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Report

The Resilient North: Equifax Canada Data Shows Consumers Leaning on Financial Discipline to Offset Macroeconomic Conditions

Q1 2026 | Equifax[®] Canada Market Pulse
Quarterly Consumer Credit Trends

June 2026

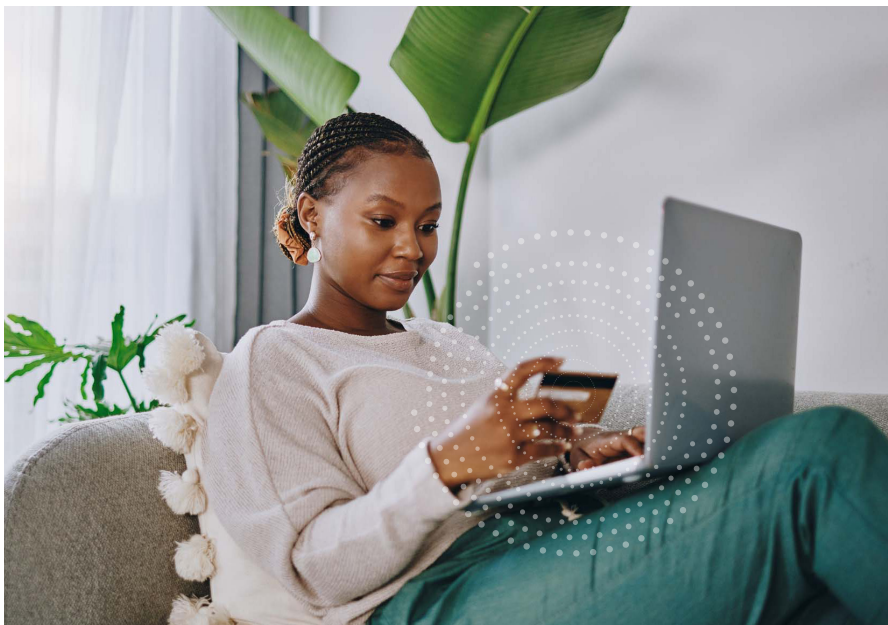
Equifax® Canada's Q1 2026 Market Pulse Quarterly Consumer Credit Trends and Insights reveals a complex start to the year for Canadian credit.

While total consumer debt climbed to \$2.66 trillion, up 3.8 per cent year-over-year, non-mortgage debt fell by more than \$487 million in the first quarter. Notably, non-mortgage debt saw its first decline in several quarters, as consumers seemingly practiced post-holiday financial restraint.

Despite these signs of individual financial discipline, systemic risks seem to persist: insolvency volumes have increased to levels not seen since 2009, up 18.8% year-over-year, indicating that many consumers may have reached a financial inflection point. "The reduction in holiday spending at the close of 2025 translated into lower seasonal balance increases on credit cards," said **Rebecca Oakes, Vice President of Advanced Analytics at Equifax Canada**. "This discipline enabled many Canadians to pay down balances during the first quarter, representing a critical shift in how consumers are navigating the current macroeconomic climate."

Tightened lending and muted demand impact new credit openings

In the wake of reduced 2025 year-end spending, Q1 2026 saw a decline in demand across most credit categories. New credit card originations hit a four-year low, with growth limited exclusively to the super-prime and sub/near-prime segments. However, while higher-risk individuals sought more credit, lenders responded by reducing average credit limits for higher-risk consumers by 15 to 20 per cent. Conversely, consumers with high credit scores saw modest increases in their new card limits. "Several factors could be driving a decline in new credit card openings in Canada," Oakes explained. "First is the cooling of population growth as immigration programs have slowed. Second, and perhaps more telling, is uncertainty in consumer financial confidence that triggers a shift toward spending less and saving more. Finally, lenders may be tightening their adjudication strategies to counter rising missed payments and economic uncertainty. All three of these factors are converging simultaneously, likely impacting new credit openings."



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Rebecca Oakes

Vice-President, Advanced Analytics,
Equifax Canada

Automotive sector slowdown despite lower prices

The slowdown extended to the automotive sector despite a softening in vehicle prices. New captive auto loans fell nearly 5 per cent year-over-year to a three-year low, while bank instalment loan volumes dropped by 9.5 per cent.

“While lower vehicle prices are certainly a positive for consumers, they are just one piece of the affordability puzzle,” Oakes noted. “When you consider the substantial increases in insurance premiums, along with rising maintenance and fuel costs, it seems clear why Canadians are being more cautious before committing to a new vehicle purchase.”

Mortgage stress remains concentrated in high-cost markets

The number of Canadians missing at least one credit payment in Q1 remained stable at 1.5 million (1 in 21 consumers), which indicated a sign of improvement for many groups of consumers. The percentage of active card users paying less than 25 per cent of their balance each month fell by more than 2 per cent, while the percentage paying their balances in full increased. Additionally, the percentage of minimum payers also saw a drop, with the biggest reduction seen with consumers aged 26-35 years old.

“Fluctuations in monthly credit card repayment amounts usually signal shifts in financial health,” Oakes noted. “At this stage, it is uncertain if the observed gains reflect a genuine positive trend or merely a short-term correction following the spending pull-back seen at the end of 2025.”

In Q1 2026, severe non-mortgage financial health indicators across Canada exhibited a regional divide. While the national 90+ day delinquency balance and volume rose by 4.18 per cent and 2.38 per cent respectively, certain provinces demonstrated resilience. Specifically, Quebec, Nova Scotia, Saskatchewan, and New Brunswick showed measurable improvements while the economic strain in Ontario, British Columbia, and Manitoba continued to rise.



Intensifying financial hardship for vulnerable borrowers

Q1 saw insolvency rates hit a 17-year high, partly due to escalating financial strain on mortgage holders. Homeowner insolvency volumes jumped by more than 11 per cent over Q4 2025, with over 90 per cent of these individuals choosing consumer proposals over bankruptcy. Total insolvency numbers remained higher among non-mortgage holders, but their quarterly growth was more modest, rising by 4.7 per cent compared to the final quarter of 2025.

While insolvency volumes reached their highest level since 2009, the overall insolvency rate rose to levels last seen in 2019 - the variance can likely be attributed to population growth. The severity of these insolvencies has worsened, however, with the average non-mortgage debt in these filings increasing to \$43.3K in Q1 2026, up from \$40.2K two years ago.

This trend is even more pronounced for mortgage holders, whose average non-mortgage debt reached \$82.4K, up by 19.0 per cent compared to two years ago. This rising trend is also reflected in the average balances of delinquent accounts. For mortgage holders who have missed a payment, their average delinquent non-mortgage balances reached \$54K in Q1, a 4.6 per cent increase compared to 12 months ago. The average balance of their delinquent mortgages also climbed by 13.2 per cent to \$355.5K.

Younger consumers improve, seniors split by mortgage status

Q1 marked a pivotal shift for consumers aged 25 and under, who demonstrated a strengthening in repayment behaviour as both of their 90+ balance and volume delinquency rates recorded the first year-over-year improvement since mid-2022. Despite continued uncertainty in employment levels, the balance and volume of 90+ day missed payments declined by 2.2 per cent and 1.5 per cent respectively compared to 12 months ago.

Financial behaviour among seniors aged 55 and older revealed a stark divergence driven by mortgage status in retirement and beyond. Unburdened by housing payments, seniors without mortgages are experiencing strong financial momentum, effectively increasing their spending while simultaneously paying down credit card balances at accelerated rates. Notably, credit card payoff rates have jumped to 52.3 per cent for the 55 to 65 age bracket (up 1.0 per cent year-over-year), while consumers aged 65 and older reached a highly disciplined payoff rate of 62.6 per cent (a 1.5 per cent year-over-year increase). In contrast, seniors who carry a mortgage into their retirement years are seemingly facing heavily restricted cash flow, resulting in a financial squeeze that is likely forcing them to scale back on spending and forgo debt repayment efforts.

Housing market remains under pressure despite easing renewal wave

Although the 2025 mortgage renewal peak has passed, significant renewal volumes are expected during 2026. National arrears present a nuanced picture: the 90+ day volume delinquency rate sits at 0.22 per cent, remaining below pre-pandemic levels. However, the balance delinquency rate climbed 32 per cent year-over-year (and up 5 per cent quarterly) to 0.28 per cent. This missed payment level highlights severe financial strain in high-priced markets, with mortgage delinquencies jumping 52 per cent in Ontario and 36 per cent in British Columbia year-over-year.

“While the mortgage renewal wave is expected to slow towards the end of 2026, the transition to significantly higher interest rates continues to fuel financial impact and payment pressure. Consequently, ongoing monitoring of debts remains essential for Canadians,” concluded Oakes.



Age Group Analysis

Debt & Overall Balance Delinquency Rates
(excluding mortgages)

Age	Average Debt (Q1 2026)	Average Debt Change Year-over-Year (Q1 2026 vs. Q1 2025)	90+ Delinquency Rate (\$) (Q1 2026)	Delinquency Rate (\$) Change Year-over-Year (Q1 2026 vs. Q1 2025)	90+ Delinquency Rate (#) (Q1 2026)	Delinquency Rate (#) Change Year-over-Year (Q1 2026 vs. Q1 2025)
18-25	\$8,781	3.53%	2.18%	-2.16%	2.52%	-1.50%
26-35	\$17,441	0.07%	2.64%	6.75%	2.56%	3.73%
36-45	\$27,064	0.61%	2.15%	4.08%	2.21%	1.64%
46-55	\$34,775	1.11%	1.62%	6.79%	1.79%	2.95%
56-65	\$29,928	3.94%	1.27%	3.32%	1.24%	4.51%
65+	\$15,141	3.56%	1.17%	0.91%	0.78%	1.59%
Canada	\$22,278	1.91%	1.77%	4.18%	1.77%	2.38%

Major City Analysis

Debt & Overall Balance Delinquency Rates
(excluding mortgages)

City	Average Debt (Q1 2026)	Average Debt Change Year-over-Year (Q1 2026 vs. Q1 2025)	90+ Delinquency Rate (\$) (Q1 2026)	Delinquency Rate (\$) Change Year-over-Year (Q1 2026 vs. Q1 2025)	90+ Delinquency Rate (#) (Q1 2026)	Delinquency Rate (#) Change Year-over-Year (Q1 2026 vs. Q1 2025)
Calgary	\$24,536	2.00%	2.21%	6.17%	1.84%	1.89%
Edmonton	\$23,855	0.79%	2.72%	-0.44%	2.26%	-1.09%
Halifax	\$21,712	2.11%	1.57%	-0.82%	1.75%	1.53%
Montreal	\$17,394	2.51%	1.60%	4.94%	1.76%	4.14%
Ottawa	\$19,628	0.68%	1.64%	6.27%	1.50%	5.13%
Toronto	\$21,465	1.97%	2.35%	6.88%	2.23%	4.08%
Vancouver	\$24,015	3.03%	1.50%	6.79%	1.61%	5.09%
St. John's	\$24,213	1.55%	1.50%	-0.44%	1.76%	-2.31%
Fort McMurray	\$37,496	0.31%	2.60%	-10.54%	2.78%	-5.85%

Province Analysis

Debt & Overall Balance Delinquency Rates (excluding mortgages)

Province	Average Debt (Q1 2026)	Average Debt Change Year-over-Year (Q1 2026 vs. Q1 2025)	90+ Delinquency Rate (\$) (Q1 2026)	Delinquency Rate (\$) Change Year-over-Year (Q1 2026 vs. Q1 2025)	90+ Delinquency Rate (#) (Q1 2026)	Delinquency Rate (#) Change Year-over-Year (Q1 2026 vs. Q1 2025)
Ontario	\$22,883	1.51%	1.92%	9.08%	1.88%	5.33%
Quebec	\$19,428	2.36%	1.14%	-1.10%	1.38%	-0.23%
Nova Scotia	\$21,836	2.50%	1.70%	-1.14%	1.92%	0.07%
New Brunswick	\$23,016	7.10%	1.69%	-6.70%	1.96%	-4.75%
PEI	\$24,315	2.09%	1.33%	6.40%	1.75%	-0.96%
Newfoundland	\$25,062	1.37%	1.62%	1.24%	1.89%	-0.46%
<i>Eastern Region</i>	\$23,026	3.62%	1.65%	-2.02%	1.92%	-1.68%
Alberta	\$24,722	0.78%	2.47%	1.27%	2.08%	-0.78%
Manitoba	\$18,568	1.84%	1.78%	0.77%	1.80%	2.32%
Saskatchewan	\$23,464	1.01%	1.75%	-6.36%	1.82%	-5.66%
British Columbia	\$23,121	2.14%	1.61%	3.88%	1.68%	2.97%
<i>Western Region</i>	\$23,285	1.51%	1.97%	1.50%	1.86%	0.58%
Canada	\$22,278	1.91%	1.77%	4.18%	1.77%	2.38%

* Based on Equifax data for Q1 2026

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