TransUnion

TRANSUNION CREDIT INDUSTRY INSIGHTS REPORT

Overview of Consumer Credit Trends Released by TransUnion UK

First Quarter 2026

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Executive Summary

Macroeconomy

According to the latest TransUnion data, the UK consumer credit market saw continued strong growth in the first quarter of 2026, with rising outstanding balances, significantly increased new credit issuance and expanded credit participation. Despite this strong growth, consumer delinquency rates climbed only slightly compared to the same period a year ago. The year also started on a high note from the perspective of consumer optimism; 47% of UK consumers felt optimistic about the future of their household finances during the first quarter of 2026,[1] the highest level seen since the beginning of the current high inflation environment which started four years ago. However, consumer financial optimism has since fallen to 44% in Q2 2026, largely due to the knock-on effects of the middle-east conflict on energy prices and inflation,[2] alongside the already slowing economy and weakening labour market.[3]

Consumer credit demand and supply

Outstanding consumer credit balances reached a new high in Q1 2026, surpassing £1.88 trillion, up 3.7% year-over-year (YoY). While mortgages accounted for the majority of total balances, unsecured credit balances also continued to rise, reaching £260 billion, up 5.7% YoY.

Among unsecured products, credit balances saw strong growth across credit cards and unsecured loans, while more modest growth was observed across mortgages, motor finance and other products. Credit cards recorded balances of £85.9 billion, up +8.9% YoY, exceeding the rate of inflation by a significant margin and supported by strong market competition and higher risk appetites. Unsecured personal loans also observed significant growth as outstanding balances rose to £64.3 billion, up +7.6% YoY. Much of this growth came from new consumer engagement, with the growth of average balance per consumer for credit cards and unsecured loans appearing more moderate, growing at 4.4% and 3.5%, respectively, far closer to the 3.3% Q1 2026 inflation rate.

Meanwhile, Motor finance experienced a quieter year; outstanding balances increased just 2.9% overall to £91.2bn and 2.4% per consumer to £16.7K. This level of growth would be negative in real terms, after adjusting for inflation. Nonetheless, origination volumes continued to grow, rising 3.5% YoY, and motor finance delinquency rates fell, down 12 bps YoY to 1.69% of consumers holding motor finance accounts in delinquency.

Planned (aka arranged) overdraft balances also experienced a relatively flat year in terms of consumer usage; there was balance growth of just 0.43% YoY raising the total to £4.0 billion and the average balance of consumers with a balance fell 2.0% to £868. On the other hand, unplanned overdraft usage continued a long-term and largely intended structural decline as balances fell 14.5% YoY to £1.3 billion, and the number of consumers with an open unplanned overdraft account fell 14.2% YoY. This continuing decline can be attributed to the growing access to planned overdrafts and more directly to the controls introduced by the Financial Conduct Authority between 2018 and 2020 to discourage unsustainable use of high-cost unplanned overdrafts.[4]

Much of the 2025 and 2026 unsecured credit growth was fuelled by a resurgence in new credit originations, a sign of increased lender competition, credit supply and risk appetite, as well as strong

[1] TransUnion UK Q1 & Q2 2026 Consumer Pulse Survey
[2] Interest rates and Bank Rate: our latest decision | Bank of England
[3] Vacancies and jobs in the UK - Office for National Statistics
[4] FCA PS19/16 – "Overdraft pricing remedies"

continued consumer credit demand. New account originations (measured one quarter in arrears through Q4 2025) expanded significantly across most products. Credit card originations jumped a significant +26.2% YoY to 3.21 million new accounts opened in Q4 2025, the strongest annual growth in recent quarters, while unsecured loan originations climbed 18.7% to 1.48 million new accounts opened. Notably, mortgage originations also ticked upward (+8.4% YoY in Q4), reflecting the long, slow recovery of housing finance activity. However, the early 2026 softening in economic outlook and holding pattern around the Bank of England base rate will likely slow this mortgage market recovery trajectory in coming quarters.

Consumers have absorbed higher prices better than expected

While consumers appear to be carrying record levels of outstanding credit, the broader affordability picture reflects a more resilient consumer than the headline debt figure alone suggests. The ratio of debt to income, in the form of average unsecured credit per consumer to median monthly post-tax income, stood at 3.78 in Q1 2026, down from 3.81 in Q1 2025 and at its lowest point recorded in the last decade, with the ratio having peaked at 4.87 in 2019 prior to the pandemic.

This unexpected downward trend in the debt-to-income ratio reflects the significant median wage growth observed in recent years, driven by the previously tight labour market. Median monthly post-tax income rose by 22% between Q1 2022 and Q1 2026, broadly in line with the 21% increase in the Consumer Price Index, including Housing Costs (CPIH) over the same period.

Consumer financial stress as represented by delinquency rates rose slowly over the last year, with the rate of increase being relatively low despite persistent pressures of the cost of living crisis. The proportion of consumers holding at least one credit product in serious delinquency (90+ days past due) increased slowly to 3.34% in Q1 2026, a 19-basis-point YoY increase from Q1 2025 and 30-bps increase from Q1 2024, two years prior. This rate is growing but remains comfortably below the Q1 2019 pre-pandemic levels of 4.31%.

In a more relatable context, 1.35 million UK consumers are currently in a state of serious delinquency on at least one credit product. As a proportion of the population, and in context of pre-pandemic norms, this remains low, but it nevertheless highlights the ongoing need for proper care and support for those consumers in a state of financial stress, as well as the continuing need for supporting credit education programmes.

Growth masks gap: UK trails peers on credit participation

Despite significant growth in unsecured credit originations, the high competition for market share among lenders and the backdrop of the cost of living crisis, the actual proportion of consumers holding an open credit account grew relatively slowly, expanding to 70.1% of the UK adult population, up from 69.5% two years prior in Q1 2024. Any increase in credit engagement is worth noting as it suggests rising credit demand and growing credit awareness and education. However, this proportion is in stark contrast to other developed economies with similar profiles like the United States and Canada where 97%[5] and 96%[6] of credit-eligible adult consumers (age 18+), respectively, hold at least one credit product. This distinct difference in credit holding and usage behaviour can be partially attributed to varying cultural attitudes toward credit and more conservative lending practices in the UK. These are driven by multiple factors, including tighter consumer regulation, stricter affordability assessments and credit price caps.

[5] Transunion US CIIR Q4 2025; US Census Bureau, Population Estimates by Age (18+) July 1, 2025
[6] Transunion Canada CIIR Q4 2025; Statistics Canada, Table 17-10-0005-01

Market outlook

In summary, the UK consumer credit market remains on firmer footing than many might have expected given the persistent pressures of the cost of living crisis. Credit participation continues to expand slowly but remains well below levels seen in similarly developed nations. Consumer credit balances are growing across most major products, and despite this, overall consumer credit health remains relatively stable, with delinquency rates rising but at a relatively slow pace.

However, as the market enters H2 2026, the previously strong growth and relatively stable credit market will face increased headwinds. Wage growth is slowing due to an increasingly soft labour market, prices remain elevated and the increased willingness of lenders to engage higher-risk borrowers throughout 2025 raises the likelihood of a continued, though controlled, rise in delinquency rates in coming quarters.

All Financial Services Credit Summary

ALL FINANCIAL SERVICES CREDIT METRICS	Q1 2026	Q-O-Q Change	Y-O-Y Change
Number of Consumers With an Open Credit Account	40.50M	0.20%	2.26%
UK Adult Population	57.80M	-0.08%	0.43%
Proportion of Adult Population With an Open Credit Account	70.06%	19bps	125bps
Number of Consumers in Delinquency (90+ DPD)	1.35M	-0.25%	8.49%
Consumer-Level Delinquency Rate (90+ DPD)	3.34%	-1bps	19bps

Broadening credit participation continued to underpin the UK credit market's growth in Q1 2026: 40.5 million consumers held an open credit account at quarter's end, representing a modest +2.3% YoY increase, outpacing the rate of adult population growth over the same period and expanding the credit-active population to 70.1% of UK adults.

Despite rising balances and participation, credit risk metrics remain relatively low compared to historic standards. For context, the pre-pandemic Q1 2019 consumer level delinquency rate sat at 4.31%. This represents the proportion of borrowers who hold at least one credit product in a state of serious delinquency (90+ days past due). By comparison, the Q1 2026 consumer delinquency rate tracked upwards, but remained below those historic levels at 3.34%, up from 3.15% a year prior.

In total, 1.35 million consumers held at least one credit account in a state of delinquency in Q1, +8.5% YoY. Notably, the slight increase in delinquency was concentrated in subprime unsecured loans, whereas most other credit products remained largely stable or improving.

Credit Card Summary

CREDIT CARD METRICS	Q1 2026	Q-O-Q Change	Y-O-Y Change
Number of Accounts	73.41M	1.17%	9.04%
Outstanding Balance	£85.93B	-0.41%	8.86%
Total Credit Limit	£358.11B	1.39%	8.56%
Average Balance Per Consumer	£2.47K	-1.02%	4.39%
Average Balance Per Consumer With a Balance	£3.09K	-0.34%	4.35%
Average Aggregate Credit Limit Per Consumer	£10.45K	0.81%	4.12%
Number of Consumers With an Open Card Account	28.59M	0.63%	4.09%
Number of Consumers Carrying a Balance	22.84M	-0.06%	4.13%
Origination Volumes (Q4 2025)	3.21M	6.74%	26.23%
Average New Account Credit Limit (Q4 2025)	£3.39K	-6.09%	-5.01%
Consumer-Level Delinquency Rate (90+ DPD)	2.06%	-9 bps	8 bps

Rising lender issuance of new accounts and renewed market competition drove higher credit card engagement across 2025. Credit card originations volumes grew significantly, up 26.2% YoY,[9] supported by a disproportionate rise in originations among subprime and near prime borrowers. Originations among those higher-risk borrower segments rose 43% YoY as 570,000 new cards were issued in Q4 2025 (170,000 more than Q4 2024). However, the majority of originations still sat within the low-risk tiers, with prime or better brackets responsible for 2.6M in new cards issued in Q4 2025, nearly 500K more than Q4 2024. It's clear from the broad growth consumer demand for new cards is high across the risk spectrum.

The average balance per consumer across all cards in wallet rose 4.4% YoY in Q1 2026, faster than the rate of consumer price inflation for the same quarter (3.3% CPIH), suggesting a greater level of engagement among consumers. However, the proportion of credit limits utilised remained flat, up just 0.1 percentage points YoY from 23.9% in Q1 2025. It's notable that the growth in average balances and in utilisation was well below the growth in new card openings. This points to the increased activity being driven by high lender competition for market share, increasingly compelling product offers and increased interest among consumers who had not previously held credit cards, with 1.1M additional consumers holding at least one credit card. It's also notable that total outstanding balances grew fastest among consumers using balance transfer and promotional cards, rising 18% YoY, while balances held on other cards grew just 4% YoY.

Consumers are also taking advantage of increased lender appetite by opening multiple cards, with near prime credit card holders now holding an average of 3.4 cards, up from 3.1 in Q1 2025.

Despite higher outstanding balances and increased consumer uptake, credit card arrears rates remained relatively stable across the year: The consumer-level 90+ DPD delinquency rate was 2.06%, up eight bps YoY. For context, rates fluctuated within a normal seasonal range of 1.92% and 2.16% over the last three years. In general, consumer resilience remains stable among credit card users and issuers have maintained strong credit quality on their portfolios despite high origination growth and increased availability of cards to higher-risk consumers.

Unsecured Loan Summary

UNSECURED LOAN METRICS	Q1 2026	Q-O-Q Change	Y-O-Y Change
Number of Accounts	10.71M	1.11%	7.38%
Outstanding Balance	£64.25B	1.91%	7.62%
Average Balance Per Consumer	£8.62K	1.16%	3.54%
Number of Consumers With an Open Loan Account	6.36M	0.70%	2.88%
Origination Volumes (Q4 2025)	1.48M	-3.45%	18.68%
Average New Account Balance (Q4 2025)	£6.39K	-2.83%	0.54%
Consumer-Level Delinquency Rate (90+ DPD)	4.17%	-5 bps	40 bps

Unsecured loan originations volumes jumped 18.7% YoY to Q4 2025, with near prime originations growing the fastest of all risk brackets at 24.6% YoY, representing a continued rise in risk appetite among lenders. New account balances grew at a similarly strong pace, up 19.3% YoY. This continued a two-year strong growth cycle for the unsecured market overall and marked the strongest YoY growth rate since the pandemic. However, the rate of growth was more stable in context of the average balance per consumer, which grew by just 3.5% YoY, only slightly exceeding the Q1 2026 inflation rate of 3.3% (CPIH).[10]

Part of this strong origination growth may reflect the evolving convenience of digital credit journeys, with a growing prevalence of aggregator marketplaces in loan application journeys[11] and rising credit awareness among younger consumers. It was also more directly supported by increased credit availability, particularly in the non-prime segment. Increasing lender competition and greater risk tolerance drove a £1.4bn YoY increase in outstanding credit balances sitting with near prime and subprime borrowers, representing a double-digit rise of 11.1% YoY. However, it's important to note the majority of unsecured loan openings continue to sit with prime, prime plus and super prime consumers, with the combined outstanding balance of this lower-risk, less vulnerable group of consumers rising £3.3bn YoY, up 6.7%.

The change in lenders' risk appetites appears to have filtered through into how consumers view their access to credit. The proportion who felt they had sufficient access to credit rose to 64% by the end of 2025, up from 55% at the end of 2024, according to the TransUnion UK Q1 2026 Consumer Pulse Survey. That in turn supports the suggestion that much of the recent growth has been driven by previously unmet consumer demand finally being met. If that's the case, recent growth rates may become harder to sustain once the existing supply gap is largely absorbed.

As the unsecured loan sector saw an increased share of new accounts issued to higher-risk borrowers, delinquency rates showed early signs of deterioration. Consumer-level delinquencies at 90+ DPD increased by 40 bps YoY to 4.17% at the end of Q1 2026, and early indicators suggest that trend will continue into subsequent quarters. This is the highest delinquency rate observed on unsecured loans since Q4 2021 (4.24%), prior to the spike in inflation, the hike in interest rates and subsequent lender tightening of risk thresholds. If it continues, this trend will warrant closer attention.

Mortgage Summary

MORTGAGE METRICS	Q1 2026	Q-O-Q Change	Y-O-Y Change
Number of Accounts	10.93M	0.03%	-0.55%
Outstanding Balance	£1.62T	0.58%	3.48%
Average Balance Per Consumer	£192.13K	0.53%	3.29%
Number of Consumers With an Open Mortgage Account	12.00M	0.14%	0.07%
Origination Volumes (Q4 2025)	323.64K	-4.10%	8.35%
Average New Account Balance (Q4 2025)	£215.57K	0.16%	3.85%
Consumer-Level Delinquency Rate (90+ DPD)	0.62%	-1 bp	-8 bps

The number of mortgage-holding consumers remained steady over the last 12 months at 12.00 million, with offsetting flows of first-time buyer entrants, movers and those paying off their loans or exiting the mortgage market in favour of renting. Overall, the housing industry — and mortgages in particular — continued a slow upward trajectory and recovery cycle in Q1 2026. Total outstanding mortgage balances rose to £1.62 trillion, up +3.5% YoY, as the market absorbed 2025 rate drops. The average mortgage balance per borrower increased to £192.1 thousand (up 3.3% YoY), even as the number of mortgages outstanding (10.93 million accounts) dipped –0.6% YoY.

Mortgage originations strengthened moderately in Q4 2025, further indicating a gradual recovery in housing credit activity. There were 323.6 thousand new mortgages extended in Q4, +8.4% YoY. While the market is gradually recovering, originations activity remains below prior normal levels. For context, Q4 2025 originations volumes sat 5.4% below the level seen in Q4 2021 before the interest rate hikes muted market activity, and 14.2% below Q4 2019 pre-pandemic volumes.

Mortgage delinquencies remained near historical lows and tracked downwards; it seems the rising cost of mortgages, especially among those transitioning from lower fixed rates to higher variable or fixed rates, is not in fact translating to missed payments for the majority of consumers. The consumer 90+ day mortgage delinquency rate edged down to 0.62% in Q1 (–8 bps YoY). At the same time, both account-level and balance-level mortgage delinquency rates hovered below 0.80%. It seems most homeowners continue to prioritize mortgage payments. Overall, the mortgage market remains below the level of activity normalized in the pre-interest rate hike era, but healthy growth in balances and originations suggest a slow recovery is underway.

Motor Finance Summary

MOTOR FINANCE METRICS	Q1 2026	Q-O-Q Change	Y-O-Y Change
Number of Accounts	5.82M	0.03%	0.15%
Outstanding Balance	£91.20B	0.01%	2.85%
Average Balance Per Consumer	£16.68K	0.01%	2.42%
Number of Consumers With an Open Motor Account	4.62M	0.09%	0.19%
Origination Volumes (Q4 2025)	436.33K	-16.83%	3.54%
Average New Account Balance (Q4 2025)	£22.72K	-0.06%	1.36%
Consumer-Level Delinquency Rate (90+ DPD)	1.69%	-12 bps	-7 bps

The motor finance market in Q1 2026 continued its pattern of muted growth amid cautious lending. The sector faces headwinds from regulatory pressures, cost pressures, and higher interest rates weighing on consumer demand. Outstanding motor finance balances stood at £91.20 billion, a +2.9% YoY increase close to the rate of inflation over the same period. The number of consumers with motor finance also held essentially flat YoY at 4.62 million. These trends indicate the rise in motor debt was driven more by larger loan sizes than by new borrowers as existing car owners carried slightly higher balances.

In terms of origination, Q4 2025 saw 436K motor finance originations, up +3.5% YoY, while the average new motor loan value reached £22.7 thousand, up a modest 1.4% YoY. Motor loan credit performance remained strong and even improved slightly; the consumer-level 90+ day delinquency rate for motor finance holders eased to 1.69%, down seven bps YoY. Similarly, just 1.06% of motor loan balances are seriously delinquent (a –9 bps improvement vs. last year) but still near historically low levels. The modest decline in delinquency, despite rising living costs, suggests the motor finance sector has maintained relatively prudent underwriting, focusing on creditworthy applicants.

Retail Finance Summary

RETAIL FINANCE (TYPE C) METRICS	Q1 2026	Q-O-Q Change	Y-O-Y Change
Number of Accounts	6.80M	3.31%	2.68%
Outstanding Balance	£8.68B	0.14%	2.23%
Average Balance Per Consumer	£1.60K	-2.05%	0.29%
Number of Consumers With an Open Retail Finance Account	4.64M	2.25%	1.78%
Origination Volumes (Q4 2025)	908.19K	9.39%	-13.74%
Average New Account Balance (Q4 2025)	£1.91K	8.26%	17.00%
Consumer-Level Delinquency Rate (90+ DPD)	1.17%	-12 bps	-17 bps

Retail finance (point-of-sale instalment credit) experienced mostly muted growth trajectory over the last 12 months, reflecting stable yet subdued consumer activity for big-ticket retail purchases. Total retail finance balances reached £8.68 billion in Q1 2026, up just +2.2% YoY — essentially flat after adjusting for inflation. Similarly, the number of consumers using retail finance was 4.64 million (up 1.8% YoY), indicating little change in the user base.

Average balances per consumer were about £1.6 thousand (flat YoY), suggesting the typical shopper's outstanding retail finance debt remained relatively constant. These figures portray a mature, low-growth category, perhaps as retailers tighten promotional financing and consumers become cautious on discretionary spending amid economic uncertainty.

New retail credit originations also reflected softer consumer demand. In Q4 2025, retail finance originations declined (–13.7% YoY to 908 thousand) as fewer store credit or instalment plans were opened compared to the year prior. However, the average amount financed per new account increased sharply to £1.91 thousand (up +17.0% YoY), indicating that when consumers did use point-of-sale credit, they financed slightly larger purchases (possibly due to higher prices for furniture, electronics, etc.).

Credit performance in retail finance remained highly stable, with the consumer-level 90+ day delinquency rate improving to 1.17% (down 17 bps YoY), meaning only about 1 in 85 borrowers is seriously delinquent. Balance-level serious delinquency similarly fell to 1.05% (–13 bps YoY), with proportional losses in this segment remaining minimal and declining.

Both the low rates of delinquency and the low rates of growth can be partly attributed to the lower risk appetite of lenders in this space, with most borrowers in the prime or above risk segments. In summary, retail finance remains a stable, low-risk corner of consumer credit — with limited growth but exceptional payment performance.

Note: These metrics relate to traditional point-of-sale retail finance used for a single purchase and repaid in instalments over a longer time period, usually for medium to higher-value purchases. These retail finance metrics do not cover buy now, pay later credit accounts.

Overdrafts (Planned and Unplanned) Summary

OVERDRAFT (PLANNED) METRICS	Q1 2026	Q-O-Q Change	Y-O-Y Change
Number of Accounts	31.90M	0.35%	7.79%
Outstanding Balance	£4.00B	-11.64%	0.43%
Total Credit Limit	£29.63B	0.19%	6.48%
Average Balance Per Consumer	£143.52	-12.32%	-5.82%
Average Balance Per Consumer With a Balance	£868.02	-0.94%	-1.96%
Average Aggregate Credit Limit Per Consumer	£1.24K	-0.05%	0.75%
Number of Consumers With an Open Planned Overdraft Account	24.34M	0.14%	5.34%
Number of Consumers Carrying a Balance	4.02M	-11.36%	1.20%
Origination Volumes (Q4 2025)	187.23K	-50.94%	-12.82%
Average New Account Credit Limit (Q4 2025)	£488.94	6.65%	-0.51%
Consumer-Level Delinquency Rate (90+ DPD)	0.26%	-1 bp	4 bps

OVERDRAFT (UNPLANNED) METRICS	Q1 2026	Q-O-Q Change	Y-O-Y Change
Number of Accounts	1.42M	-6.62%	-14.59%
Outstanding Balance	£1.30B	-1.41%	-14.49%
Average Balance Per Consumer	£1.22K	5.55%	-0.29%
Number of Consumers With an Open Unplanned Overdraft Account	1.06M	-6.89%	-14.18%
Number of Consumers Carrying a Balance	1.06M	-6.89%	-14.18%
Origination Volumes (Q4 2025)	3.68K	0.25%	22.81%
Consumer-Level Delinquency Rate (90+ DPD)	9.97%	-119 bps	32 bps

Planned overdrafts (arranged bank overdraft facilities) saw rising availability but low utilisation in Q1 2026 — continuing a trend of banks extending safety nets that most customers rarely use. Indeed, only 4.02 million consumers carried a planned overdraft balance in Q1 — an indication that roughly one in eight authorised overdraft holders actually use their facilities, a proportion which has edged slightly lower as many cleared post-holiday overdraft usage.

The number of planned overdraft accounts rose to 31.90 million, a +7.8% YoY increase. However, total overdraft balances drawn on these accounts were just £4.00 billion, barely changed from a year ago (+0.4% YoY). The average balance per user stood at £868 (for those who carried a balance) but averaged just £164 when spread across all consumers with a facility, emphasizing for most, arranged overdrafts function as an emergency buffer rather than a regular credit source.

Banks remained active in issuing new overdraft facilities; 2.09 million new arranged overdraft facilities were issued in Q4 2025 — though still representing a significant 12.8% drop YoY. This may be partly attributed to a scaling back of several compelling bank-led campaigns to capture new market share.

The consumer-level 90+ day delinquency rate among consumers holding an overdraft account was just 0.26% in Q1, up just four bps from the prior year. By balance, 1.98% of all planned overdraft debt was seriously delinquent (+27 bps YoY), reflecting a more apparent uptick. Given the low balances involved and typically short-term nature of overdraft usage, credit losses for arranged overdrafts were minimal. In short, planned overdrafts appear to have grown in reach, but that expansion hasn't been matched by usage, with average balances drifting down and despite credit limits rising.

Unplanned overdrafts (unauthorised overdrawing), on the other hand, continued to experience the effects of a long-term and largely industry intended structural decline as consumers increasingly gain access to arranged overdrafts and banks encourage other alternatives. Total unplanned overdraft balances fell to £1.30 billion, a steep 14.5% YoY drop and a fraction of pre-2020 levels. This reduction was mirrored in usage metrics: The number of unplanned overdraft accounts slid to 1.42 million, down 14.6% YoY, and the number of consumers with any unplanned overdraft declined to 1.06 million. This ongoing contraction has been driven by a combination of factors, including regulatory interventions that capped unplanned overdraft fees, banks proactively converting customers to arranged overdrafts, and possibly a greater level of consumer awareness and credit education encouraging them to more strategically manage personal finances and avoid penalties.

The shrinking unplanned overdraft segment remained high risk given its nature as a last-resort credit line for distressed borrowers. The 90+ day delinquency rate for unplanned overdraft users surged to 9.97%, up 32 bps YoY. This was more pronounced in balance terms; 11.69% of unplanned overdraft balances were in a state of serious delinquency — indicating that more than 1 in 10 pounds in this category was overdue by 3+ months. These figures suggest the relatively few consumers who still dip into unarranged overdrafts are often under significant financial strain. On the positive side, the diminishing scale of unplanned overdrafts represents a long-intended outcome of regulatory changes made over the last decade. As planned overdrafts continue to replace unplanned usage, the incidence of unplanned overdraft stress should keep receding, contributing to a healthier overall credit landscape.

Report Overview and Definitions

TransUnion Industry Insights Report is a quarterly overview summarising data and trends and providing insights on the UK consumer lending industry.

Insights in this report are based on a full population analysis of TransUnion's UK consumer credit database, covering all known UK credit-active consumers. The analysis reflects currently open credit accounts and those active within the past nine quarters, providing a robust view of recent credit behaviour and trends across both account-level and consumer-level views.

Understanding account-level vs. consumer level views

Account-level views focus on values, volumes, rates and averages aggregated across each individual credit account. Whereas consumer-level views focus on values, volumes, rates and averages aggregated across each individual consumer.

As an example, consumer X may possess three credit cards: one with a balance of £500, another with a balance of £50 and one in a dormant state with £0 outstanding. Consumer Y possesses just one credit card with an outstanding balance of £1,200. Consumer Z possesses one credit card they use for everyday spending to gather rewards but pay off in full each month, consistently holding no outstanding balance at the end of each month. All the above adds up to an aggregate outstanding balance of £1,750 across three consumers (two of which hold a balance) and across five credit cards.

In such a scenario, the consumer-level average balance among those who hold a balance would be £875, representing the total £1,750 divided by two consumers who hold a balance. Alternatively, the account-level average balance across cards with an outstanding balance would be £583, representing the total £1,750 divided by three credit cards holding a balance. The account-level average balance across all cards would be £350, representing the total £1,750 divided by the total count of five open credit cards.

Report generation timing

All statistics shown reflect market positions up to end of current quarter, except for originations (product openings) statistics which are derived from data covering previous quarter due to standard reporting lag.

Each quarter's data and calculations are generated from the data available on the last day of the quarter. There's a time lag between the date when a new account is opened and when lenders report new accounts to credit reporting companies. As a result, a significant number of new accounts opened during a quarter may not yet be reported as of the quarter end date. To enable more accurate and robust reporting of new accounts, we measure all originations (new account counts and balances) in this report one quarter in arrears. With this approach, the quarter prior to the current report date reflects the most recent data.

Risk tier definitions

In this report, we use the global standard risk tier terminology, with the tiering representing the calculated and scored credit risk of the associated consumer or account at the end of each quarter.

Risk Tier	TrueVision AM Risk Score
Super prime	900+
Prime plus	780–899
Prime	660–779
Near prime	540–659
Subprime	1–539

Product Definitions

PRODUCT CATEGORY	DEFINITION
All financial services credit	All secured and unsecured consumer credit products regulated by the FCA, excluding student loans and non-financial-services credit accounts, such as energy, water and insurance credit accounts.
Credit Card	All card-based consumer credit accounts, whether physical or digital, that provide ongoing access to a credit limit (aka revolving credit), including credit cards, store cards, retail store cards, charge cards and related card-based credit products.
Mortgage	All mortgage loan accounts held by consumers, including residential mortgages, buy-to-let mortgages and second-charge mortgages. Note: This does not include mortgage accounts held by commercial entities.
Unsecured loan	All unsecured personal loan accounts repaid in instalments. This segment does not include retail finance or non-financial-services credit, such as insurance, utilities or telco credit accounts.
Motor finance	All instalment-based motor finance accounts with account types hire purchase (HP) and balloon HP.
Retail finance	TransUnion classifies retail point-of-sale credit products into three types: - Type A: BNPL (deferred payment credit) typically used for short-term, lower-value purchases reported as individual credit transactions. - Type B: Retail finance arranged under a single account that can support multiple purchases, sometimes with a credit limit, and usually repaid through a single monthly payment. - Type C: Traditional point-of-sale finance used for a single purchase and repaid in instalments over time, usually for medium- to higher-value purchases. Note: In this report, the section labelled “retail finance (Type C)” represents the aggregate volumes, values and arrears rates of Type C accounts only.
Overdrafts (planned)	All current accounts with a pre-arranged overdraft facility and set credit limit (greater than zero).
Overdrafts (unplanned)	All current accounts that have no approved credit limit (credit limit = 0) but hold an overdrawn balance greater than zero.

Data definitions

DATA CATEGORY	DEFINITION
Total account volumes	Total number of accounts at quarter end
Total account balances	Total pound amount of accounts that are open with a balance at quarter end
Total credit limits	Total pound amount of the credit limits of open revolving-type accounts at quarter end
Average account balance	Total account balances divided by the total number of open accounts with balance greater than zero at quarter end
Average credit limit	Total credit limits divided by the total number of open revolving-type accounts with a credit limit greater than zero at quarter end
Total new account volumes	Total number of new accounts reported opened during the quarter
Total new account balances	Total pound balances of new accounts reported opened during the calendar quarter, including open with a balance accounts, at quarter end
Total new account credit limits	Total pound amount of the credit limits of new, open revolving-type accounts reported opened during the calendar quarter
Average new account balance	Total new account balances divided by the number of new accounts open with a balance reported opened during the calendar quarter
Average new account credit limit	Total new account credit limits divided by the total number of new, open revolving-type accounts reported opened during the calendar quarter
Number of consumers with an open account	Total number of consumers holding a credit product at quarter end
Proportion of adult population with an open credit account	Total number of consumers with an active credit product divided by the UK adult population at quarter end
Number of consumers with a balance	Total number of consumers with an open account with a balance greater than zero at quarter end
Consumer-level delinquency rate	Total number of consumers with at least one delinquent open account (90+ days past due) divided by the number of consumers with at least one open account at quarter end
Average number of accounts per consumer	Total number of open accounts divided by the total number of consumers with at least one open account at quarter end
Average total balance per consumer	Total pound balances of all open accounts divided by the number of consumers with at least one open account at quarter end
Average total balance per consumer of those with a balance	Total pound balances of all open accounts divided by the number of consumers with at least one open account with a balance at quarter end
Average credit limit per consumer of those with a credit limit	Total pound credit limits of all open revolving-type accounts divided by the number of consumers with at least one open account with a credit limit greater than zero at quarter end

