The Kiwi Credit Lens

November 2025 Credit Insights

Economic Overview

GDP

Quarterly Q2 2025	Quarterly Q1 2025	
-0.9%	+0.9%	Next update 18 Dec 2025

Official Cash Rate

As at 8 October 2025

2.5%

Next update 26 Nov 2025

Consumer Price Index

As at September 2025

+3.0%

Up from +2.7% in Jun 2025
Next update 23 Jan 2026

Consumer Confidence

As at October 2025

92.4 Oct 2025

94.6 Sep 2025

Unemployment Rate

As at September 2025

5.3%

Up from 5.2% in Jun 2025
Next update 4 Feb 2026

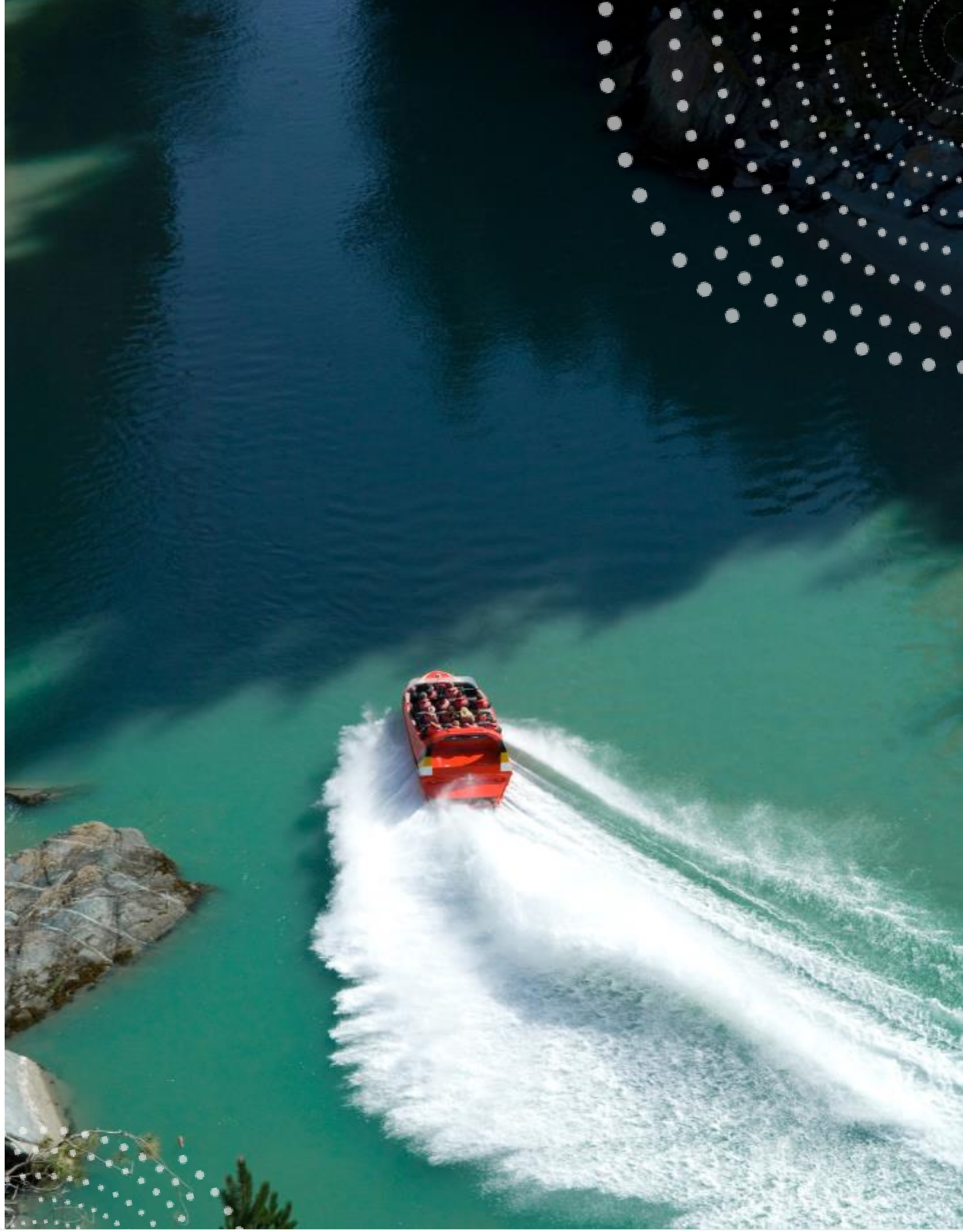
Business Confidence

As at October 2025

58.1 Oct 2025

49.6 Sep 2025

Source: StatsNZ, RBNZ, ANZ-Roy Morgan Consumer Confidence Survey, ANZ Business Outlook survey



Consumer Credit

General Highlights, Credit Demand, and Credit Health

Rising labour underutilisation and cautious consumers define the economic headwinds, but there are glimmers of hope

Labour Market Softness Persists, but with Glimmers of Hope[#1]

The unemployment rate rose to 5.3% in the September quarter, driven by a 0.3% increase in the working-age population with no new jobs created. This increase was in line with both market economist and RBNZ forecasts.

14.5% of the 160,000 people looking for work have been searching for over a year. Underutilisation, which also includes 138,000 part-time workers seeking more hours, has reached a record high of 406,000 people (12.9%).

Youth unemployment (15–24) also climbed to 15.9%, and their NEET rate (not in employment, education, or training) reached 13.8%.

The economists' view is that businesses have been managing costs by reducing hours rather than laying off staff, a key factor in why underutilisation has risen sharply but the headline unemployment rate has not skyrocketed. This strategy allows businesses to quickly scale back up as interest rates fall and demand returns.

With that in mind, a potential green shoot amongst the rest of the gloom is that Kiwis collectively worked an additional 2,700 hours in the average week during the quarter, marking an increase of almost 1% on a seasonally adjusted basis after nearly two years of consistent decline.

Consumer Confidence Eases, Giving Up Recent Gains [#2]

Consumer Confidence eased slightly in October, falling from 94.6 to 92.4 and effectively erasing the gains recorded in the previous month. The forward-looking future conditions index also softened (99.0 to 97.0), though it remains notably higher than the current conditions index (85.5). Overall, consumers remain highly cautious and negative sentiment not helped by the grim economic headlines. While the impact of monetary policy easing is likely filtering through the economy, a significant shift in consumer confidence typically lags until the economic recovery is firmly established.

The Fall in Net Migration Has Slowed[#1]

The fall in annual net migration appears to have hit its floor after a period of sustained contraction. Provisionally, there were 138,600 migrant arrivals and 128,000 migrant departures in the year to August 2025. This contrasts sharply with the October 2023 peak, which saw 234,800 arrivals and 99,300 departures. The resulting lower net immigration is partly a response to the weakening economic and labour market conditions in New Zealand, particularly relative to Australia. Notably, apart from the pandemic years, natural population gain (births less deaths) is outpacing net migration for the first time since 2013.

[#1] Stats NZ

[#2] ANZ-Roy Morgan Consumer Confidence Survey September 2025

Consumer Arrears trends remain positive overall, led by a material decline in Auto 30DPD+ Arrears in September

Home Loan 30DPD+ arrears registered another 1bps improvement in September, continuing the positive trend seen recently as more households begin to feel relief from falling interest rates. Current levels are now on par with the level seen at this time last year.

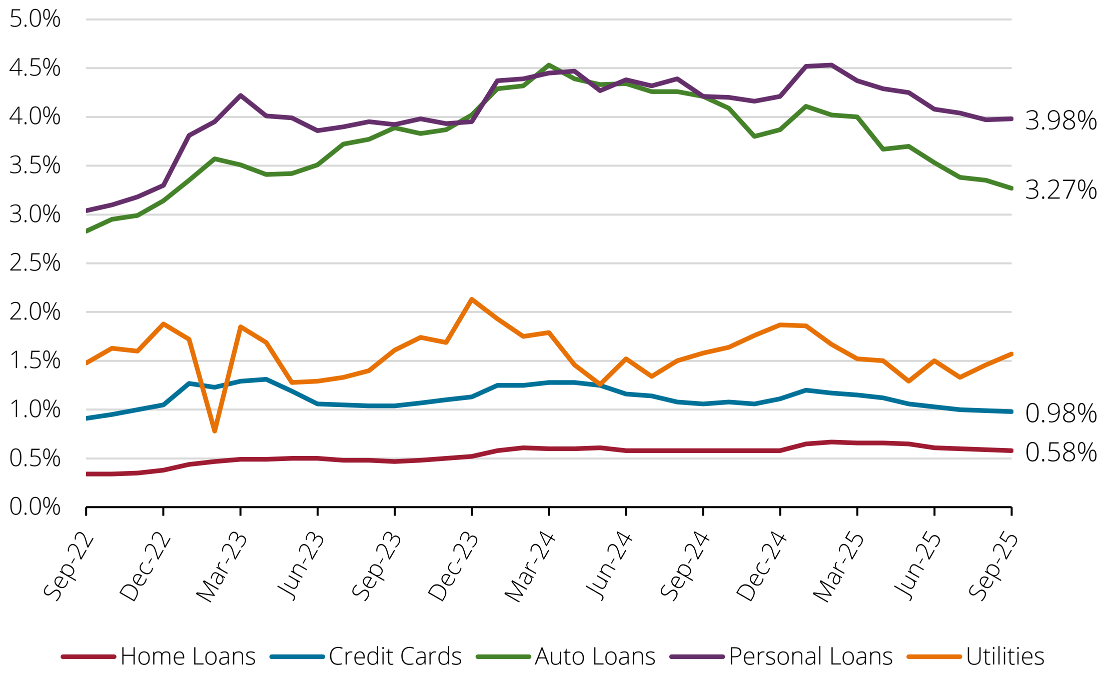
Personal Loan 30DPD+ arrears saw a small 2bps increase in September, marking the first monthly rise since peaking in February earlier this year. Despite this rise, the longer-term trend remains positive, with current levels down 22bps year-on-year and a significant 55bps below the peak.

Credit Card 30DPD+ arrears continued to decrease in September, albeit marginally (1bps). The overall long-term trend remains highly consistent, with annual seasonal peaks and troughs generally reaching similar levels.

September registered a material 9bps improvement in Auto Loan 30DPD+ arrears. Year-on-year improvement has grown to 95bps, with current levels now 126bps below the peak recorded 18 months ago.

Consumer Credit Arrears Trends (30DPD+)

Percentage of Accounts in Arrears



Source: Equifax NZ

Personal Loan hardships turn after sustained deterioration, joining continued monthly easing in Credit Cards and Home Loans

Hardship Volumes on Bureau

Hardship volumes for September 2025 showed month-on-month improvement across all product categories.

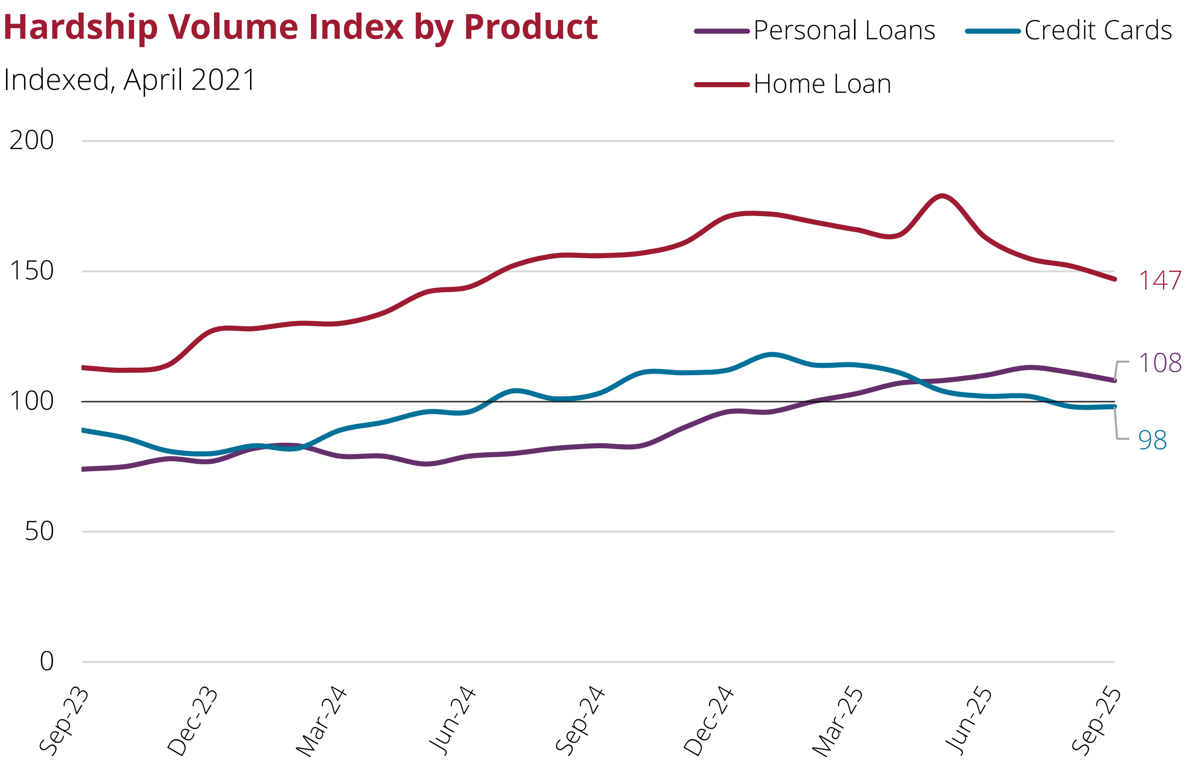
Notably, Personal Loan hardship volumes have turned this month, falling by 2.8% after a long period of sustained deterioration. While current levels remain elevated year-on-year at +30.1%, this marks a significant pullback from the +37.5% recorded at the end of August.

Both Credit Cards and Home Loans continued their recent trend of monthly decreases, easing steadily since the start of the year.

Movement	Home Loans	Credit Cards	Personal Loans
Month-on-Month	-3.0%	-0.1%	-2.8%
Year-on-Year	-5.6%	-5.4%	+30.1%

Hardship Volume Index by Product

Indexed, April 2021



Source: Equifax NZ

Home Loans

Demand & Credit Health Insights

An overview of the New Zealand Property Market

Powered by VALOCITY

Housing Market Commentary

The national Valocity Value Index fell 0.4% over the past quarter, currently holding steady at $957,000 and sitting 1% lower YTD.

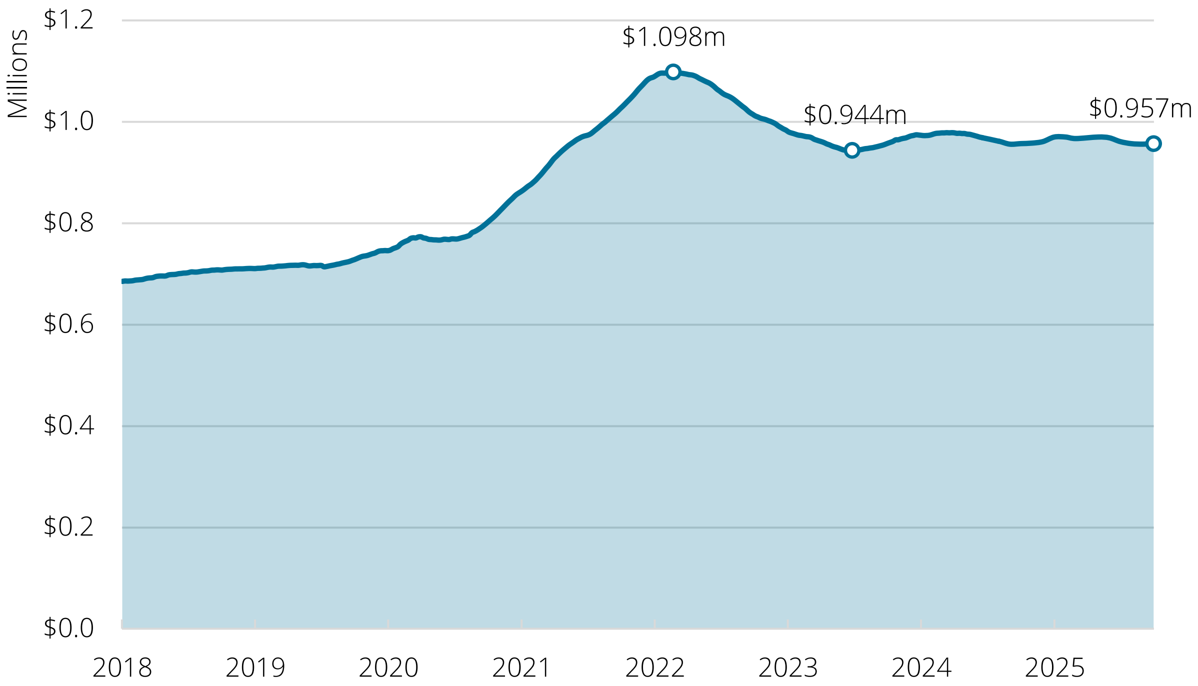
The property market entered spring on a brighter note, supported by a 50bps OCR cut with further reductions anticipated in November. The upcoming relaxation of LVR limits is also poised to boost buyer activity. However, unchanged DTI restrictions suggest it is unlikely to drive the rapid value growth seen during 2020 and 2021.

The effects of this cycle's rate cuts are still working through the market, and many existing borrowers are expected to explore new opportunities as their current borrowing costs decrease.

On the policy front, the Labour Party signalled that a re-election in 2026 would likely lead to the introduction of a 28% targeted Capital Gains Tax. While property flippers are already covered by the Bright-Line test, this new policy would primarily affect long-term investors, likely tempering house price growth and dampening short-term demand.

Valocity Value Index – Nationwide

National Average Property Value



The overview of the New Zealand property market is powered by Valocity Limited (Valocity). This includes the Valocity Value Index (VVI), which is the proprietary intellectual property of Valocity. The VVI is derived from Valocity's Automated Valuation Model (iVal) and represents a modelled average iVal in the location quoted. Valocity commentary may also draw on publicly available information, including (but not limited to) economic indicators and market forecasts from third-party sources. Such information remains with the original source. This material is provided for general market commentary and information purposes only. It does not constitute financial, investment, or professional advice and should not be relied upon as such. Republication is not permitted without the prior written permission of Valocity.

An overview of the New Zealand Property Market

Powered by VALOCITY

A look at property values across the regions

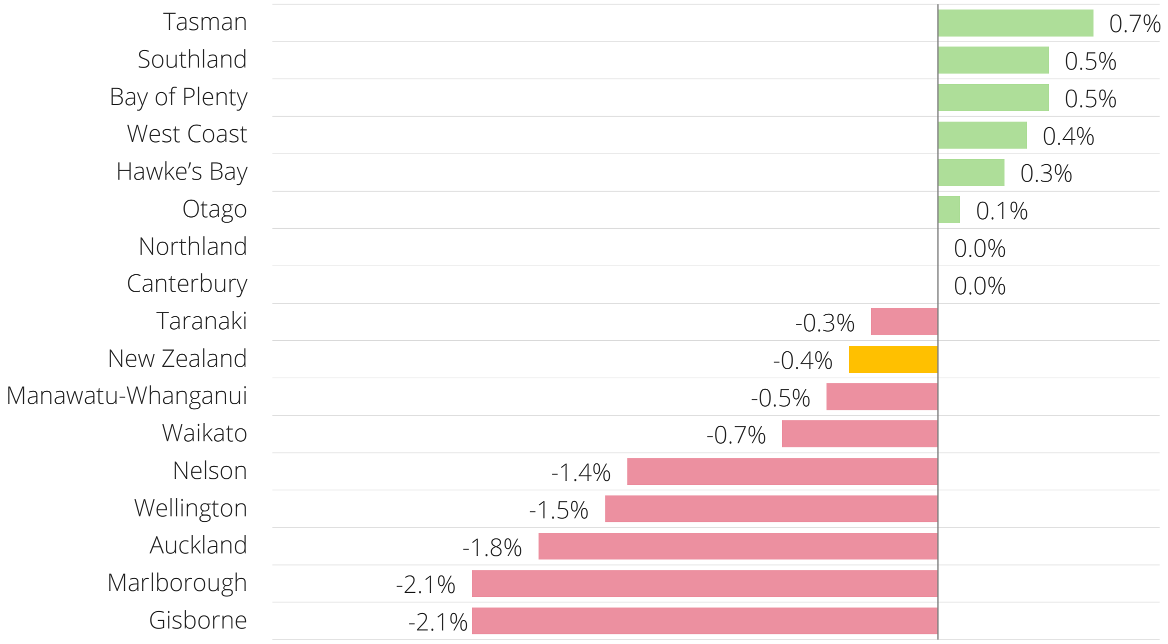
Early signs of a property market recovery are emerging, with 10 of the 16 regions recording monthly gains and eight seeing either a quarterly increase or holding firm.

Of the regions that declined through the quarter, the most notable were Marlborough and Gisborne, both of which saw 2.1% contractions. Auckland was also down 1.8%, but it is worth noting that this decline has closed from an earlier 2.8% contraction.

Property values in these declining regions continue to face downward pressures stemming from high levels of new monthly residential property listings and suppressed buyer demand amidst weak economic conditions.

Quarter-on-Quarter Change in Property Values

September 2025 vs. June 2025; Valocity Value Index



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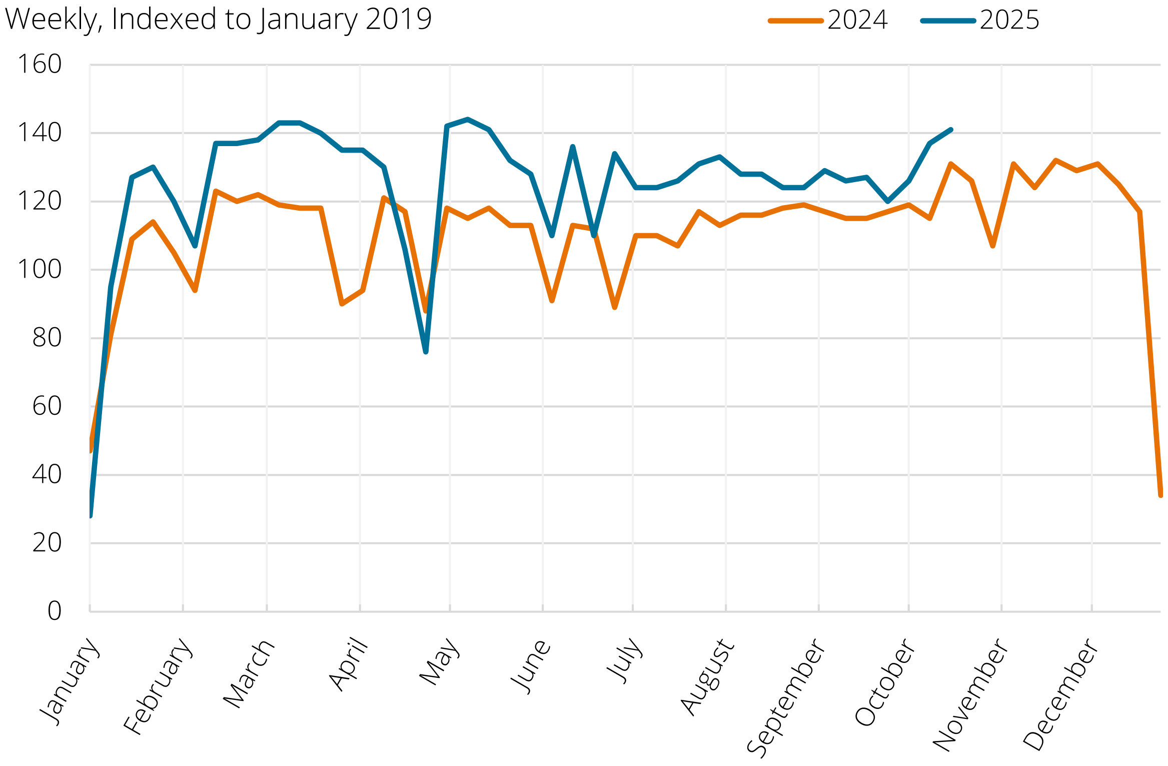
The October OCR reduction provided fresh momentum, fuelling a surge in enquiries and extending the lender switching trend

Home Loans – Weekly Enquiry Volume

Weekly, Indexed to January 2019



Source: Equifax NZ

Weekly enquiry volumes have recently regained momentum. While October typically marks the start of the summer selling season and property sales activity generally increases, there is little evidence to suggest a significant uplift in sales is the primary influence on these enquiry volumes.

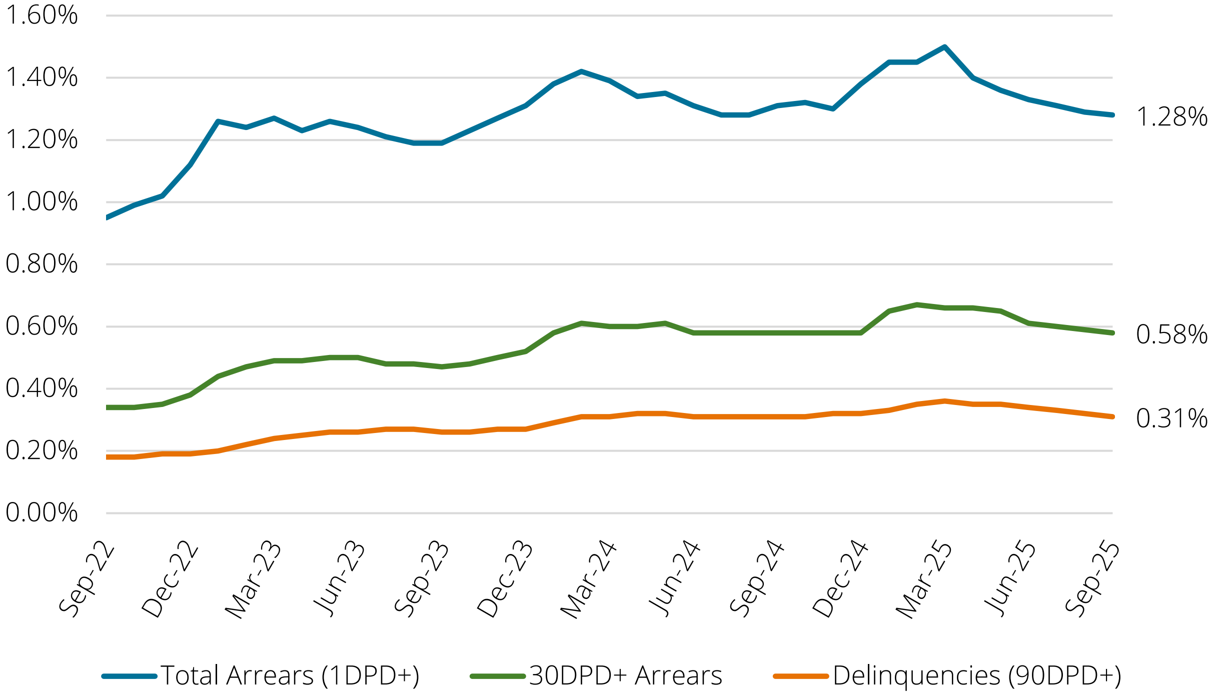
A more likely driver behind the recent surge is the Reserve Bank's 50bps cut to the OCR on October 8th, which provided another shot in the arm to the already elevated switching activity seen this cycle.

Overall, year-to-date enquiry volumes are up by 13.7% compared to the same period last year. The Reserve Bank's final OCR decision for the year happens in late November, which is widely projected to be a further 25bps drop. While this cut may potentially mark the end of the current easing cycle, elevated enquiry volumes are expected to persist as borrowers continue to roll off higher fixed-rate terms and look to capitalise on the competitive rate cards across the market.

Home Loan arrears remain stable as minimal 1bps declines leave both 30DPD+ and 90DPD+ arrears on par with September last year

Home Loans – Overall Arrears

Percentage of Accounts in Arrears



Source: Equifax NZ

30DPD+ Arrears

Month-on-Month Change: -1bps

Year-on-Year Change: No Change

30DPD+ arrears registered another 1bps improvement, continuing the positive trend seen recently as more households begin to feel relief from falling interest rates. Current levels are now on par with the level seen at this time last year.

Delinquent Accounts (90DPD+)

Month-on-Month Change: -1bps

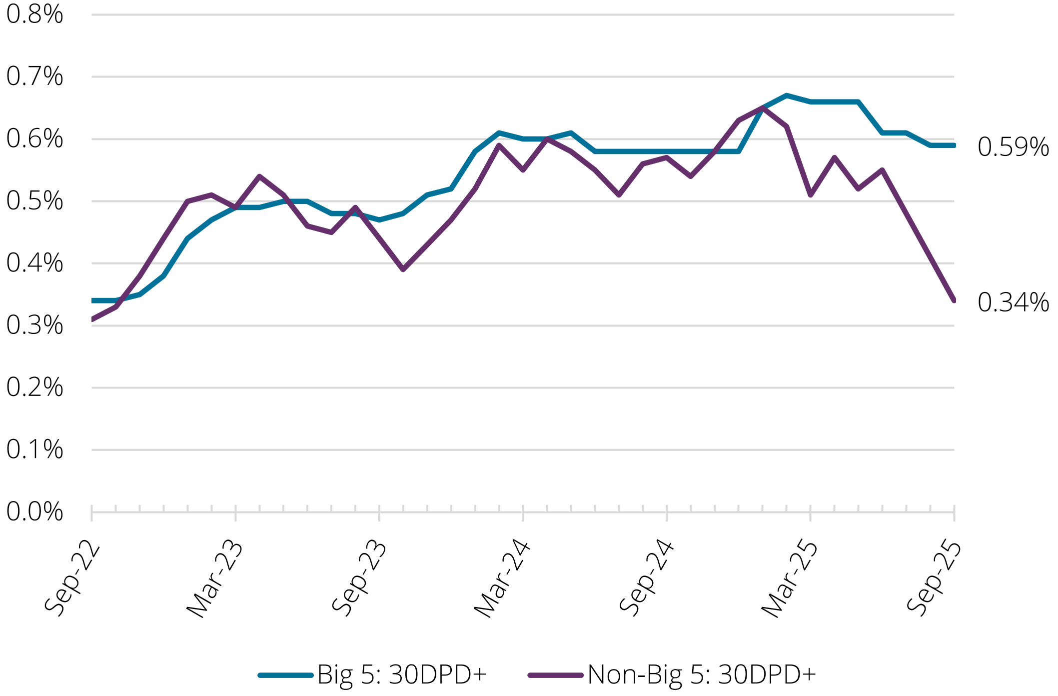
Year-on-Year Change: No Change

Late-stage arrears also registered the same marginal improvement, with current levels matching those seen last year as well. The overall trend for severe arrears continues to experience downward pressure.

'Non-Big 5' Lenders saw notable improvement in September, but the impact is limited by concentration to the more stable 'Big 5'

Big 5 vs. Non-Big 5: 30DPD+ Home Loan Arrears

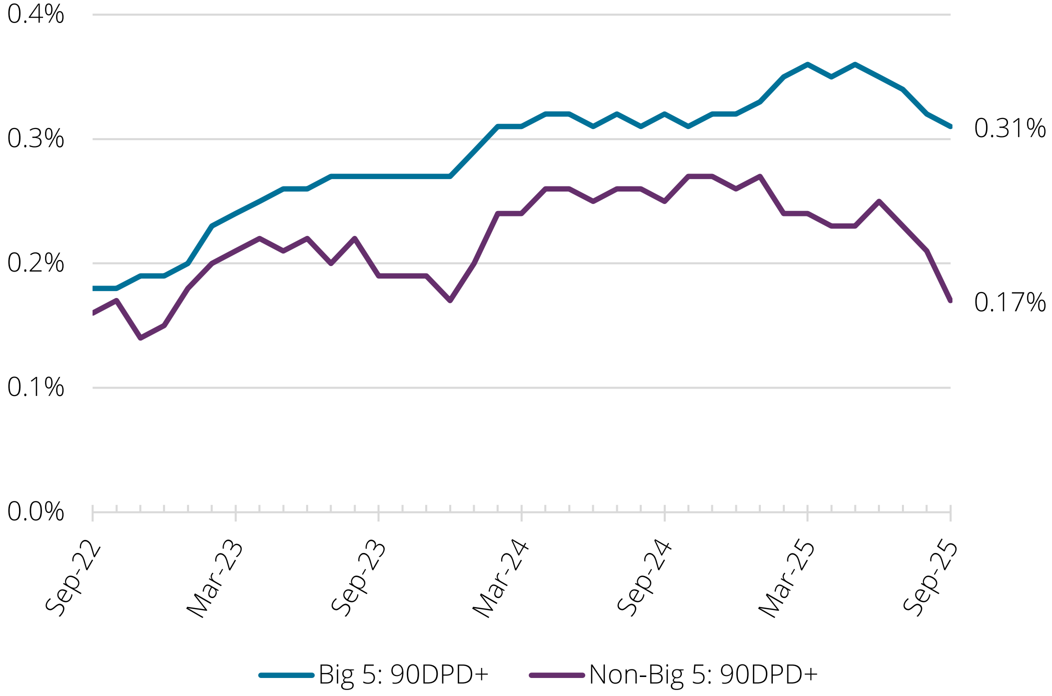
Percentage of Accounts in Arrears



Source: Equifax NZ

Big 5 vs. Non-Big 5: 90DPD+ Home Loan Arrears

Percentage of Accounts in Arrears

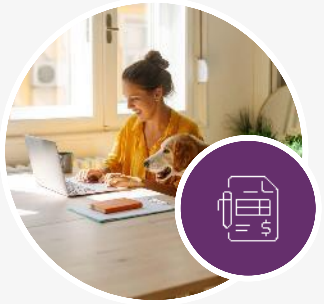


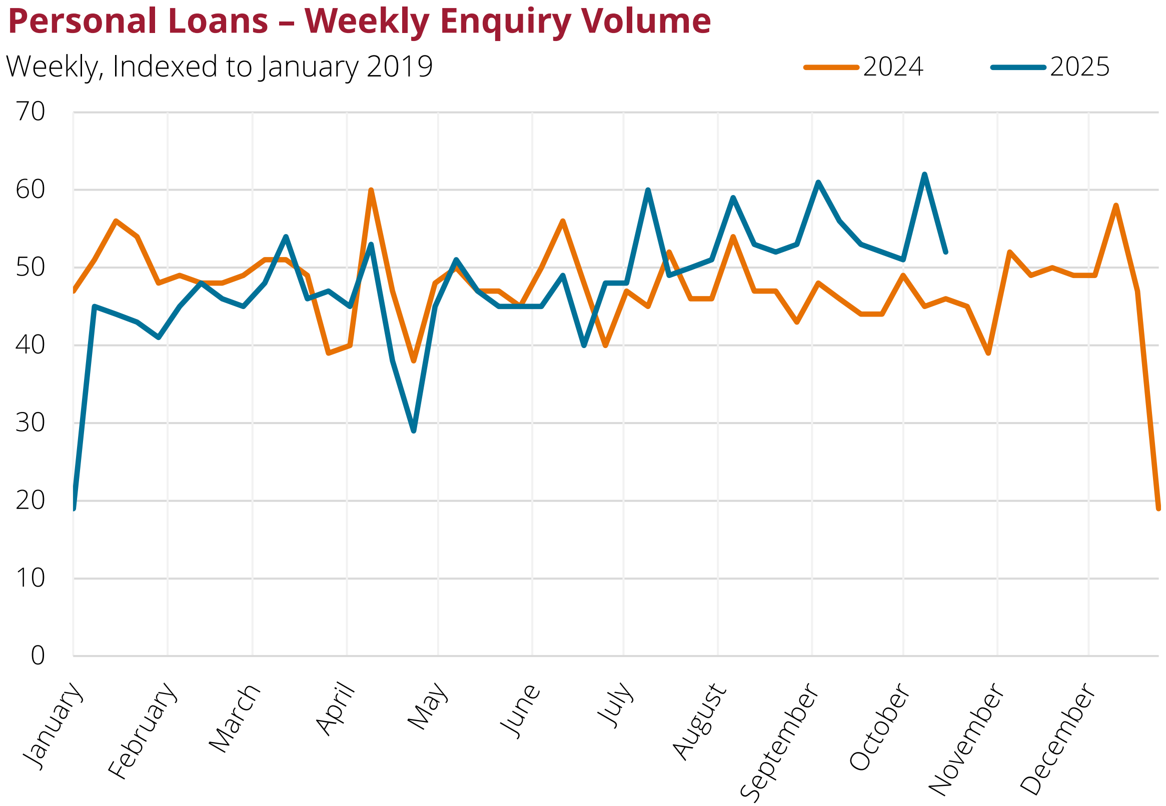
Source: Equifax NZ

Personal Loans

Demand & Credit Health Insights

Personal Loan enquiry volumes continue the H2 2025 uplift, but they remain subdued in the long run by persistent low confidence





Source: Equifax NZ

Personal Loan enquiries have shown continued improvement in the second half of the year, with volumes since the start of July 2025 (H2-to-date) up a strong 15.2% compared to the same period last year. Overall, 2025 year-to-date enquiries are now 0.35% higher versus 2024 after a slow start to the year.

This 2025 improvement is heavily driven by enquiries originating from the major banks, with the 'Big 5' up 14.5% in 2025 YTD. In contrast, the rest of the market has seen 4.0% fewer enquiries – but this gap is closing as the year progresses, which underpins the stronger overall volume improvement in H2 specifically.

In the wider context; however, current enquiry levels remain significantly below the January 2019 baseline despite recent gains. Given the weak economic conditions, it is likely that Personal Loan enquiries include a component of debt consolidation.

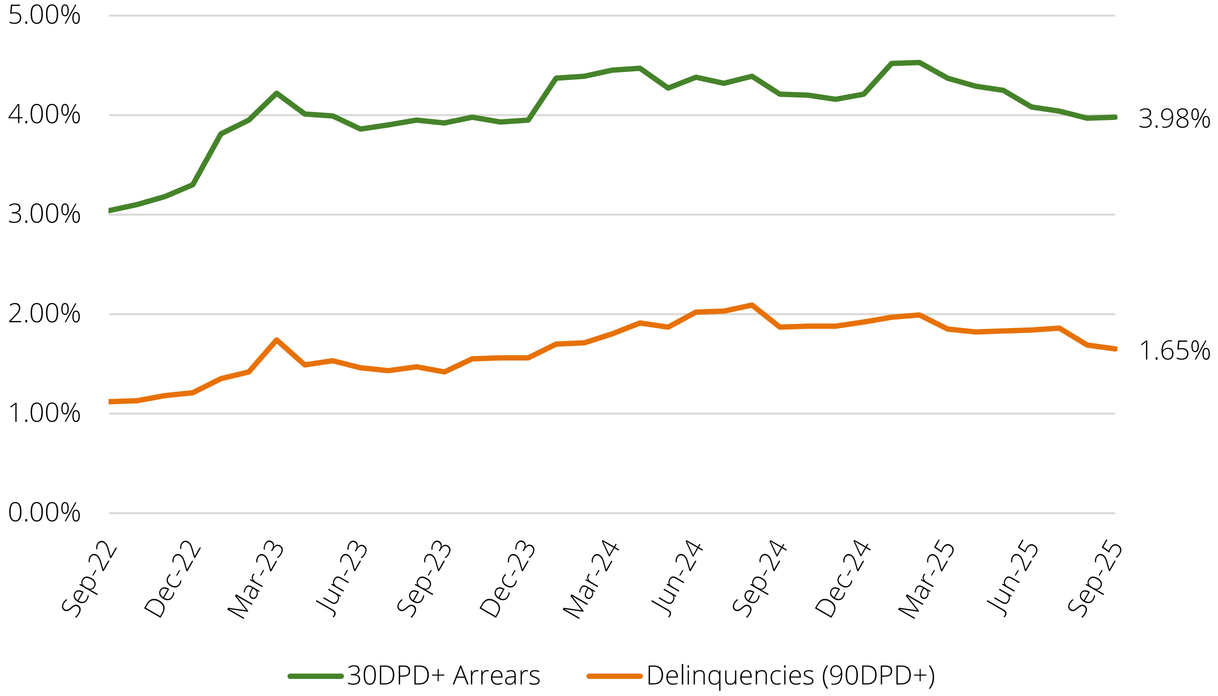
Reinforcing this subdued environment, recent consumer confidence remains negative, with a net 14% of people deeming it a bad time to purchase major household items. This indicator has remained negative for the last four years[#1].

[#1] ANZ-Roy Morgan Consumer Confidence Survey October 2025

Personal Loan 30DPD+ arrears see the first monthly rise since the February peak; while 90DPD+ arrears continue to improve.

Personal Loans – Overall Arrears

Percentage of Accounts in Arrears



Source: Equifax NZ

30DPD+ Arrears

Month-on-Month Change: +2bps

Year-on-Year Change: -22bps

30DPD+ arrears saw a small increase in September, marking the first monthly rise since peaking in February earlier this year. Despite this rise, the longer-term trend remains positive, with current levels down 22bps year-on-year and a significant 55bps below the peak.

Delinquent Accounts (90DPD+)

Month-on-Month Change -4bps

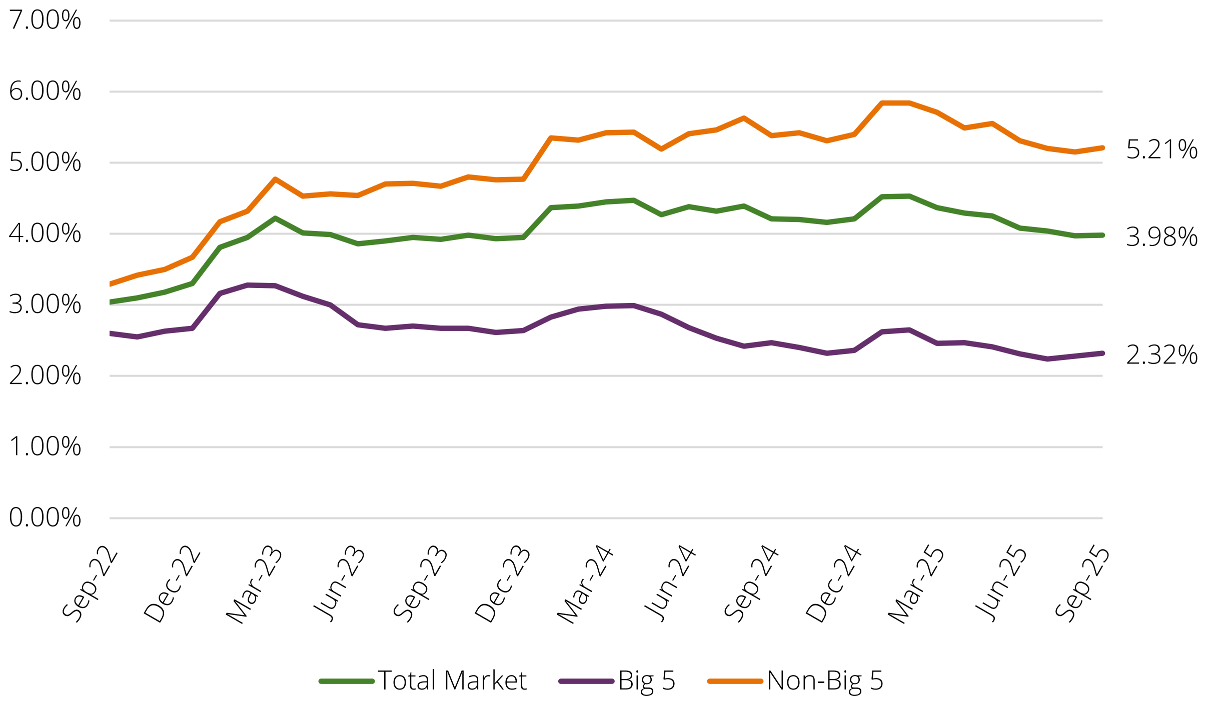
Year-on-Year Change: -22bps

Late-stage (90DPD+) arrears registered another decline in September and are now notably lower compared to the same time last year.

30DPD+ rose in both 'Big 5' and 'Non-Big 5' cohorts, but the overall increase was small (2bps) because of a change in cohort weighting

Personal Loans – 30DPD+ Arrears by Lender Cohort

Percentage of Accounts in Arrears



Source: Equifax NZ

'Big 5' 30DPD+ Arrears

Month-on-Month Change: +4bps

Year-on-Year Change: -14bps

The 'Big 5' cohort experienced a slight increase in 30DPD+ arrears this month. However, the broader trend remains positive, with current arrears levels being the lowest observed in the three-year period.

'Non-Big 5' 30DPD+ Arrears

Month-on-Month Change: +6bps

Year-on-Year Change: -45bps

30DPD+ arrears for 'Non-Big 5' lenders saw an increase of 6bps for the month, representing the first monthly rise since May of this year. Despite this, their levels remain significantly lower compared to the same time last year.

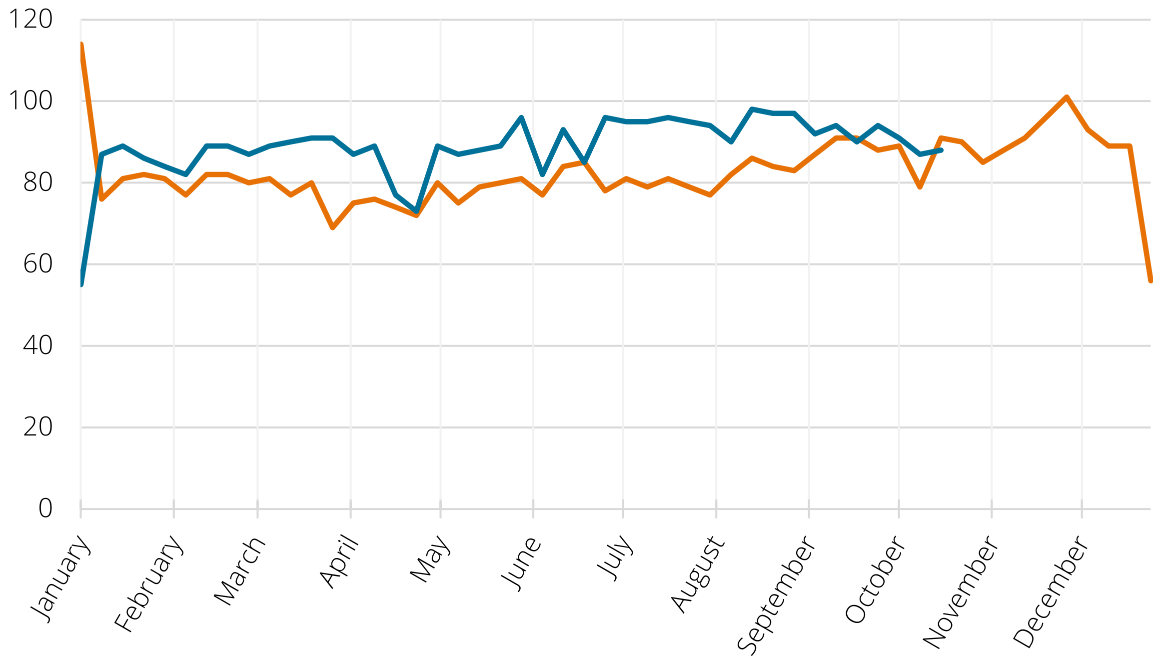
Credit Cards

Demand & Credit Health Insights

Refinancing activity and reward scheme changes sustain Credit Card enquiry volumes, even as weekly growth moderates

Credit Cards – Weekly Enquiry Volume

Weekly, Indexed to January 2019



Source: Equifax NZ

Weekly Credit Card enquiry volumes have cooled slightly over the past six weeks, bringing weekly volumes back in line with levels observed during the same period last year. While 2025 enquiries remain elevated year-to-date at +9.0% compared to last year, this figure has moderated, pulling back from the +10.0% growth recorded at the end of August.

Despite the recent cooling, the long-term trajectory for credit card enquiries continues its gradual growth towards January 2019 baseline levels. This sustained trend is likely influenced by a mix of factors:

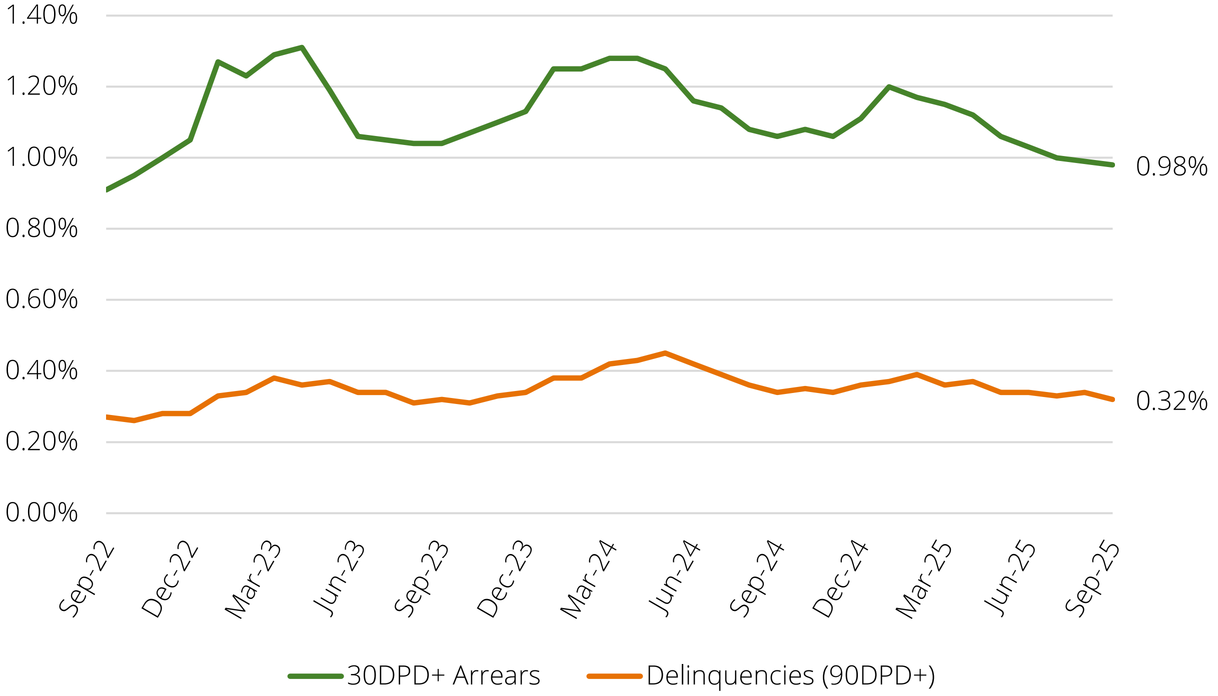
- Flow-on effects from heightened home loan refinancing activity, as customers often transfer their credit card accounts to their new primary lender.
- Recent shifts in credit card reward programmes, which may be encouraging existing cardholders to seek more attractive offerings elsewhere (particularly among the Big 5 banks).

It is important to note, however, that this rise in enquiries has not translated into a proportional increase in the number of new credit card accounts being opened.

30DPD+ and Late-Stage Credit Card arrears maintain stable long-run trends, reflecting normal seasonal volatility

Credit Cards – Overall Arrears

Percentage of Accounts in Arrears



Source: Equifax NZ

30DPD+ Arrears

Month-on-Month Change: -1bps

Year-on-Year Change: -8bps

30DPD+ Credit Card arrears continued to decrease in September, albeit marginally. The overall long-term trend remains highly consistent, with annual seasonal peaks and troughs generally reaching similar levels.

Delinquent Accounts (90DPD+)

Month-on-Month Change: -2bps

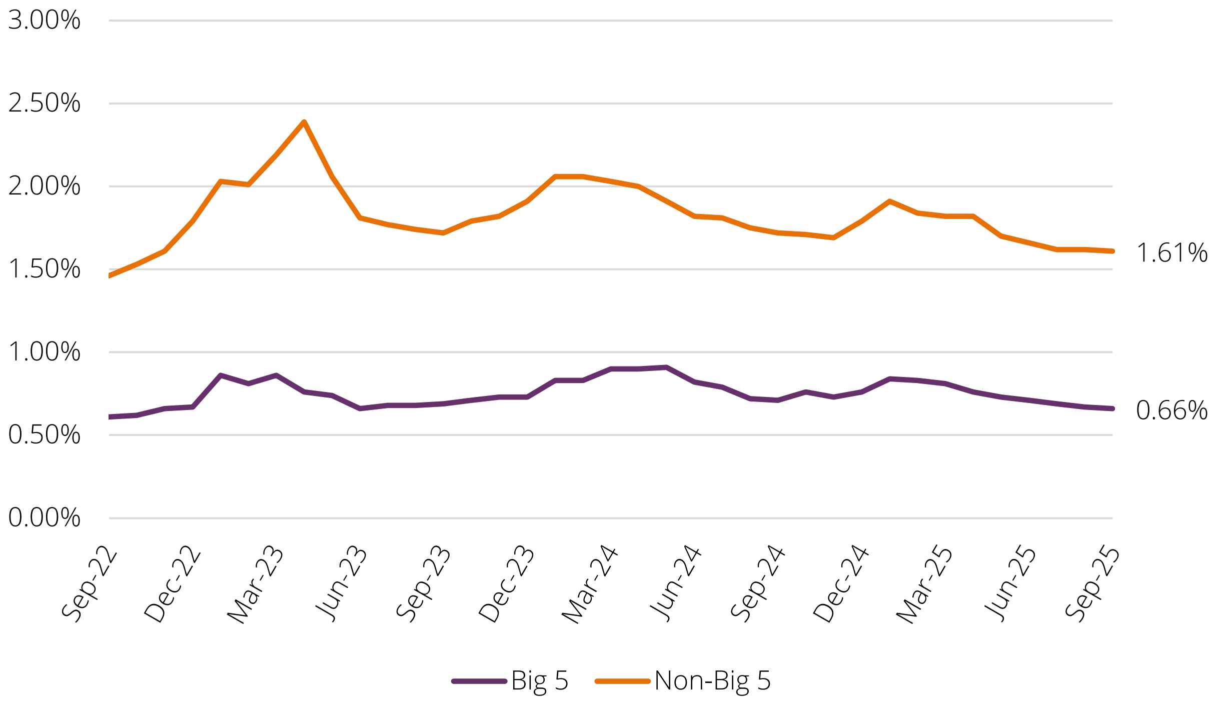
Year-on-Year Change: -3bps

Late-stage Credit Card arrears saw a minor 2bps decrease in August. The year-to-date trend shows gradual improvement despite minor monthly volatility, with the current level sitting 4bps below the start of the year.

Credit Card arrears show broad-based improvement as the ‘Big 5’ records an eighth consecutive month of decline

Credit Cards – 30DPD+ Arrears by Lender Cohort

Percentage of Accounts in Arrears



Source: Equifax NZ

‘Big 5’ Arrears (30DPD+)

Month-on-Month Change: -2bps

Year-on-Year Change: -6bps

‘The 'Big 5' cohort improved for the eighth consecutive month, with 30DPD+ arrears now down a notable 22bps since January this year. Year-on-year levels have also improved, falling 6bps compared to September 2024.

‘Non-Big 5’ Arrears (30DPD+)

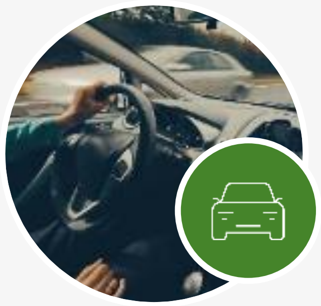
Month-on-Month Change -1bps

Year-on-Year Change: -7bps

The 'Non-Big 5' cohort saw a minor improvement over the month and stay 7bps lower compared to the same point last year. Overall, 'Non-Big 5' Credit Card arrears have fallen steadily throughout the course of this year, but seasonal patterns suggest future rises in the coming months.

Auto Loans

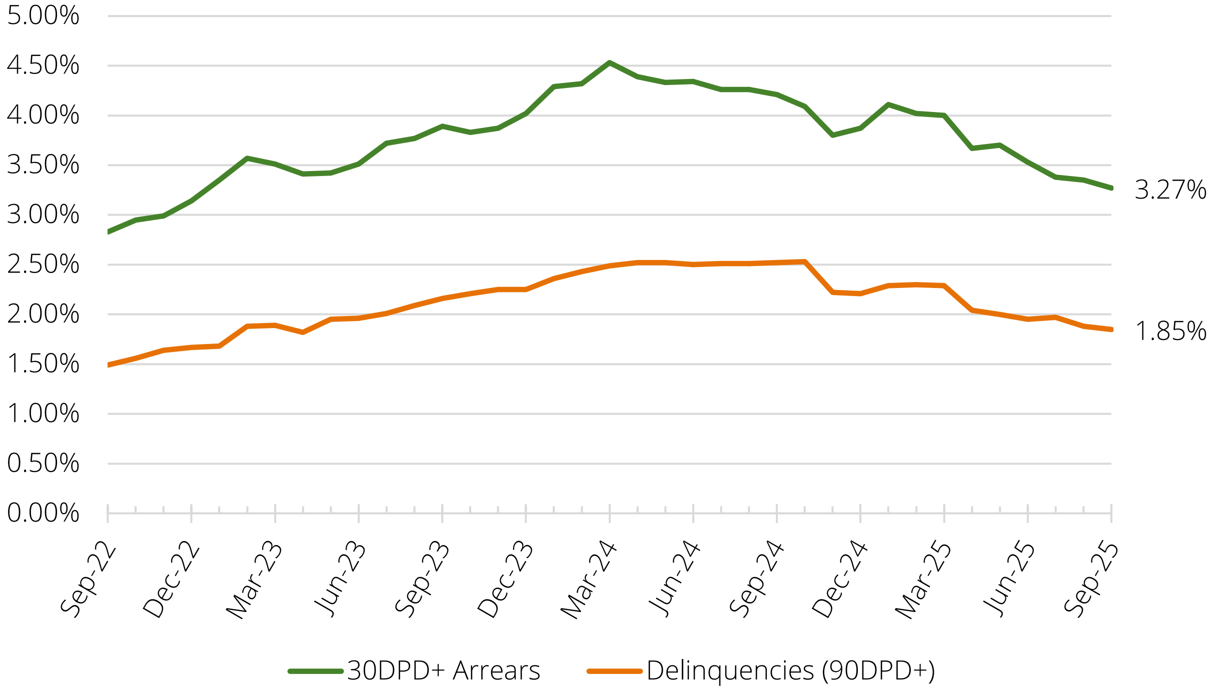
Credit Health Insights



Auto Loan arrears register further reductions in September, with both 30DPD+ and Late-Stage arrears down significantly YoY

Auto Loans – Overall Arrears

Percentage of Accounts in Arrears



Source: Equifax NZ

30DPD+ Arrears

Month-on-Month Change: -9bps

Year-on-Year Change: -95bps

September registered a material 9bps improvement in 30DPD+ arrears. Year-on-year improvement has grown to 95bps, with current levels now 126bps below the peak recorded 18 months ago.

Delinquent Accounts (90DPD+)

Month-on-Month Change: -4bps

Year-on-Year Change: -67bps

Late-stage arrears also recorded a notable decrease of 4bps and are now 67bps below last year's levels. The current level is also roughly in line with the figures last observed in April 2023.

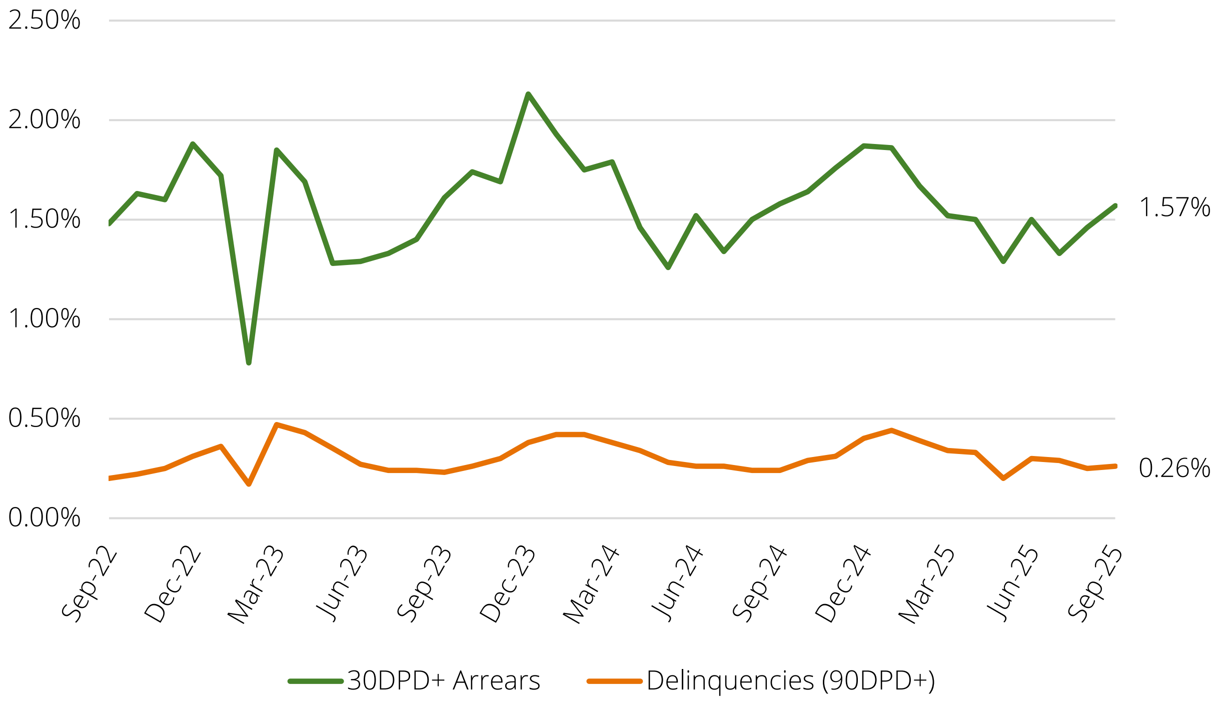
Utilities

Credit Health Insights

Utility arrears tick up slightly in September, but overall levels align closely with the same time last year

Utilities – Overall Arrears

Percentage of Accounts in Arrears



Source: Equifax NZ

30DPD+ Arrears

Month-on-Month Change: +11bps

Year-on-Year Change: -1bps

30DPD+ arrears saw some slippage in September, having generally floated around the 1.25%–1.50% mark since March. Current figures are effectively on par with the same time last year.

Delinquent Accounts (90DPD+)

Month-on-Month Change: +1bps

Year-on-Year Change: +2bps

Late-stage (90DPD+) arrears also recorded a small increase, up 1bps for the month. The broader trend continues to fluctuate within a narrow 30bps band and has remained relatively stable this year.

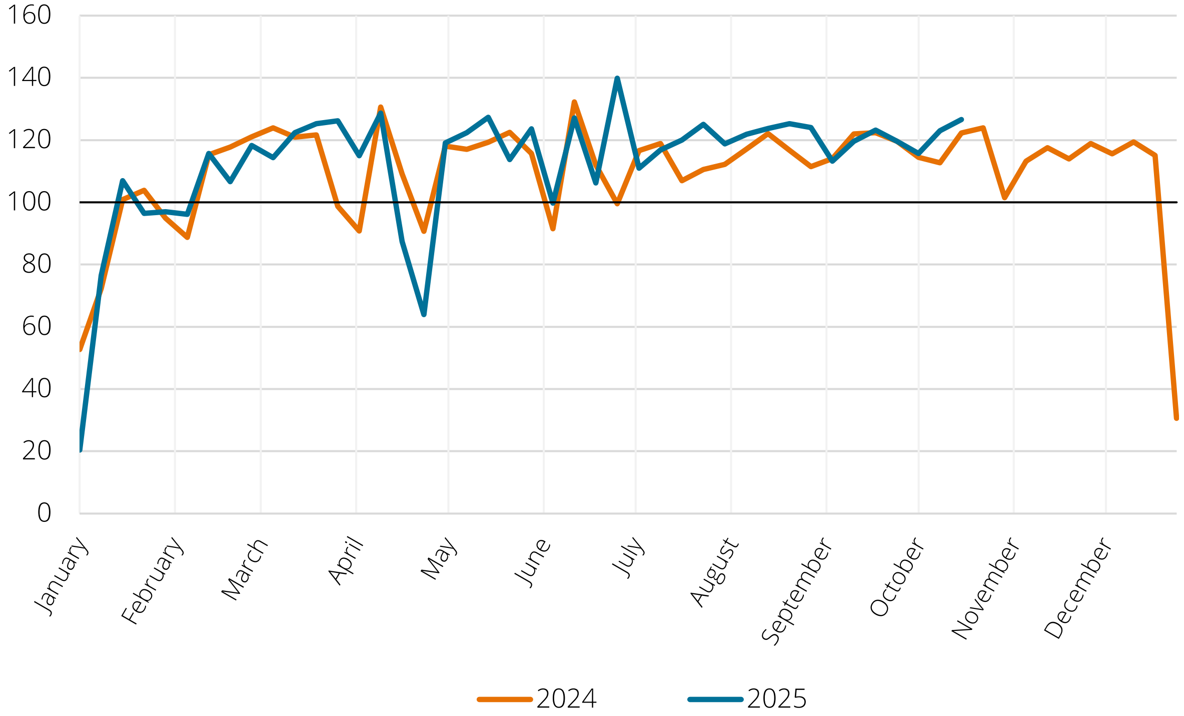
Commercial Credit

General Highlights and Credit Demand.

Commercial Credit enquiries remain steady year-to-date, heavily driven by interest rate-sensitive real estate sector activity

Commercial Credit Demand – Weekly Enquiry Volume

Indexed Weekly, January 2020



Source: Equifax NZ

Overall Commercial Credit Demand (to Week 42)

2025 Year-to-Date vs Same Period in 2024: +1.77%

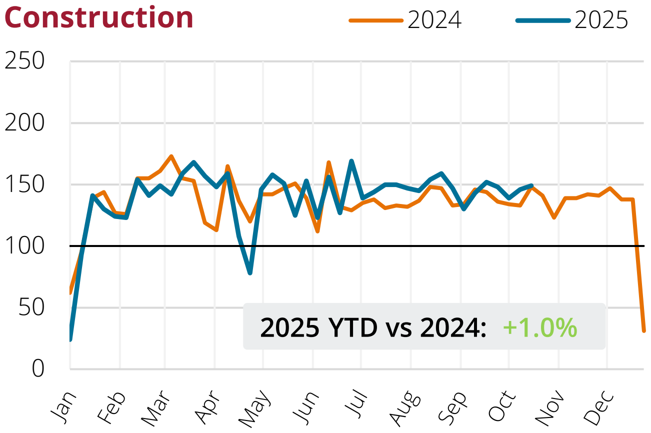
Weekly Commercial Credit enquiry volumes through September and the start of October were largely consistent with the same period last year. Overall, the year-to-date volume remains slightly above 2024, up 1.77%.

This sustained growth continues to be driven by the Rental, Hiring, and Real Estate sector, where elevated switching activity is occurring as interest rates fall. Similar to consumer mortgage lending, the 50bps OCR reduction provided another shot in the arm for this sector, stimulating further commercial enquiries.

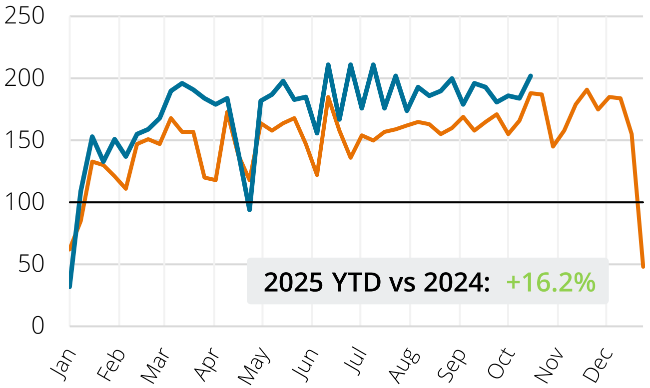
In contrast, both the Accommodation & Food and the Transport, Postal, & Warehousing sectors remain in negative territory for 2025 YTD enquiries compared to the previous year. While recent weeks have seen that gap close slightly, the performance of these sectors will warrant close attention heading into the summer months.

Rental, Hiring & Real Estate continues to drive strong YTD gains as borrowers continue to shop around as interest rates fall

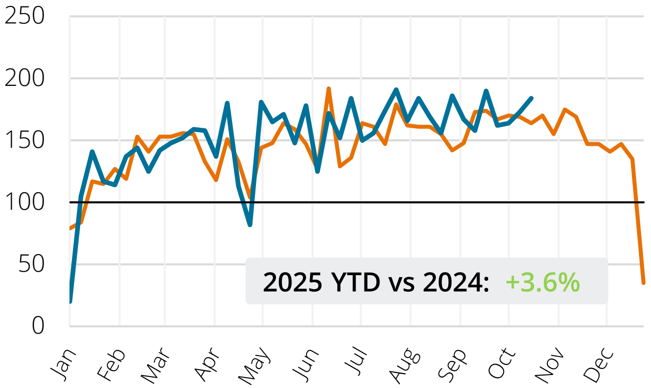
Construction



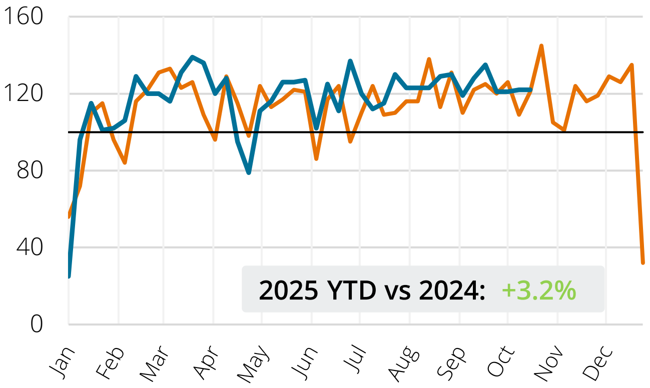
Rental, Hiring, & Real Estate



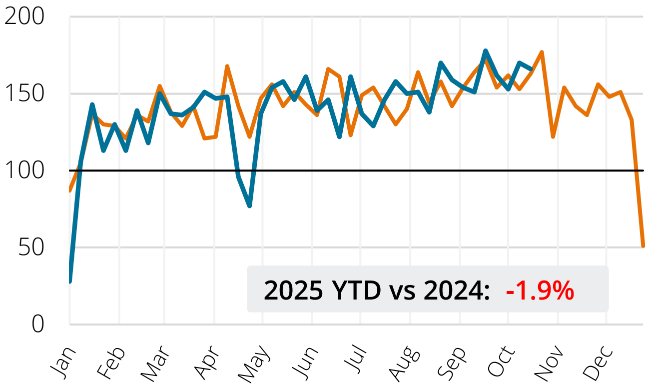
Retail Trade



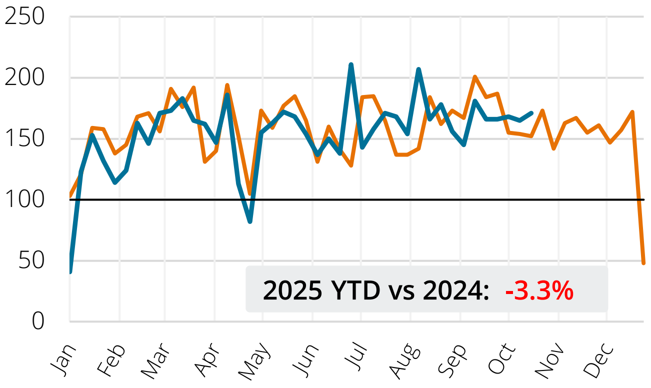
Prof, Scientific & Tech Services



Accommodation & Food



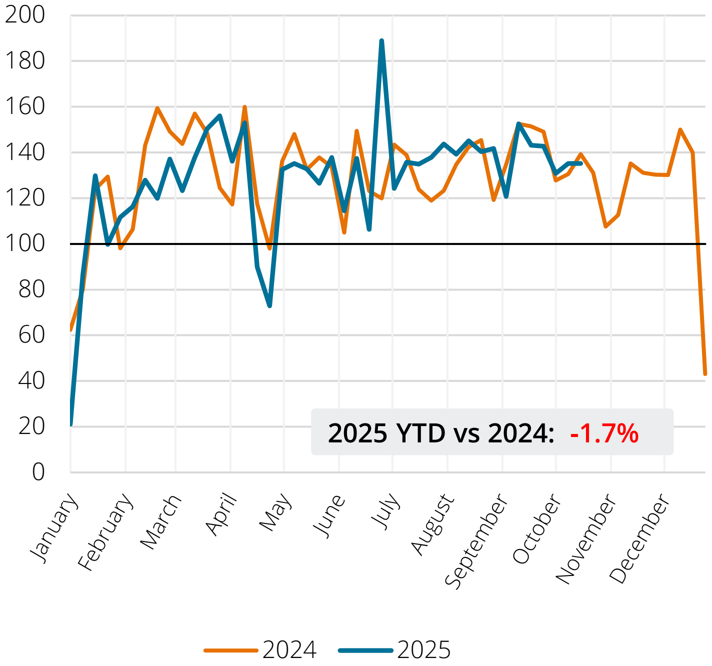
Transport, Postal & Warehousing



While other product volumes remain lower, Business Loans continue to see elevated growth, with YTD levels up over 10%

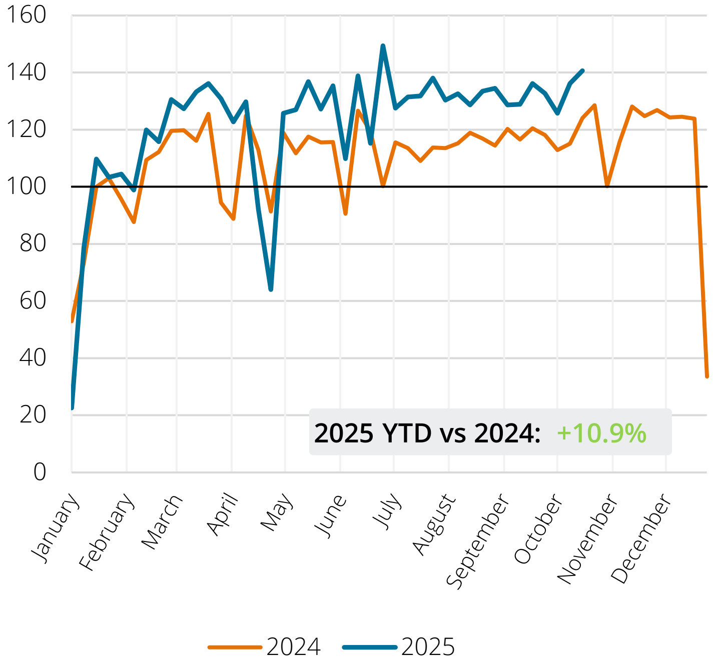
Asset Finance Demand Index

Indexed Weekly, January 2020



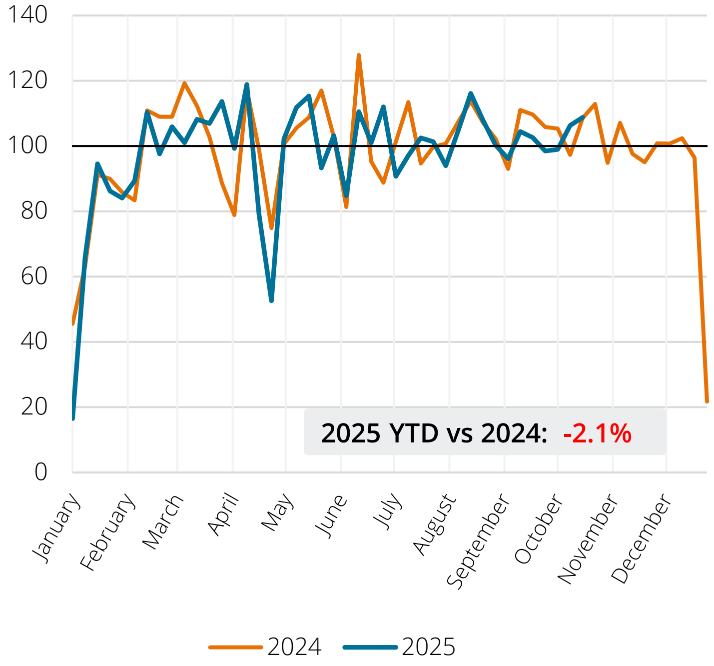
Business Loans Demand Index

Indexed Weekly, January 2020



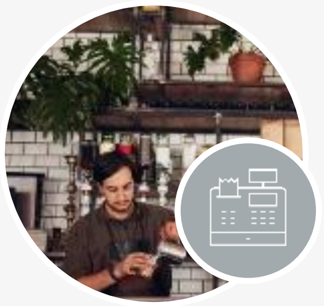
Trade Credit Demand Index

Indexed Weekly, January 2020



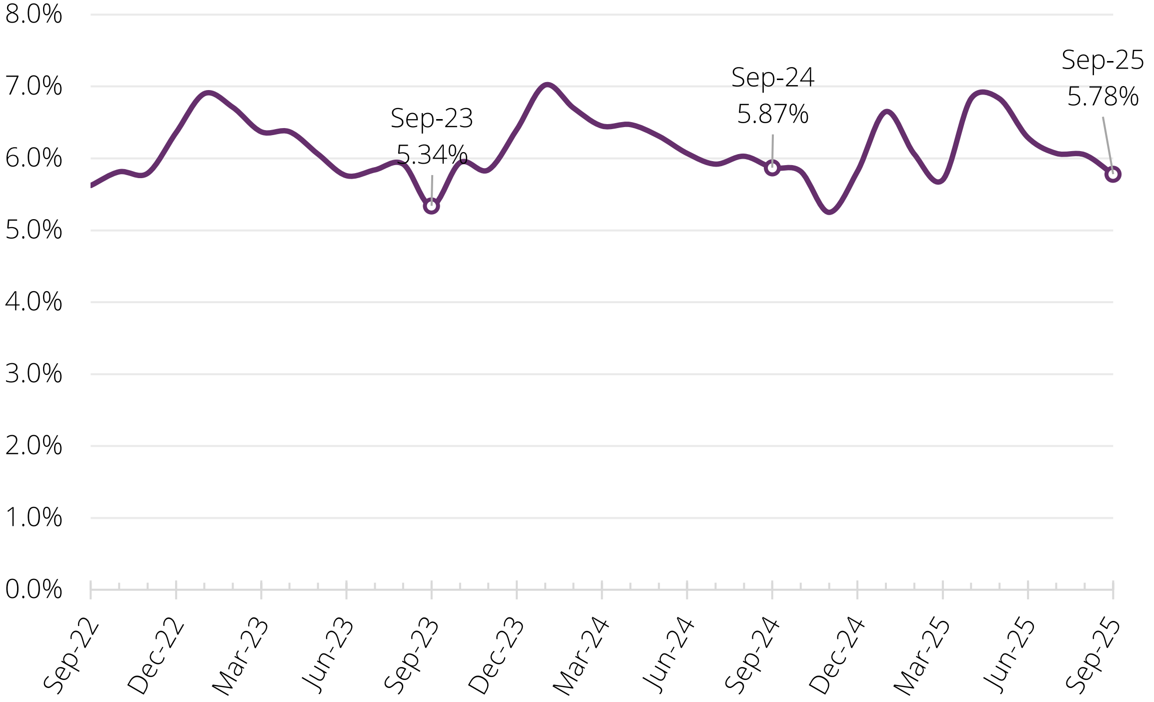
Source: Equifax NZ

Commercial Arrears improved again in September, and the YTD trend remains positive.



Commercial Arrears (60DPD+)

Percentage of Accounts in Arrears



Source: Equifax NZ

60DPD+ By Major Industry Sectors

Percentage of Accounts in Arrears

	Jul-25	MoM Change	YoY Change
Overall	5.78%	-27bps	-9bps
Construction	7.00%	-32bps	-68bps
Accommodation and Food	8.29%	-29bps	-148bps
Rental, Hiring & Real Estate	11.06%	+69bps	+375bps
Retail	4.92%	-62bps	-281bps
Professional & Technical Services	4.11%	-5bps	-8bps
Transport, Postal & Warehousing	4.00%	-96bps	-271bps

Global Credit Trends

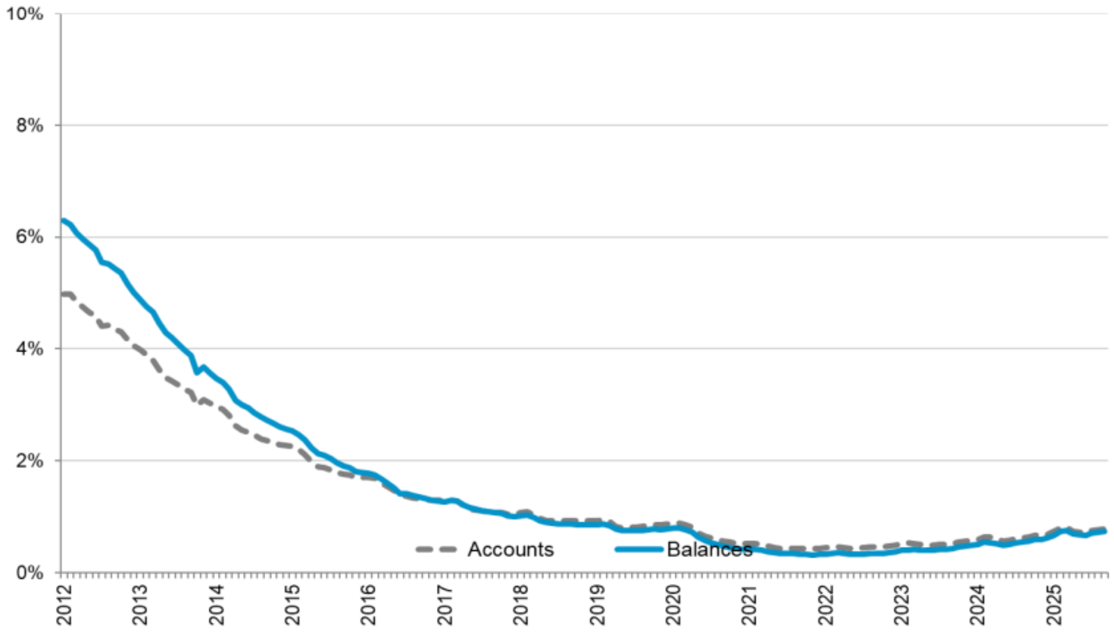
U.S. Consumer Credit Health Trends

First Mortgage Portfolio

Loans with first lien position on a residential property.

First Mortgage Portfolio – Severe Delinquencies

60+ Days Past Due; Excludes Charge-off, Repossession and Bankruptcies



Source: Equifax Inc (USA)

Portfolio Observations

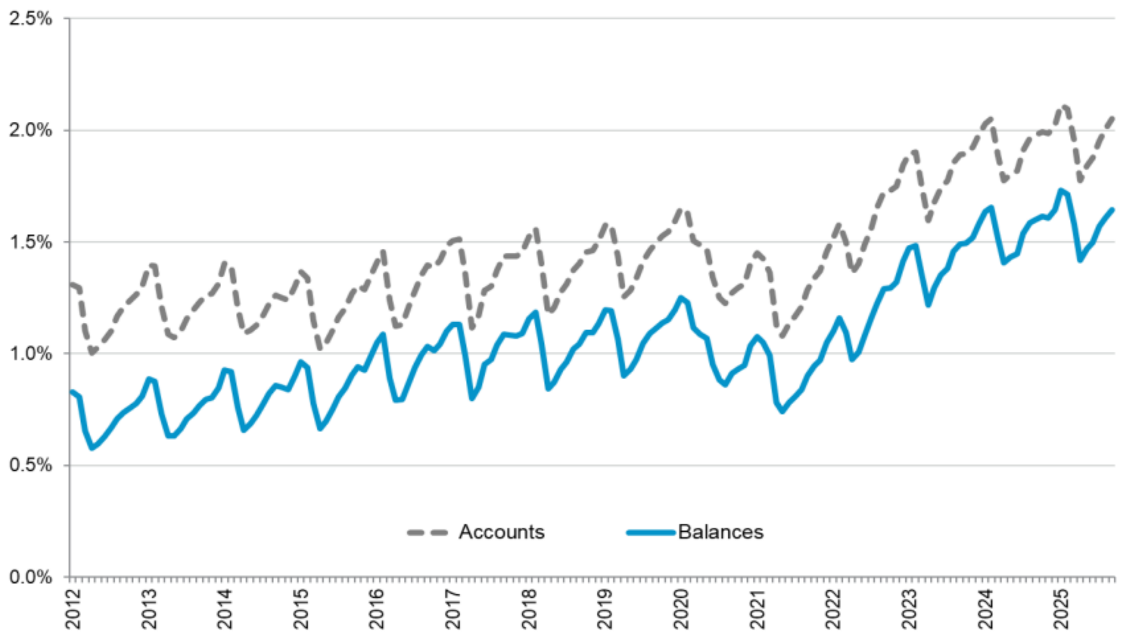
- In September, there were 54.36 million outstanding first mortgage loans, up 1.0% from September 2024.
- Outstanding balances on first mortgage loans stand at $12.7 trillion, an increase of 3.3% year-over-year.
- The severe delinquency rate (share of balances 90+ DPD, in bankruptcy or foreclosure) is 0.73%. This is up 16bps from a year ago, when it stood at 0.57%.
- Write-offs are at 0.84bps on balances, up from 0.55bps a year ago.

Auto Loans Portfolio

Traditional amortising instalment loans on a light vehicle.

Auto Loan Portfolio – Severe Delinquencies

60+ Days Past Due; Excludes Charge-off, Repossession and Bankruptcies



Source: Equifax Inc (USA)

Portfolio Observations

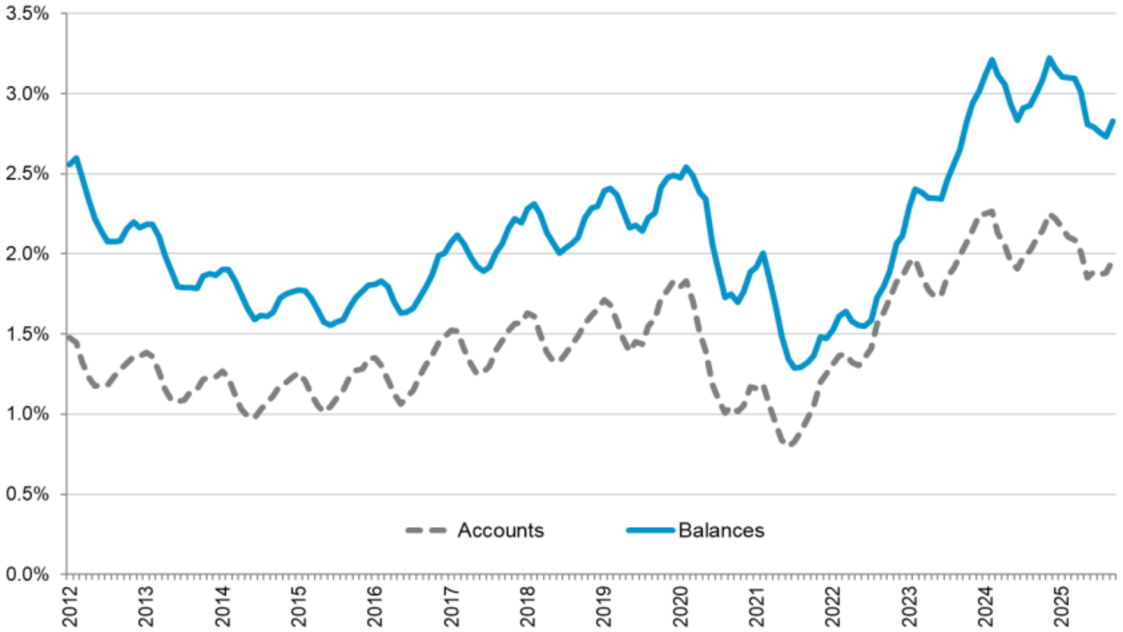
- The number of outstanding auto loan accounts decreased 1.0% year-over-year to 79.8 million.
- Total outstanding balances on auto loans have increased 0.8% year-over-year to $1.58 trillion.
- The severe delinquency rate (share of balances 60+ DPD) in September is 1.64%, up 4bps from September of last year.
- Auto loan write-offs are at 25.4bps, which is on par with September of last year.

Credit Card (Bankcard) Portfolio

General purpose credit cards.

Credit Card (Bankcard) – Severe Delinquencies

60+ Days Past Due; Excludes Charge-off, Repossession and Bankruptcies



Source: Equifax Inc (USA)

Portfolio Observations

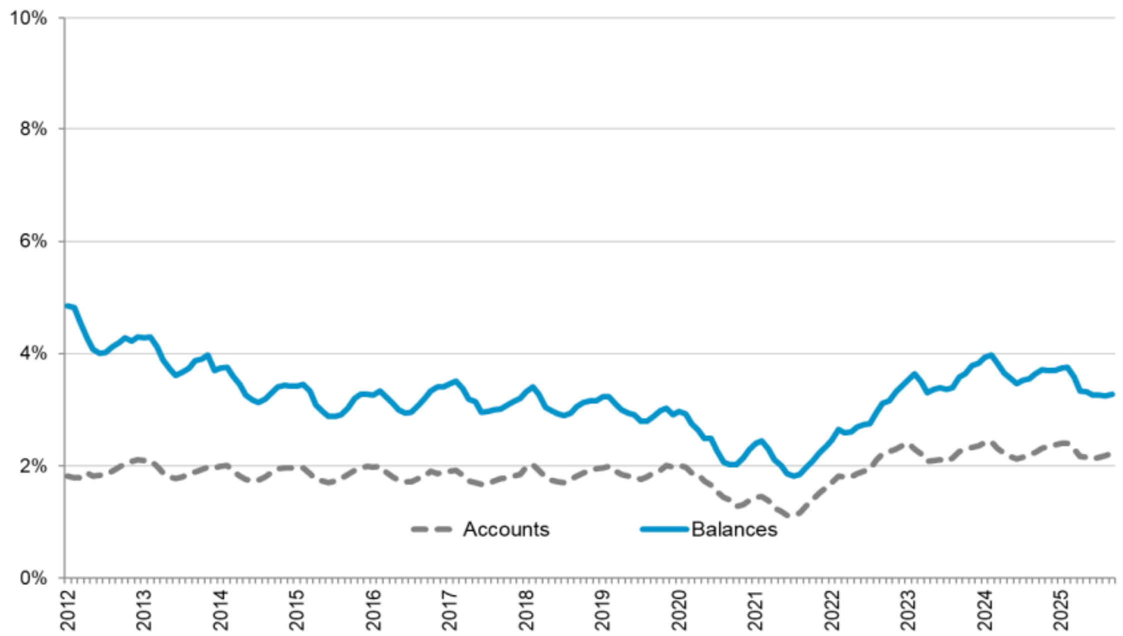
- Outstanding balances on bankcards increased 4.0% year-over-year to $1.08 trillion.
- The number of outstanding accounts is 586.2 million, which is a 6.3% increase from a year ago.
- The severe delinquency rate (share of balances 60+ DPD) is 2.83%. A year ago, the rate stood at 3.01%.
- Write-offs are at 59.4bps as a share of outstanding balances, 5.9bps lower than September 2024.
- In September 2025, average bankcard utilisation stood at 20.8%. This is a slight decrease from 21.3% a year prior.

Consumer Finance Portfolio

Instalment or revolving Personal Loans, typically unsecured.

Consumer Finance – Severe Delinquencies

60+ Days Past Due; Excludes Charge-off, Repossession and Bankruptcies



Source: Equifax Inc (USA)

Portfolio Observations

- Outstanding consumer finance balances are $151.1 billion. This is a 4.3% increase in total balances over a year ago.
- Outstanding consumer finance accounts increased 0.5% over the past year, from 81.89 million in September 2024 to 82.29 million in September 2025.
- The severe delinquency rate (share of balances 60+ DPD) is 3.28%, which is a 36bps decrease from the same month last year.
- Write-off rates on consumer finance loans reached 75.8bps in September. A year ago, it stood at 79.2bps.

Want to know more?

Contact us to discover more market insights or to harness the power of data to make better decisions.

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