AR	3.80% ▲	7.79%	-179.5 ▼	25.46%	-6.54 ▼	6.60%	-0.30 ▼
	EC	3.91% ▲	-0.30%	1.39 ▲	7.76%	-2.67 ▼	2.60%	-0.10 ▼
	BR	2.50% ▲	4.26%	-0.30 ▼	15.00%	2.00 ▲	5.10%	-0.10 ▼
Europe	UK	0.60% ▲	3.40%	0.90 ▲	3.75%	-1.00 ▼	5.20%	0.80 ▲
	ES	6.00% ▲	3.00%	-1.10 ▼	2.00%	-1.15 ▼	9.93%	-0.67 ▼
Oceania and Asia	AU <sup>1</sup>	0.40% ▲	3.80%	0.60 ▲	3.60%	0.25 ▲	4.20%	-0.10 ▼
	NZ <sup>2</sup>	-1.30% ▼	3.10%	0.90 ▲	2.25%	-1.50 ▼	5.40%	0.30 ▲
	IN	4.60% ▲	1.33%	-3.89 ▼	5.25%	-1.25 ▼	4.80%	-0.30- ▼

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

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

# Demand

Demand for secured products, like mortgages, is increasing globally due to increasing home and auto costs that credit financing facilitates. Consumers across regions are using unsecured products like credit cards to manage household expenses.



## North America

### Canada

Overall demand for new credit has slowed, with consumer inquiries falling across most major non-mortgage credit products. This broad-based decline in credit-seeking activity — particularly in bank and credit card inquiries — reflects a growing caution among consumers navigating the current economic landscape.

## South America

### Argentina

Demand declined during the latter half of 2025, underperforming compared to the first half of the year.

### Ecuador

A decline in inquiries was observed, which aligns with a more cautious consumer approach and implies an improvement in conversion rates.

### Brazil

Credit demand continued to moderate in Q4'25, a reflection of tight monetary conditions and the 15% Selic rate. Lenders remained cautious due to high household and corporate debt and persistent delinquency pressures.

## Europe

### Spain

Credit demand remained solid through year-end, driven by home acquisition loans and improved consumer confidence. While interest rates stabilized in 2H'25, favorable housing market expectations continued to support steady growth in new credit originations.

## Oceania and Asia

### Australia

Mortgage inquiries posting their strongest year-on-year growth since 2021 (+12.3%) driven by major government incentives for first home buyers. New credit card accounts rose during Q4'25, driven by younger generations aged between 18 to 25.

### New Zealand

Mortgage inquiry volumes surged 17.2% YoY in Q4'25. However, the more subdued growth in active accounts suggests that this spike is being driven by increased comparison shopping and lender churn. Personal loan and credit card inquiries each saw YoY decline of around 1.0%.

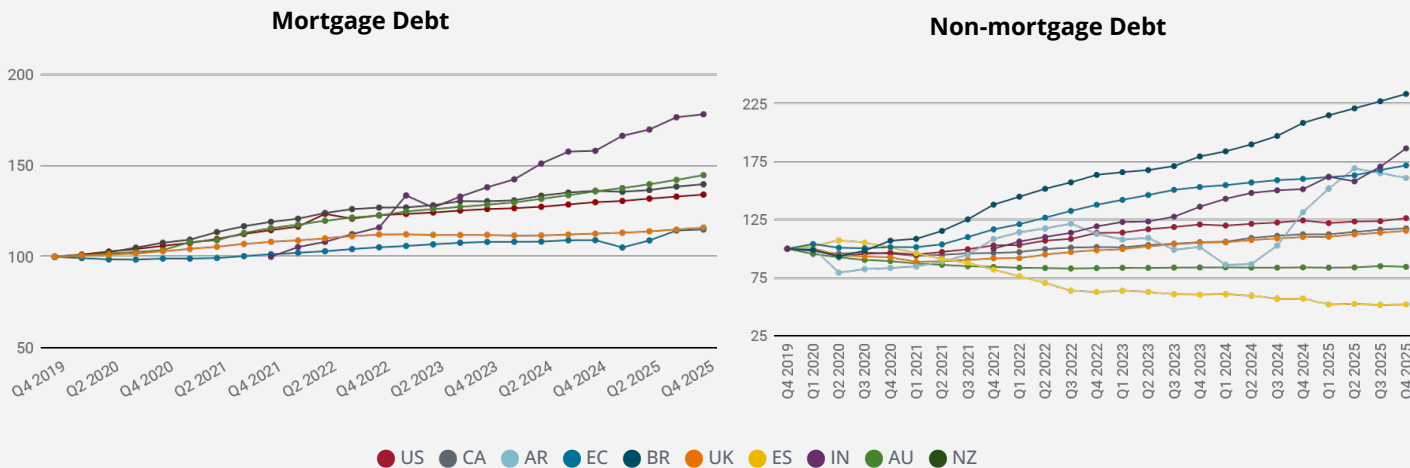
### India

Demand for gold and auto loans is increasing with the Compound Annual Growth Rate (CAGR) at approximately 40%.

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 expansion has moderated for some regions with looser monetary controls in place. Others continue to grow at a sustained pace.



## Mortgage debt

### United States

In 2025, U.S. mortgage debt continued a steady, unbroken upward trajectory, ending the year with a 3% YoY increase in Q4'25.

### Canada

Mortgage debt growth rebounded strongly in the second half of 2025, accelerating to a 2.65% YoY increase in Q4'25.

### Australia

Recent government incentives have contributed to portfolio growth, with the average limit of newly opened accounts, which rose by 8.7% in Q4'25, now reaching approximately 550K.

### Brazil

In Q4'25, credit expansion remained strong, with total consumer credit and household lending rising notably, while non-mortgage debt continued to grow rapidly and constituted a large share of household debt.

### Spain

Mortgage debt maintained its trend toward stability. Q4'25 showed a slight recovery in new balances as improved credit conditions and stable interest rates encouraged home acquisition activity.

### India

Mortgage debt rebounded strongly in 2H'25, driven by sustained demand for home ownership.

## Non-mortgage debt

### United States

Following a minor dip in Q1'25, the U.S. non-mortgage debt index resumed a steady, gradual climb throughout the rest of 2025, maintaining its overall long-term growth trend.

### Canada

Total non-mortgage consumer debt climbed to \$698B, marking a 4.5% YoY increase. The increase is mainly driven by credit card debt (4%) and auto debt (7.7%). Furthermore, average non-mortgage debt per consumer rose to \$22,377, up by 2.0% YoY.

### United Kingdom

The gradual long term increasing trend in credit card balances continued into Q4'25, demonstrating the strong demand and supply in the market. Total credit card debt is now 12.6% above pre-pandemic levels.

### Argentina

Throughout the second half of 2025, debt levels maintained a downward trend across credit cards as well as both secured and unsecured loans.

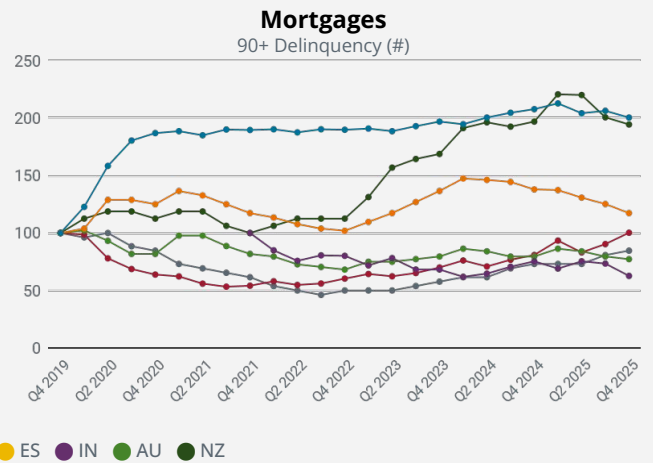
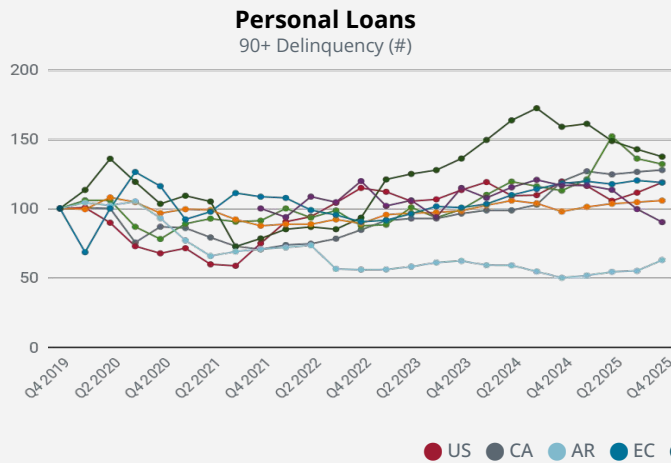
### Spain

Total non-mortgage debt continued its gradual upward trajectory, closing the year with a consistent YoY increase. This growth was primarily supported by a recovery in consumer credit and personal loans, reflecting stronger household confidence heading into 2026.

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# Delinquencies

Delinquency rates for both personal loans and mortgages saw slight improvements across many regions at the close of 2025, following a period of previously elevated levels.



● US ● CA ● AR ● EC ● BR ● UK ● ES ● IN ● AU ● NZ

## North America

### United States

Mortgage climbed steadily throughout 2025, increasing from 0.68% to 0.80% by Q4'25. Compared to 2024, personal loans followed a similar fluctuating pattern throughout 2025, albeit at slightly lower rates and closed out the year approximately 30bps lower YoY.

### Canada

While consumer credit performance shows year-over-year improvement, it remains under pressure with delinquencies rising steadily throughout the current year. In Q4'25, more than 1.5 million Canadians missed a credit payment — a number that was 30.7K lower YoY, but still 31.5K higher QoQ.

## South America

### Argentina

Delinquency rates continue to rise, in line with the trend observed in every quarter since the beginning of 2025.

### Ecuador

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

### Brazil

By Q4'25, delinquency showed signs of renewed pressure, driven by high household debt, elevated interest rates, and sustained credit use. Despite a still resilient labor market, tighter financial conditions limited borrowers capacity and gradually deteriorated credit quality.

## Europe

### United Kingdom

Following a mixed picture at the start of 2025, delinquency rates have since stabilized. This welcome development suggests the market is finding its footing, as consumers continue to adapt to the financial climate and resume the positive trajectory observed at the end of 2024.

## Oceania and Asia

### Australia

Despite a quarterly decline in delinquencies, financial exposure is growing. 90+ delinquencies are flat in volume but up 6.8% in value compared to Q4'24, a clear sign that credit stress is migrating to larger loan balances.

### New Zealand

Late-stage mortgage delinquencies have turned a corner and are now in a slow decline. As of Q4'25, delinquencies are down 2bps sequentially and 3bps YoY, confirming that the previous upward trend has peaked. All other consumer products are slowly improving as well.

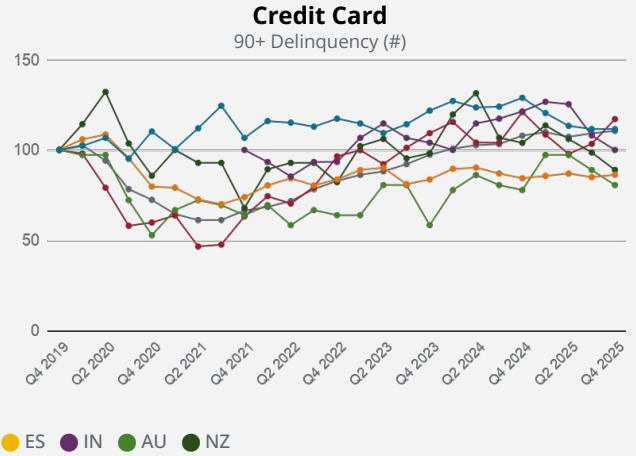
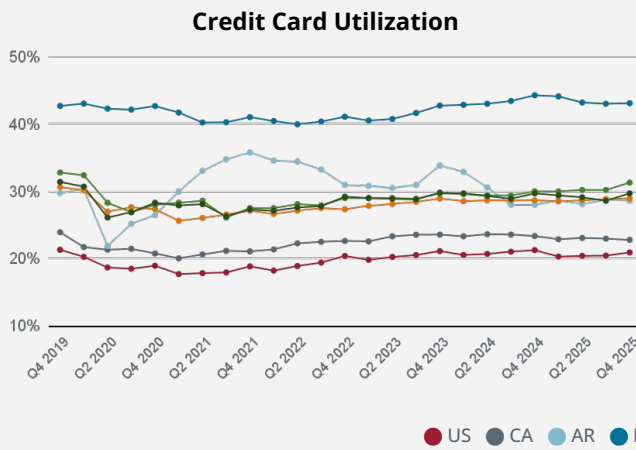
### India

Overall industry delinquencies are stable except lower ticket size. Credit cards continue to be the highest risk segment, mortgages are showing a gradual but notable rise in stress.

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# Credit cards

Increase in the cost of living has spurred consumers in some regions to utilize unsecured credit, though delinquencies remain relatively stable for most areas.



## Card utilization

### United States

U.S. credit card utilization remained remarkably flat just above 20% through 2025, slowing in the first half of the year and down 30 bps YoY to 20.9% by Q4'25.

### Canada

Credit card utilization fell to 22.8% by the end of 2025, reaching its lowest level since Q2'23. This was driven by below average seasonal holiday period spending combined with rising credit limits.

### Argentina

The decline in credit card balances is linked to the stagnation of the exchange rate between the U.S. Dollar and the Argentine Peso, alongside a monthly inflation rate of 2.8%. Utilization levels remained stable throughout the second half of 2025.

### Ecuador

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

### India

Credit cards within the open market segment declined through the end of 2025, resulting in both lower acquisitions and also lower limits on new acquisitions.

## Delinquencies

### United States

In 2025, U.S. credit card 90+ delinquencies experienced a sharp spike in Q4'25 after remaining relatively flat (near late-2024 levels) for the first half of the year. This sudden year-end surge pushed the Q4'25 number to 1.86%, the highest since reaching the post-pandemic peak of 1.92% in Q4'24.

### Canada

Younger consumers, specifically late Millennials and early Gen Z, are the primary drivers behind a continued rise in credit card delinquencies, pushing total 90+ day dollar delinquency rates up by 10.7% YoY and 2.6% QoQ.

### Brazil

Credit card interest rates, particularly for revolving credit, remained at extremely elevated levels throughout 2025. According to Central Bank data, average revolving credit rates stayed above 400% annually by the year-end. These conditions continued to constrain borrowers repayment capacity, sustaining pressure on household finances and contributing to persistently high delinquency levels.

### Australia

General delinquency rates have softened versus previous quarter, yet credit card risks are climbing. While late delinquencies (90+) saw only a fractional rise in account numbers, the financial value of these delinquencies grew by 9.4% 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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