



September Credit Indicator

CENTRIX

Consumer arrears down year-on-year while financial hardships rise again

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

At the beginning of September, the Reserve Bank increased the Official Cash Rate by 25 basis points to 2.75% after annual CPI inflation rose to 4.1% in the June quarter.

Higher fuel prices were a major contributor to the increase in inflation, adding to the cost pressures already facing households and businesses.

Centrix's latest data shows household repayment performance remains stronger than it was a year ago, while financial hardship has started to rise again after easing earlier in 2026.

Consumer arrears held steady at 10.74% of the credit-active population in August, with 424,000 people behind on repayments. Overall arrears are 11.2% lower than a year ago, while the number of consumers 90 or more days past due has continued to fall, reaching 81,000.

Mortgage arrears have followed a similar trend, falling from 1.22% in July to 1.19% in August, their lowest level since December 2022. There are currently 19,600 home loans reported as past due, while mortgage arrears are 13% lower than a year ago.

At the same time, financial hardship has begun to rise again, with 14,500 accounts now reported in hardship, up 500 from last month and 2.2% year-on-year.

Personal loan hardship volumes have increased 46% from a year ago, while consumer credit defaults are also 19% higher, suggesting some consumers remain under pressure despite the broader improvement in credit conditions.

Borrowing activity remains below last year's levels overall. Consumer credit demand is down 6.0% on a three-month rolling basis, although mortgage, auto and personal loan enquiries are all higher year-on-year on the same basis.

Approved new mortgage lending was 8.1% lower during the August quarter compared with the prior year, while non-mortgage lending increased 2.9%, driven primarily by motor vehicle finance.

Business conditions continue to vary by sector. Business credit demand remains broadly in line with last year, while defaults are down 1% and company liquidations are 14% higher on a rolling 12-month basis.

The construction sector shows early signs of improvement, with annual liquidation activity down 1% and larger declines across several building-related subsectors.

This coincides with June-quarter GDP data showing construction activity increased 2.7% and made the largest upward contribution to economic growth, while hospitality and retail continue to record higher annual liquidation volumes.

The year-on-year improvement in arrears is encouraging, but the rise in financial hardship shows pressure remains for some households. With interest rates moving higher, households and businesses concerned about repayments should speak with their lender or a trusted financial adviser early.

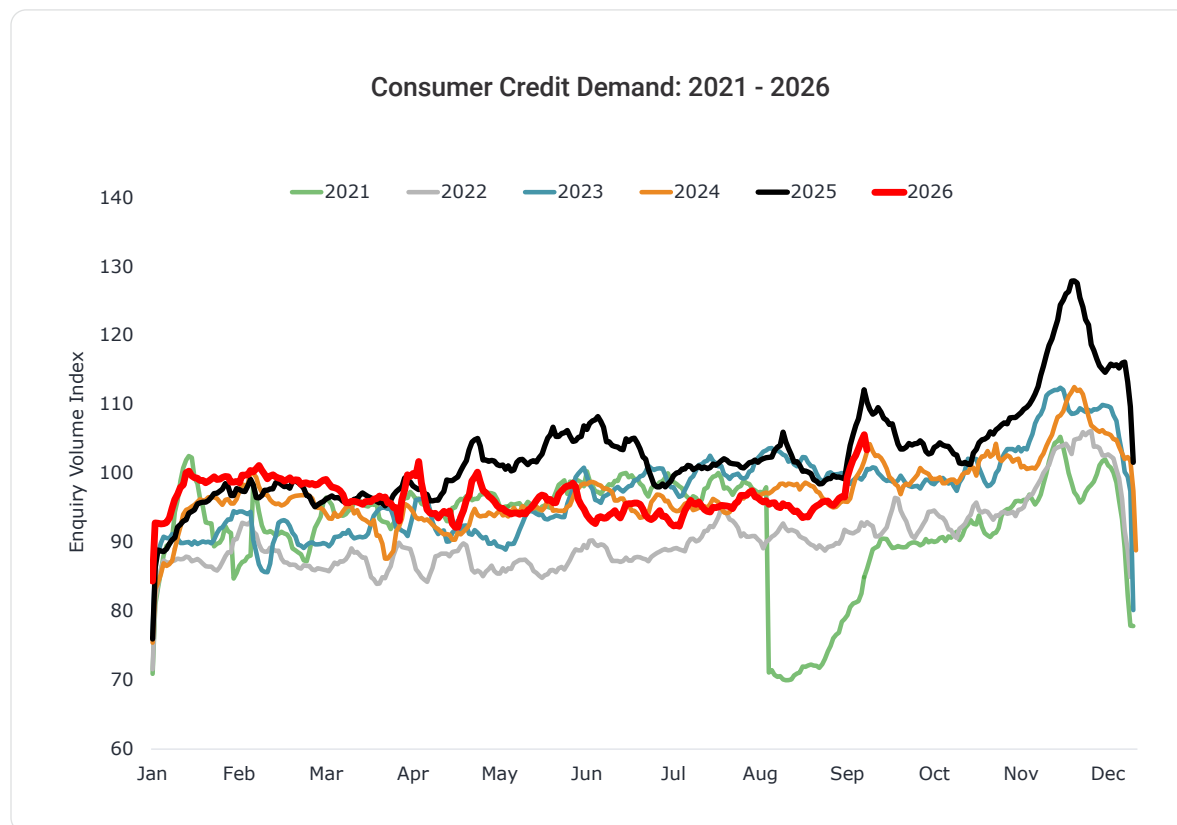
Monika Lacey
Chief Operating Officer
Centrix



Consumer credit demand remains below last year as mortgage enquiries strengthen

Consumer credit demand remains 6.0% below last year on a three-month rolling basis, although mortgage, auto and personal loan enquiries are all higher than a year ago.

Mortgage enquiries increased 15.6%, while personal loan demand rose 5.1% and auto loan demand increased 4.5%. Credit card enquiries remain slightly lower, down 2.6%, while telco and retail energy demand are down 10.2% and 11.7% respectively.

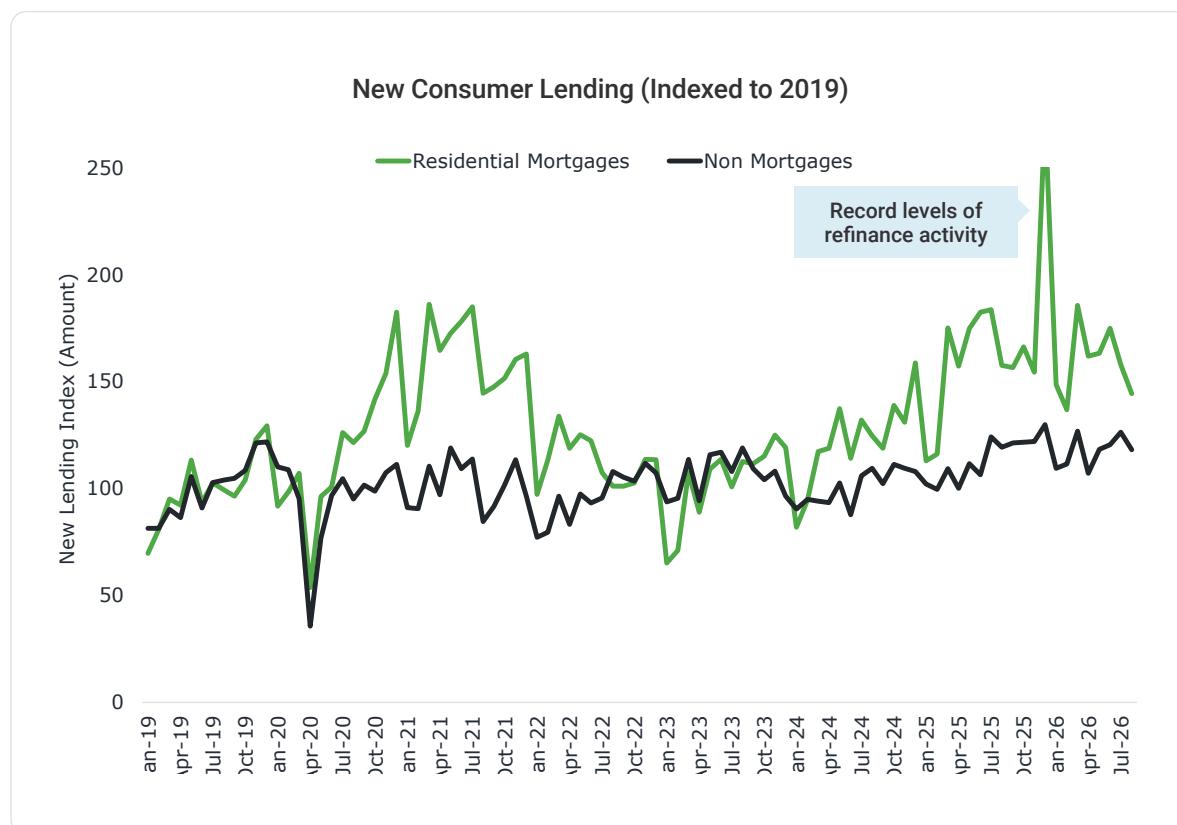


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Mortgage activity continues to weigh on new household lending

New household lending remains below last year's levels, with overall lending down 7.3% during the August quarter compared with the prior year.

Approved new mortgage lending was 8.1% lower during the August quarter, following stronger activity earlier in 2026. New non-mortgage lending increased 2.9% during the same period, primarily supported by motor vehicle finance, while personal lending has remained broadly stable in recent months.



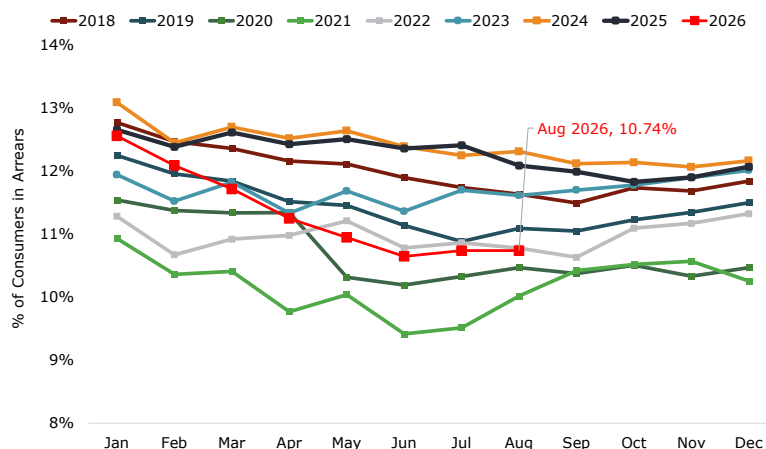
New household lending remains below last year's levels, with overall lending down 7.3% during the August quarter compared with the prior year.

Consumer arrears hold steady and remain below last year

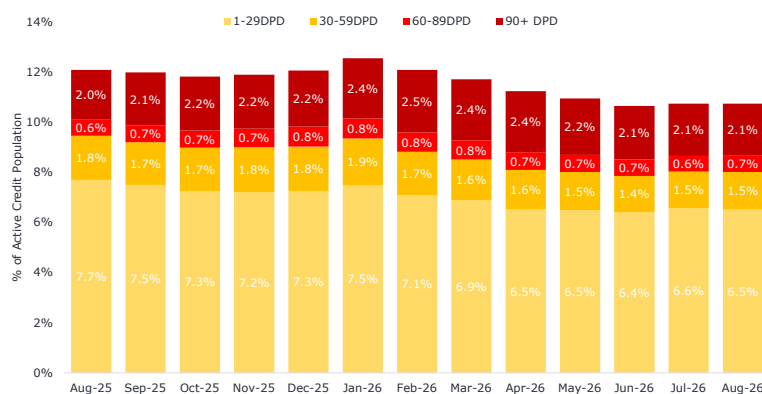
Consumer arrears were broadly unchanged in August at 10.74% of the credit-active population, with 424,000 people behind on repayments.

The arrears rate is 11.2% lower than a year ago, while the number of consumers 90 or more days past due has continued to decline, reaching 81,000.

Consumer Arrears Trends

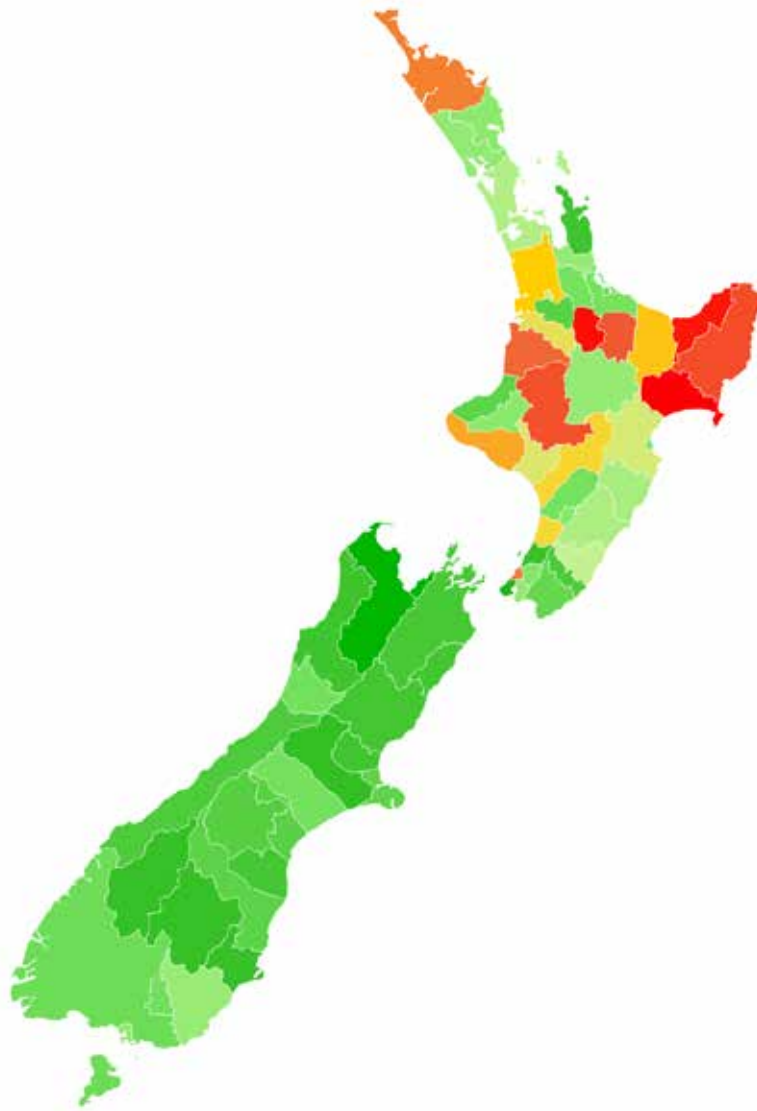


Consumer Arrears Trends by Days Past Due (DPD)



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Arrears across New Zealand



Lowest Arrears Areas		
	District	Arrears %
1	Nelson City	7.26%
2	Tasman District	7.28%
3	Wellington City	7.63%
4	Selwyn District	8.28%
5	Queenstown-Lakes District	8.40%
6	Central Otago District	8.41%
7	Dunedin City	8.47%
8	Kapiti Coast District	8.57%
9	Buller District	8.71%
10	Thames-Coromandel District	8.77%

Highest Arrears Areas		
	District	Arrears %
1	Wairoa District	15.82%
2	Kawerau District	15.73%
3	South Waikato District	15.45%
4	Opotiki District	15.40%
5	Gisborne District	14.73%
6	Ruapehu District	14.66%
7	Rotorua District	14.37%
8	Waitomo District	14.06%
9	Porirua City	13.72%
10	Far North District	13.62%

Mortgage arrears fall to their lowest level since December 2022

Residential mortgage arrears fell to 1.19% in August, down from 1.22% in July, with 19,600 home loans currently reported as past due. Mortgage arrears are 13% lower than a year ago and are now at their lowest level since December 2022.

Seasonally adjusted mortgage delinquencies have also improved year-on-year, with loans 1–29 days past due down 12% and those 90 or more days past due down 13%.

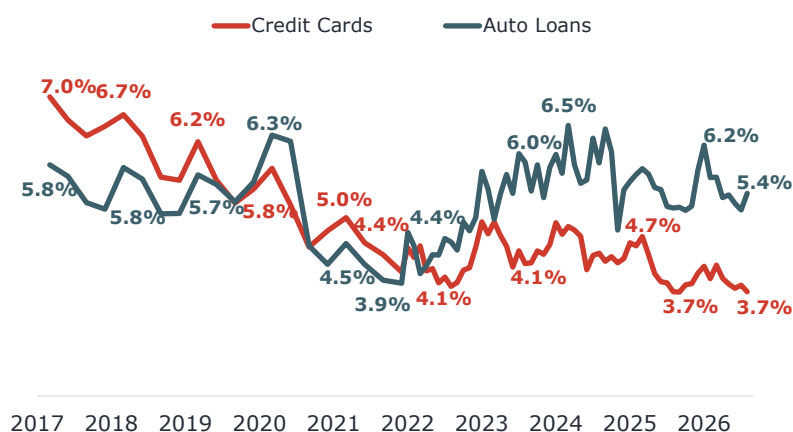
Credit card arrears remain near historic lows at 3.7% and have changed little during the past year, while auto loan arrears increased to 5.4% from 5.1% a year ago.

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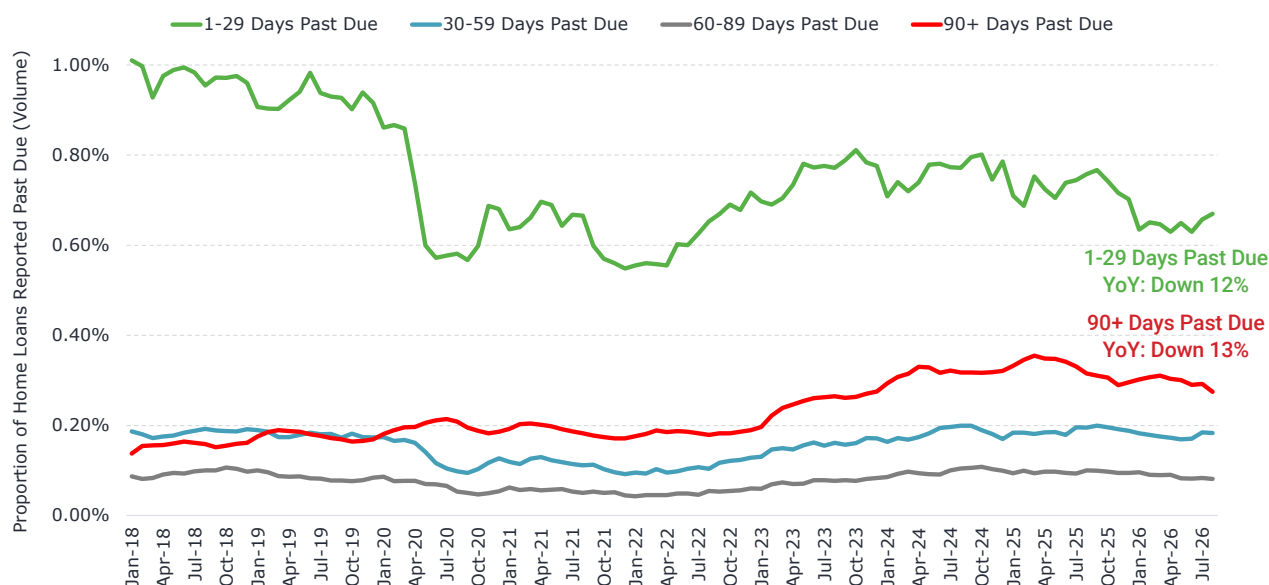
Home Loan Arrears



Credit Card & Auto Loan Arrears



Residential Mortgages: Seasonally Adjusted Delinquency Rates



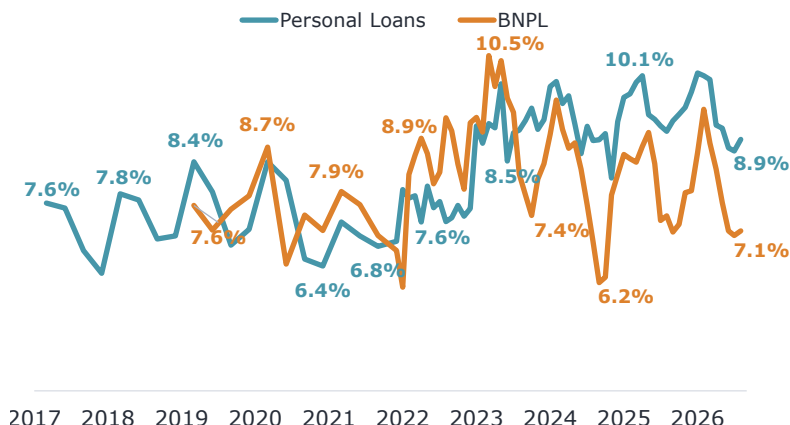
Personal loan and BNPL arrears edge higher but remain below last year

Personal loan arrears increased to 8.9% in August but remain 2% lower than a year ago, while Buy Now Pay Later arrears rose slightly to 7.1% and remain 4% below last year.

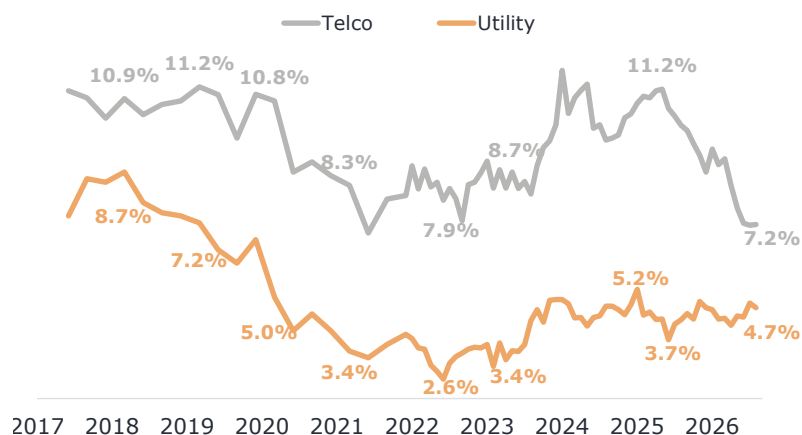
Utility arrears improved to 4.7% in August, while telco arrears held steady at 7.2%.

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Personal Loan & BNPL Arrears



Telco & Utility Arrears



Financial hardship rises again as personal loan pressure increases

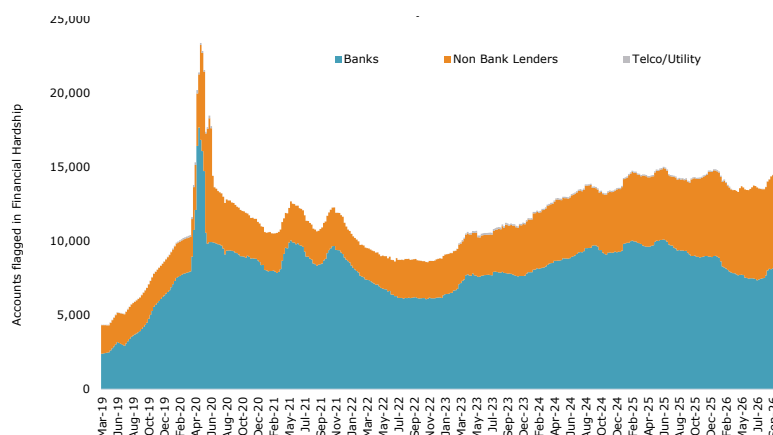
Financial hardship has started to rise again after declining earlier this year. There are currently 14,500 accounts reported in financial hardship, up 500 from last month and 2.2% from a year ago.

Personal loan hardship volumes have more than doubled since 2023 and are 46% higher year-on-year, making personal loans the fastest-growing source of financial hardship. Mortgages remain the largest contributor, accounting for 38% of hardship cases, followed by credit cards at 33%. Consumers aged 35–39 continue to record the highest incidence of hardship.

Consumer credit defaults have also increased 19% from a year ago, suggesting a subset of consumers remains under pressure despite broader improvements in credit conditions.

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Financial Hardship Growth



Spotlight: Credit complexity linked to higher debt and arrears

Consumers with a single finance product held with one lender have average non-mortgage debt of \$8,734, with 3.2% at least 30 days in arrears.

By comparison, consumers with multiple finance products spread across several lenders carry average non-mortgage debt of \$54,713, with 8.1% at least 30 days past due.

The analysis covers mortgages, credit cards, auto loans, personal loans and Buy Now, Pay Later facilities. While this group represents a relatively small share of consumers, the data shows higher debt levels and arrears among those with more complex credit arrangements.

Consumer Profile by Credit Complexity Segment:

Segment	# Consumers	% with Mortgages	Most Common Product Combo	Avg Mortgage Amount	Avg Non-Mortgage Debt	% 30+ Days in Arrears
Focused	1,580,000	23.2%	Credit Card only	\$542,432	\$8,734	3.2%
Established	1,004,000	59.0%	Mortgage/CC	\$533,490	\$14,226	3.3%
Multi-Product	468,600	57.1%	RM/CC/BNPL	\$582,323	\$26,865	5.0%
Complex	60,390	54.0%	CC/AL/PL/BNPL	\$591,192	\$54,713	8.1%

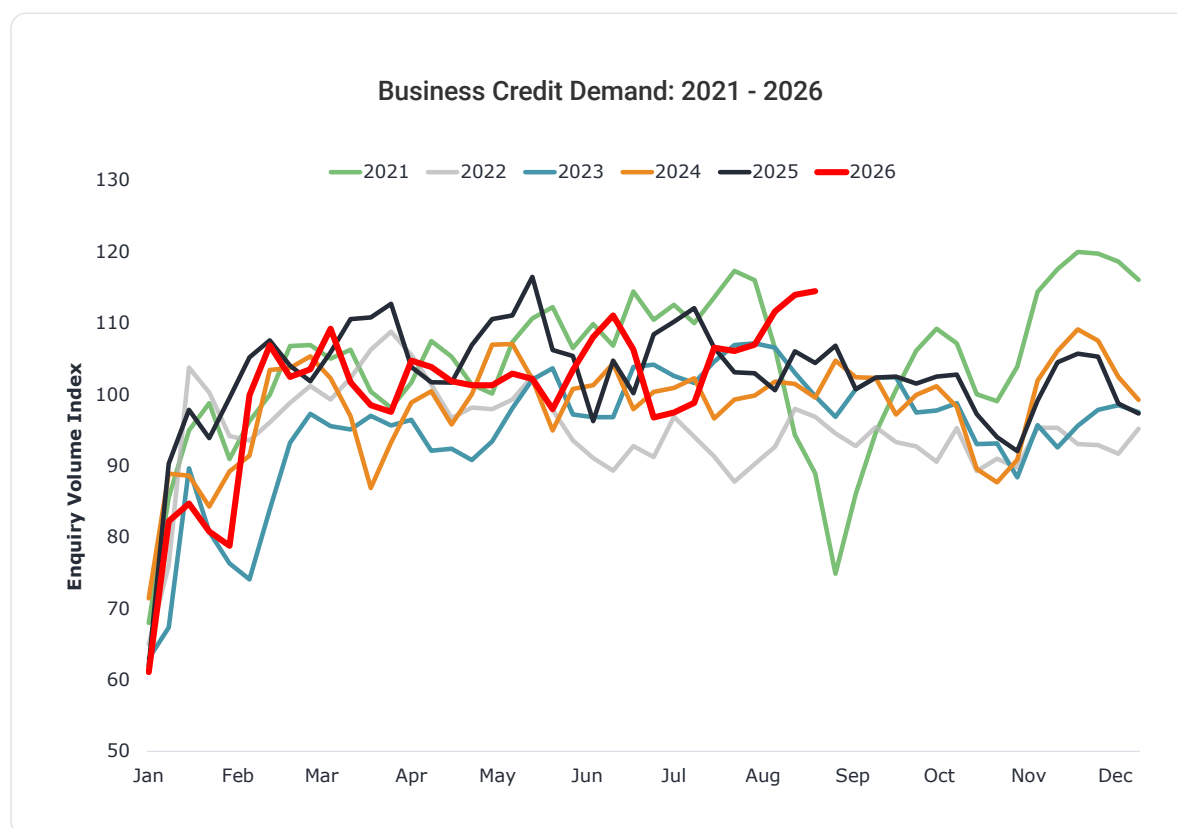
Consumers with multiple finance products spread across several lenders carry average non-mortgage debt of \$54,713, with 8.1% at least 30 days past due.

Business credit demand holds steady as sector performance remains mixed

Business credit demand remains broadly in line with last year on a three-month rolling basis, although enquiry activity has strengthened in recent months.

Agriculture recorded the strongest increase in credit demand, up 16%, followed by financial services at 10% and hospitality at 9%. The average credit score for new business credit applications was 739 in August, down 11 points from a year ago and from 741 in July.

Business credit defaults are down 1% year-on-year on a rolling 12-month basis.



Year-on-year comparison based on 3 month rolling averages

Business credit demand remains broadly in line with last year on a three-month rolling basis, although enquiry activity has strengthened in recent months.

Annual liquidations remain elevated, while August volumes ease

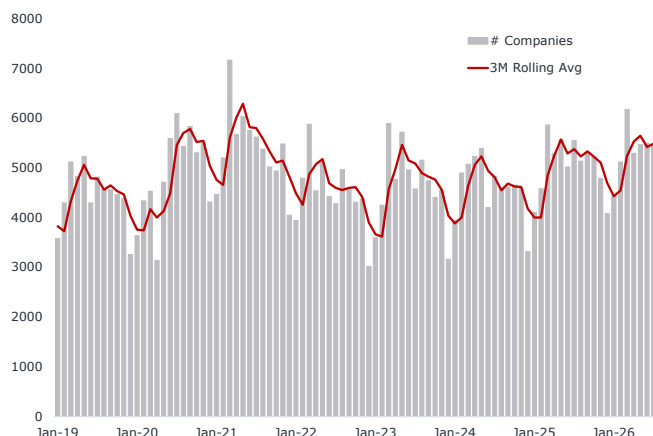
Company liquidations remain 14% higher than a year ago on a rolling 12-month basis, with 3,105 liquidations recorded during the past 12 months. New company registrations increased 6% to 61,900 during the same period, while company closures rose 2% to 51,700.

The latest monthly figures were lower than a year earlier. In August, 223 companies were placed into liquidation, compared with 248 in August 2025, while total company insolvencies were 232 compared with 242 a year earlier.

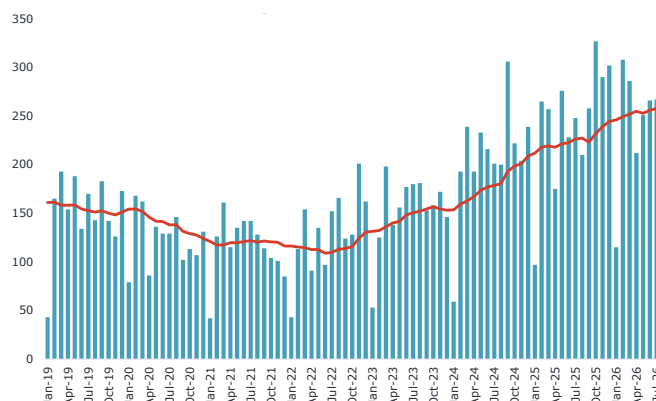
Construction accounted for 21% of company insolvencies during August, followed by hospitality at 15% and property, leasing and hiring at 12%.

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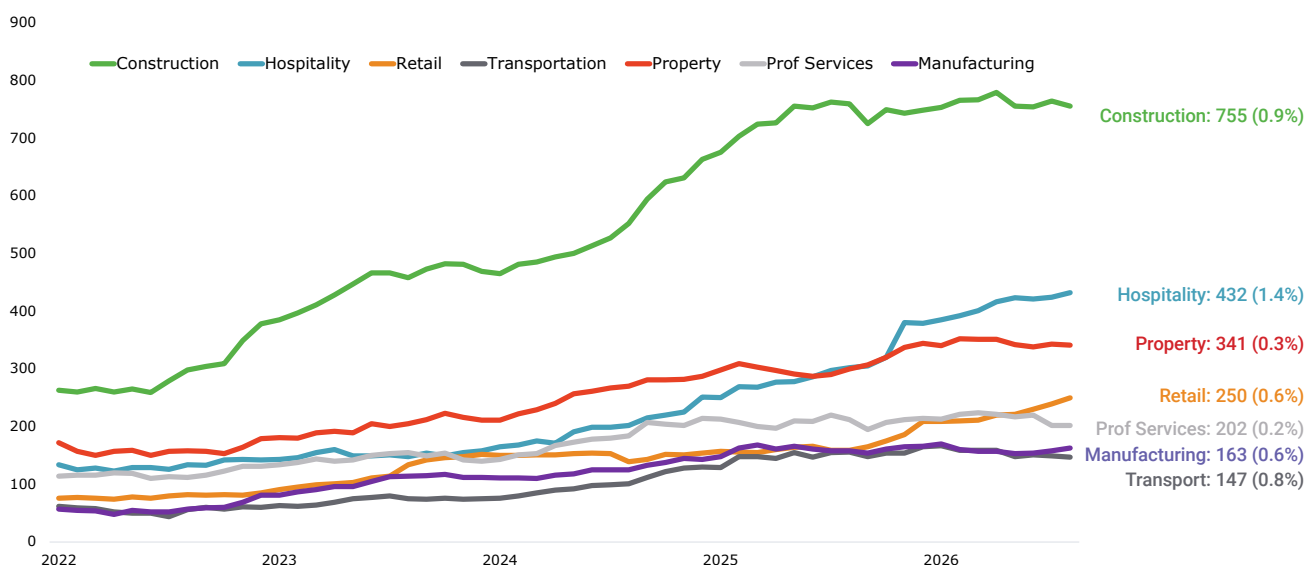
New Company Registrations up 6% YoY



Company Liquidations up 14% YoY



Annual Company Liquidation Volumes



Construction liquidation activity edges lower, while results remain mixed

Construction remains the largest contributor to company liquidations by volume, with 755 firms liquidated during the past year, equivalent to 0.9% of registered construction companies. Annual liquidation activity across the sector is 1% lower than a year ago.

Several building-related subsectors recorded lower liquidation activity, including building construction, down 8%; residential building construction, down 6%; and non-residential building construction, down 38%. The picture is not uniform, with building completion services recording a 46% increase.

Construction defaults have remained broadly unchanged on a rolling 12-month basis, while the August insolvency figures show the sector remained the largest sectoral contributor at 21%. Hospitality accounted for 15% of insolvencies and property, leasing and hiring 12%.

Industry Classification Description	Registered Companies		Key Credit Indicators (YoY Change)				
	#	%	Δ Credit Demand	Δ Defaults	Credit Score	Δ Company Liquidations	Liquidation Rating
Construction	85,237	11.4%	-2%	0%	755	-1%	2.2X
Building Construction	29,671	4.0%	-9%	-3%	744	-8%	2.3X
Non-Residential Building Construction	1,102	0.1%	-40%	-11%	758	-38%	1.8X
Residential Building Construction	28,569	3.8%	-6%	-2%	743	-6%	2.4X
House Construction	20,414	2.7%	-4%	0%	738	-5%	2.5X
Flats/Units Construction	1,051	0.1%	-34%	-32%	753	-19%	3.0X
House Renovation	3,959	0.5%	-4%	1%	738	-28%	1.7X
Repair of Residential Buildings	1,733	0.2%	4%	-30%	734	13%	2.4X
Construction Services	47,701	6.4%	5%	1%	747	2%	2.1X
Building Completion Services	11,985	1.6%	17%	9%	716	46%	2.8X
Building Installation Services	17,249	2.3%	10%	-6%	784	-21%	1.1X
Building Structure Services	4,631	0.6%	-13%	3%	710	-23%	2.9X
Land Development and Site Preparation Services	6,546	0.9%	-2%	-6%	733	-15%	2.4X
Other Construction Services	7,290	1.0%	1%	5%	721	19%	2.6X
Heavy and Civil Engineering Construction	2,306	0.3%	1%	-13%	733	-17%	2.7X

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Last updated September 2026.

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

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:

- 100 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.
- Inland Revenue (IR) information about unpaid tax debts that meet the statutory reporting criteria..

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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