Market Pulse

Consumer Market Pulse

May 2026

Credit Trend Data as of May 2026

Executive Summary

The latest Equifax Consumer Market Pulse reveals Australian households are adopting a conservative approach to new borrowing amid economic pressures, inflation, and successive interest rate increases.

Market Resilience & Liquidity

While credit market activity showed resilience earlier this year, demand has dampened, suggesting consumers might be choosing to preserve liquidity rather than stretch their borrowing capacities. This cooling phase reflects historical market adjustments seen in previous tightening cycles, such as the late 2023 rate peak, where demand historically showed a rapid recovery after reaching a cyclical low.

Consumer Exhaustion & Outlook

However, current data may suggest a level of consumer exhaustion, with a broad-based credit demand pullback spanning mortgages, auto loans and credit cards. Despite this pronounced drop, historical patterns suggest the Australian credit market remains resilient, indicating the potential for demand to stabilise over the medium term.

Market Pulse: Key Insights

Broad-Based Decline

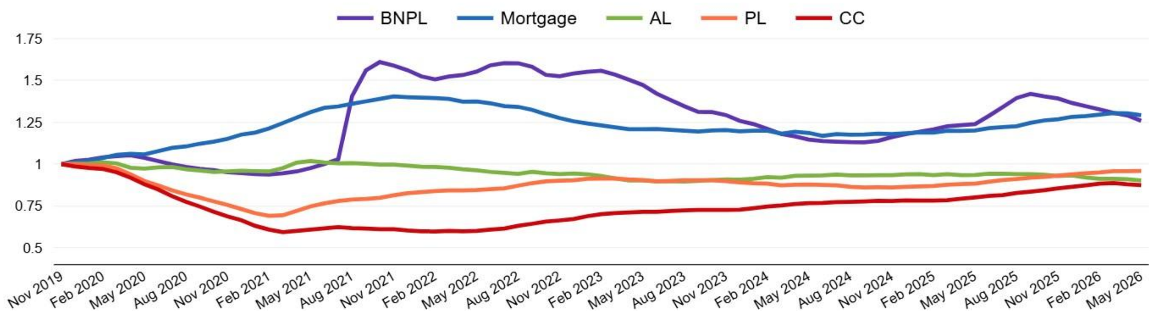
Overall demand fell significantly, led by Auto Loans (-11.9% YoY) and Mortgages (-10.9% YoY).

Mortgage Activity Slowed

New demand dropped -13.4% YoY, driven by the 26–35 age cohort and regions like VIC and QLD.

Credit Card Pullback

Overall demand dropped -6.8% YoY, driven by a sharp drop in demand from the 56+ age group, which fell by -15.73%.



Personal Loans

- Remained stable at +0.37% YoY.
- However, younger age groups (18-35 yr olds) saw a contraction in demand.

Secured Credit

Mortgage & Auto Loan

Credit Trends

Overall demand for secured credit has decelerated noticeably as consumers scale back on big-ticket commitments.

Significant downward adjustments are evident across both mortgage and auto loan enquiries, particularly among younger buyers and across Victoria and Queensland.

Mortgage Demand Trends

Key Insights

-10.9% YoY decrease in overall demand for May 2026.

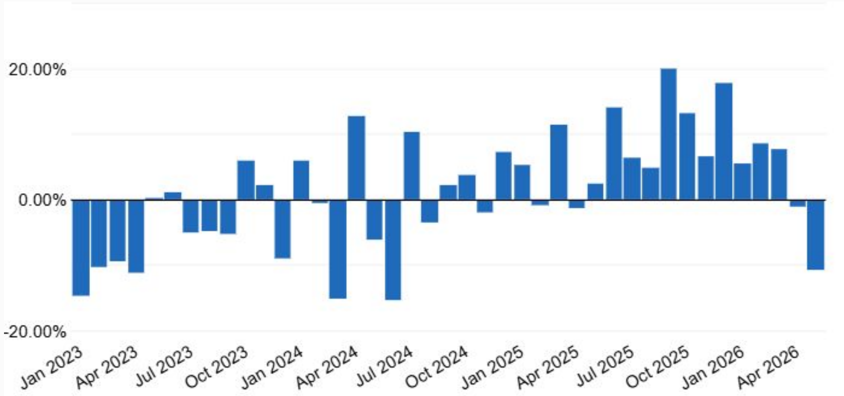
Refinance switching dropped **-8.3%**, while same-lender upgrades fell **-11.3%**.

New mortgage demand (incl. FHB) saw a sharp **-13.4% YoY** drop.

State-level declines led by **QLD (-16.2%)** and **VIC (-15.5%)**.

The 26-35 age cohort experienced the deepest decline at **-16.3% YoY**.

Year-on-Year % Change



Auto Loan Demand Trends

Key Insights

-11.9% YoY demand fall for Auto Loans in May 2026.

State Drivers:

Queensland declined **-14.69% YoY**, with softening recorded across all states and territories.

Age Demographics:

Younger groups saw softest demand: 26–35 (**-14% YoY**) and 18–25 (**-13.9% YoY**).

Year-on-Year % Change

Unsecured Credit

Personal Loans & Credit Cards

Credit Trends

The unsecured landscape highlights a distinct divergence between age demographics.

While everyday credit lines and card applications have fallen nationally due in part to consumer exhaustion, mature Australians continue to tap into credit via personal loans.

Personal Loan Demand Trends

Demand Trajectory

Demand remained stable with a marginal upward trajectory of **+0.37% YoY**.

State Drivers

Western Australia saw the strongest demand growth at **+11.46% YoY**.

Age Demographics

- **56+ bracket: +11.52% YoY**
- **46–55 bracket: +5.13% YoY**
- Declines seen in younger segments.

Year-on-Year % Demand Change

Credit Card Demand Trends

Overall Demand (May)

-6.86% YoY Decline

State Drivers

ACT: -14.02% YoY

Western Australia: -8.09% YoY

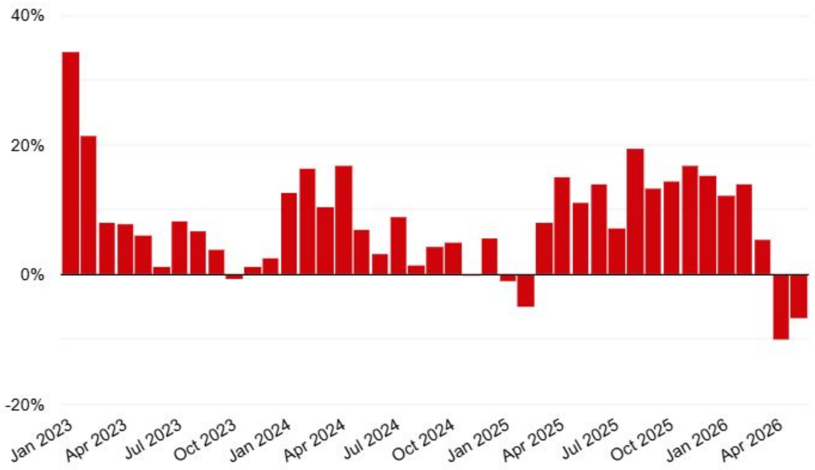
Lower volumes were observed nationally.

Age Demographics

56+ Age Group: -15.73% YoY

A prominent shift was observed in this segment, while all other groups saw moderate declines.

Year-on-Year % Change



Further Information

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https://www.equifax.com.au/contact

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