



April Credit Indicator



Lending holds up despite softer confidence signals as global uncertainty remains elevated

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

April's credit data comes through at a more unsettled point in New Zealand's economic recovery. The Reserve Bank left the Official Cash Rate unchanged this month at 2.25% but noted that recent events in the Middle East had materially altered the outlook for inflation and growth.

Higher oil and refined fuel prices are expected to add to transport and other costs at a point when the recovery is still finding its feet, and there is a broad expectation by economists and business leaders we're yet to see the full impact filter through.

That softer tone is beginning to show in borrowing behaviour. Consumer credit demand remains above last year's level, but enquiry volumes have eased in recent weeks. Activity is still holding up in home loans, auto lending, and personal loans, while demand across other consumer credit categories remains more subdued.

There are, however, still some encouraging signs, with new lending figures remaining above last year's level across both mortgage and non-mortgage products, and repayment performance continues to improve.

Consumer arrears fell again in March to their lowest level since September 2023, while mortgage arrears also moved lower for households who managed to secure lower repayments by taking advantage of reduced interest rates while they were low.

Though, the picture is not uniformly positive. There are still 95,000 consumers more than 90 days behind on payments, and pressure remains more visible in unsecured lending.

Personal loan arrears are still elevated, and personal loan hardship cases remain well above year-ago levels. Buy Now Pay Later arrears improved in March, and the product continues to play a significant role in how many consumers first enter the credit system.

The business picture remains mixed. Credit demand is softer overall, in line with weakness across the services economy. Agriculture continues to perform well, but hospitality remains vulnerable.

Pressure is also becoming more visible across parts of the Other Services sector, particularly automotive repair and maintenance. Liquidations remain elevated, with Inland Revenue activity continuing to influence the insolvency pipeline.

Overall, April's figures suggest credit conditions are continuing to improve, particularly for households, but the whole picture remains uneven. Softer confidence, higher external cost risks, and persistent pressure across parts of the market mean careful financial management will remain important in the months ahead.

Monika Lacey
Chief Operating Officer
Centrix

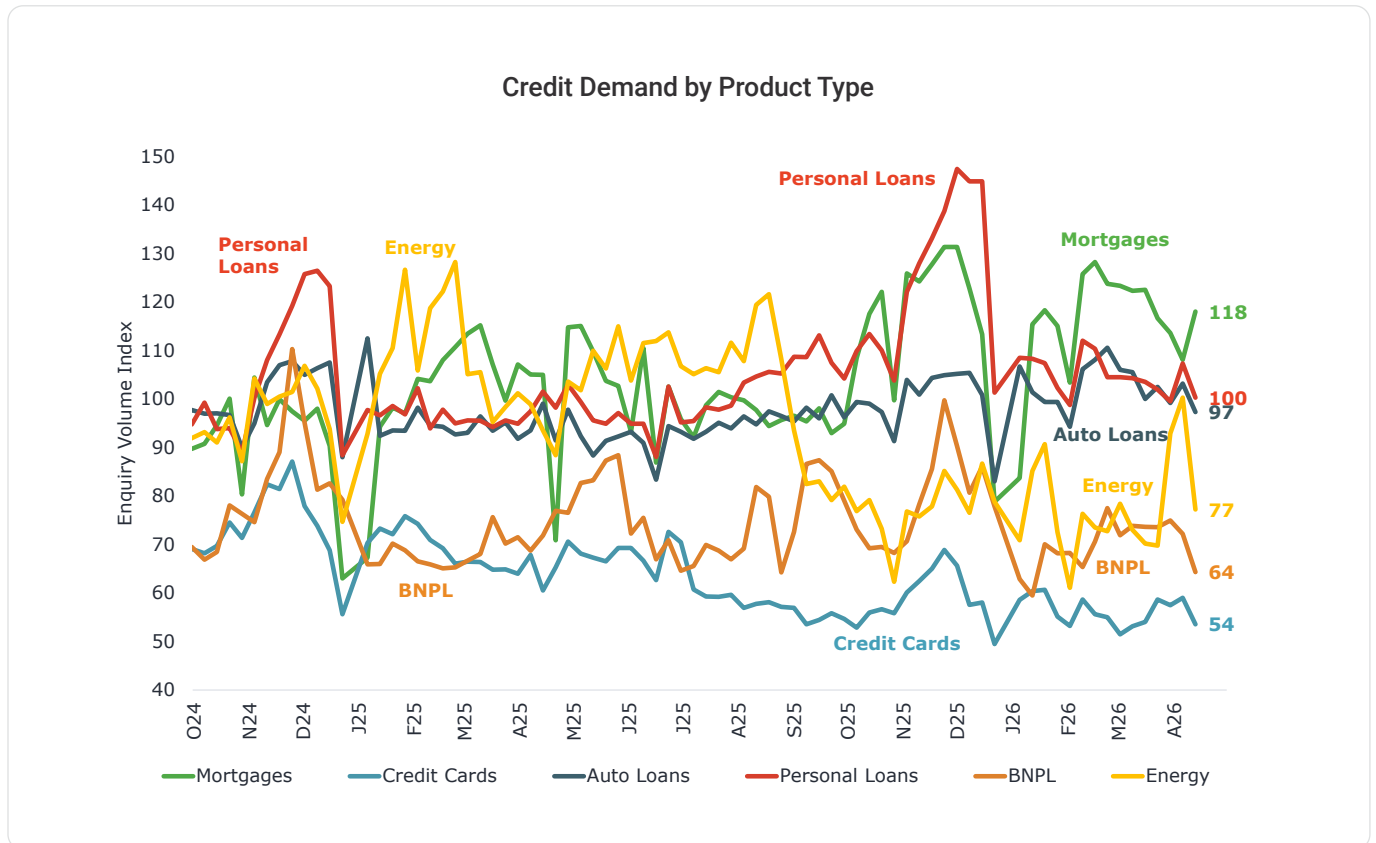


Consumer demand remains above last year, but has slowed

Consumer credit demand softened in recent weeks, although it remains up 1.3% year-on-year.

Mortgage enquiries are up 11.3%, auto loan demand is up 8.2%, and personal loan enquiries are up 7.9%. Buy Now Pay Later enquiries are also modestly above last year's level, up 3.5%.

In contrast, credit card demand is down 17.4% and retail energy enquiries are down 28.3%, showing demand remains uneven across products.



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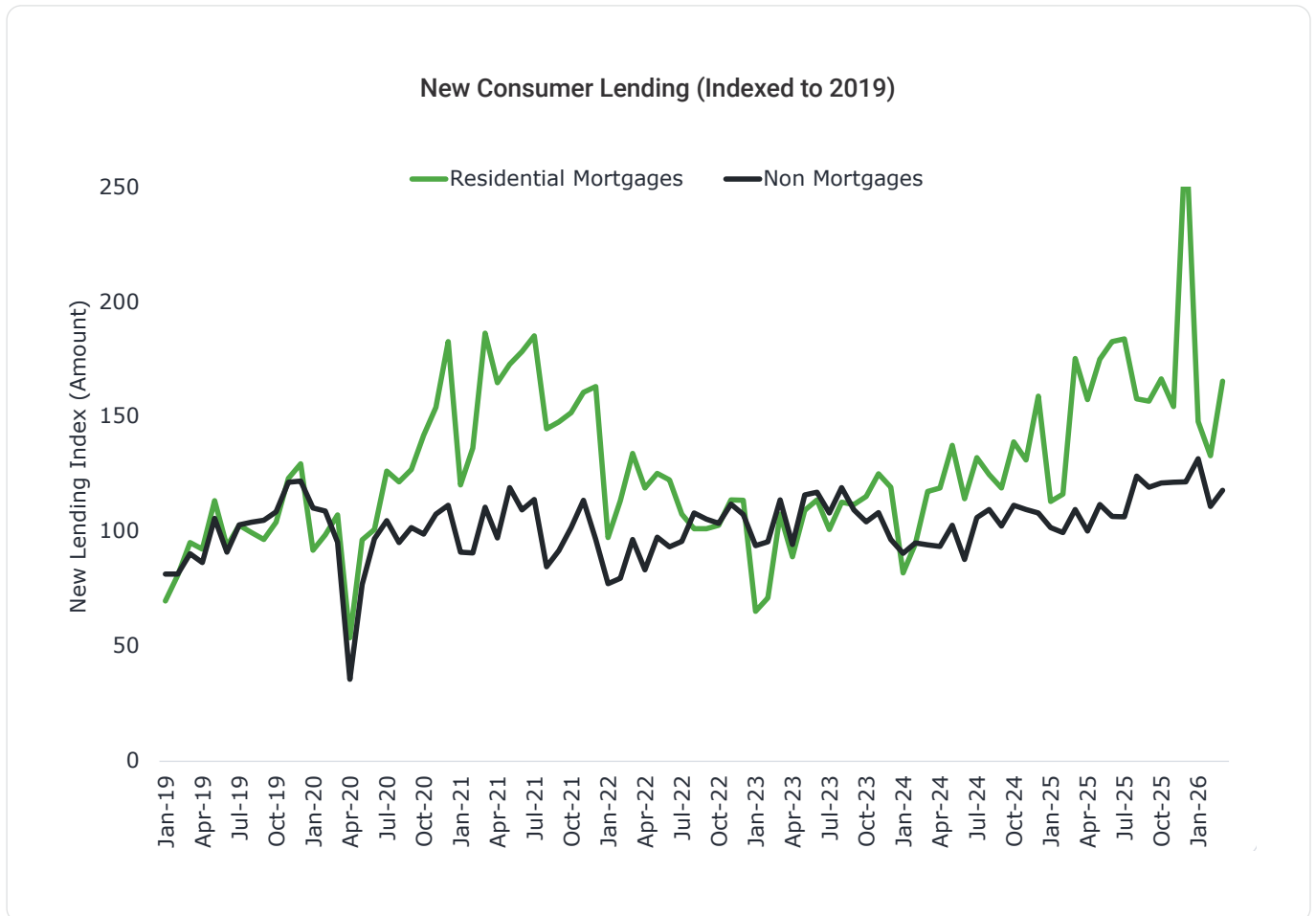
Product Type	Year-on-year change %
Mortgages	+11.3%
Auto Loans	+8.2%
Credit Cards	-17.4%
Personal Loans	+7.9%
BNPL	+3.5%
Retail Energy	-28.3%

Year-on-year comparison of 3 month rolling averages

New household lending remains above last year's level

Approved new mortgage lending is up 10.7% in the March quarter compared with the prior year, while new non-mortgage lending is up 15.6%. Overall, new household lending increased 11.1% year-on-year.

Growth in new residential mortgage lending eased in March following a strong January and February. Meanwhile, non-mortgage lending continued to be supported by stronger personal lending and higher auto loan volumes.



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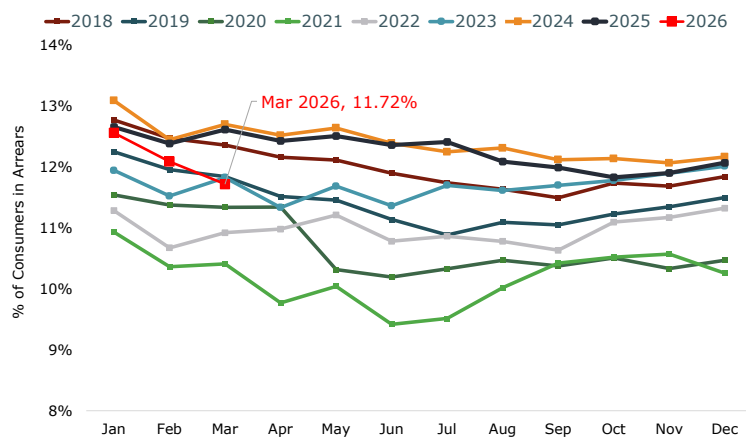
Arrears improve further, although pressure remains for some households

Consumer arrears improved again in March, falling to 11.72% of the credit-active population, down from 12.09% in February and 7.1% lower than a year ago.

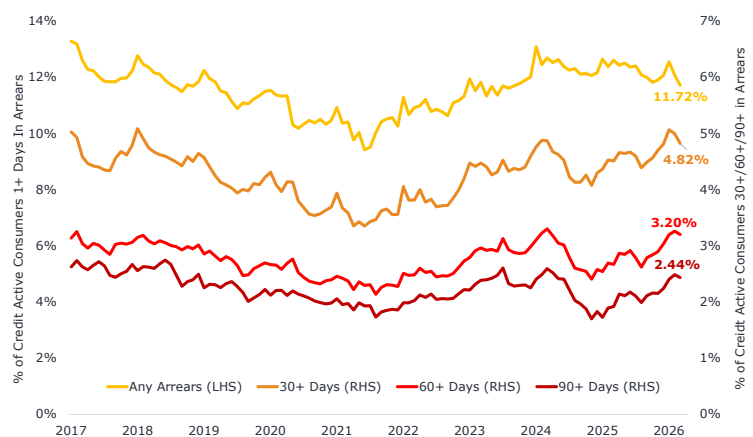
The number of people behind on payments declined to 459,000, down 14,000 from the prior month. This suggests many households are in a more resilient position than they were a year ago.

However, 95,000 consumers remain 90+ days in arrears, showing more serious financial stress is still affecting a small group of borrowers.

Consumer Arrears Trends

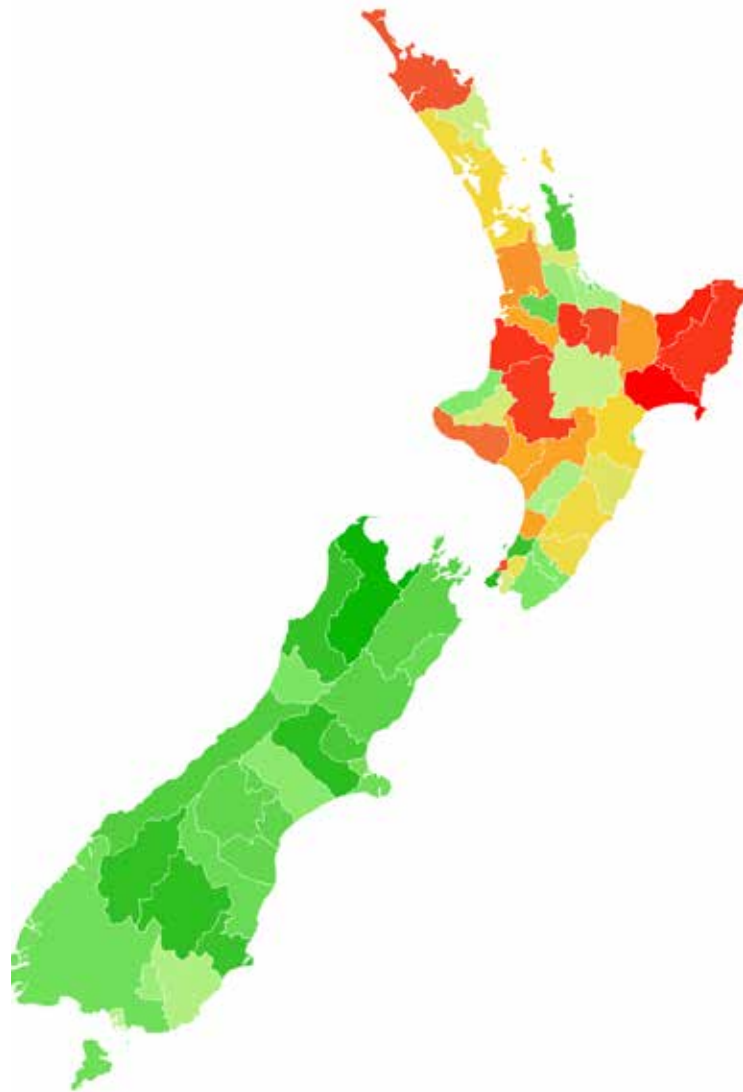


Consumer Arrears: 1+/30+/60+/90+ Days Past Due



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Arrears remain divided between North and South



Lowest Arrears Areas		
District		Arrears %
1	Nelson City	8.13%
2	Tasman District	8.24%
3	Wellington City	8.68%
4	Selwyn District	8.94%
5	Central Otago District	9.02%
6	Queenstown-Lakes District	9.13%
7	Buller District	9.22%
8	Kapiti Coast District	9.47%
9	Dunedin City	9.48%
10	Waimakariri District	9.88%

Highest Arrears Areas		
District		Arrears %
1	Kawerau District	17.55%
2	Wairoa District	17.52%
3	Opotiki District	16.56%
4	South Waikato District	16.13%
5	Gisborne District	16.10%
6	Waitomo District	16.07%
7	Ruapehu District	15.91%
8	Rotorua District	15.52%
9	Porirua City	15.14%
10	Far North District	15.07%

Mortgage arrears improve, while auto loans remain steady

Mortgage arrears improved to 1.39% in March, down from 1.42% in the previous month. There are now 22,500 mortgage accounts reported as past due.

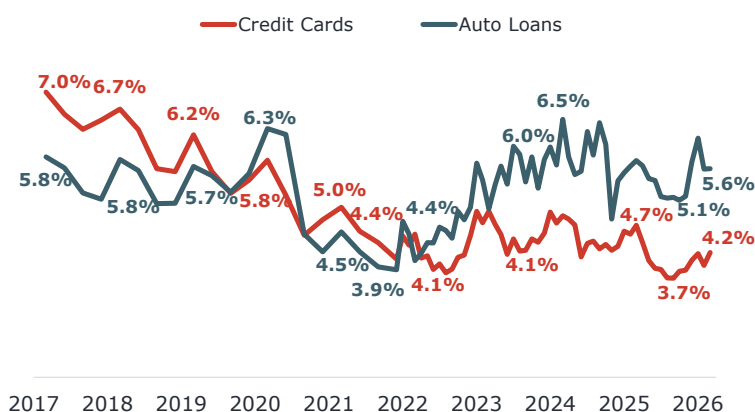
This represents a 12% year-on-year improvement, with lower interest rates continuing to ease repayment pressure for home loan borrowers. Seasonally adjusted mortgage delinquencies also continued to improve, with 1–29 day arrears down 14% year-on-year and 90+ day arrears down 12%.

Auto loan arrears held steady at 5.6% in March, lower than the 5.8% reported a year earlier. Credit card arrears increased slightly to 4.2%, but remain 10% lower than a year ago.

Home Loan Arrears



Credit Card & Auto Loan Arrears



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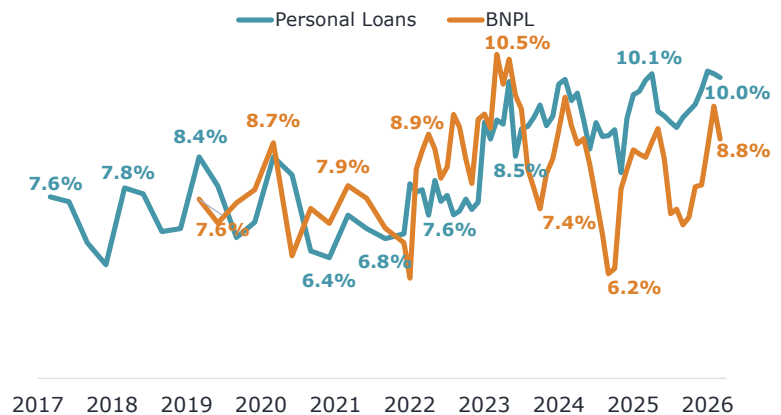
Household arrears ease overall, but unsecured lending remains a pressure point

Personal loan arrears improved slightly to 10.0% in March but remain elevated and broadly unchanged year-on-year. This continues to show that financial pressure is more pronounced for some borrowers in unsecured lending.

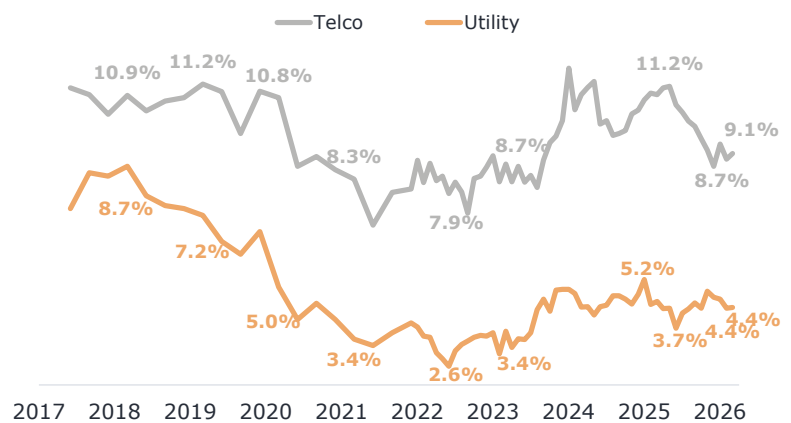
Buy Now Pay Later arrears also improved in March to 8.8%, ending the run of monthly increases seen earlier in the year.

Retail energy arrears held steady at 4.4%, down 4% year-on-year, while telco and communications arrears edged up to 9.1%, still well below the 10.9% recorded in March last year.

Personal Loan & BNPL Arrears



Telco & Utility Arrears

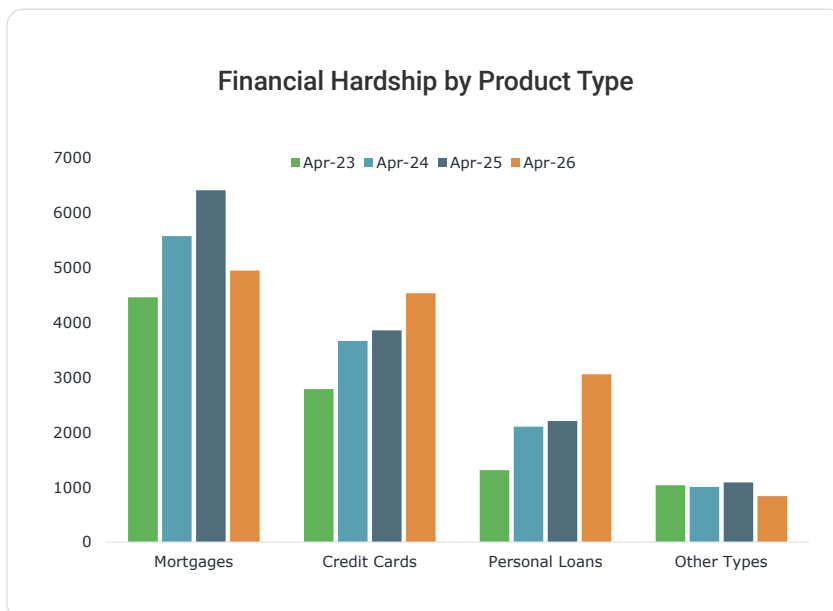
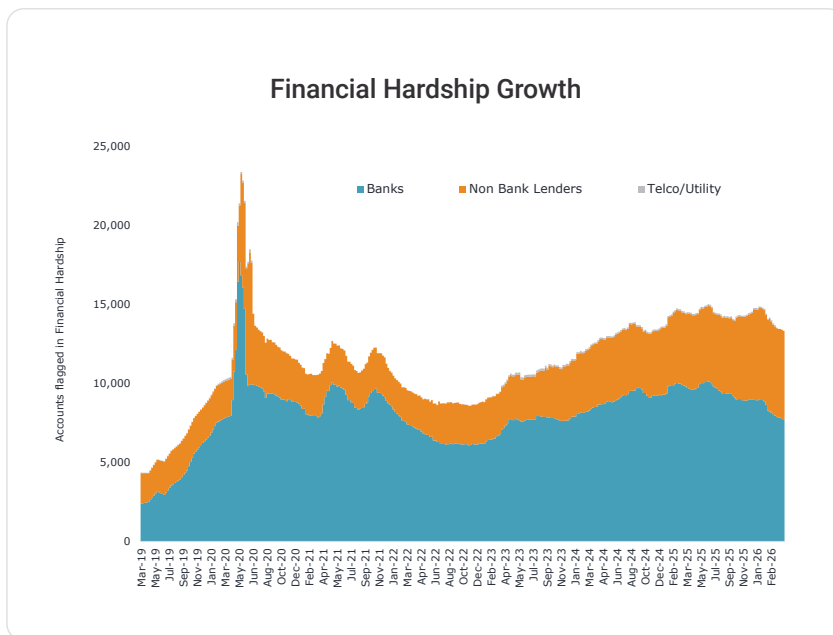


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Financial hardship eases overall, but personal loan hardship remains elevated

There are currently 13,400 accounts reported in financial hardship, down 300 from the previous month. The broader hardship trend, which had been rising since late 2022, has continued to ease in recent months.

Mortgage-related hardship remains the largest category, accounting for 37% of all hardship cases, followed by credit cards at 34%. Personal loan hardship remains the key area of pressure, up 39% year-on-year and now making up 23% of all hardship cases.



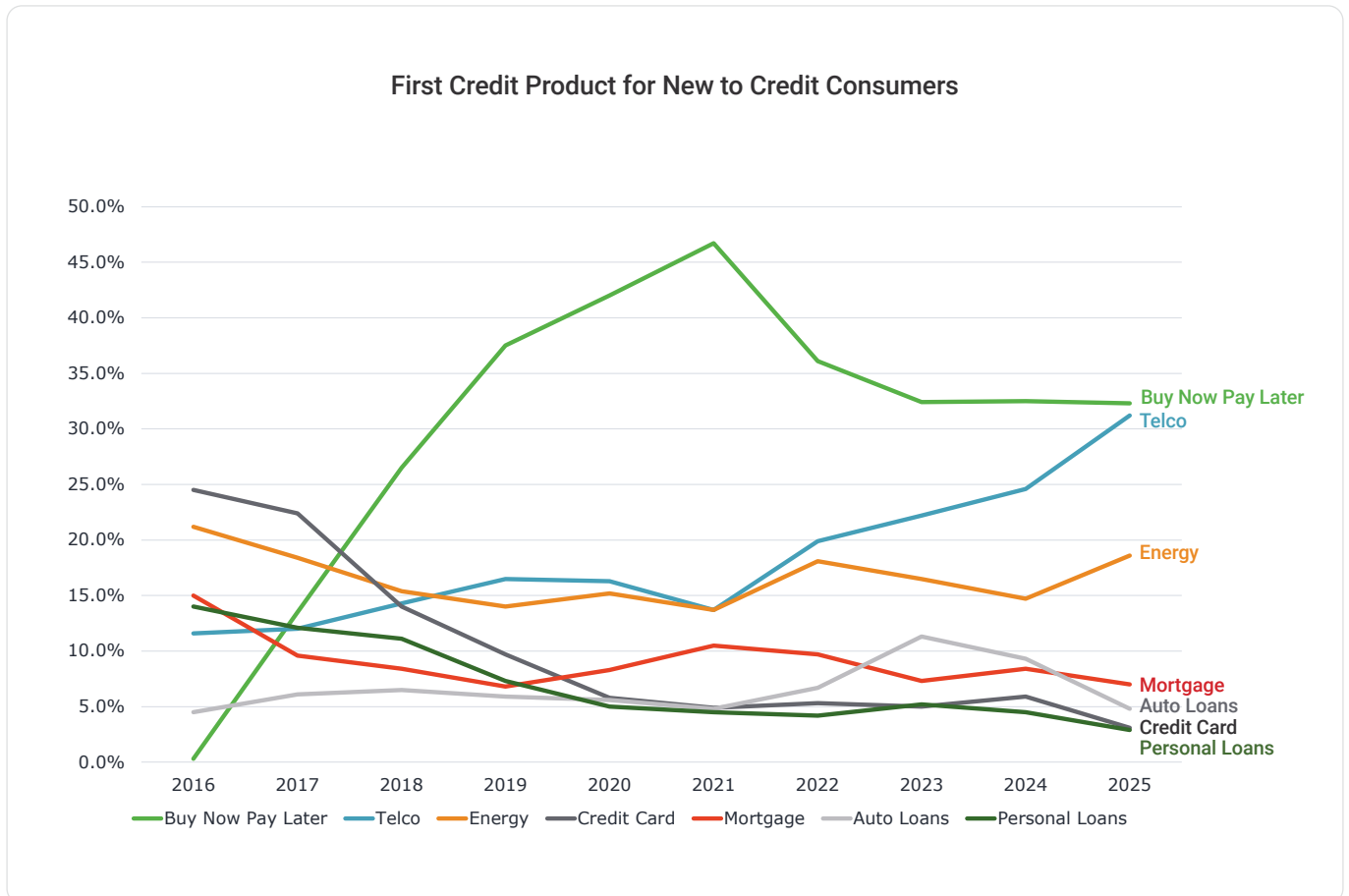
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New-to-credit behaviour continues to shift

In 2025, 245,000 consumers opened their first credit product. Of those, 32% did so using Buy Now Pay Later (BNPL) products.

Since 2018, BNPL has been the most popular first credit product for new-to-credit consumers, ahead of telco and utility accounts.

This continues to show how the shape of consumer credit is changing, with BNPL now playing a much larger role in how many consumers first enter the credit system.

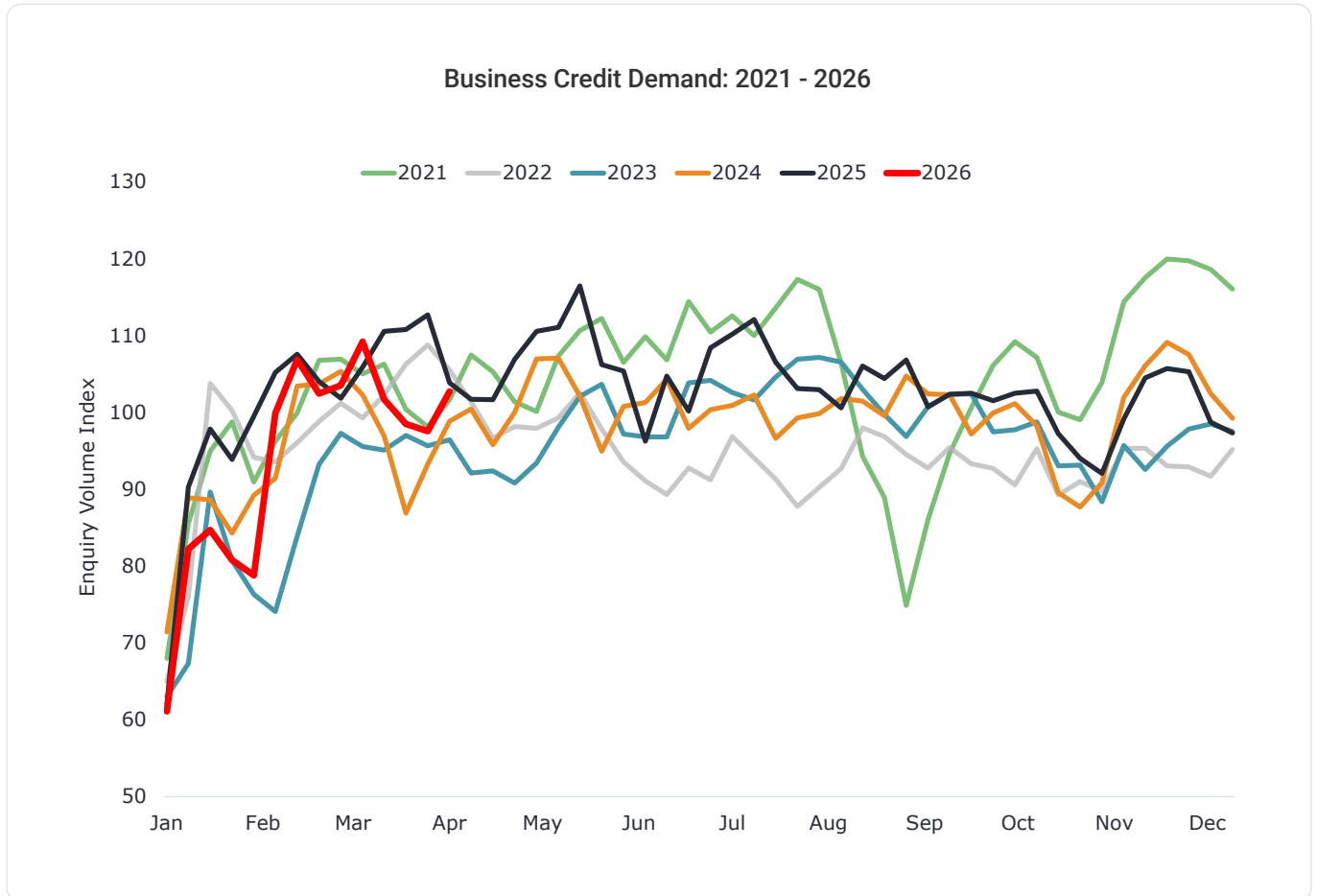


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Business demand remains subdued

Business credit demand is down 3.8% year-on-year, although conditions remain uneven across sectors. Hospitality continues to lead demand, up 26% over the past 12 months, while agriculture is up 10% and Other Services is up 6%.

The average credit score for new business applications has increased to 747, up 6 points year-on-year and above the 741 recorded in February. New business registrations are also up 10% year-on-year on a rolling 12-month basis.



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Liquidations remain elevated

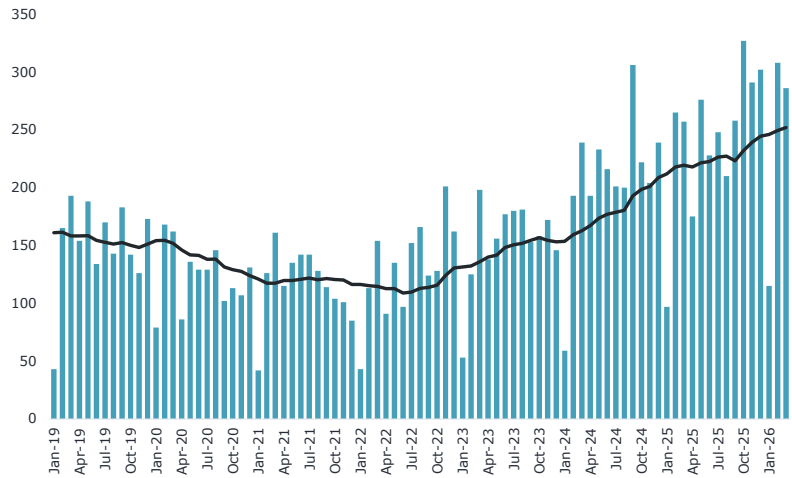
Company liquidations rose to 3,023 on a rolling 12-month basis, up 15% year-on-year. March recorded 286 company liquidations and 308 insolvencies, making it the highest March total for liquidations since 2015.

Construction remains the leading industry for company liquidations, with 768 firms liquidated in the past year, although this represents just 0.9% of all registered construction companies.

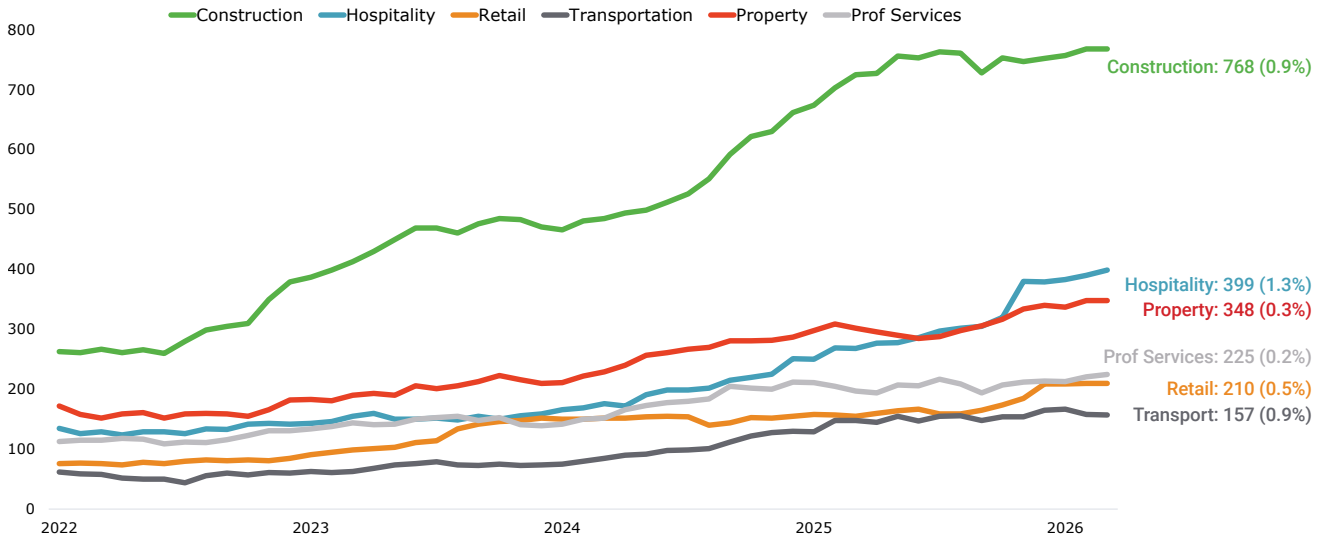
Hospitality is the second largest contributor, recording 399 liquidations—an increase of 49% compared with the previous year.

Inland Revenue activity also continues to influence insolvency and liquidation levels and remains an important factor when interpreting current business stress.

Company Liquidations up 15% YoY



Annual Company Liquidation Volumes



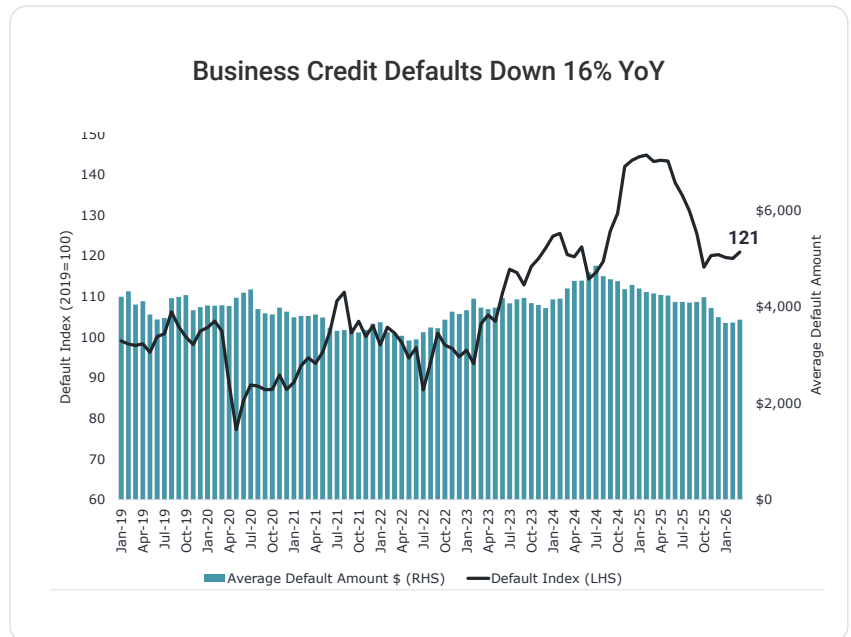
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Signs of improvement emerge in selected sectors

While liquidation levels remain elevated overall, trends are improving across 6 of the 19 industry sectors, notably agriculture, wholesale trade, and manufacturing. Business credit defaults are also down 16% year-on-year.

Agriculture remains one of the stronger-performing sectors, with credit demand up 10%, defaults down 27%, liquidations down 6%, and an average credit score of 793.

Manufacturing is also showing some improvement, with liquidations down 5% year-on-year, although credit demand remains weaker and conditions still vary across sub-sectors.










	Sector	Δ Credit Demand	Δ Credit Defaults	Avg Credit Score	Δ Company Liquidations	Liquidation Rating
	Construction	-16%	-21%	756 ↑	+6%	2.2X
	Hospitality	+26%	-6%	727 ↓	+49%	3.2X
	Retail Trade	+4%	-14%	763 ↑	+35%	1.2X
	Transport	-11%	-23%	725 ↑	+6%	2.3X
	Property / Rental	-6%	+10%	806 ↓	+15%	0.8X
	Manufacturing	-17%	-27%	779 ↑	-5%	1.5X
	Agriculture	+10%	-27%	793 ↑	-6%	0.7X
	All Sectors	-4%	-16%	783 ↑	+15%	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.

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Pressure is building across Other Services

The Other Services sector includes more than 26,000 registered companies, accounting for nearly 4% of all registered businesses.

Over the past year, 174 companies across the Other Services sector were placed into liquidation, up from 124 the previous year. That represents a 40% year-on-year increase.

The sharpest pressure remains in automotive repair and maintenance, where 74 companies were liquidated over the past 12 months, compared with 27 a year earlier. This reflects continuing cost pressure, softer demand, and weaker discretionary spending conditions.

Industry Classification Description	Registered Companies		Key Credit Indicators (YoY Change)				
	#	%	Δ Credit Demand	Δ Defaults	Credit Score	Δ Company Liquidations	Liquidation Rating
Other Services	26,739	3.6%	6%	-5%	752	40%	1.6X
Civic, Professional and Other Interest Group Services	833	0.1%	6%	-60%	784	-50%	0.3X
Funeral, Crematorium and Cemetery Services	371	0.0%	30%	-20%	775	0%	0.7X
Other Personal Services	5,558	0.7%	11%	-25%	748	57%	1.0X
Personal Care Services	6,848	0.9%	10%	1%	713	-3%	2.0X
Religious Services	114	0.0%	-75%	-	802	-	-
Private Households Employing Staff	57	0.0%	42%	-50%	751	-	-
Automotive Repair and Maintenance	8,975	1.2%	7%	-9%	766	174%	2.1X
Machinery and Equipment Repair and Maintenance	2,574	0.3%	-14%	26%	768	-24%	1.3X
Other Repair and Maintenance	683	0.1%	17%	43%	765	-25%	1.1X

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Last updated April 2026.

This report contains the most up-to-date credit insights currently available in New Zealand - specifically, April credit activity and March arrears (reported in April).

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 comprises of comprehensive credit information, utility data and supporting credit risk information aggregated from a wide range of sources.

Specifically our data comes from:

- 97 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.
- Credit defaults loaded by collections agencies and credit providers.
- Company tax debts loaded by Inland Revenue.

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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