



**EQUIFAX®**

Report

## Interest Rate Cuts Begins to Ease Consumer Credit Burden – But Not for Everyone

Q3 2024 | Equifax® Canada Market Pulse  
Quarterly Consumer Credit Trends

December 2024

Equifax Canada's latest Market Pulse Consumer Credit Trends Report reveals that while recent interest rate cuts have provided easing of financial pressures for some Canadians, other groups such as newcomers to Canada and consumers that are new to credit continue to face challenges.

## New to Credit and Newcomers to Canada

As delinquency levels start to flatten out for some consumer segments, newcomers or consumers new to credit who have been credit active for 12-36 months saw the biggest rise in missed payment in Q3 2024 when compared to the same consumer group in Q3 2023. For these segments, 1 in 22 consumers missed a credit payment in Q3 2024, which was 1 in 28 last year. Newcomers who opened credit files in late 2021 and early 2022 during peak immigration levels are now showing increased signs of financial strain as they struggle to make credit payments amid high inflation and increasing unemployment rates.

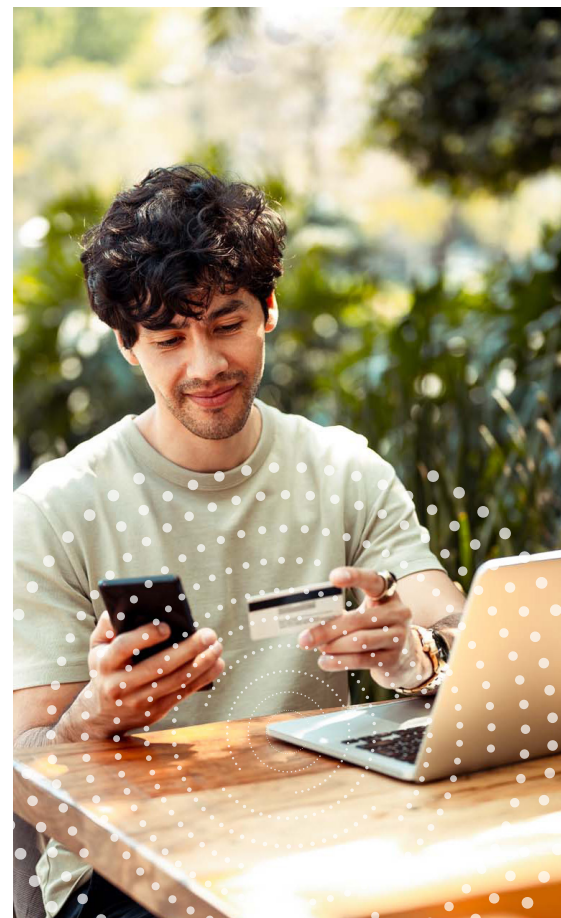
"Recent newcomers to Canada are facing challenges in navigating the Canadian financial economy. Historically newcomers have demonstrated strong credit performance in the first few years of being in the country," said **Rebecca Oakes, Vice-President of Advanced Analytics at Equifax Canada**. "However, rising unemployment levels combined with high inflation in the last few years has likely added significant financial pressure to this group. Equifax Canada is committed to championing financial inclusion for newcomers to Canada with business solutions such as our [Global Consumer Credit File](#)."

"Recent newcomers to Canada are facing challenges in navigating the Canadian financial economy."

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### Rebecca Oakes

Vice-President of Advanced Analytics,  
Equifax Canada





## Lower interest rates are helping many consumers

Over 1.3 million consumers missed a credit payment in Q3 2024, up 10.6 per cent from 12 months ago. While delinquency rates remain elevated year-over-year, the rising pace of missed payments has begun to slow, partially due to the Bank of Canada's recent rate reductions. This improvement was more visible for mortgage holders where the year-over-year change in delinquent consumers went from a 11.7 per cent increase in Q2 2024 down to 9.5 per cent in Q3 2024.

Balance-level delinquencies across all credit products were consistently higher than 2019 levels. Non-mortgage 90+ balance delinquency rates reached 1.43 per cent in Q3 2024, up from 1.2 per cent in Q3 2023. However, variable-rate products, such as lines of credit and home equity lines of credit (HELOCs), saw improvements with 90+ day balance level delinquency lowering from 1.8 per cent and 0.32 per cent respectively last quarter, to 1.77 per cent and 0.3 per cent in Q3 2024. Overall mortgage balance delinquency rates rose above pre-pandemic levels, however this increase was not seen in all provinces. Provinces like Ontario and British Columbia where affordability remains a significant challenge were the key driver behind the rising overall levels.

## Rising debt levels driven by renewed growth in the auto market

Consumer debt reached \$2.54 trillion in Q3 2024, a 4 per cent increase from the same period last year, with the non-mortgage debt per active credit consumer up 3.8 per cent from Q3 2023, and currently averaging \$21,810, up \$796 from last year.

One of the biggest drivers of rising consumer debt in Q3 2024 was auto loans. Non bank auto loan debt increased by 12 per cent year-over-year while bank auto loans went up by 2.7 per cent year-over-year. Auto lending showed strong growth in Q3 2024, with non-bank auto loan originations rising 13.6 per cent from the previous year.

"We are finally starting to see small affordability improvements for consumers to purchase and finance vehicles," said Oakes. "Reductions in used car prices along with better rate deals for new cars are helping to drive an increased demand for auto loans."



## Credit Card Debt Continues to Rise For Some

During Q3, consumers continued to show signs of pulling back on discretionary spending. Adjusted for inflation, the average credit card spend per consumer remained lower than 2022 and 2023 levels, with the rate cuts allowing more consumers to pay off their credit card balance in full.

This was especially notable among home equity line of credit (HELOC) holders with high variable rate balances. The proportion of consumers who paid their balance in full in the third quarter of 2024, went up by 65bps from Q2 2024, while those with a HELOC balance over \$50,000 saw an increase of 86bps.

Overall credit card debt continued to rise, up 9.4 per cent year-over-year driven partly by population growth and an increase in average balance for consumers unable to pay their balance in full.

"While recent rate cuts have alleviated some of the strain for some people, the financial pressures on Canadians remain significant," said Oakes. "We are seeing that those that get into debt are having a hard time getting out of it. As the holiday season approaches, consumers should consider their personal financial positions when making spending decisions to avoid financial strain."



## Age Group Analysis

### Debt & Delinquency Rates (excluding mortgages)

Age	Average Debt (Q3 2024)	Average Debt Change Year-over-Year (Q3 2024 vs. Q3 2023)	Delinquency Rate (\$) (Q3 2024)	Delinquency Rate (\$) Change Year-over-Year (Q3 2024 vs. Q3 2023)
18-25	\$8,267	4.72%	1.81%	17.02%
26-35	\$17,485	1.90%	2.04%	19.33%
36-45	\$26,984	3.17%	1.70%	24.40%
46-55	\$34,317	4.75%	1.25%	21.43%
56-65	\$28,410	6.28%	1.05%	16.88%
65+	\$14,575	3.61%	1.08%	8.12%
Canada	\$21,810	3.79%	1.43%	19.14%

## Major City Analysis

### Debt & Delinquency Rates (excluding mortgages)

City	Average Debt (Q3 2024)	Average Debt Change Year-over-Year (Q3 2024 vs. Q3 2023)	Delinquency Rate (\$) (Q3 2024)	Delinquency Rate (\$) Change Year-over-Year (Q3 2024 vs. Q3 2023)
Calgary	\$23,999	0.77%	1.59%	17.23%
Edmonton	\$23,744	0.71%	2.04%	18.88%
Halifax	\$21,265	2.37%	1.38%	11.60%
Montreal	\$16,894	2.98%	1.35%	27.06%
Ottawa	\$19,570	2.76%	1.32%	19.29%
Toronto	\$20,872	4.66%	1.90%	24.16%
Vancouver	\$23,002	4.53%	1.16%	19.00%
St. John's	\$23,938	2.41%	1.38%	0.73%
Fort McMurray	\$37,915	1.21%	2.25%	6.60%

# Province Analysis

## Debt & Delinquency Rates (excluding mortgages)

Province	Average Debt (Q3 2024)	Average Debt Change Year-over-Year (Q3 2024 vs. Q3 2023)	Delinquency Rate (\$) (Q3 2024)	Delinquency Rate (\$) Change Year-over-Year (Q3 2024 vs. Q3 2023)
Ontario	\$22,423	4.38%	1.50%	23.78%
Quebec	\$19,027	2.68%	1.04%	24.16%
Nova Scotia	\$21,323	3.85%	1.54%	6.65%
New Brunswick	\$21,491	3.24%	1.53%	0.42%
PEI	\$23,464	5.47%	1.08%	5.94%
Newfoundland	\$24,771	7.78%	1.42%	-0.46%
<i>Eastern Region</i>	\$22,216	4.59%	1.48%	2.89%
Alberta	\$24,555	1.44%	1.81%	17.39%
Manitoba	\$18,086	4.45%	1.63%	11.69%
Saskatchewan	\$23,405	5.92%	1.69%	12.44%
British Columbia	\$22,438	4.26%	1.27%	15.33%
<i>Western Region</i>	\$22,855	3.36%	1.55%	15.57%
<b>Canada</b>	<b>\$21,810</b>	<b>3.79%</b>	<b>1.43%</b>	<b>19.14%</b>

\* Based on Equifax data for Q3 2024





## How Equifax can help reduce risk and grow your business

We offer specialized products and solutions to help you gain insights on markets, [acquire more customers](#) and process credit applications. Our unmatched data assets and innovation help you find the best customers and smartly grow your customer base.

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## Contact your Equifax Account Representative to learn more



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