FINANCIAL SERVICES FEDERATION

MEDIA RELEASE
3 November 2026

Household repayment trends encouraging, but early conversations urged to help borrowers navigate persistent financial pressure: “Don't feel you have to wait until things become unmanageable before having that conversation”.

New figures from Centrix showing an improvement in consumer arrears are encouraging but rising financial hardship highlights that some households and businesses continue to face pressure, says the Financial Services Federation (FSF).

While the proportion of credit-active consumers behind on payments edged up to 10.88% in September, arrears remain 9.3% lower than a year ago. FSF data collected in FY 2025/26 from its members, specialist non-bank lenders that represent 59% of personal consumer loans in New Zealand, showed an average of 8.8% arrears.

FSF says the figures reflect an uneven economic recovery, with ongoing cost-of-living pressures and rising hardship affecting some borrowers more than others.

“Centrix’s latest figures show that many households are managing their repayments better than they were a year ago, which is encouraging. But we know the picture is not the same for everyone and some households and businesses are still under real pressure,” FSF Executive Director Lyn McMorran says.

“Rising hardship is a reminder that financial circumstances can change, even for people who have previously managed their repayments comfortably. If you're concerned about meeting your repayments, one of the most important steps you can take is to get in touch with your lender.

“Don't feel you have to wait until things become unmanageable before having that conversation.

“Our lenders want to understand their customers' circumstances and where possible, work through the options available such as adjusted repayment arrangements. Keeping the lines of communication open gives borrowers the best opportunity to understand their position and make informed decisions.”

For businesses, credit demand has increased 7% year-on-year, although rising defaults and company liquidations indicate that challenges remain across parts of the economy.

The data reinforces the importance of a healthy lending sector that can provide tailored and nuanced support to consumers and businesses through changing economic conditions, without losing sight of affordability and responsible borrowing.

“Access to responsible credit helps households manage their financial needs and gives businesses opportunities to operate, invest and grow. We know this needs to go hand in hand with careful lending decisions, an understanding of borrowers' circumstances, and open communication when things change.”

FSF encourages anyone experiencing financial difficulty, or concerned about their ability to meet future repayments, to contact their lender as early as possible to discuss their situation. Borrowers can also seek support from a FinCap financial mentor or adviser to help them understand their options.

For more information or an interview request please get in touch.

About the FSF (Financial Services Federation)

The (FSF) is the non-profit industry association for specialist financial services providers who are not registered banks. Its members collectively reach 2.3 million New Zealanders, and support both businesses and consumers across the country with competitive and innovative options from traditional finance providers

FSF’s 99 members are finance, leasing and credit-related insurance providers, and include the likes of Turners, UDC, MTF, several credit unions and building societies, and the finance arms of global motor vehicle brands including Toyota, Nissan, Honda, BMW, and Mercedes-Benz (see the full member list here).

With 60 years of history, FSF has stringent membership criteria and enforces a Code of Conduct to maintain high standards in responsible non-bank lending. FSF members prioritise compliance, support consumer protection enforcement, and advocate for balanced regulations that ensure New Zealanders have access to responsibly-provided credit.

For more information or an interview request please get in touch.