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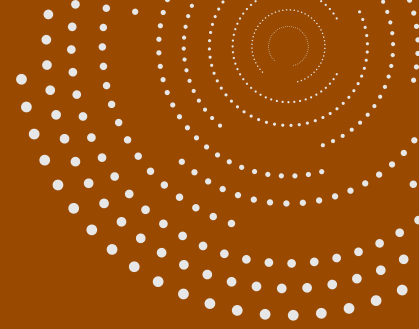
Report

Credit Card Fraud Escalates As Fraud Continues to Be a Concern for Canadians

H1 2025 | Equifax Canada Market Pulse Fraud Trends

October 2025

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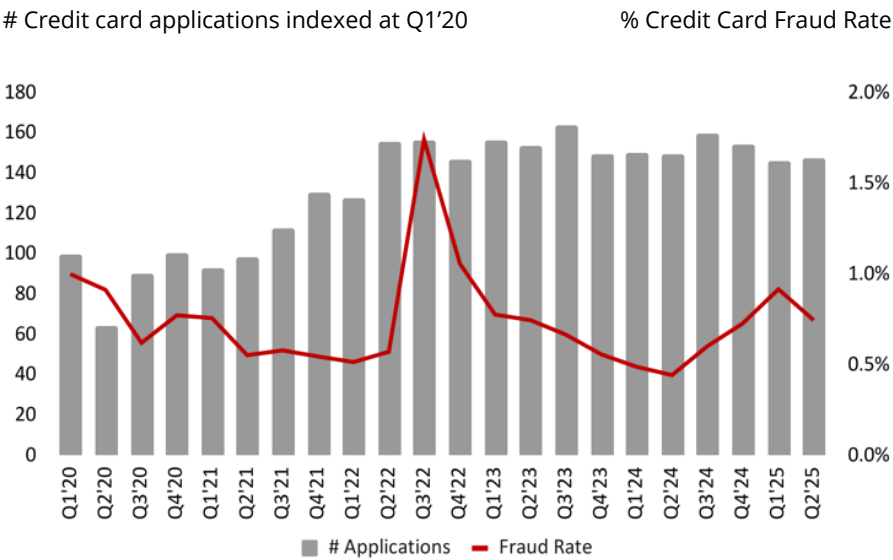


Equifax Canada's Market Pulse Fraud Trends and Insights Report for the first half of 2025 reveals a sharp rise in credit card fraud, even as overall application fraud rates across Canada have fallen to their lowest point since Q3 2022.



Nationally, application fraud rates dropped to 0.56 per cent in the second quarter of 2025, down from 0.70 per cent in the previous quarter and 0.57 per cent a year ago. This broad-based decline reflects easing consumer demand for credit products, stricter lending standards, and a cooling Canadian economy. However, the decline may also be masking a troubling trend as credit card fraud diverged sharply in Q2, with rates rising to 0.75 per cent compared to 0.44 per cent a year earlier, despite a 1.4 per cent drop in application volumes.

Figure 1: Credit Card Applications and Fraud Rate



Source: Equifax Canada

“Fraudsters are no longer targeting specific consumer groups it seems, rather indiscriminately striking across the credit spectrum as of late,” said **Carl Davies, Head of Fraud & Identity at Equifax Canada**. “The surge in credit card fraud is concerning and requires vigilance from lenders, policymakers and consumers alike.”



Credit card fraud surges

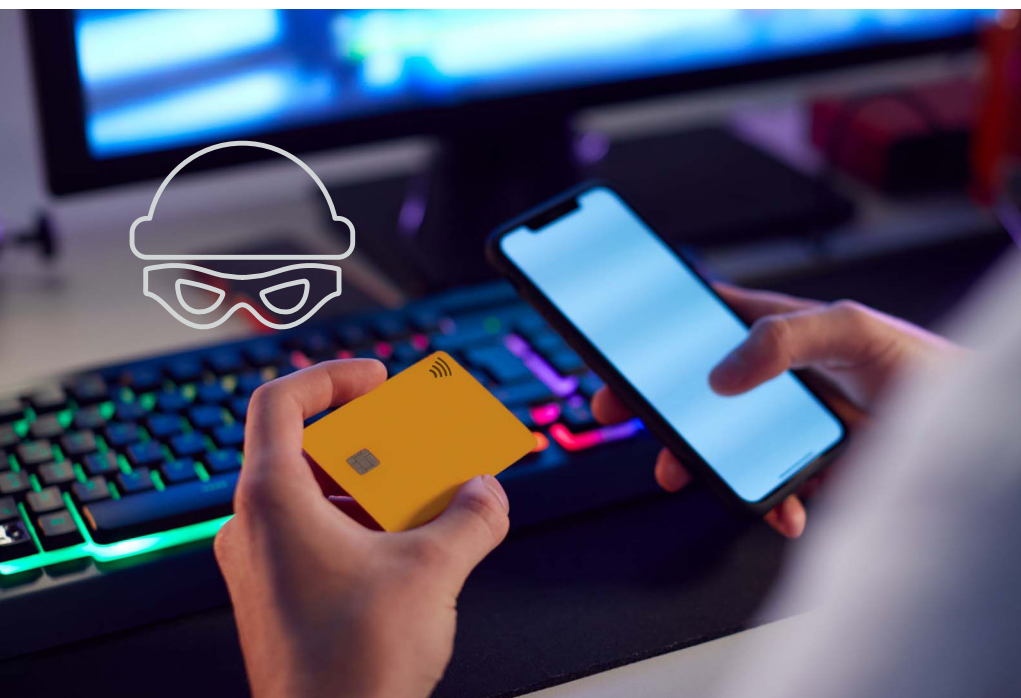
Third-party fraud now drives 83 per cent of all fraudulent activity in the credit card sector, with true-identity fraud accounting for 78 per cent of those cases. The data indicates that fraudsters are increasingly targeting middle-aged Canadians, with the sharpest increases seen in Ontario and Atlantic Canada, regions where delinquency rates have risen above pre-pandemic levels.

“Credit cards remain a central point of vulnerability — it’s one area where fraudsters adapt rapidly, exploiting both gaps in verification and economic uncertainty among consumers,” added **Cherolle Prince, Director, Fraud Consulting at Equifax Canada**. “Even as other product lines show easing, the rise in credit card fraud underscores the urgency of investing in stronger identity verification, data sharing and cross-industry collaboration.”

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Carl Davies

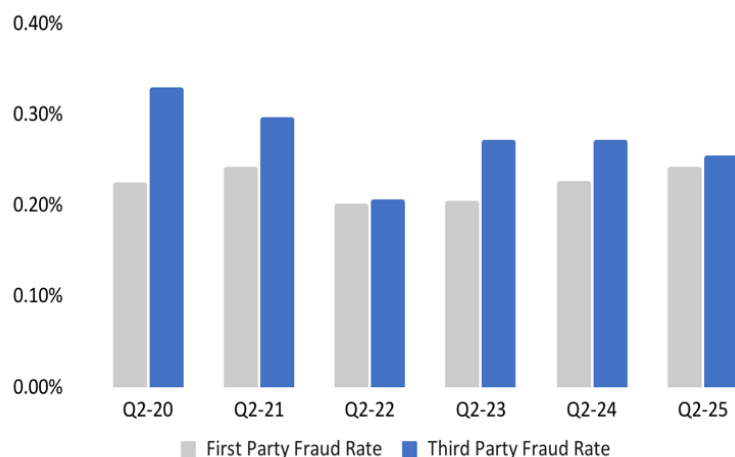
Head of Fraud and Identity,
Equifax Canada



Persistent fraud threats

First-party fraud, often linked to misrepresentation of financial circumstances, is seven per cent higher than a year ago. Outside of the credit card sector, third-party fraud declined both quarterly and annually, with identity theft continuing to drive most of the fraudulent activity.

Figure 2: Fraud Rate by Fraud Type



Auto fraud declined to 0.23 per cent from 0.26 per cent a year ago, while banking and deposits fraud dropped from 1.09 per cent to 0.70 per cent over the same period. Fraud among non-mortgage holders (a group that includes soon-to-be first-time buyers), stood at 0.22 per cent, compared to 0.16 per cent for mortgage holders, indicating that renters and first time home buyers need to take extra caution.

Falsified documents on the rise

While mortgage fraud fell to 0.19 per cent in Q2 2025, down from 0.29 per cent a year earlier, misrepresentation of financial circumstances, often in the form of falsified documents, continues to be a major source of fraud. This is particularly prevalent in mortgage fraud, where forged income and employment documents drove over 75 per cent of fraud cases. Income and employment fraud is also a major concern in the auto sector, where it makes up close to 30 per cent of fraud cases.

“As we look ahead, we typically see seasonal spikes in fraud toward the end of the year. Knowing this, we encourage Canadians to visit the Fraud and Identity Theft education hub on the [Equifax website](#) to learn more about the actions they can take to help protect themselves and their families from identity theft and fraud,” concludes Davies.

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 \$2.5B 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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