



# November Credit Indicator

**CENTRIX**

## Momentum builds in lending and arrears improvement

The most up-to-date credit insights available in New Zealand

As we close out 2025, the latest Centrix Credit Indicator highlights some encouraging signs of resilience and recovery across New Zealand's credit landscape.

Recent reductions in the Official Cash Rate (OCR) have begun to positively reshape the credit environment and last week's cut is expected to reinforce this trend.

Consumer credit demand is rising ahead of Black Friday, up 4.8% year-on-year, with personal loan demand increasing as the retail sales season ramps up.

New household lending rose 13.2% year-on-year and mortgage enquiries remain elevated, as refinancing continues to be popular among borrowers seeking lower rates. In contrast, demand for credit cards and retail energy credit has softened, down 22.2% and 11.7% respectively.

New Zealand's consumer arrears trends remain positive, with only 11.83% of the credit-active population in arrears – the lowest level in over two years. Mortgage arrears have fallen to a two-year low at 1.35%, with 20,900 mortgage accounts past due. Credit card and vehicle loan arrears remain steady, both well below their peaks earlier in the year.

Business credit demand continues to climb, up 3.0% year-on-year. The hospitality sector is leading the way (+38%), followed by education and training (+22%) and retail trade (+19%). The average credit score for new business applications has edged up to 749, though it remains slightly lower than a year ago.

Company liquidations remain elevated, with October marking the highest monthly number of liquidations since 2011. This is a sign of both the persistent financial pressure many businesses are under, as well as increased auditing and enforcement by IRD.

As this is the final Credit Indicator for 2025, we want to thank you for your continued readership and engagement throughout the year. The next edition will be released in early February and will cover data from both December and January.

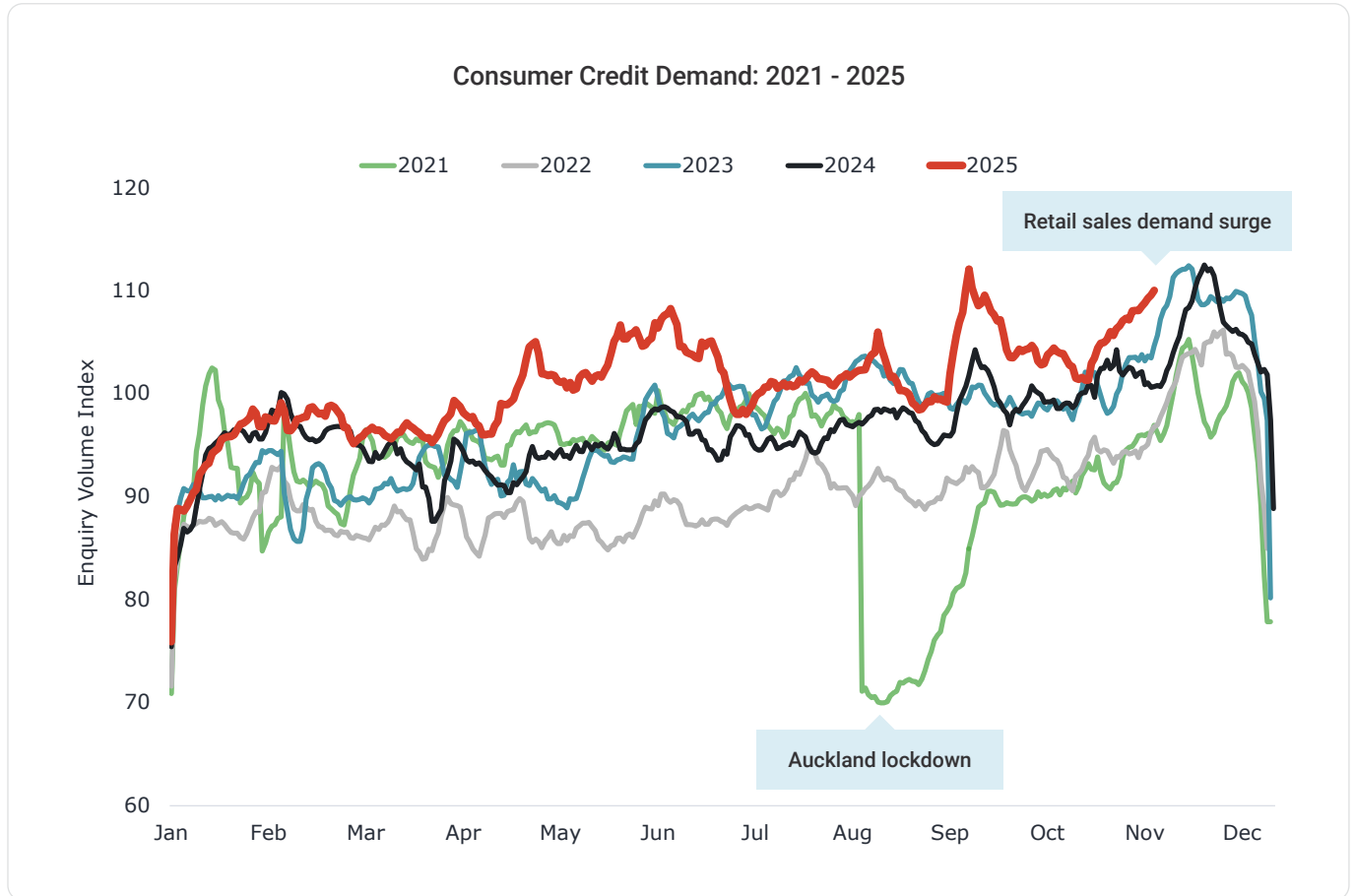
**Monika Lacey**  
Chief Operating Officer  
Centrix



## Consumer credit demand rises

Consumer credit demand is rising ahead of Black Friday, up 4.8% year-on-year, driven by personal loan demand increasing as the retail sales season ramps up and increased mortgage demand.

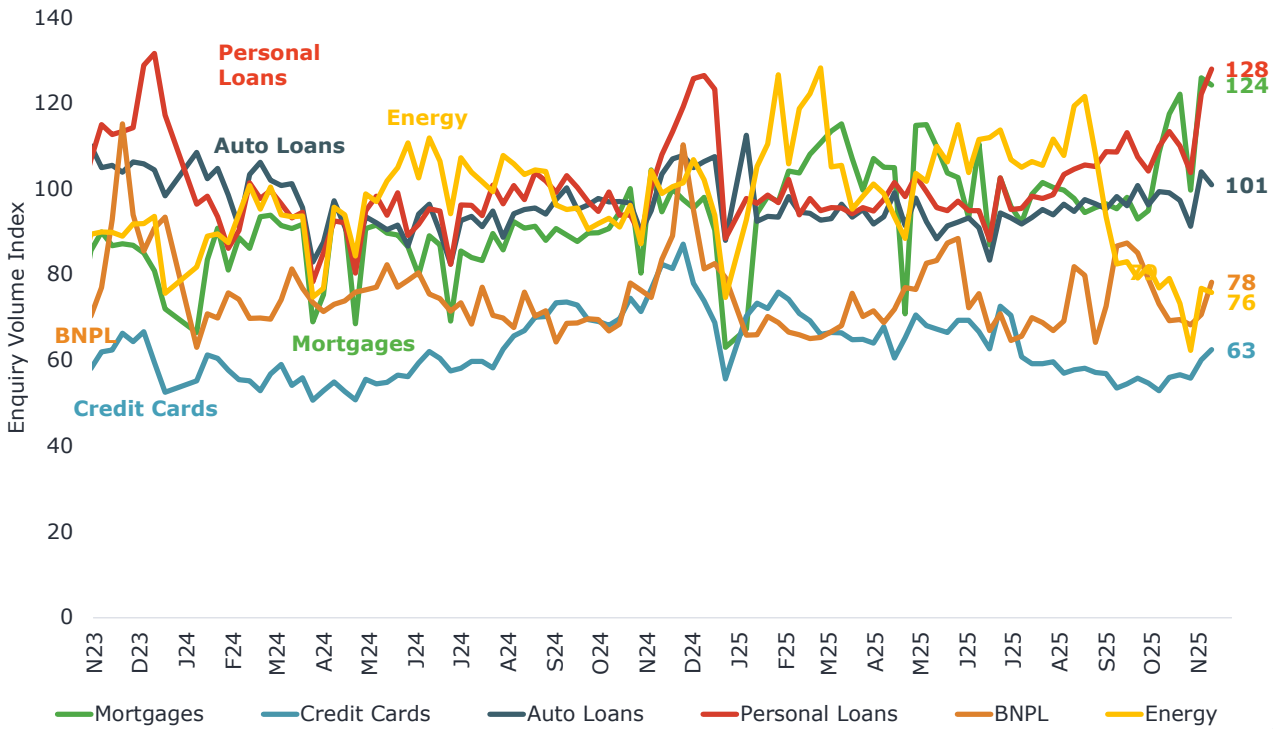
Conversely, credit card and retail energy demand was down at -22.2% and -11.7% respectively.



	Year-on-year change %
Mortgages	+14.6%
Auto Loans	+1.3%
Credit Cards	-22.2%
Personal Loans	+13.3%
BNPL	+5.6%
Retail Energy	-11.7%

Year-on-year comparison of 3 month rolling averages

Credit Demand by Product Type



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## New household lending rose significantly year-on-year

New household lending rose 13.2% year-on-year, supported by elevated mortgage refinancing and steady growth in consumer loans.

Mortgage activity continued to strengthen, with approved new lending up 13.8% year-on-year in the October quarter. Mortgage refinancing now accounts for more than 30% of new mortgage lending, up from 22% three years ago. This shows borrowers' growing appetite to secure lower rates as competitive pricing intensifies across the market.

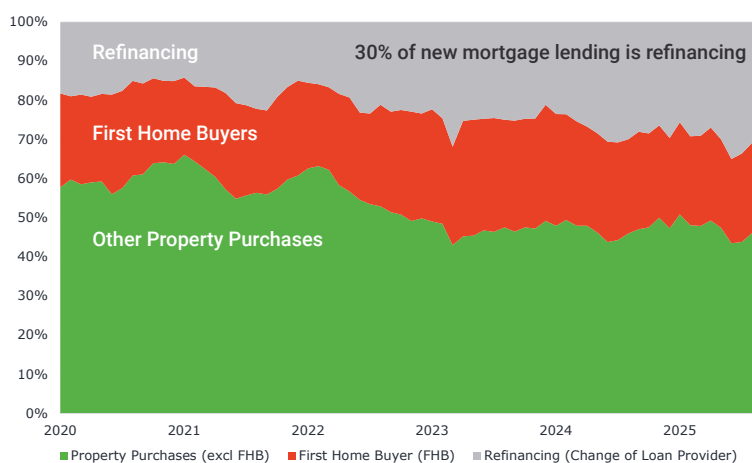
But despite this increase, volumes remain 9.1% below the 2021 market peak.

Consumer credit also expanded. Lending for credit cards, vehicle and personal loans, Buy Now Pay Later (BNPL), and overdrafts rose 7.0% year-on-year.

### New Consumer Lending (Indexed to 2019)



### New Mortgage Lending by Type



*Mortgage refinancing now accounts for more than 30% of new mortgage lending, up from 22% three years ago. This shows borrowers' growing appetite to secure lower rates as competitive pricing intensifies across the market.*

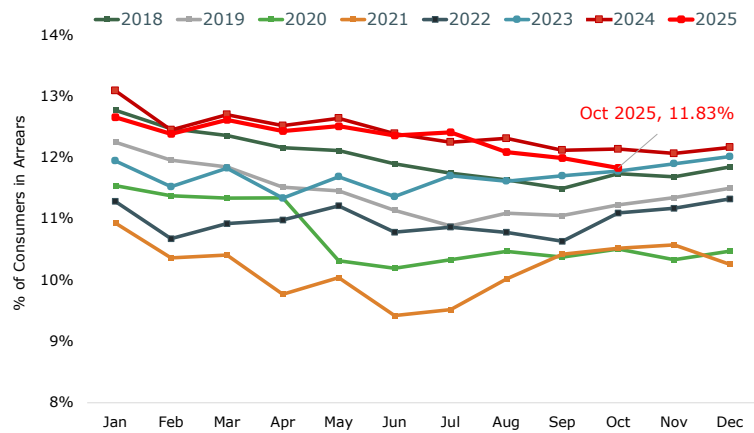
## Consumer arrears drop to two-year low

Consumer arrears continued to improve in October, falling to 11.83% of the credit-active population, down from 11.99% last month. The number of people behind on payments declined to 459,000, compared to 465,000 last month.

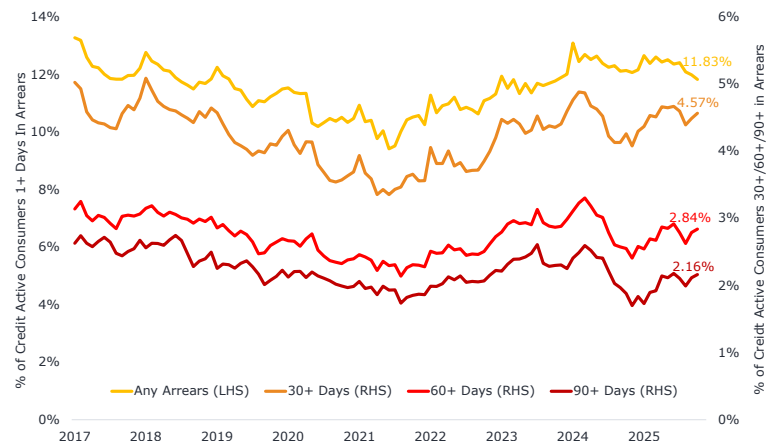
This marks the lowest arrears level in more than two years, with the rate now 2.5% lower than a year ago, signalling a strong pace of recovery.

Among those in arrears, 177,000 consumers are 30+ days past due, including 84,000 at 90+ days.

### Consumer Arrears Trends



### Consumer Arrears: 1+/30+/60+/90+ Days Past Due



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## Mortgage arrears fall as other credit types hold steady

Mortgage arrears continued to improve in October, dropping to 1.35%, down from 1.37% last month and 5% lower year-on-year. This marks the lowest level since November 2023, with 20,900 mortgage accounts reported past due.

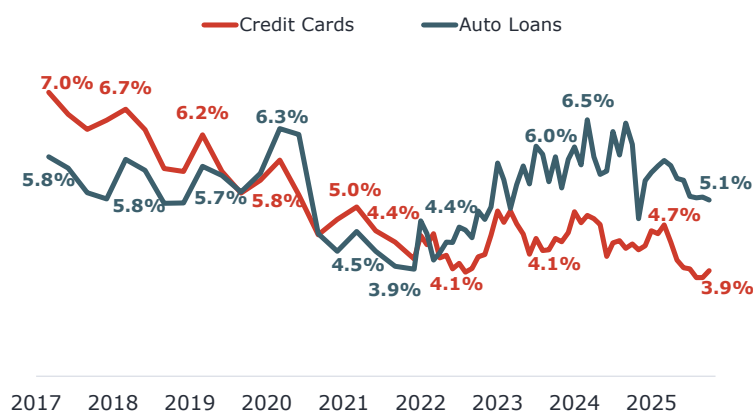
Credit card arrears edged slightly higher to 3.9%, following last month's low. But these arrears remain 11% below levels a year ago, indicating ongoing stability in revolving credit.

Vehicle loan arrears held firm at 5.1%, well below the peak of 6.5% recorded in March 2024, suggesting sustained improvement in auto finance repayment trends.

### Home Loan Arrears



### Credit Card & Auto Loan Arrears



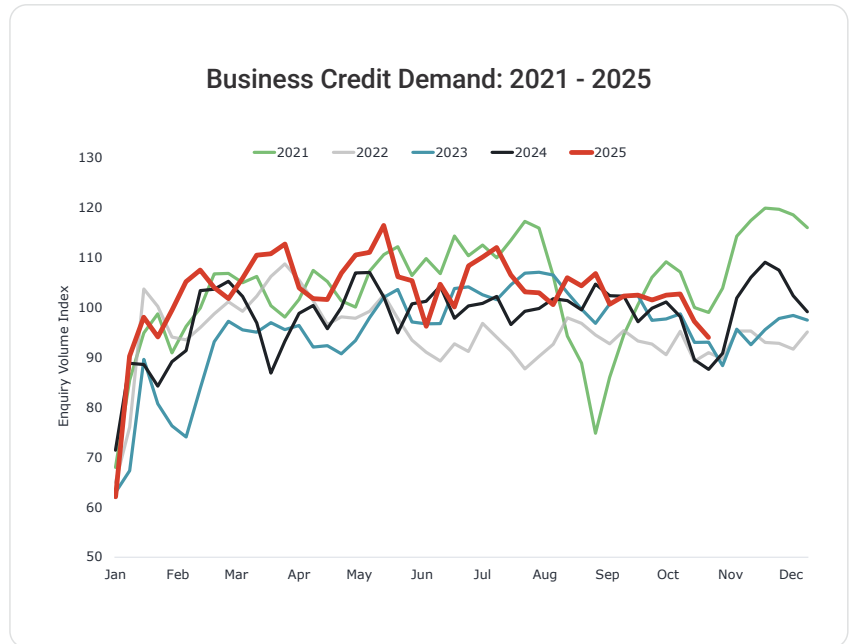
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## Business credit demand continues to climb

Business credit demand rose 3.0% year-on-year, signalling steady growth across key sectors.

Hospitality led the surge with a 38% increase year-on-year, followed by education/training up 22% and retail trade up 19%.

Credit quality also shows signs of improvement. The average credit score for new applications edged up to 749, compared to 747 last month, though it remains 8 points lower than a year ago.










Sector	Δ Credit Demand	Δ Credit Defaults	Avg Credit Score	Δ Company Liquidations	Liquidation Rating
 Construction	-11%	-12%	756 ↑	+21%	2.4X
 Hospitality	+38%	-5%	731 ↓	+45%	2.8X
 Retail Trade	+19%	-5%	764 ↑	+9%	1.0X
 Transport	-4%	-12%	724 ↑	+26%	2.4X
 Property / Rental	+2%	+8%	806 ↓	+11%	0.8X
 Manufacturing	-6%	-2%	777 ↑	+11%	1.6X
 Agriculture	+10%	-17%	795 ↑	+4%	0.7X
All Sectors	+3%	-10%	785 ↑	+17%	1.0X

Table above shows 'year-on-year' comparisons using 12 month rolling averages.  
The Liquidation rating is the proportion of liquidations divided by the proportion of businesses in a given sector.

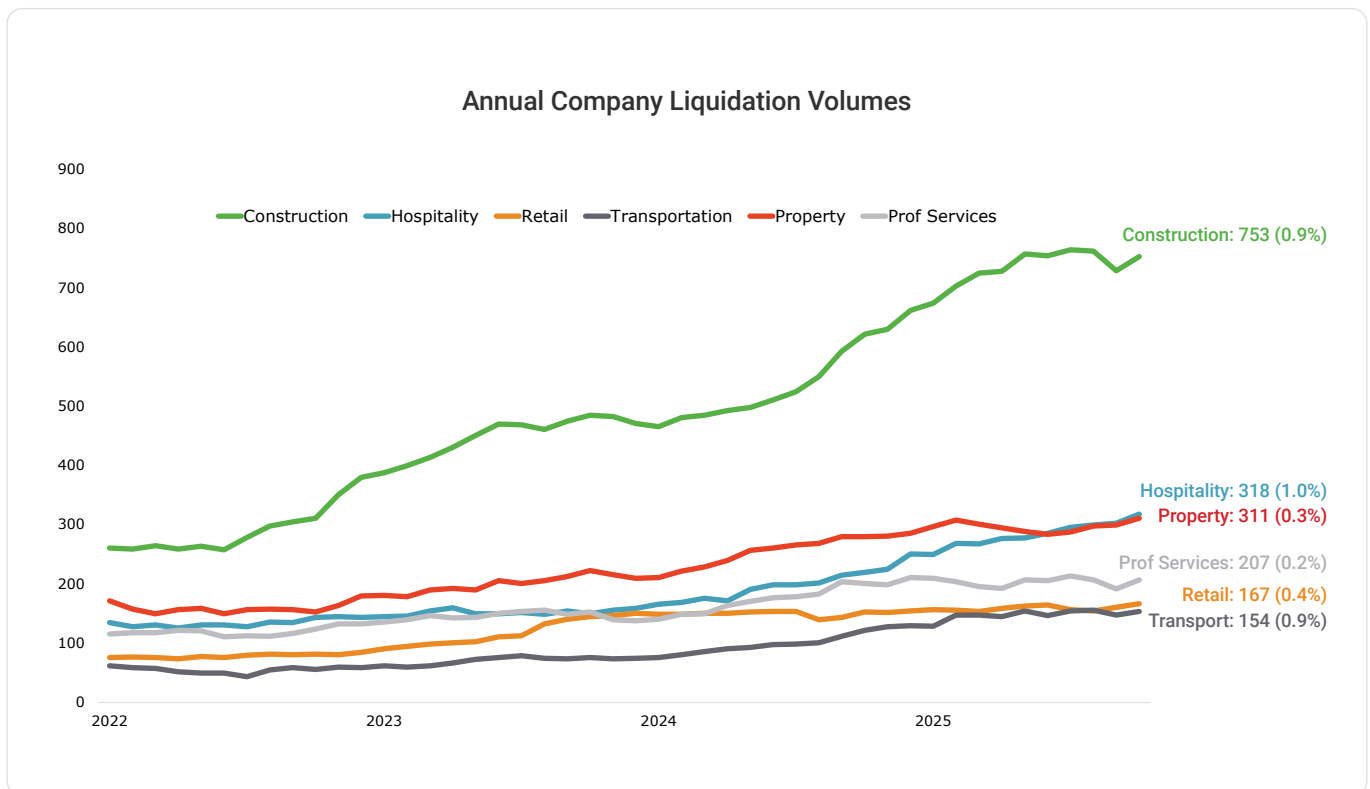
## Company liquidations hit highest monthly level since 2011

October recorded the highest monthly total of company liquidations since 2011, underscoring a combination of ongoing financial stress in several sectors and increased IRD auditing.

Construction remains the most affected industry, with 753 firms liquidated during the past year, an increase of 21% compared to the previous year. Despite this, liquidations represent only 0.9% of all registered companies in the sector.

Hospitality is the second most impacted, with 318 liquidations in the past year, up 45% year-on-year.

Encouragingly, signs of improvement are emerging across six of the 19 industry sectors, notably wholesale trade, financial and insurance services, and information media and telecommunications.



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## Centrix data

Centrix provides the most up-to-date credit insights available in NZ and holds the richest dataset of payment credit information available in New Zealand. Our extensive and unique credit information database comprises of comprehensive credit information, utility data and supporting credit risk information aggregated from a wide range of sources.

### Specifically our data comes from:

- 93 registered banks, finance companies, utility companies, telcos, and other business contributors to Comprehensive Credit Reporting (CCR), providing payment behaviour data. Major bank contributors include ANZ, ASB, BNZ, Westpac, Kiwibank, TSB Bank, and The Co-Operative Bank.
- Credit enquiries, when businesses or individuals apply for finance – indicative of real time credit demand.
- Monthly snapshots of arrears trends and exposure (open accounts and credit limits).
- Fintech providers such as Buy Now Pay Later (BNPL) etc.
- Payment history on more than 95% of individuals and most credit active businesses within New Zealand.
- Defaults loaded by collections agencies and credit providers.

### Glossary of Terms:

- Credit demand - real time - a leading indicator of consumer and business confidence.
  - Consumer - applies to individuals that apply for finance, telco, broadband, power, tenancy, and utility accounts.
  - Business - applies to businesses that apply for credit terms with any goods and services providers including finance.
- Payment arrears - a one month lag indicator – data contributors typically report the payment status of their customers the month after the payment is due.
- Defaults - a lag indicator - a default will be listed on a credit file where a payment over \$125 is overdue by at least 30 days and the credit provider has tried to recover the money.

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