



# The Kiwi Credit Lens

January 2026 Credit Insights



# Economic Overview

## GDP

Quarterly      Quarterly  
Q3 2025      Q2 2025



+1.1%      -1.0%  
Next update  
19 March 2026

## Consumer Price Index

In the year to  
December 2025



+3.1%  
Up from +3.0% in Sep 2025  
Next update 21 Apr 2026

## Unemployment Rate

September 2025  
Quarter



5.3%  
Up from 5.2% in Jun 2025  
Next update 4 Feb 2026

## Official Cash Rate

As at  
26 Nov 2025



2.25%  
Next update  
18 Feb 2026

## Consumer Confidence

As at  
December 2025



101.5 Dec 2025      98.4 Nov 2025

## Business Confidence

As at  
December 2025



73.6 Dec 2025      67.1 Nov 2025

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

# Consumer Credit

General Highlights, Credit Demand, and Credit Health



# CPI edges back above the target band, while consumer confidence improves gradually

## CPI Inflation Lifts above Target Band, Led by Housing Costs<sup>#1</sup>

New Zealand's annual CPI inflation rose to 3.1% in the December 2025 quarter, edging above the RBNZ's 1–3% target band. The lift was still largely driven by electricity, rents and local authority rates, highlighting that domestically-driven cost pressures remain sticky. Stats NZ also noted that over 80% of the CPI basket recorded price increases over the past year (the highest share in 18 months), even if many of those rises were relatively small. It suggests inflation remains broad-based rather than confined to a few categories.

By component, tradeable inflation sat at 2.6% while non-tradeable remained higher at 3.5%, reinforcing the view that the hardest part of the disinflation task is still the domestic side. On a quarterly basis CPI increased 0.6%, with seasonal international airfares and higher petrol prices among the key contributors. The result also landed above the RBNZ's November projection, which is likely to keep the near-term OCR narrative more cautious. The market largely expects the OCR to remain unchanged in February and begin increasing with a 25bps increase in the September quarter later this year.

## Consumer Confidence Lifts, but "Here and Now" Still Subdued<sup>#2</sup>

Consumer confidence strengthened in December 2025, lifting from 98.4 to 101.5 (highest since September 2021), with the improvement led by forward-looking measures. The future conditions index rose from 106.8 to 108.9, while current conditions improved from 86.0 to 90.4, indicating better, but still signalling a subdued present-day assessment.

Spending intent is on the rise with a net -1 of respondents thinking it is a good time to buy a major household item, up 8 points in the month and near neutral for the first time in four years. Inflation expectations eased from 5.2% to 4.6%, supporting the shift in sentiment, although confidence remains uneven across households.

## Monthly Net Migration Has Settled Around +1,000<sup>#1</sup>

While net migration remains in positive territory, it has slowed significantly to fewer than 1,000 people per month. The decline is underscored by a 9% year-on-year drop in arrivals (132,600) and a 4% rise in departures (121,900) for the year ending November 2025. Consequently, the annual net gain of 10,700 is a sharp contrast to the 29,000 recorded the previous year and 135,500 at the October 2023 peak.



# November saw mixed results for 30DPD+ arrears across consumer products, yet the overall landscape remains mostly positive

**Home Loan 30DPD+ arrears** fell nominally (-1bps) in November 2025 and remained below year-ago levels, closing the month at **0.56%**. The broader trend through 2025 continues to point to easing repayment stress, with fewer accounts rolling into 30DPD+ arrears.

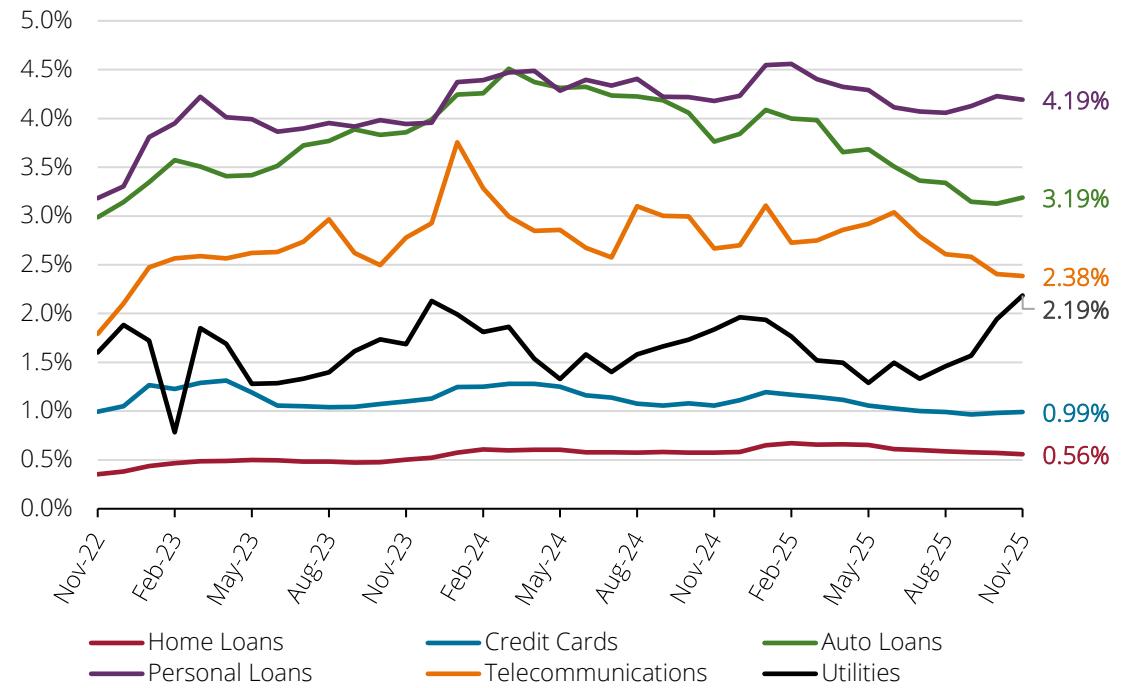
**Personal Loan 30DPD+ arrears** saw a marginal improvement (-3bps) through November 2025, closing at **4.19%**. Levels remain notably lower than the 2025 peak of approximately 4.54% recorded in February.

**Credit Card 30DPD+ arrears** rose 1bps to **0.99%** in November, consistent with normal seasonal volatility. The overall annual trend is one of improvement, with the year-end rate sitting 6bps lower than November 2024 and well below the mid-year seasonal peaks.

**Despite a 6bps month-on-month increase in November for Auto Loan 30DPD+ arrears**, the portfolio remains much stronger than the previous year, with arrears down 57bps year-on-year and significantly below the ~4.50% peak recorded in early 2024.

## Consumer Credit Arrears Trends (30DPD+)

Percentage of Accounts in Arrears



Source: Equifax NZ



# Home Loan and Credit Card hardship volumes continue to ease through November, while pressure mounts in Personal Loans

## Hardship Volumes on Bureau

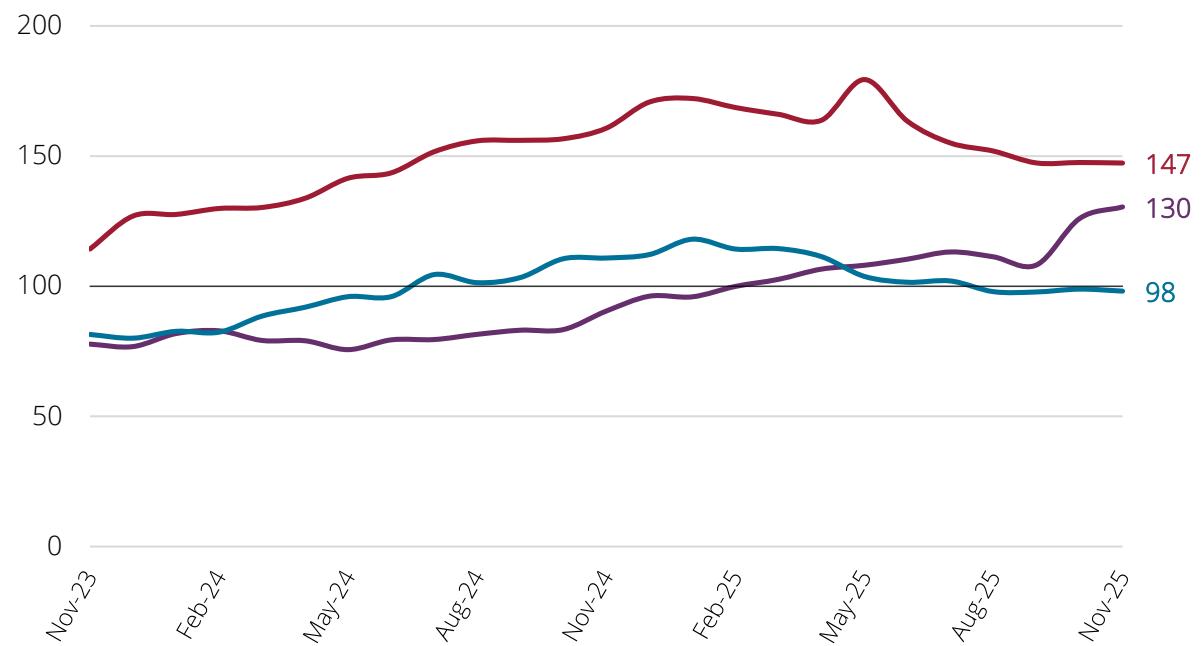
November 2025 saw a continuation of improving hardship trends for Home Loans and Credit Cards, which fell a further 10bps and 80bps, respectively. Both products have recorded significant year-on-year improvements, aligning with easing affordability pressures and stabilising arrears.

In contrast, Personal Loans saw a notable surge (+350bps) during the month, highlighting acute pressure on households with unsecured debt. The volume of borrowers in hardship for Personal Loans is now over 50% higher than the same period last year.

Movement	Home Loans	Credit Cards	Personal Loans
Month-on-Month	-0.1%	-0.8%	+3.5%
Year-on-Year	-8.3%	-11.35	+54.2%

## Hardship Volume Index by Product

Indexed, April 2021



Source: Equifax NZ

# Home Loans

## Demand & Credit Health Insights



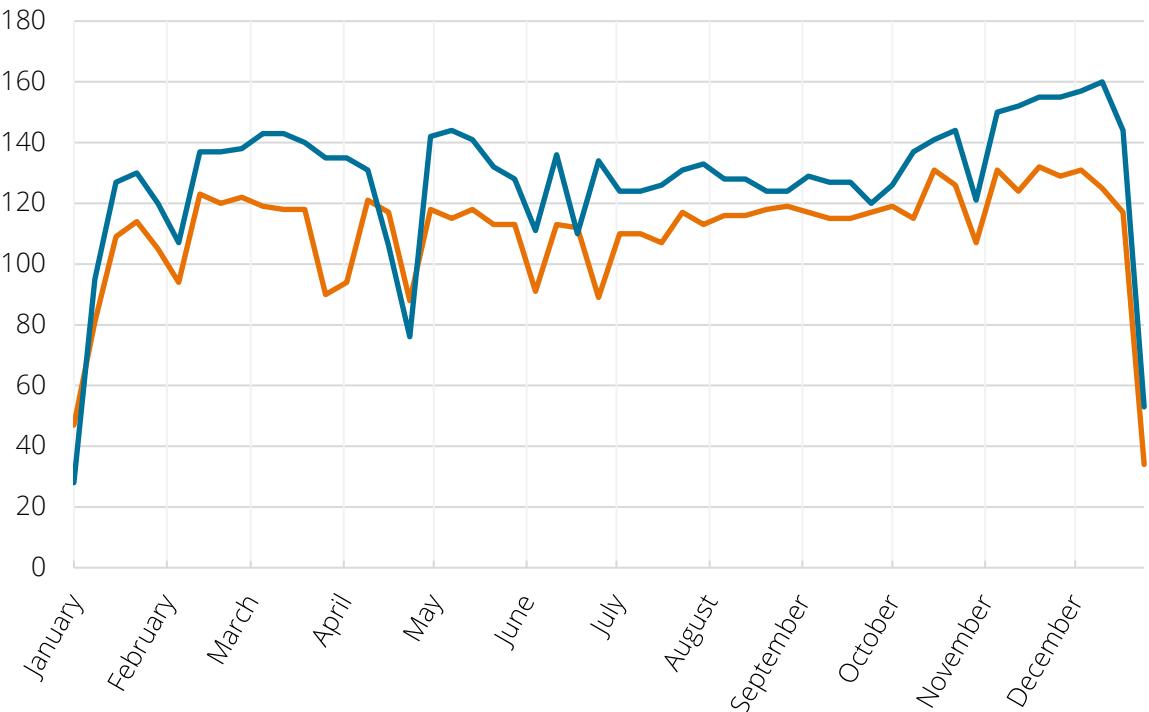


# Lender-switching activity was buoyed by the November OCR cut, sustaining Home Loan enquiry momentum into 2026

## Home Loans – Weekly Enquiry Volume

Weekly, Indexed to January 2019

— 2024 — 2025



Source: Equifax NZ

Weekly enquiry volumes remained high through the end of 2025 and finished the year 15.1% higher compared to 2024. While the market experienced the typical seasonal tapering in the final weeks of December, the underlying volume stayed robust.

The primary catalyst for heightened enquiry volumes continues to be lender-switching activity as borrowers roll off their fixed-rate periods – a behaviour that received another "shot in the arm" with the RBNZ trimming the OCR by 25bps on November 26th.

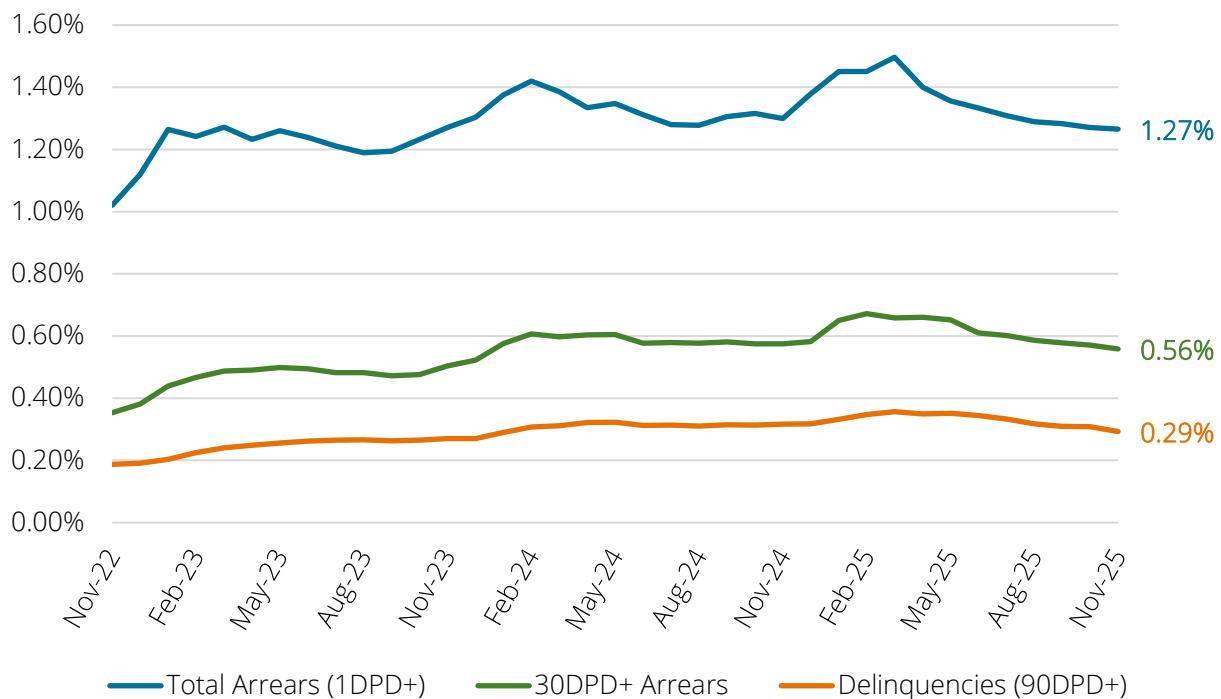
The pace of OCR cuts is likely to slow (or pause completely) with the RBNZ signalling that the current easing cycle may have reached its floor at 2.25% as inflation hovers near the higher end of the target band. However, a higher volume of home loan enquiries is expected to continue in the new year as monetary policy transmission typically lags.



# Home Loan arrears reach annual low in November as credit health continues to see gradual improvement

## Home Loans – Overall Arrears

Percentage of Accounts in Arrears



Source: Equifax NZ

## 30DPD+ Arrears

Month-on-Month Change: -1bps

Year-on-Year Change: -2bps

30DPD+ arrears fell nominally in November 2025 and remained below year-ago levels, closing the month at 0.56%. The broader trend through 2025 continues to point to easing repayment stress, with fewer accounts rolling into 30DPD+ arrears.

## Delinquent Accounts (90DPD+)

Month-on-Month Change: -2bps

Year-on-Year Change: -2bps

90DPD+ delinquencies also fell marginally in November and remain lower than the same time last year, ending at 0.29%. Late-stage arrears continue to show downward pressure into severe delinquency and supporting ongoing credit health improvement.



**Both the 'Big 5' and 'Non-Big 5' cohorts continue to trend downwards in arrears metrics, notwithstanding some month-to-month volatility**

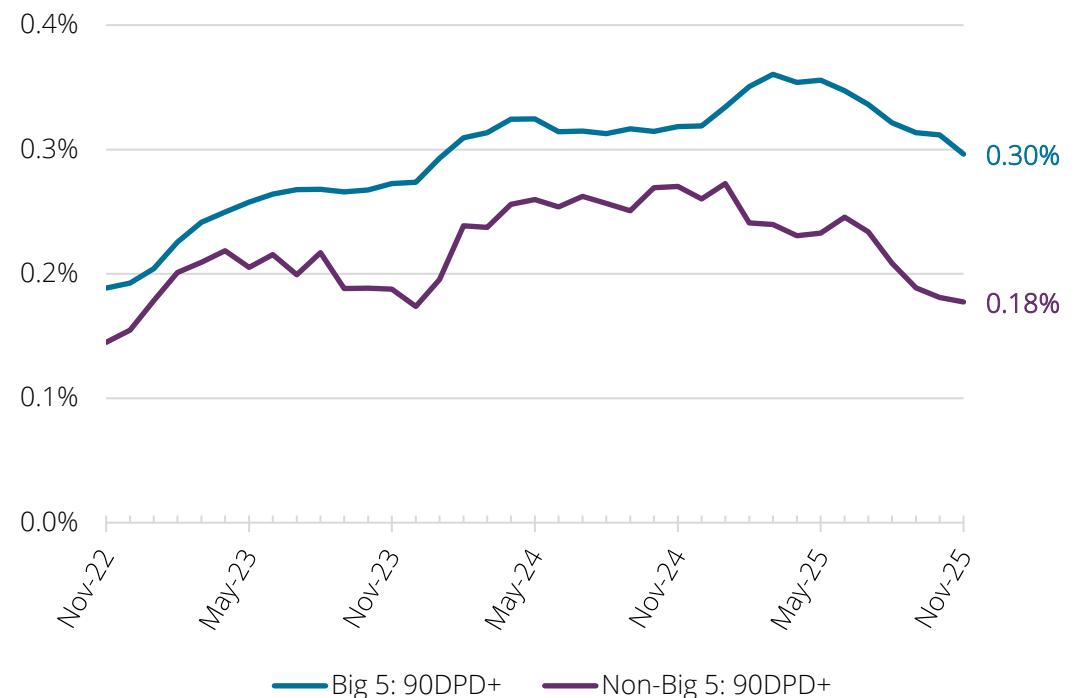
### Big 5 vs. Non-Big 5: 30DPD+ Home Loan Arrears

Percentage of Accounts in Arrears



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

Percentage of Accounts in Arrears



Source: Equifax NZ

# Personal Loans

## Demand & Credit Health Insights

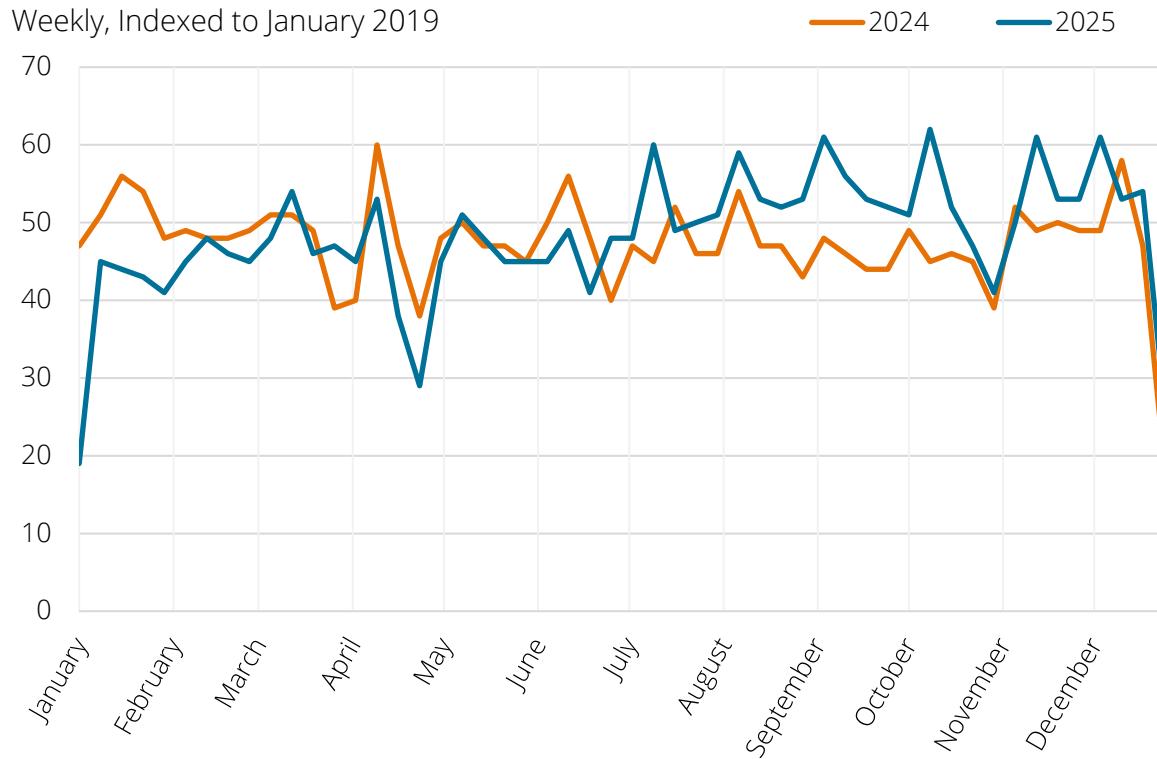




# Personal Loan enquiry volumes end 2025 with strong momentum, but long-term demand remains suppressed by consumer confidence

## Personal Loans – Weekly Enquiry Volume

Weekly, Indexed to January 2019

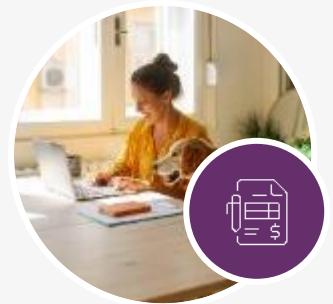


Source: Equifax NZ

Overall, Personal Loan enquiry volumes in 2025 finished 2.1% higher than in 2024, following a strong second half where momentum lifted from July after a slow start to the year.

The momentum continues to be led by the major banks, which saw volumes rise 17.8% in 2025 compared to 2024. Conversely, non-major bank lenders remain softer on a full-year view, down 12.7% year-on-year.

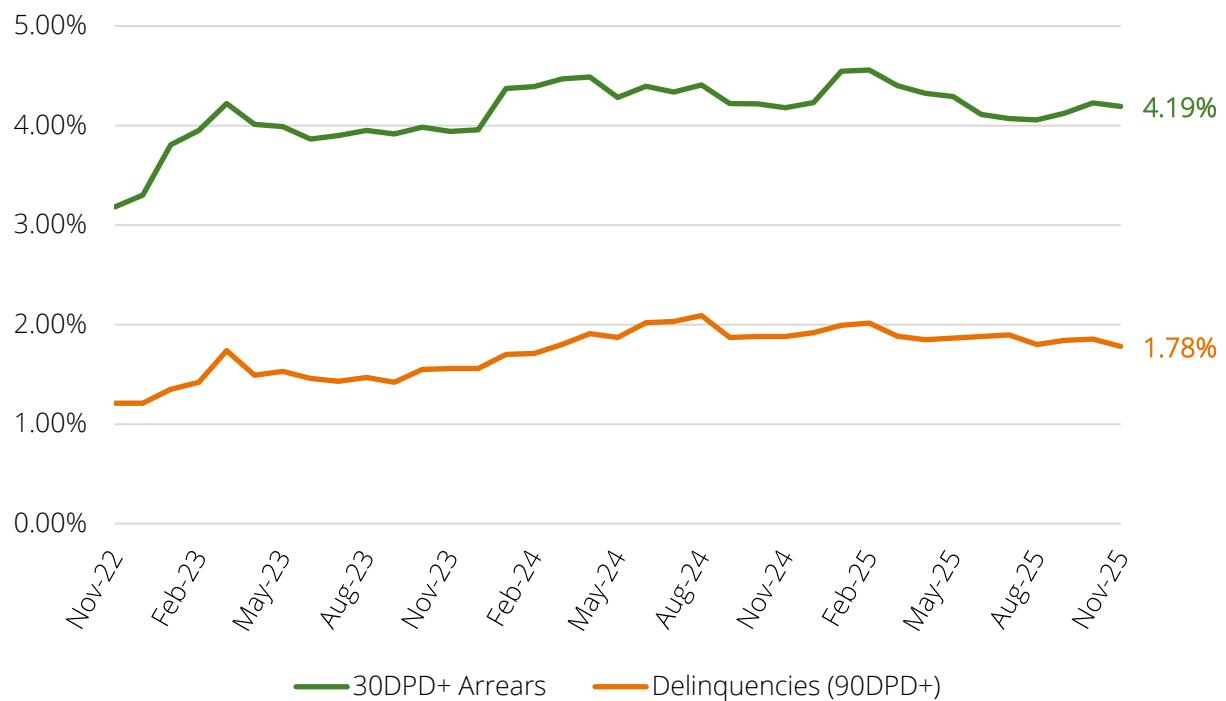
In a longer-term context, enquiry levels remain well below the pre-pandemic baseline, indicating that demand is still structurally subdued. With a sedate recovery in consumer confidence, a meaningful portion of enquiries is likely linked to refinancing and debt consolidation rather than new borrowing, limiting the pace of any sustained upswing into 2026.



# Personal Loan arrears improve in November, led by a notable decline in 90DPD+ levels

## Personal Loans – Overall Arrears

Percentage of Accounts in Arrears



Source: Equifax NZ

## 30DPD+ Arrears

Month-on-Month Change: **-3bps**

Year-on-Year Change: **-2bps**

30DPD+ arrears saw a marginal improvement through November 2025, closing at 4.19%. Levels remain notably lower than the 2025 peak of approximately 4.54% recorded in February.

## Delinquent Accounts (90DPD+)

Month-on-Month Change: **-8bps**

Year-on-Year Change: **-12bps**

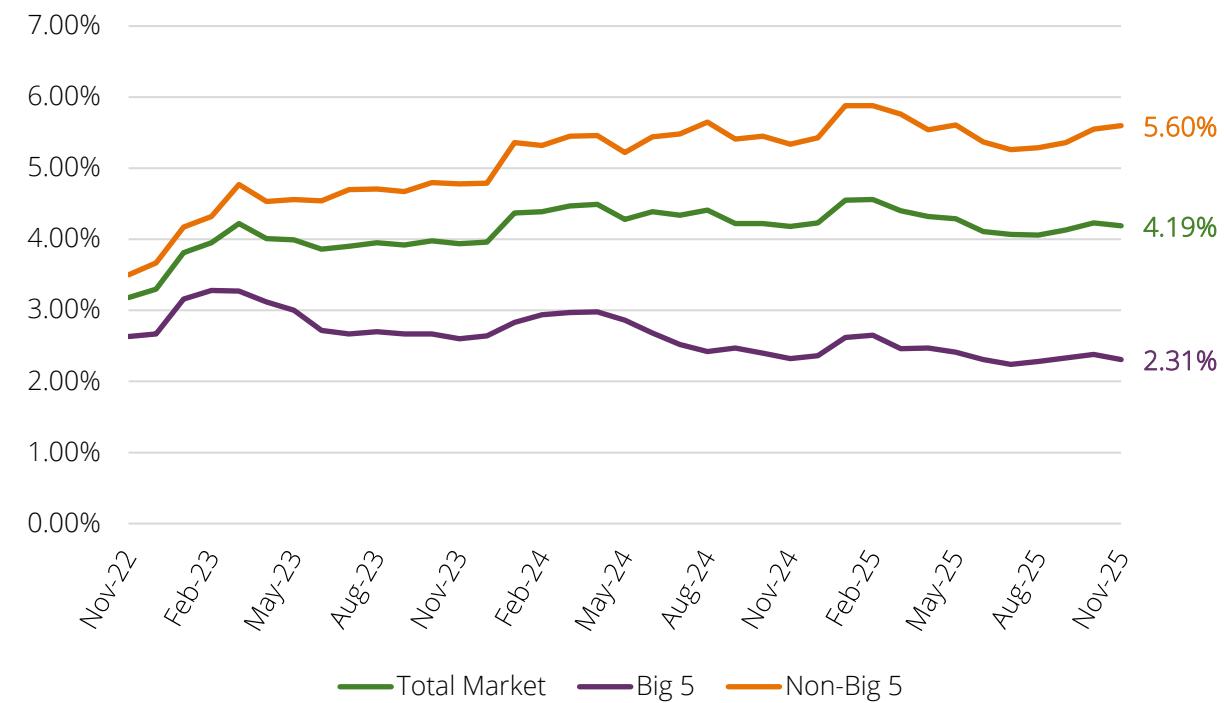
Late-stage (90DPD+) arrears fell markedly by 8bps in November, continuing a steady decline. Delinquency levels are notably lower than the same period last year and remain well below the 2.03% peak observed in late 2024.



## A two-speed recovery: 'Big 5' arrears improve in November while 'Non-Big 5' portfolios face growing pressure

### Personal Loans - 30DPD+ Arrears by Lender Cohort

Percentage of Accounts in Arrears



### 'Big 5' 30DPD+ Arrears

Month-on-Month Change: **-7bps**

Year-on-Year Change: **-1bps**

The broad trend for the 'Big 5' banks remained positive, with an 8bps improvement in November underpinning the overall decline in Personal Loan 30DPD+ arrears.

### 'Non-Big 5' 30DPD+ Arrears

Month-on-Month Change: **+5bps**

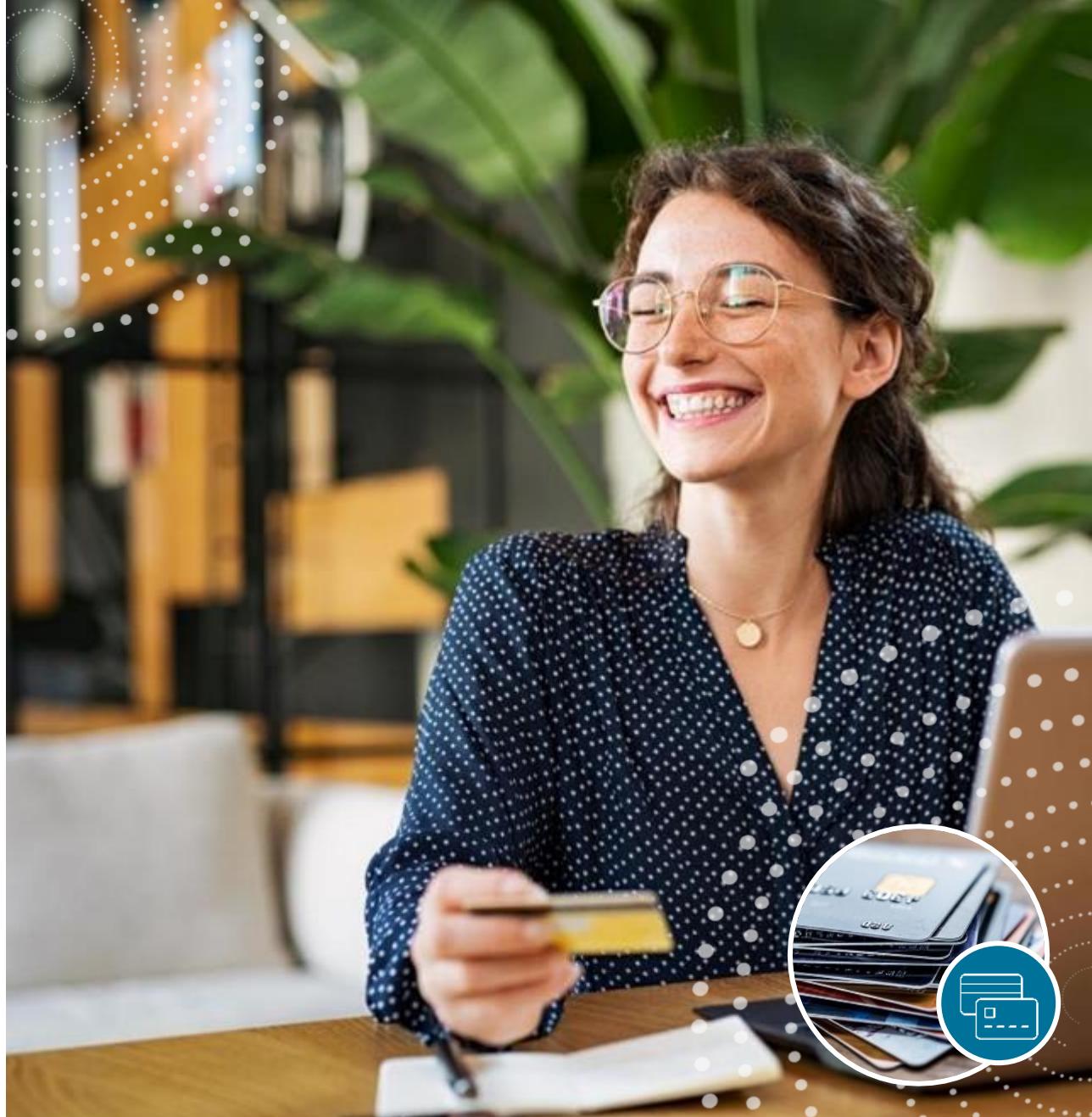
Year-on-Year Change: **+26bps**

30DPD+ arrears for 'Non-Big 5' lenders rose to 5.60% in November, continuing a challenging second half of the year. Unlike the major banks, this cohort has seen its arrears rate climb significantly, up 26bps year-on-year, reflecting the sustained pressure on lender portfolios throughout 2025.

Source: Equifax NZ

# Credit Cards

## Demand & Credit Health Insights

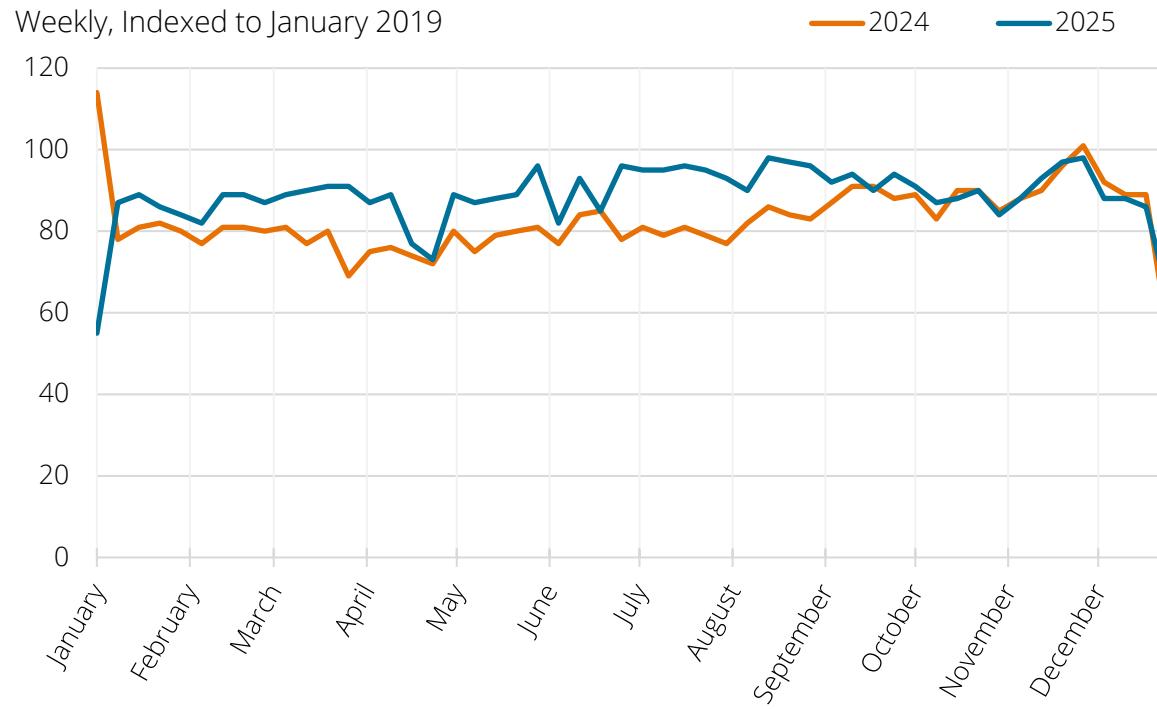




# Refinancing activity and reward scheme changes sustain Credit Card enquiry volumes, even as weekly growth moderates

## Credit Cards – Weekly Enquiry Volume

Weekly, Indexed to January 2019



Source: Equifax NZ

Weekly Credit Card enquiry volumes cooled slightly towards the end of 2025, bringing weekly volumes back in line with levels observed during the same period in 2024. All told, the 2025 volume was 7.1% higher year-on-year compared to 2024.

While recent momentum has moderated, the underlying trend remains supportive into the new year. The long-term trajectory for credit card enquiries continues its gradual growth towards the Jan 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).

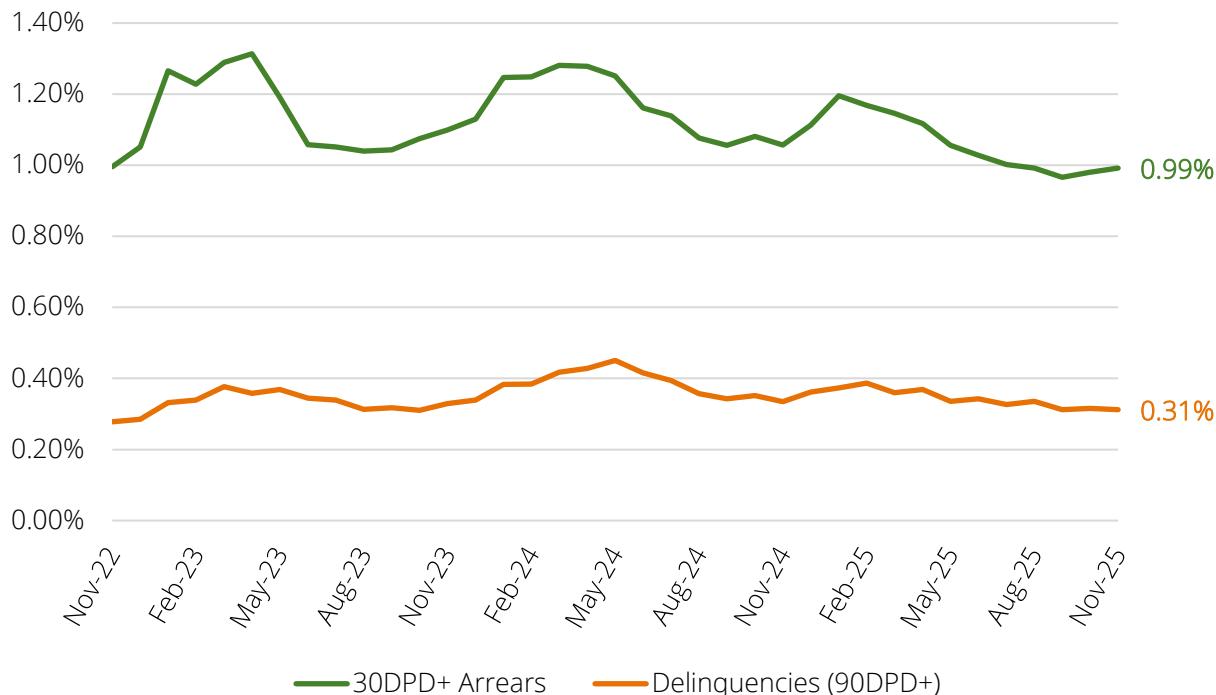
It is important to note, however, that this rise in enquiries has not translated into a proportional increase in the number of new credit card accounts being opened.



## 30DPD+ arrears show a slight seasonal lift in November, while late-stage delinquencies remain stable and improved YoY

### Credit Cards – Overall Arrears

Percentage of Accounts in Arrears



Source: Equifax NZ

### 30DPD+ Arrears

Month-on-Month Change: **+1bps**

Year-on-Year Change: **-6bps**

Credit Card 30DPD+ arrears rose marginally to 0.99% in November, consistent with normal seasonal volatility. The overall annual trend is one of improvement, with the year-end rate sitting 6bps lower than November 2024 and well below the mid-year seasonal peaks.

### Delinquent Accounts (90DPD+)

Month-on-Month Change: **No Change**

Year-on-Year Change: **-2bps**

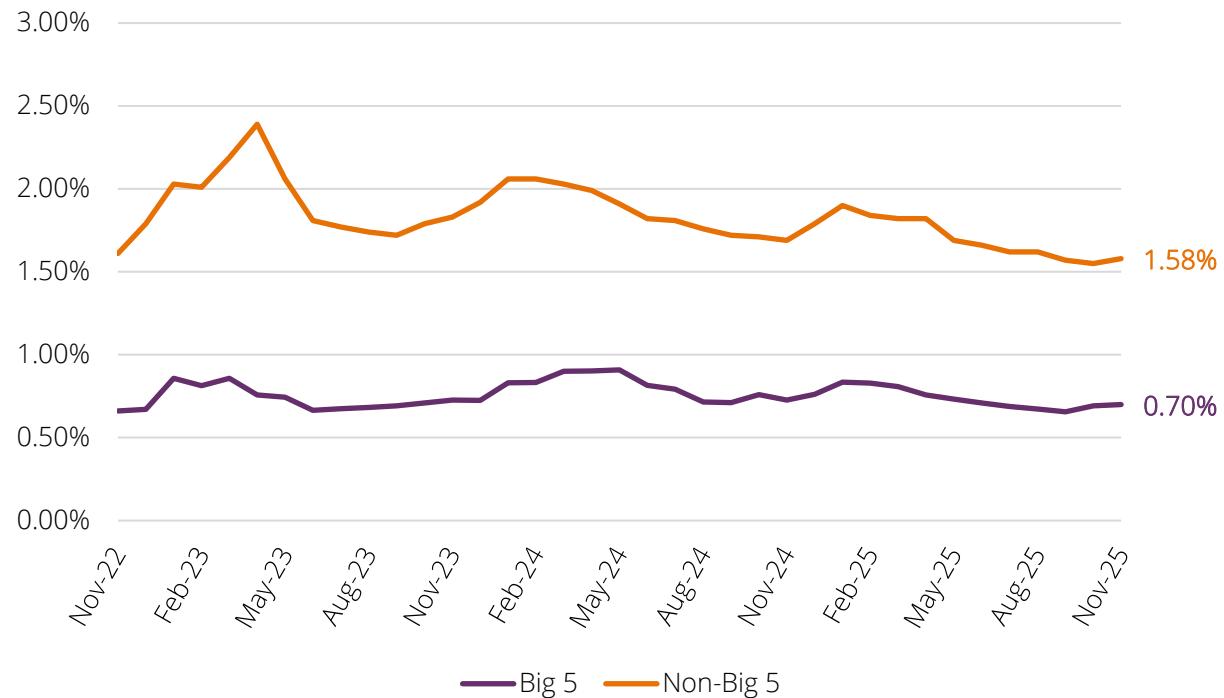
Late-stage Credit Card arrears remained steady at 0.31% in November. The 2025 trend has been characterised by gradual improvement and low volatility, with the current level sitting 2bps lower than the same time last year.



## 30DPD+ Credit Card arrears ticked up across both cohorts in November, but they remain lower than November 2024 levels

### Credit Cards – 30DPD+ Arrears by Lender Cohort

Percentage of Accounts in Arrears



Source: Equifax NZ

### 'Big 5' Arrears (30DPD+)

Month-on-Month Change: **+1bps**

Year-on-Year Change: **-3bps**

The 'Big 5' cohort saw a minor uptick in November, ending the period at 0.70%. Despite this slight monthly increase, the group's performance remains 3bps lower than the same period last year.

### 'Non-Big 5' Arrears (30DPD+)

Month-on-Month Change: **+2bps**

Year-on-Year Change: **-11bps**

Arrears for 'Non-Big 5' lenders improved marginally in November, falling to 1.58%. This cohort has demonstrated significant resilience through 2025, with 30DPD+ arrears now 11bps lower than the November 2024 level of 1.69%

# Auto Loans

## Credit Health Insights

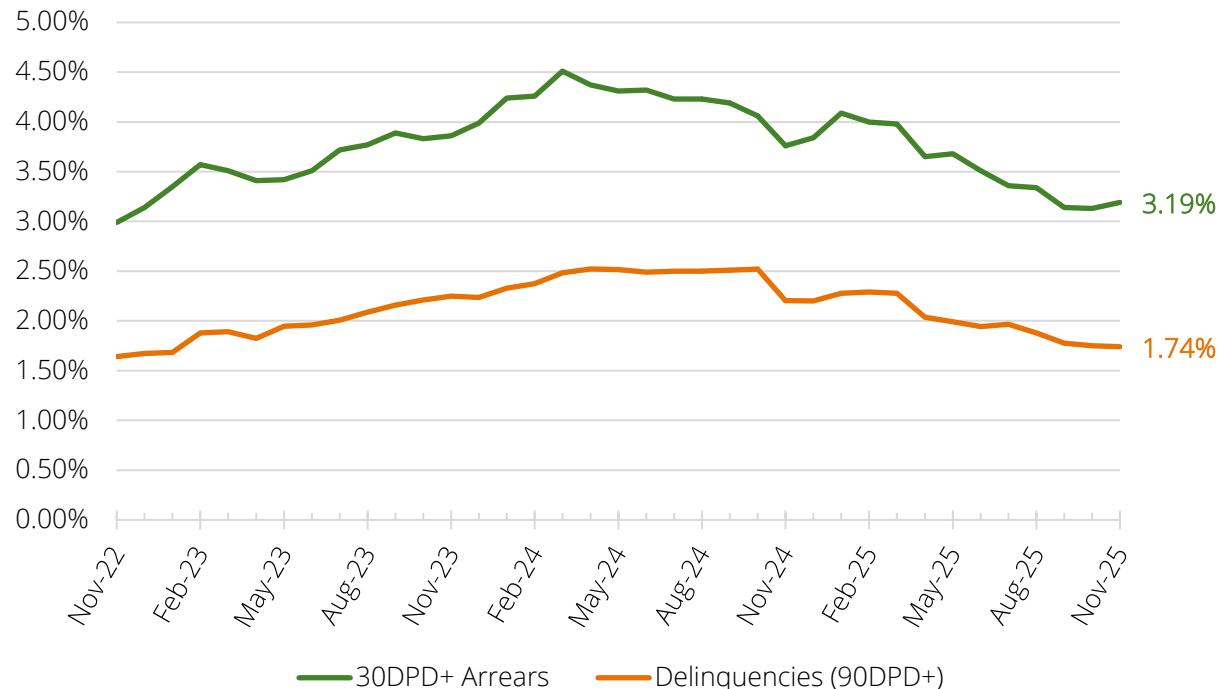




# Auto Loan arrears trend lower in November, strengthening significant YoY gains in both arrears ageing measures

## Auto Loans - Overall Arrears

Percentage of Accounts in Arrears



Source: Equifax NZ

## 30DPD+ Arrears

Month-on-Month Change: **+6bps**

Year-on-Year Change: **-57bps**

Despite the monthly increase in November, the portfolio remains much stronger than the previous year, with arrears down 57bps year-on-year and significantly below the ~4.50% peak recorded in early 2024.

## Delinquent Accounts (90DPD+)

Month-on-Month Change: **-1bps**

Year-on-Year Change: **-46bps**

Similarly, the annual trend in late-stage 90DPD+ arrears reflects a substantial recovery; delinquency levels in November were 46bps lower than the same point in 2024.

# Utilities & Telco

## Credit Health Insights

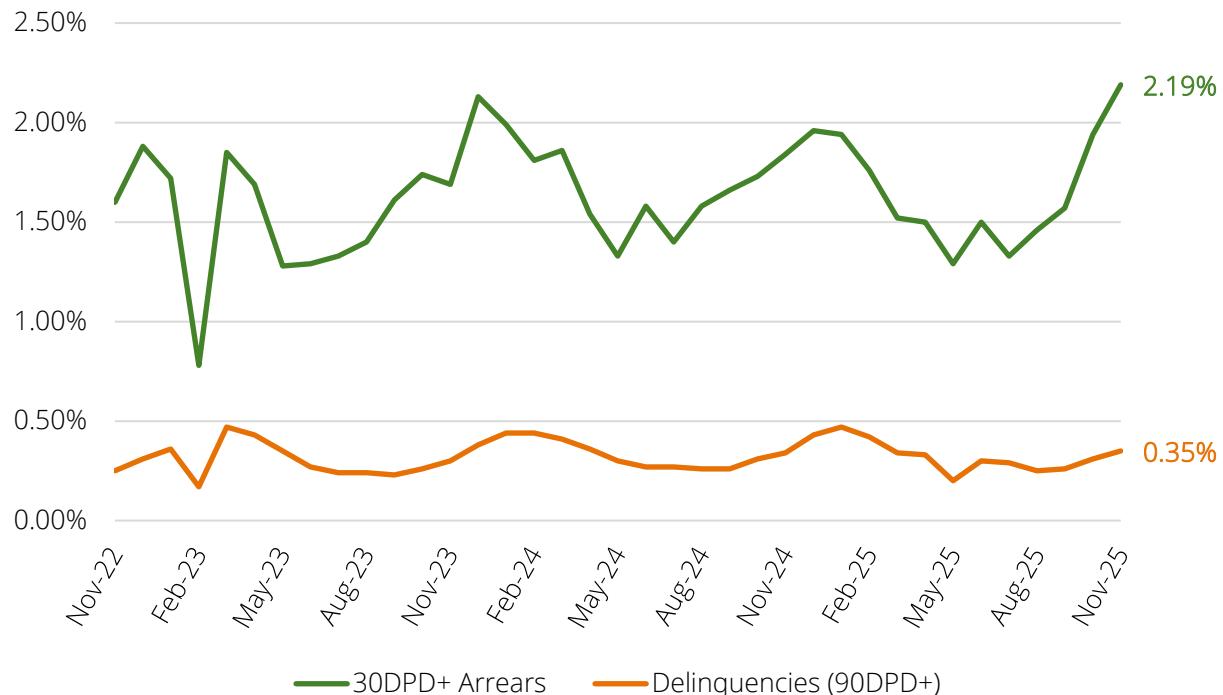




# Utility 30DPD+ arrears deteriorated sharply in November, following seasonal patterns but sitting significantly higher YoY

## Utilities - Overall Arrears

Percentage of Accounts in Arrears



Source: Equifax NZ

## 30DPD+ Arrears

Month-on-Month Change: **+24bps**

Year-on-Year Change: **+35bps**

30DPD+ arrears saw significant slippage in November 2025, surging to 2.19%. While this deterioration follows seasonal patterns, current figures are sitting 35bps higher than the same period last year.

## Delinquent Accounts (90DPD+)

Month-on-Month Change: **+4bps**

Year-on-Year Change: **+1bps**

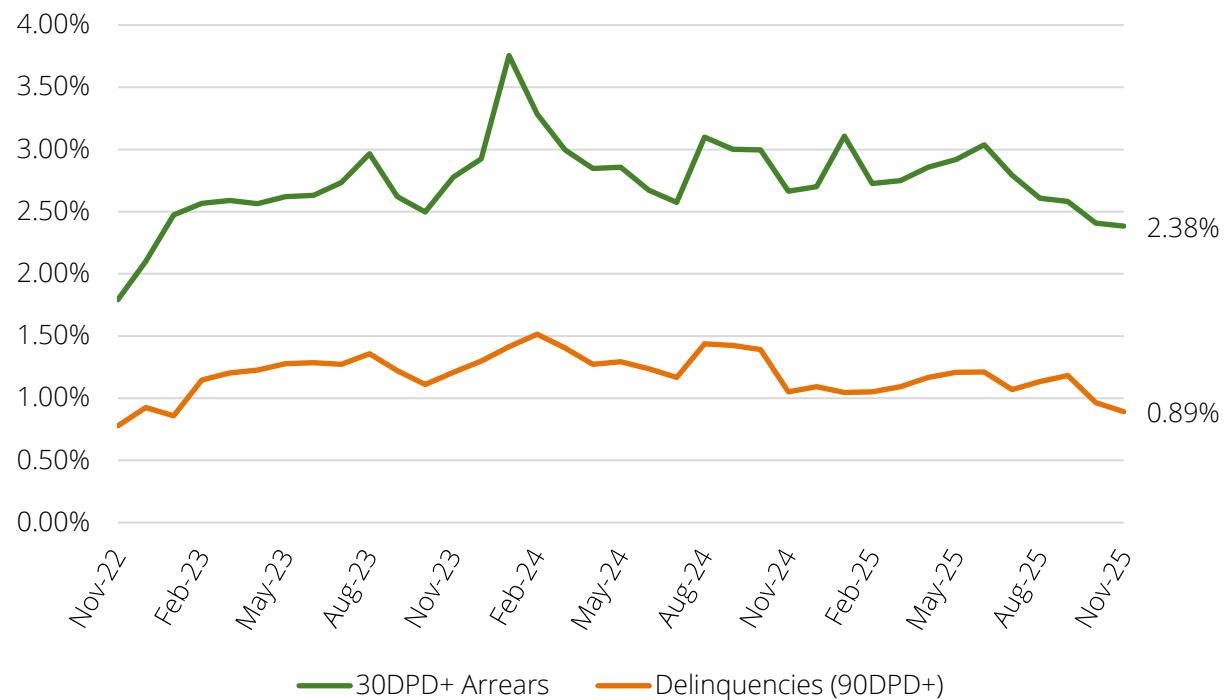
Late-stage arrears also recorded a monthly increase, albeit much smaller in magnitude. The broader trend throughout 2025 has largely remained in line with seasonal patterns.



# Telco arrears continue their downward trajectory as both early and late-stage metrics improve through November

## Telecommunications – Overall Arrears

Percentage of Accounts in Arrears



## 30DPD+ Arrears

Month-on-Month Change: -2bps

Year-on-Year Change: -28bps

30DPD+ arrears fell 2bps in November, continuing a positive trend that has emerged since mid-year (down 65bps since June).

## Delinquent Accounts (90DPD+)

Month-on-Month Change: -7bps

Year-on-Year Change: -16bps

Late-stage arrears also remained relatively favourable, notwithstanding minor month-to-month volatility, and fell another 7bps in November.

# Commercial Credit

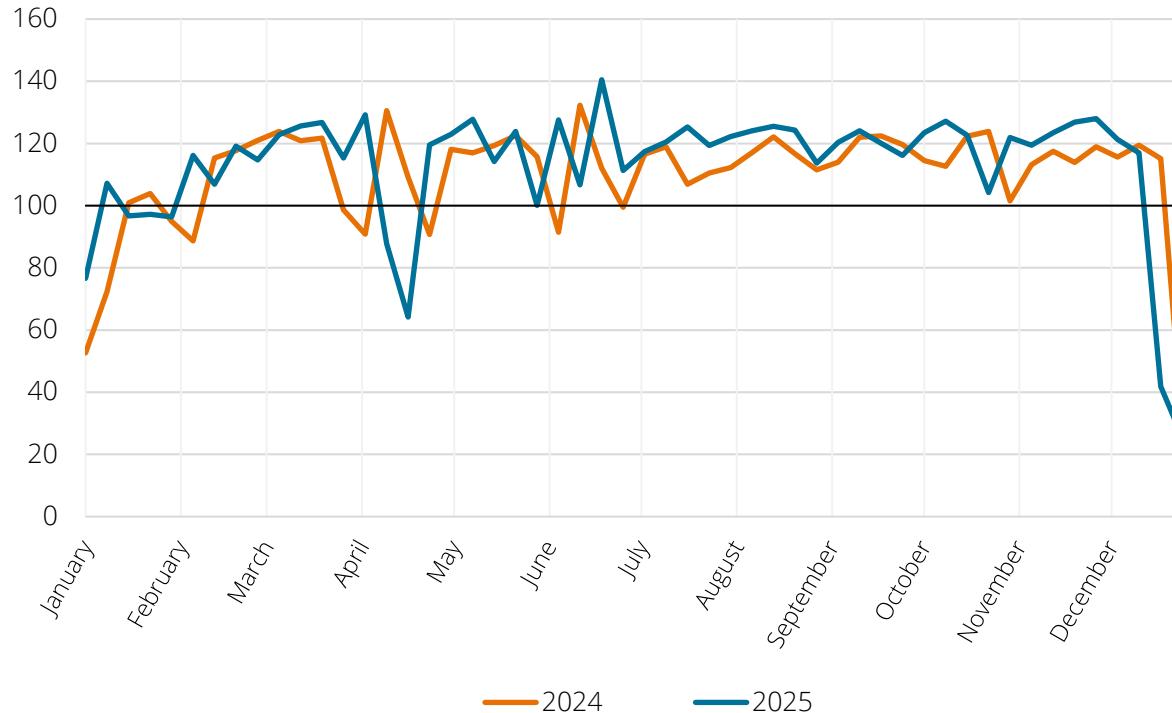
General Highlights and Credit Demand.



# Commercial Credit enquiry volumes grow 2.53% in 2025, led by property-adjacent sectors while transport lags

## Commercial Credit Demand - Weekly Enquiry Volume

Indexed Weekly, January 2020



Source: Equifax NZ

## Overall Commercial Credit Demand (to Week 52)

2025 Year-to-Date vs Same Period in 2024: **+2.53%**

Outside of the holiday period, Commercial Credit enquiry volumes finished the year strongly, with YoY improvement in November and December compared to the levels seen in 2024.

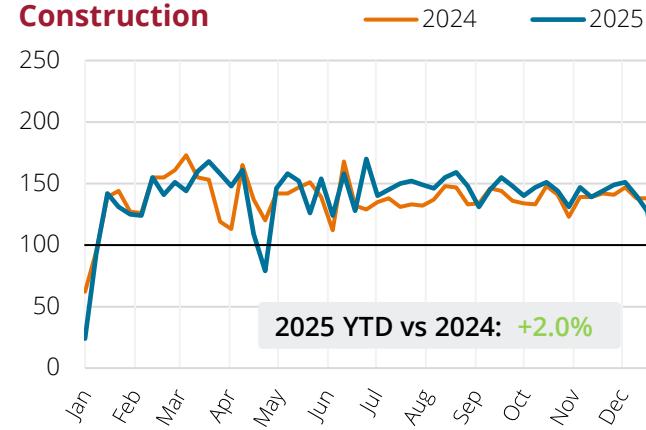
All told, 2025 ended with 2.53% more enquiries than 2024; however, growth remains concentrated in property-adjacent sectors (specifically Rental, Hiring & Real Estate). Much of this improvement can be attributed to borrowers shopping around as interest rates ease, rather than a broad-based upswing in underlying activity across all sectors.

The Transport, Postal, and Warehousing sector lagged for much of the year, with 1.6% fewer enquiries in 2025 compared to the year before – the only highlighted sector to see a decline in enquiries.



# Rental, Hiring & Real Estate concludes 2025 as primary driver of enquiry growth, finishing the year with strong double-digit gains

## Construction



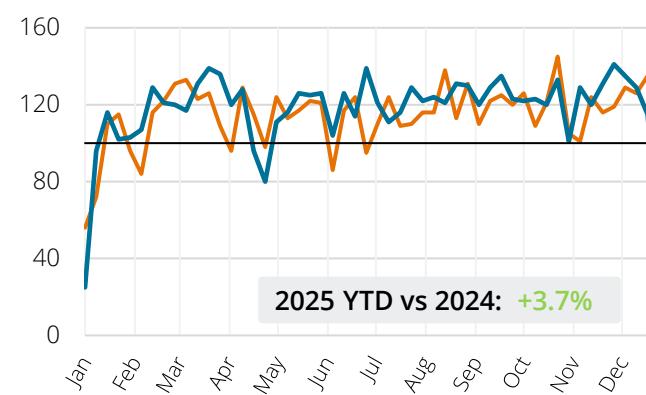
## Rental, Hiring, & Real Estate



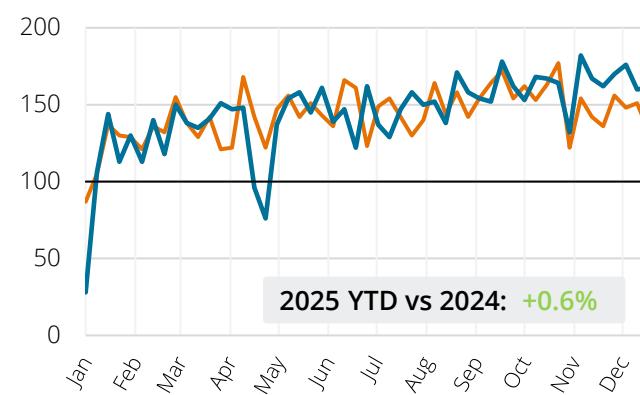
## Retail Trade



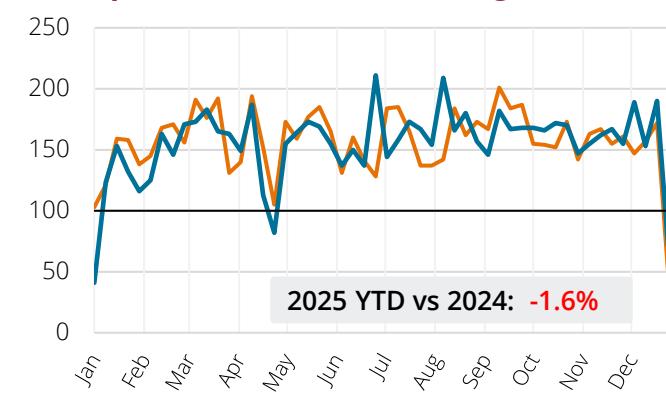
## Prof, Scientific & Tech Services



## Accommodation & Food



## Transport, Postal & Warehousing

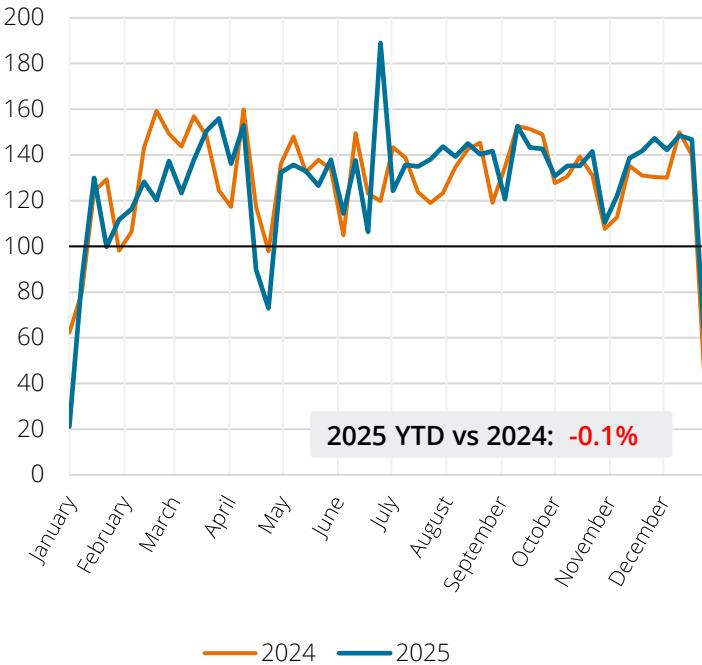




# While other product volumes remain subdued, Business Loans continue to see elevated growth, with YTD levels up over 11% YoY

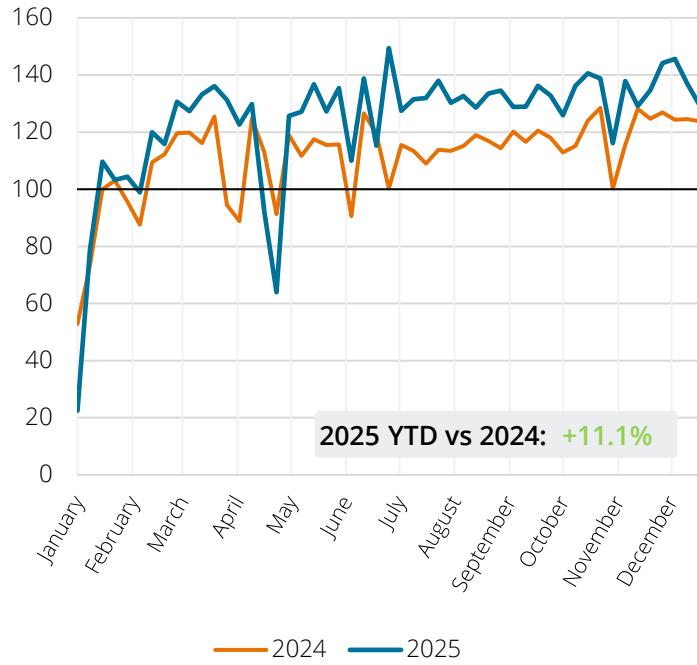
## Asset Finance Demand Index

Indexed Weekly, January 2020



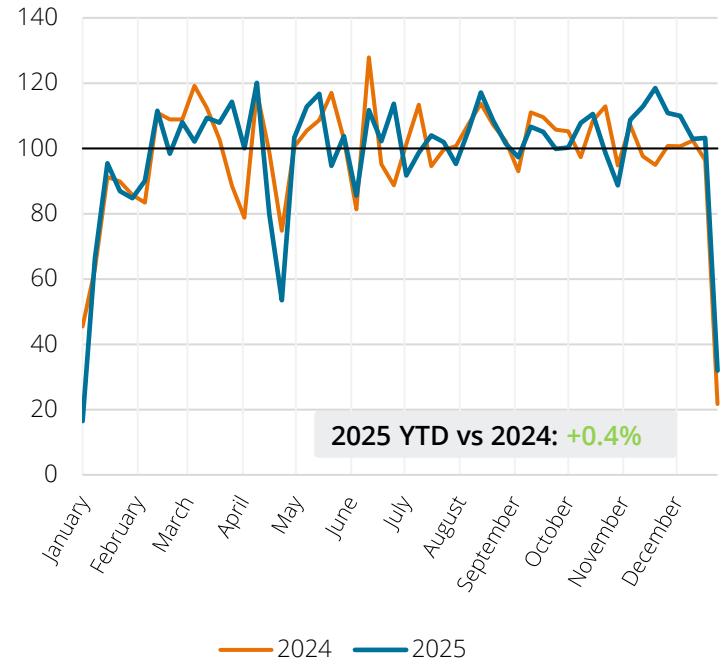
## Business Loans Demand Index

Indexed Weekly, January 2020



## Trade Credit Demand Index

Indexed Weekly, January 2020



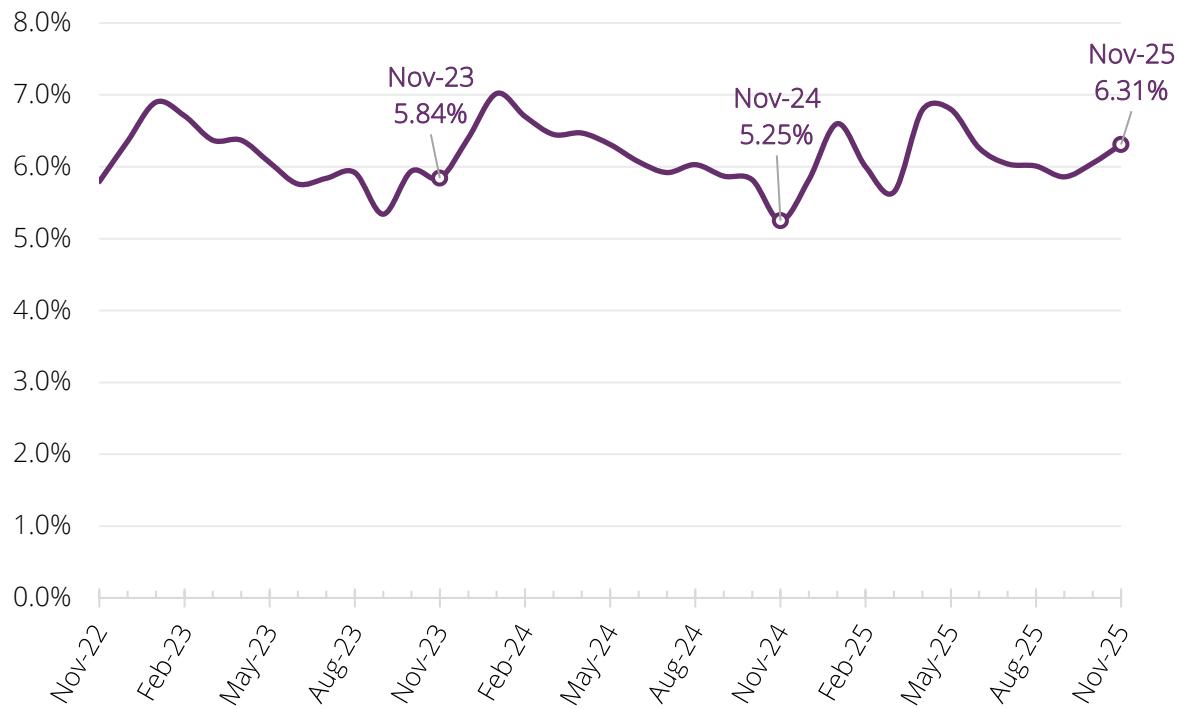
Source: Equifax NZ



# Commercial 60DPD+ arrears reach a three-year November high, yet they remain manageable despite sustained monthly volatility

## Commercial Arrears (60DPD+)

Percentage of Accounts in Arrears



Source: Equifax NZ

## 60DPD+ By Major Industry Sectors

Percentage of Accounts in Arrears

	Nov-25	MoM Change	YoY Change
Overall	6.31%	+26bps	+111bps
Construction	8.00%	+51bps	+120bps
Accommodation and Food	8.29%	-41bps	+68bps
Rental, Hiring & Real Estate	11.65%	-4bps	+538bps
Retail	5.13%	+4bps	-65bps
Professional & Technical Services	5.41%	+107bps	+147bps
Transport, Postal & Warehousing	4.66%	-35bps	-36bps

# Want to know more?

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