June Credit Indicator

CENTRIX

Consumer arrears fall to a four-year low.

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

New Zealand's latest GDP figures show the economy regained some momentum in the March quarter, with activity lifting after two consecutive quarters of growth. That improvement is encouraging, but it comes as inflation remains just above the Reserve Bank's target band and interest rate settings remain cautious.

This mixed economic backdrop is reflected in Centrix's latest credit data. Household repayment performance continues to improve, with consumer arrears falling to their lowest level in four years and mortgage arrears also moving lower.

This suggests many borrowers are in a stronger position than they were a year ago, helped by lower mortgage rates and a gradual easing in repayment pressure.

However, this improvement is not uniform. While fewer consumers are behind on repayments overall, 89,000 people remain 90 or more days past due, showing more serious financial pressure is still affecting some households.

This pressure is particularly visible among renters and borrowers with products such as personal loans, credit cards, and Buy Now Pay Later.

Credit demand has also weakened, indicating households are still cautious about taking on new debt despite improving repayment trends. Larger, purpose-driven borrowing such as home loans and vehicle finance remains more resilient, while demand for credit cards, Buy Now Pay Later and retail energy credit has softened.

New household lending has also eased after a stronger start to the year. Approved new mortgage lending is now lower than a year ago, suggesting less people are refinancing with another provider, and property purchasers are taking more time to assess affordability and borrowing costs.

Non-mortgage lending remains stronger, largely supported by secured vehicle lending, but overall household lending is slightly below last year's level.

Business credit demand is tracking slightly below last year's level, although it remains broadly consistent with longer-term trends. Defaults are improving across many sectors, but company liquidations remain elevated and are forecast to reach their highest level since 2010.

Hospitality remains one of the most vulnerable sectors, with restaurants, cafés, pubs and takeaway businesses continuing to face significant pressure.

Overall, June's data suggests credit conditions are improving for many households and businesses, but confidence remains measured and pockets of financial strain are still evident.

For consumers or businesses under pressure, early engagement with lenders, financial advisers or other trusted support providers remains the best step before short-term stress becomes harder to manage.

Monika Lacey
Chief Operating Officer
Centrix

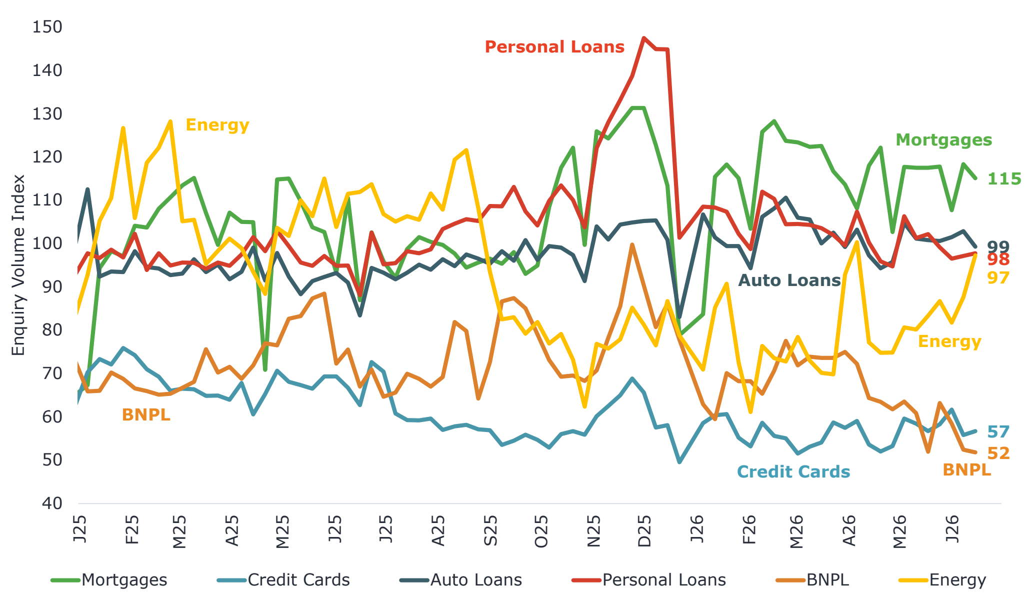
Consumer credit demand weakens as households remain cautious

Consumer credit demand declined 5.3% year-on-year in June, indicating households remain cautious about taking on new credit.

Demand remains strongest in larger, purpose-driven borrowing categories. Mortgage enquiries are up 12.5% year-on-year and auto loan demand is up 8.8%, suggesting borrowers are still active where credit is linked to housing or vehicle purchases. Personal loan demand also lifted modestly, up 3.5%.

In contrast, other credit categories remain subdued. Credit card demand is down 14.3%, Buy Now Pay Later demand is down 18.7%, and retail energy enquiries are down 19.7%.

Credit Demand by Product Type



	Year-on-year change %
Mortgages	+12.5%
Auto Loans	+8.8%
Credit Cards	-14.3%
Personal Loans	+3.5%
BNPL	-18.7%
Retail Energy	-19.7%

Year-on-year comparison of 3 month rolling averages

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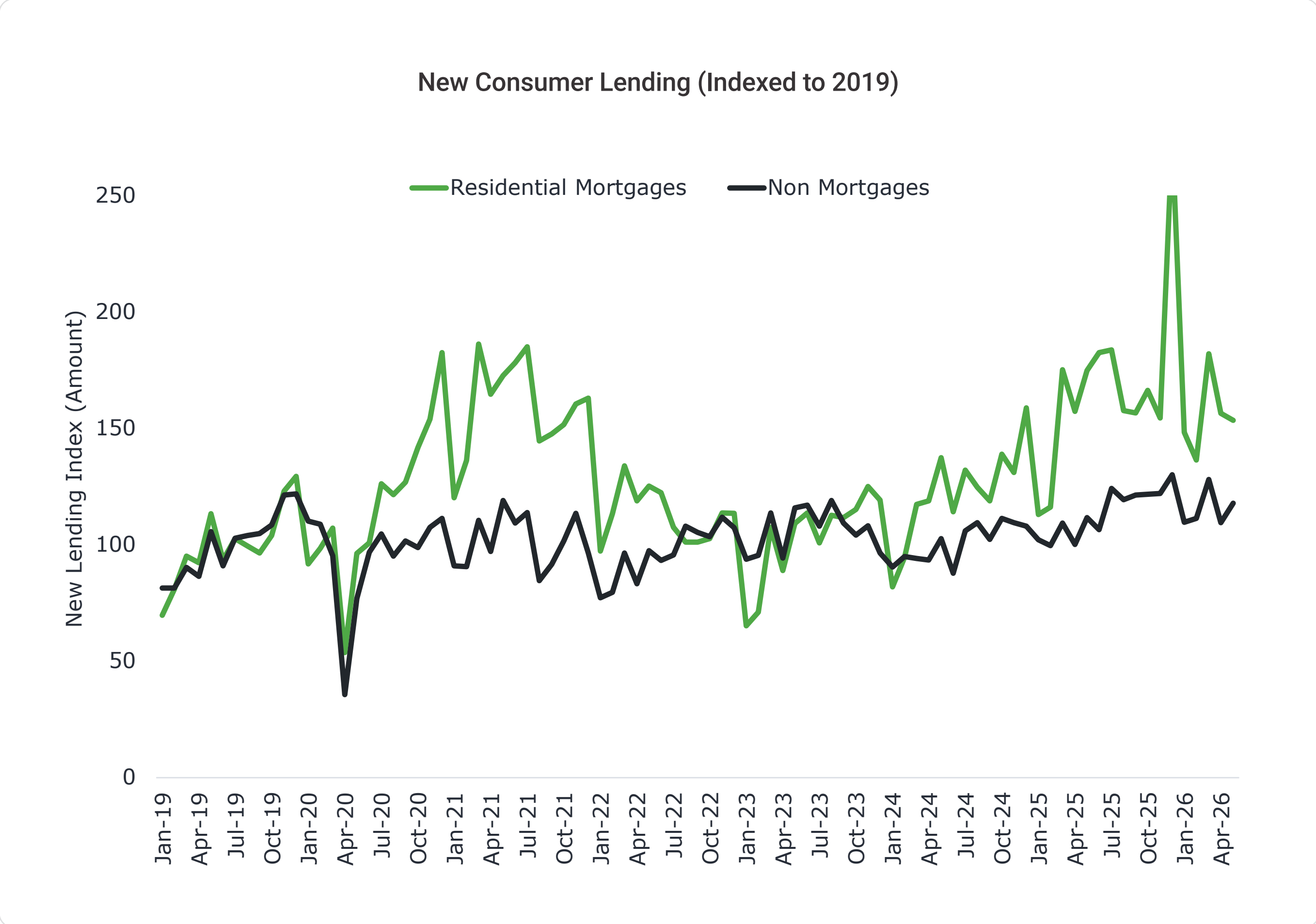
New household lending slows after a stronger start to the year

New household lending has lost momentum after a stronger start to 2026. Approved new mortgage lending was down 2.4% in the May quarter compared with the same period last year, suggesting less people are refinancing with another provider, and property purchasers are taking a more cautious approach.

New non-mortgage lending remains more resilient, up 10.3% year-on-year in the May quarter, largely driven by secured vehicle lending rather than broad-based growth across consumer credit products.

Overall, new household lending decreased 1.5% year-on-year.



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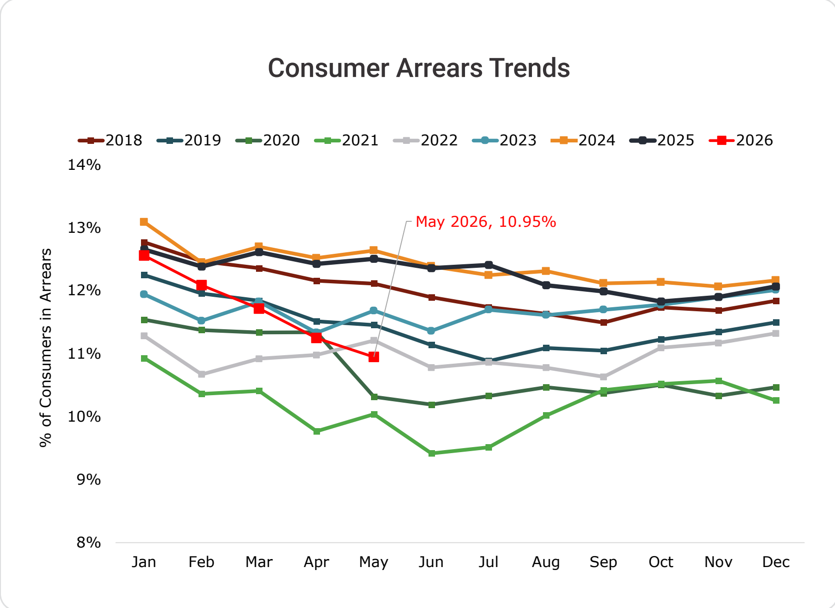
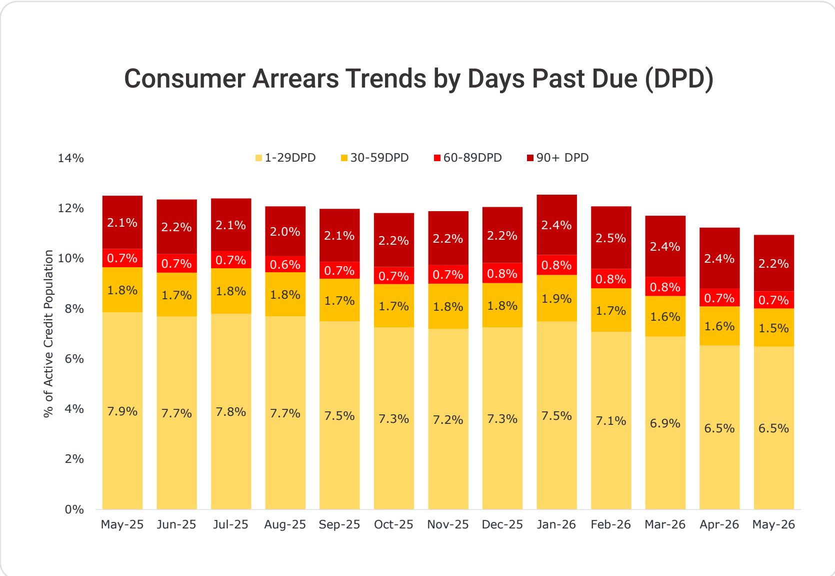
Arrears fall to a four-year low, but deeper stress remains

Consumer arrears improved again in May, falling to 10.95% of the credit-active population – the lowest level recorded in four years.

The number of consumers behind on payments declined to 432,000, down 11,000 from the prior month. The arrears rate is now 12.5% lower than a year ago, indicating repayment pressure has eased for many households.

However, 89,000 consumers remain 90 or more days past due, with renters accounting for 74,000 of those cases.





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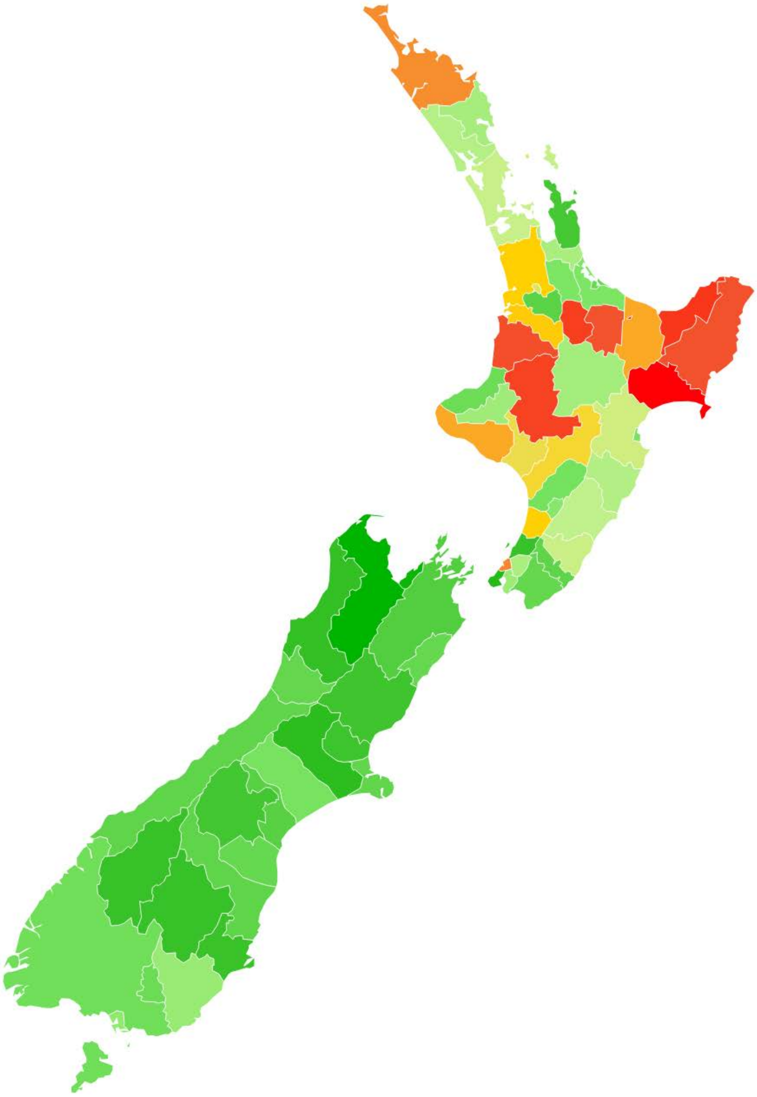
Arrears across New Zealand



Lowest Arrears Areas		
	District	Arrears %
1	Tasman District	7.37%
2	Nelson City	7.52%
3	Wellington City	8.04%
4	Selwyn District	8.28%
5	Buller District	8.54%
6	Queenstown-Lakes District	8.73%
7	Central Otago District	8.73%
8	Kapiti Coast District	8.75%
9	Dunedin City	8.79%
10	Waimakariri District	8.98%

Highest Arrears Areas		
	District	Arrears %
1	Wairoa District	16.69%
2	Kawerau District	16.47%
3	Opotiki District	15.61%
4	South Waikato District	15.43%
5	Ruapehu District	15.34%
6	Waitomo District	15.00%
7	Gisborne District	14.91%
8	Rotorua District	14.89%
9	Porirua City	13.91%
10	Far North District	13.76%

Mortgage arrears continue to improve

Residential mortgage arrears improved again in May, falling to 1.27%, the lowest level since September 2023. There are currently 20,700 mortgage accounts reported as past due. This represents a 12% year-on-year improvement.

Seasonally adjusted mortgage delinquencies also continued to improve, with 1–29 day arrears down 8% and 90+ day arrears down 14% from a year ago. This suggests fewer mortgage holders are moving into more serious repayment difficulty.

Auto loan arrears held steady at 5.3% in May, compared with 5.5% a year earlier, while credit card arrears improved to 3.9% and remain at historically low levels.

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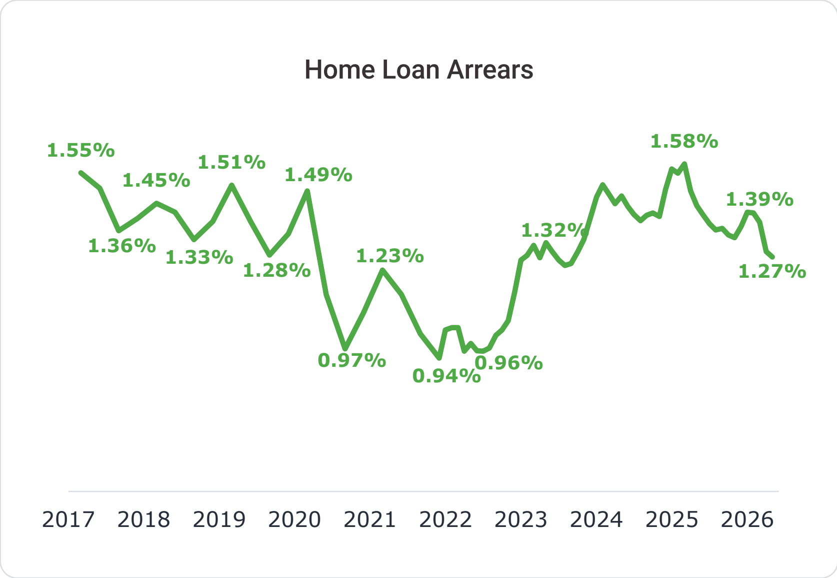
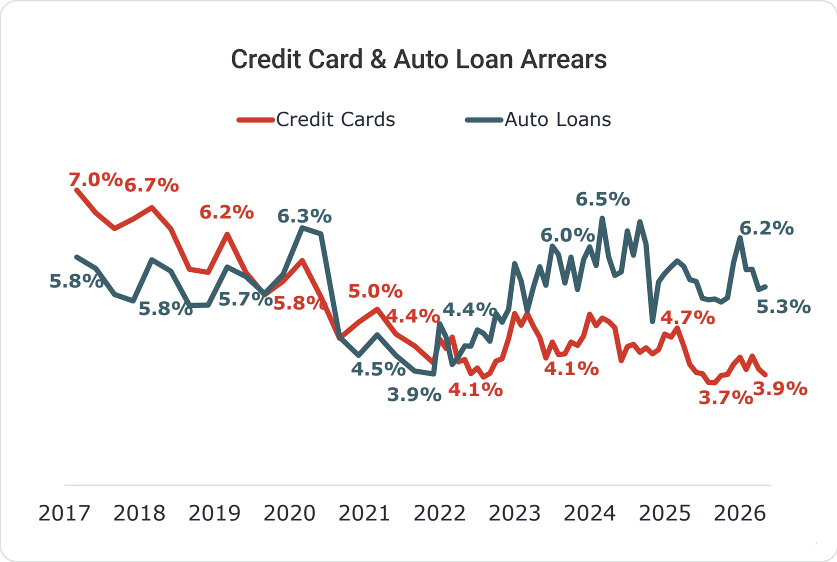
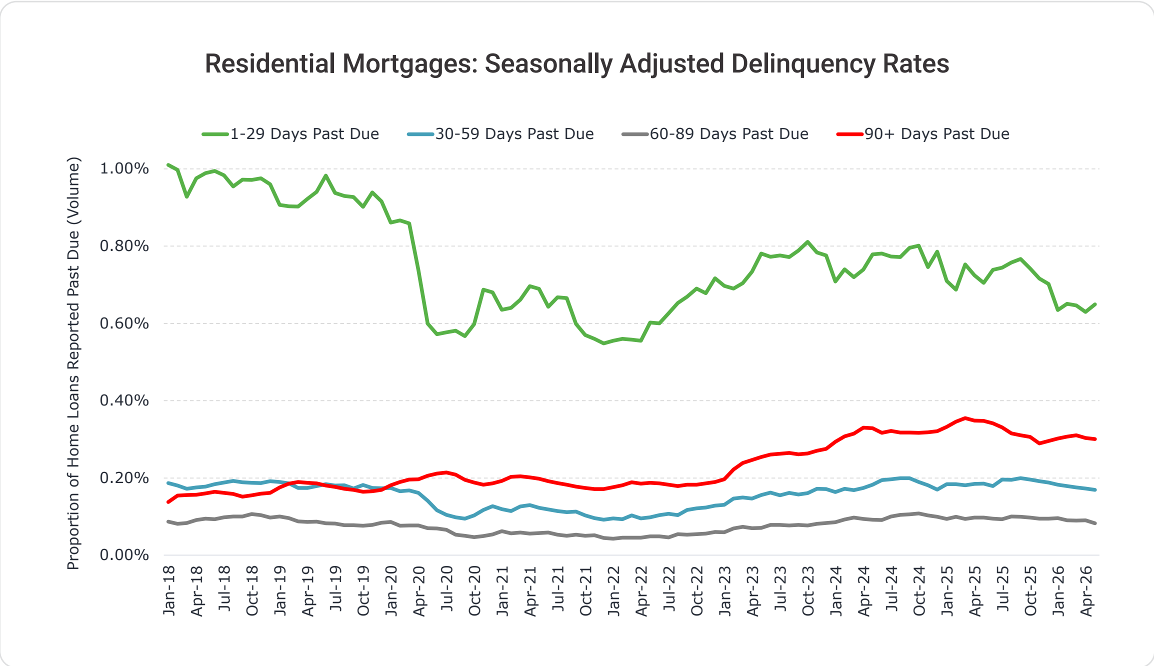




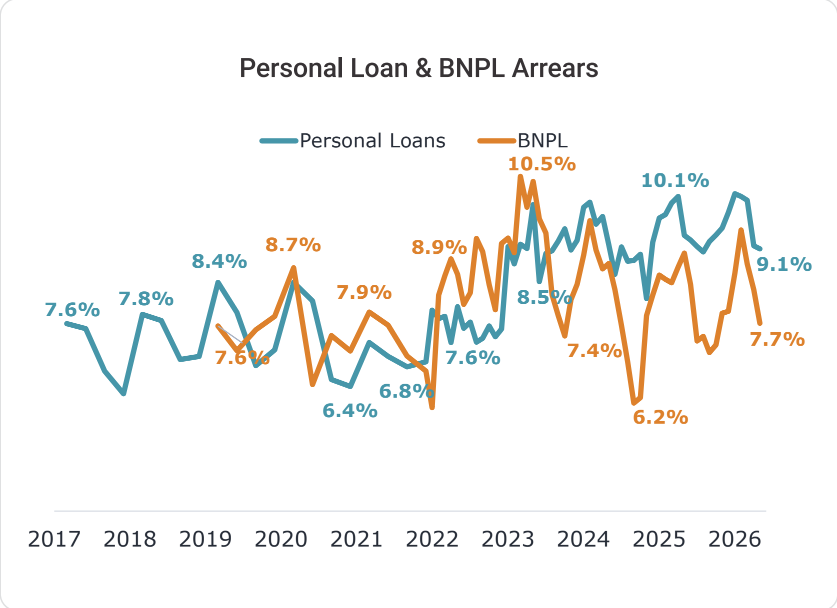


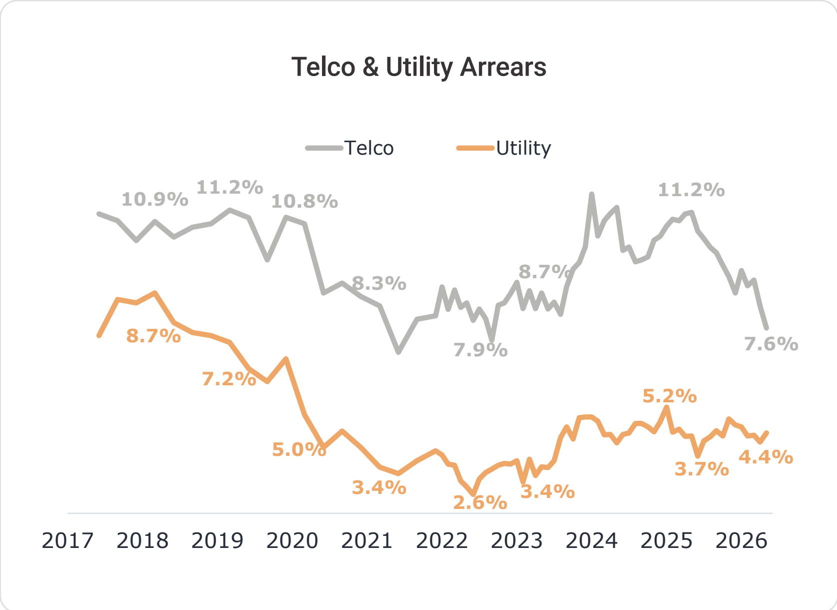
Unsecured arrears improve, but winter energy pressure is emerging

Personal loan arrears improved to 9.1% in May and are now 3% lower than a year ago. This is an encouraging shift from earlier in the year, when personal loan arrears were a key pressure point.

BNPL arrears also improved, falling to 7.7% and sitting 15% lower than the same time last year. This indicates repayment performance in short-term instalment lending has improved, even as demand for BNPL has weakened.

Retail energy arrears rose to 4.4% in May, reflecting the impact of higher power bills during the colder months. Telco and communications arrears improved to 7.6%, continuing the broader easing trend in household service arrears.





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Financial hardship remains below last year, but credit cards now lead

There are currently 13,700 accounts reported in financial hardship, up 250 from last month but 8.5% lower year-on-year.

Credit cards are now the largest hardship category, with nearly 5,000 accounts representing 36% of all cases. Mortgage-related hardship accounts for 35% and continues to decline. Personal loan hardships have increased 37% year-on-year and now represent 24% of hardship cases. The highest incidence of hardship is among consumers aged 35–39 years old.

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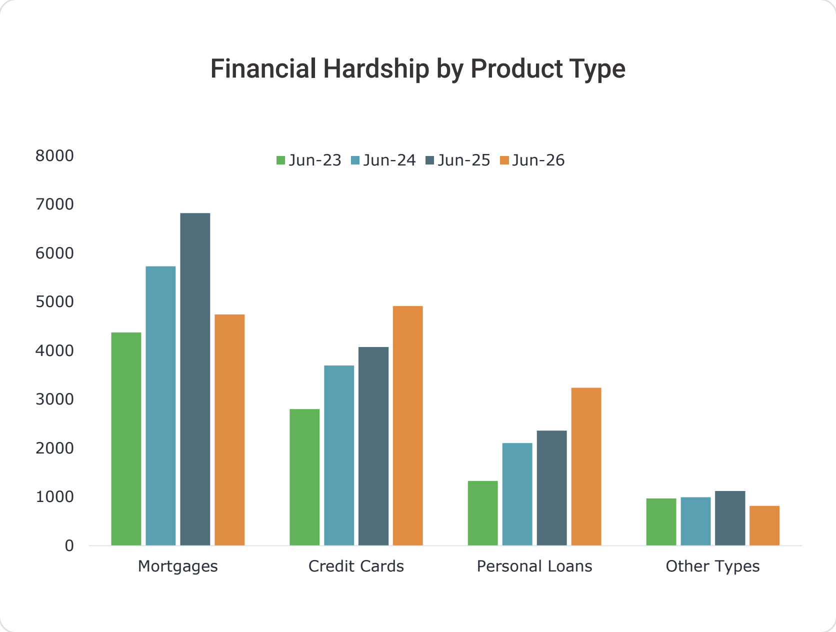
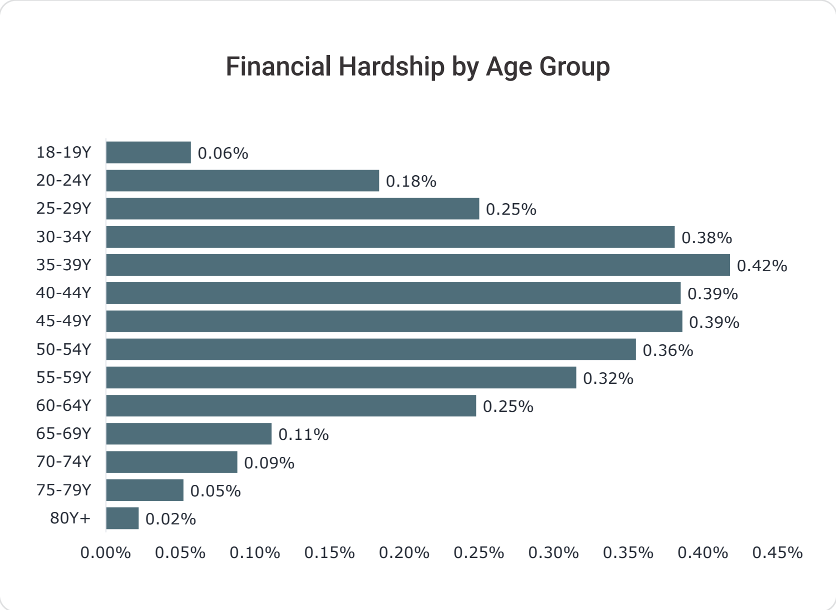


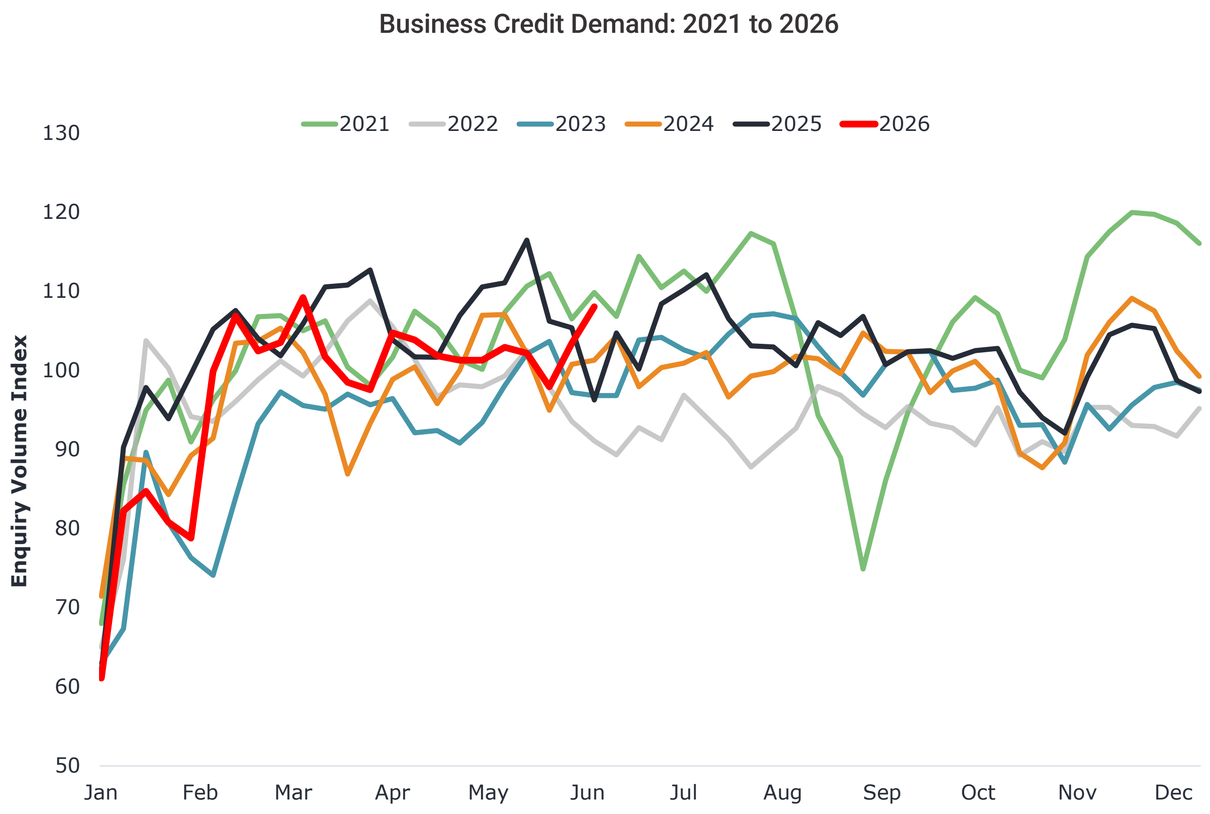


Business credit demand eases, but sector performance is uneven

Business credit demand is down 2.4% year-on-year, although it remains broadly consistent with longer-term trends. The average credit score for new business credit applications was 741 in May, down five points from a year ago.

Sector performance remains mixed. Hospitality continues to show the strongest lift in credit demand, up 18% during the past 12 months, followed by agriculture at 9% and wholesale at 5%.

At the same time, business credit defaults are down 13% year-on-year on a rolling 12-month basis. This suggests repayment behaviour is improving among active businesses, even as softer credit demand shows businesses remain cautious.



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	Sector	Δ Credit Demand	Δ Credit Defaults	Avg Credit Score	Δ Company Liquidations	Liquidation Rating
	Construction	-10%	-19%	755 ↑	+0%	2.2X
	Hospitality	+18%	+5%	728 ↑	+51%	3.4X
	Retail Trade	-1%	-16%	763 ↑	+35%	1.3X
	Transport	-6%	-14%	726 ↑	-6%	2.1X
	Property / Rental	-1%	+11%	806 ↑	+17%	0.8X
	Manufacturing	-11%	-27%	780 ↑	-8%	1.5X
	Agriculture	+9%	-31%	793 ↑	+14%	0.7X
	All Sectors	-2%	-15%	784 ↑	+14%	1.0X

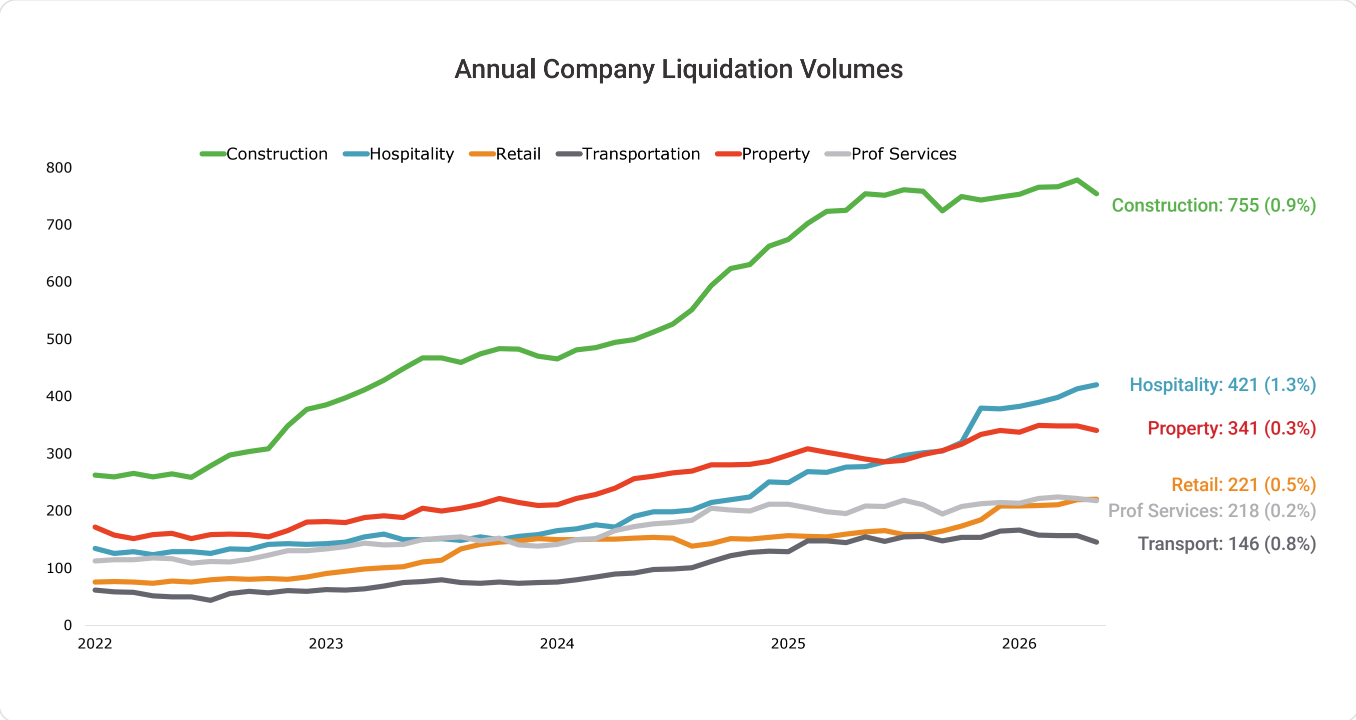
Table above shows 'year-on-year' comparisons using 12 month rolling averages.
The Liquidation rating is the proportion of liquidations divided by the proportion of businesses in a given sector.

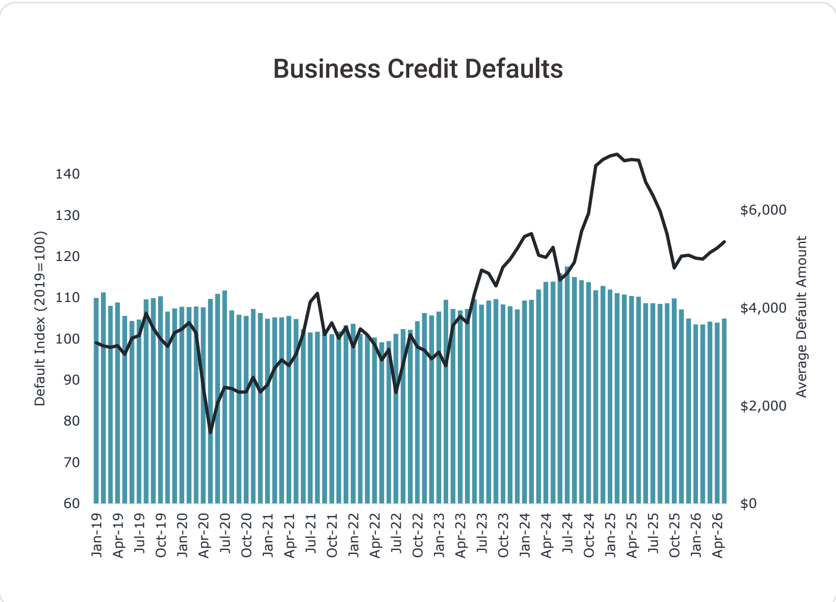
Business defaults ease

Business credit defaults are down 13% year-on-year, suggesting repayment behaviour is improving among active businesses. New company registrations are also up 10%, while company closures are up 11% on a rolling 12-month basis.

Despite this, company liquidations remain elevated, with 3,035 liquidations recorded during the past year – up 14% year-on-year. Construction remains the largest contributor, with 755 firms liquidated during this period, while hospitality recorded 421 liquidations, up 51% year-on-year.

Retail trade liquidations are also up
35%, with food retail businesses contributing a significant share of the increase. While May liquidations were lower than last year, the broader annual level remains high.





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Financial and insurance services remain resilient

Financial and insurance services remain one of New Zealand's most resilient business sectors, with liquidations easing slightly during the past year and average credit scores remaining above 820.

During the past year, 101 companies in the sector entered liquidation, compared with 106 in the previous year. This represents a 5% year-on-year improvement and equates to approximately 0.1% of all companies in the sector.

Industry Classification Description	Registered Companies		Key Credit Indicators (YoY Change)				
	#	%	Δ Credit Demand	Δ Defaults	Credit Score	Δ Company Liquidations	Liquidation Rating
Financial and Insurance Services	**93,726**	**12.5%**	**5%**	**-13%**	**821**	**-5%**	**0.3X**
Financial Asset Investing	12,257	1.6%	18%	-26%	818	-48%	0.3X
Financial Services	6,014	0.8%	1%	-48%	802	47%	0.9X
Holding Company	7,097	0.9%	5%	-55%	792	-18%	0.6X
Insurance Services	1,057	0.1%	55%	-90%	806	-33%	0.5X
Insurance broking service	1,267	0.2%	27%	-57%	802	67%	1.0X
Mortgage broking service	1,952	0.3%	12%	-15%	806	50%	0.4X
Trustee service	59,047	7.9%	-6%	42%	831	11%	0.1X

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Last updated June 2026.

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

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:

- 98 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.