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Market **Pulse**



Equifax® Canada Market Pulse Fraud Trends

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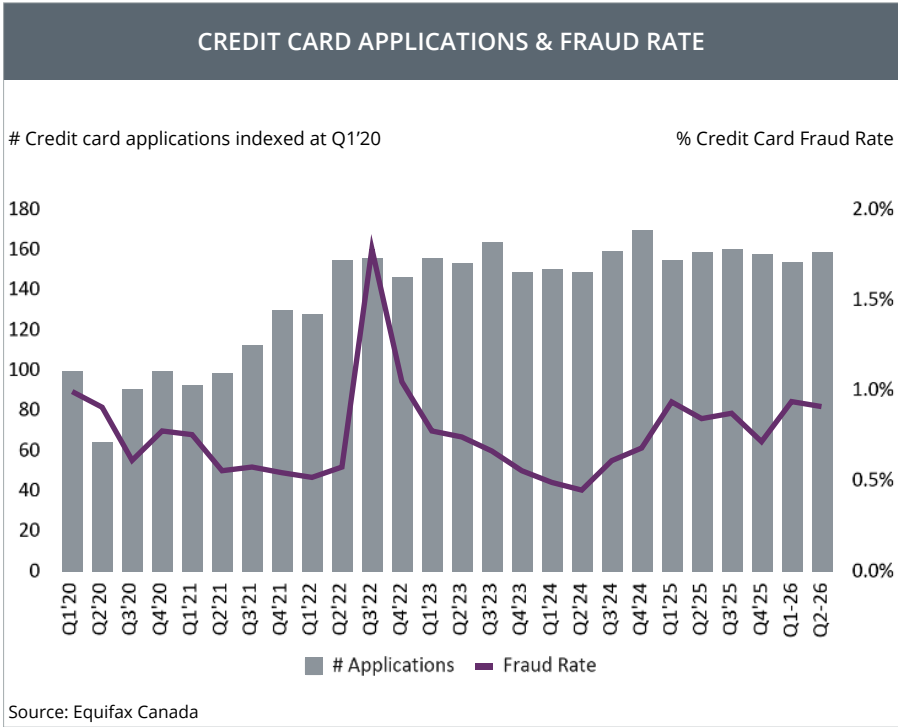
Credit Card Application Fraud Climbs as Identity Thieves Disproportionately Target Canadians Aged 56 to 65

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Credit card application fraud climbed eight per cent year-over-year in Q2 2026, bucking the trend of declines across auto, mortgage and telecommunications applications, according to Equifax® Canada's latest Market Pulse Fraud Trends and Insights.

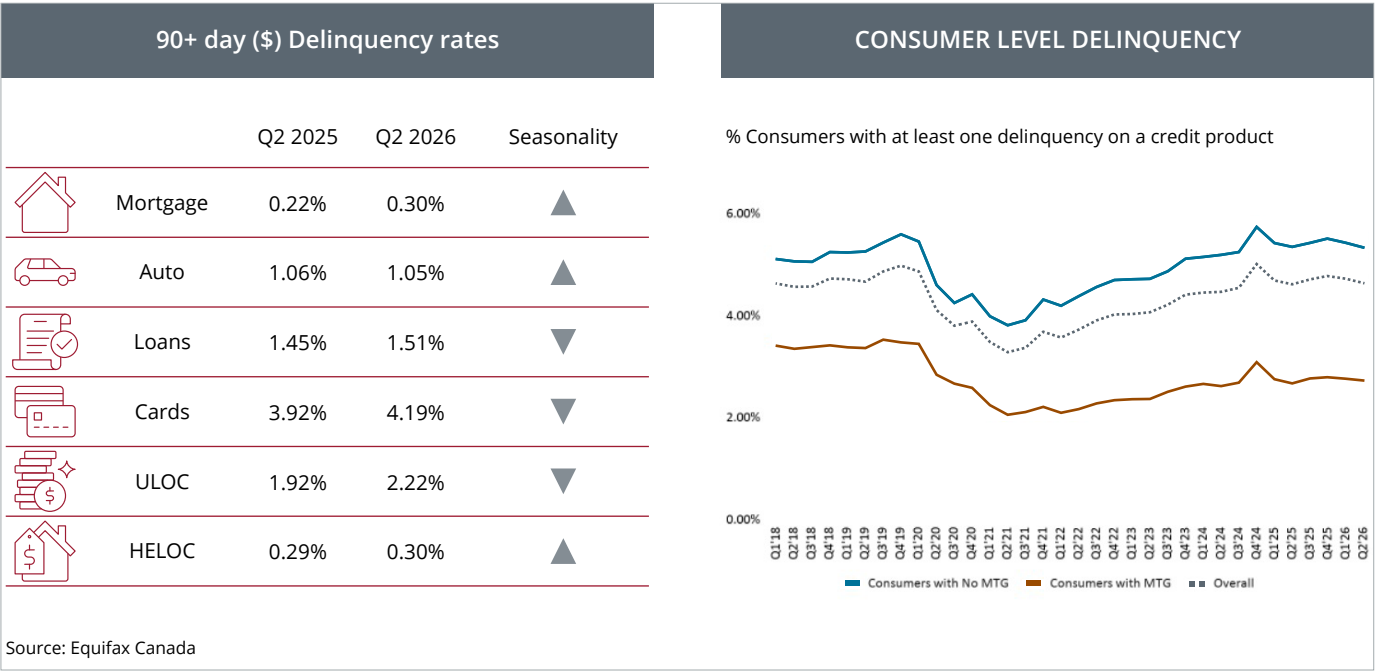
The overall credit card application fraud rate, defined as the proportion of fraudulent credit card applications relative to the total credit card applications, rose by eight per cent compared to one year ago, reaching 0.91 per cent in Q2 2026, driven primarily by third-party identity theft.

The overall consumer application fraud rate stood at 0.66 per cent in Q2, up five per cent from a year earlier. The first-party fraud rate, where applicants misrepresent their own personal or financial information, was 0.35 per cent, while third-party identity theft was 0.27 per cent. "While these percentage number increases may look small, the impact and dollar value could have a major impact on Canadians," noted **Carl Davies**, Head of Fraud and Identity at Equifax Canada.



The increase in credit card application fraud is occurring against a backdrop of continued financial pressure on Canadian households. Separate Equifax Canada consumer credit data shows total [consumer debt reached \\$2.68 trillion](#) in Q2 2026, up 4.18 per cent year over year.

Alongside rising debt levels, the overall severe delinquency rate (payments 90 or more days past due) increased 11.7 per cent to 0.68 per cent, and severe credit card delinquency climbed 6.8 per cent to 4.2 per cent. This is notable because rising delinquencies and financial pressure can be linked to increased fraud rates.



Targeting Canadians with greater access to credit

Canadians aged 56 to 65 were the most frequently targeted group, as identity thieves seem to be focusing on established cardholders, exploiting their potentially higher credit limits. Because Canadians aged 56 to 65 tend to check their credit reports less frequently, fraudsters have a longer window to operate undetected. Meanwhile, Quebec recorded the country's highest rate of third-party credit card application fraud.

"Credit card application fraud is increasingly being driven by identity theft, and fraudsters focusing their efforts on Canadians aged 56 to 65 deserves attention," said Davies. "Fraudsters are looking for opportunities to use legitimate personal information to open new accounts, which makes it important for consumers of all ages, but especially the 56 to 65 age group, to monitor their credit reports regularly and act quickly when they see any activity they do not recognize."

True identity fraud, where a criminal uses another person's genuine personal information without consent to open an account, was the leading source of third-party credit card application fraud nationally.



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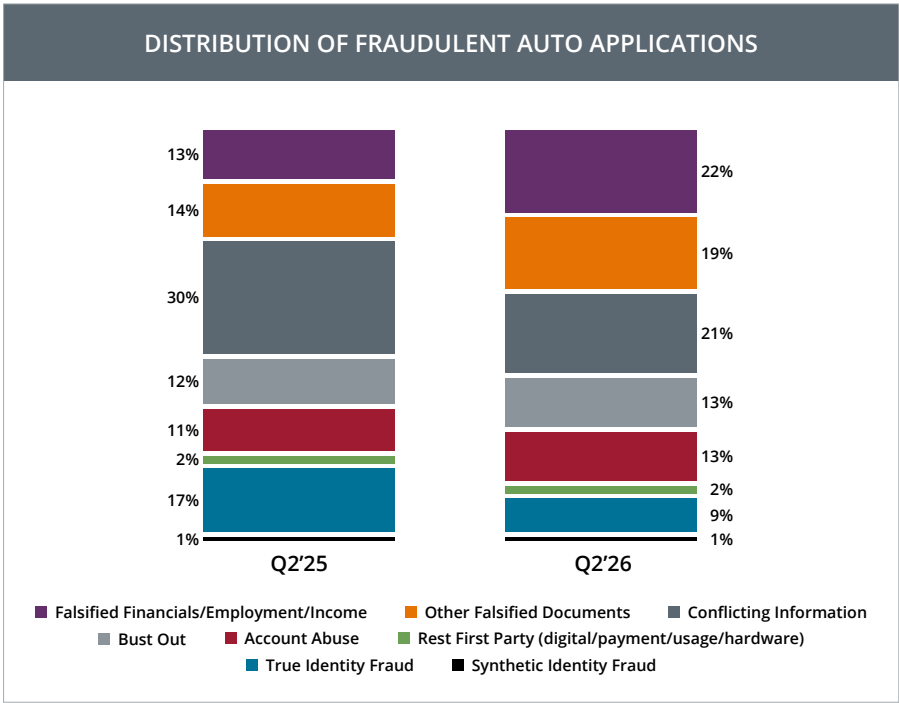
Carl Davies

Head of Fraud and Identity at Equifax Canada

Auto Fraud Cools, but First-Party Misrepresentation Dominates

The auto application fraud rate declined to 0.21 per cent in Q2 as auto credit inquiries fell nine per cent year-over-year and new originations declined by 9.2 per cent. First-party fraud accounted for 0.19 per cent, compared with just 0.02 per cent for third-party fraud.

Nearly 90 per cent of fraudulent auto applications involved first-party misrepresentation, including falsified employment information, altered financial documents and conflicting personal information. Ontario recorded the country's highest auto application fraud rate, while applicants aged 26 to 35 accounted for the largest share of fraudulent activity.



“The fraud picture is not moving in one specific direction,” explained Davies. “With credit cards, identity theft is the biggest concern. In auto lending, it is applicants misrepresenting their own circumstances. Understanding the differences in what type of fraud is occurring is important because the methods used to detect and prevent fraud also need to be different.”

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Mortgage and Telecommunications Application Fraud Decline:

Ontario and Alberta record highest mortgage application fraud rates

Mortgage application fraud rate declined to 0.20 per cent in Q2 and consisted almost entirely of first-party misrepresentation. Ontario recorded the highest provincial mortgage application fraud rate at 0.28 per cent, followed by Alberta at 0.19 per cent.

Telecommunications application fraud also continued its downward trend, falling to 0.32 per cent. The first-party fraud rate declined to 0.25 per cent, while the third-party fraud rate held at 0.02 per cent.

"The shift in fraud rates really shows a growing split between different types of fraud. The increase in fraud for everyday banking products such as credit cards and banking/deposits may indicate broader household stress. While the declines in auto, mortgage, and telecommunications fraud are in part due to population contraction and sluggish credit demand," noted Davies. "Canadians lost an estimated \$645M to fraud last year. It's a problem we are committed to continuing to fight, evidenced by the estimated \$3B in fraud losses we help prevent annually. We want to do everything we can to help better protect Canadians from any type of fraud," concluded Davies.

Equifax® Canada Market Pulse Fraud Trends and Insights leverages market-leading data and analytics to deliver critical insights for Canada's financial ecosystem to help protect consumers and help Canadians live their financial best. Equifax Canada offers a full suite of [credit monitoring and ID protection solutions](#) to protect Canadian consumers.



How Equifax can help you mitigate fraud and identity risks

FraudIQ™ from Equifax Canada is a cloud-based, fraud prevention platform powered by advanced analytics and rich data sources. It offers seamless integration into customer application processes and empowers businesses to mitigate risk in real time and prevent future fraud losses.

The platform leverages the power of our FraudIQ Exchange consortium, Canada's largest known fraud exchange, consisting of multi-sector fraud data from top banks, financial institutions, telecoms, auto, and other organizations. The platform is backed by industry-leading expertise and experience, with approximately 30 million annual assessments enabled for users each year. Fraud prevention platforms from Equifax have helped organizations prevent an estimated \$3B in fraud loss avoidance annually.

Get the power of FraudIQ working for you. Learn more here:

<https://www.equifax.ca/en/business/product/fraudiq>

Contact an Equifax Fraud Consulting Team member to learn more about how we can help you reduce risk and loss due to fraud

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