

Consumer Pulse Study

Consumer behaviours and attitudes about current and future household budgets, spending and debt

Canada Q2 2025

TransUnion's quarterly survey explores how consumers' personal finances have changed and what changes they expect in the future. The study measures shifting consumer attitudes and behaviours based on the dynamics of income, debt and identity theft. The analyses and insights give consumers a voice and inform businesses' decision-making as they seek to create economic opportunity for consumers.

KEY TAKEAWAYS



Canadians were cautiously optimistic about their financial health as inflation and interest rates ease, but affordability pressures and generational disparities persist. While 60% of Canadians said their household finances were as or better than planned (led by 70% of Gen Z), Gen X lagged behind all generations at 47%, likely due to mortgage renewal stress. Millennials, now holding the largest share of credit debt at \$911 billion,¹ felt significant strain as 25% said they were unable to pay at least one of their current bills in full. Overall, 27% of all respondents reported the same.



High interest rates and economic uncertainty continued to limit credit participation and homeownership aspirations among Canadian consumers – across all generations. Nearly a third (30%) expressed discomfort with owning credit products, and 72% said it was unlikely they'd consider purchasing a home in the next year. However, as inflation and interest rates begin to ease, signs of growing consumer resilience are emerging.



The awareness about and cost of fraud continued to be high in Canada; nearly half of survey respondents reported being targeted by it, and separate external research found consumers lost \$638 million to fraud and cybercrime in 2024 alone.² Despite the threat 37% said they took no action in the last 60 days in response to cybersecurity concerns, with 44% of those not taking action citing lack of knowledge as the main barrier.

¹ TransUnion Canada Consumer Credit Database

² Canadian Anti-fraud Centre (CAFC)

Household income (HHI), spending and bill payment impact

As Canada's inflation falls back within the Bank of Canada's target rate and interest rates continue to lower, many Canadians feel a bit of relief yet are still bracing for future volatility by changing spending and saving behaviours.

More than half (60%) indicated their household finances were as good as planned or better. This varied by generation with younger consumers feeling more bullish, led by 70% of Gen Z consumers who said their finances were as good or better than planned. Gen X felt least confident as only 47% answered the same. This cohort might feel extra pressure from higher mortgage renewal rates possibly straining their budgets. While this reflected current pressures, 34% of all respondents expected their incomes to increase in the next 12 months – which could further relieve some budgetary pressures.

The biggest household finance concerns over the next six months consumers included in their top three were: inflation for everyday goods (83%), housing prices – including rent or mortgage (53%), a recession (51%) and interest rates (39%). Each of these except for a recession continue to pressure consumer wallets and can contribute to higher delinquency rates as cash flow is constrained in a high-price, high-rate environment. Again, with inflation decreasing and the Bank of Canada expected to continue lowering interest rates, consumers should see some relief in the second half of 2025.

While households are feeling more macroeconomic pressure, the majority remained resilient as only about a quarter (27%) indicated they won't be able to pay at least one of their current bills and loans in full. On the positive side, Millennials were the generation with the second lowest percentage of those who said they'll be unable to pay at 25%. Millennials, who represent 27% of all Canadians in the Canadian credit market (overtaking Baby Boomers in 2024), own the largest share of debt (at \$911 billion) in Canada compared to other generations, and account for 38% of total outstanding credit debt in Canada (surpassing Gen X).³ This is likely due to shifts in life stage as Millennials are increasingly having children, buying homes and continuing to pay off existing debt. Non-mortgage credit balances (credit cards, auto loans/leases, lines of credit, personal loans and student loans) amongst this cohort rose 3.9% year over year to \$26.7K in Q1 2025.⁴

Among all those surveyed who said they wouldn't be able to pay at least one of their current bills in full, more than a third (34%) indicated they'd pay a partial amount they can afford but not the full balance. This was certainly the case in TransUnion's Canada Consumer Credit Database for revolving products like credit cards where we see consumers generally paying down slightly less while maintaining spend. As a result, revolving balances are growing for many consumers.⁵ When asked how they expected their household spending to change for different spending categories over the next three months, most consumers said it would remain the same in those areas.

Figure 1. Household income change last three months

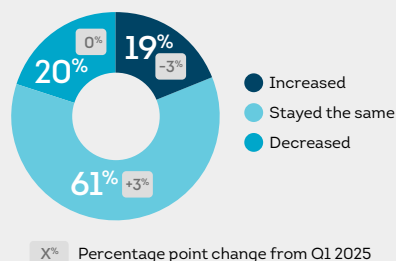


Figure 2. Expected household income change next 12 months

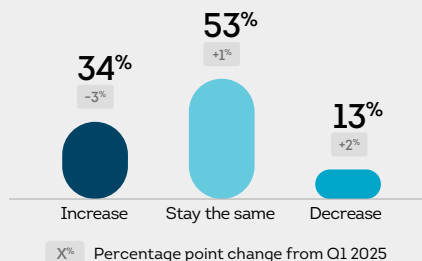
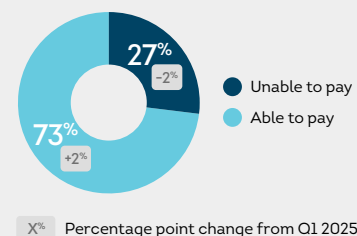


Figure 3. Expect to be unable to pay at least one of their current bills and loans in full



^{3,4,5} TransUnion Canada Consumer Credit Database

Figure 4. Optimism about household finances in next 12 months

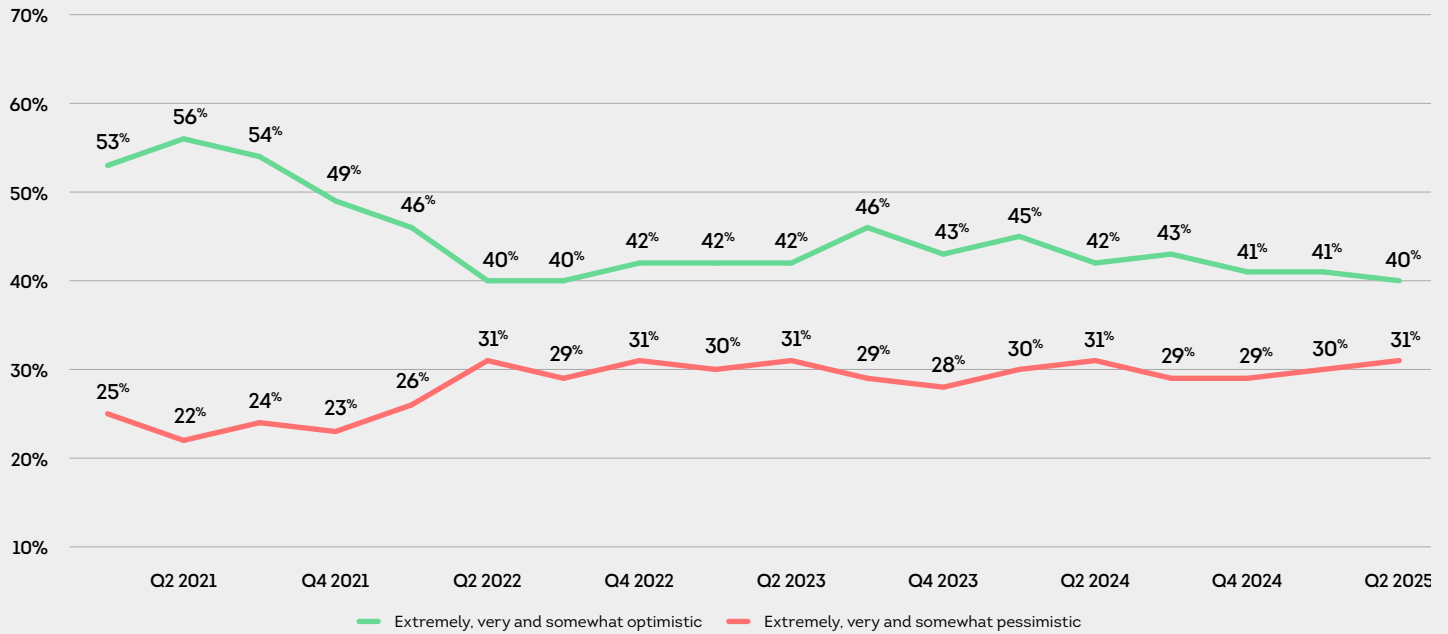


Figure 5. Biggest concerns affecting household finances in next six months
Percentage of consumers who said this concern was in their top three

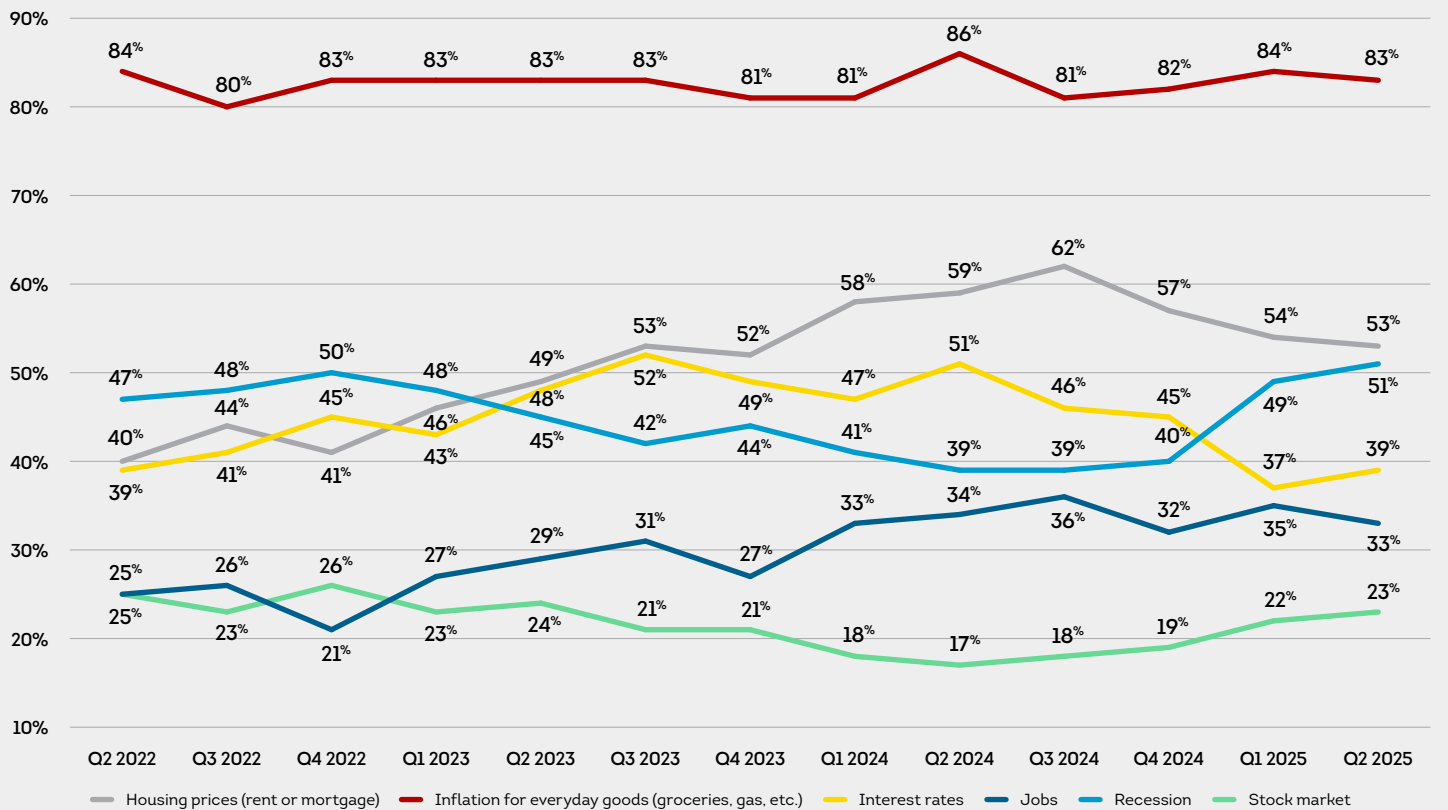


Figure 6. Changes to household budget in the last three months

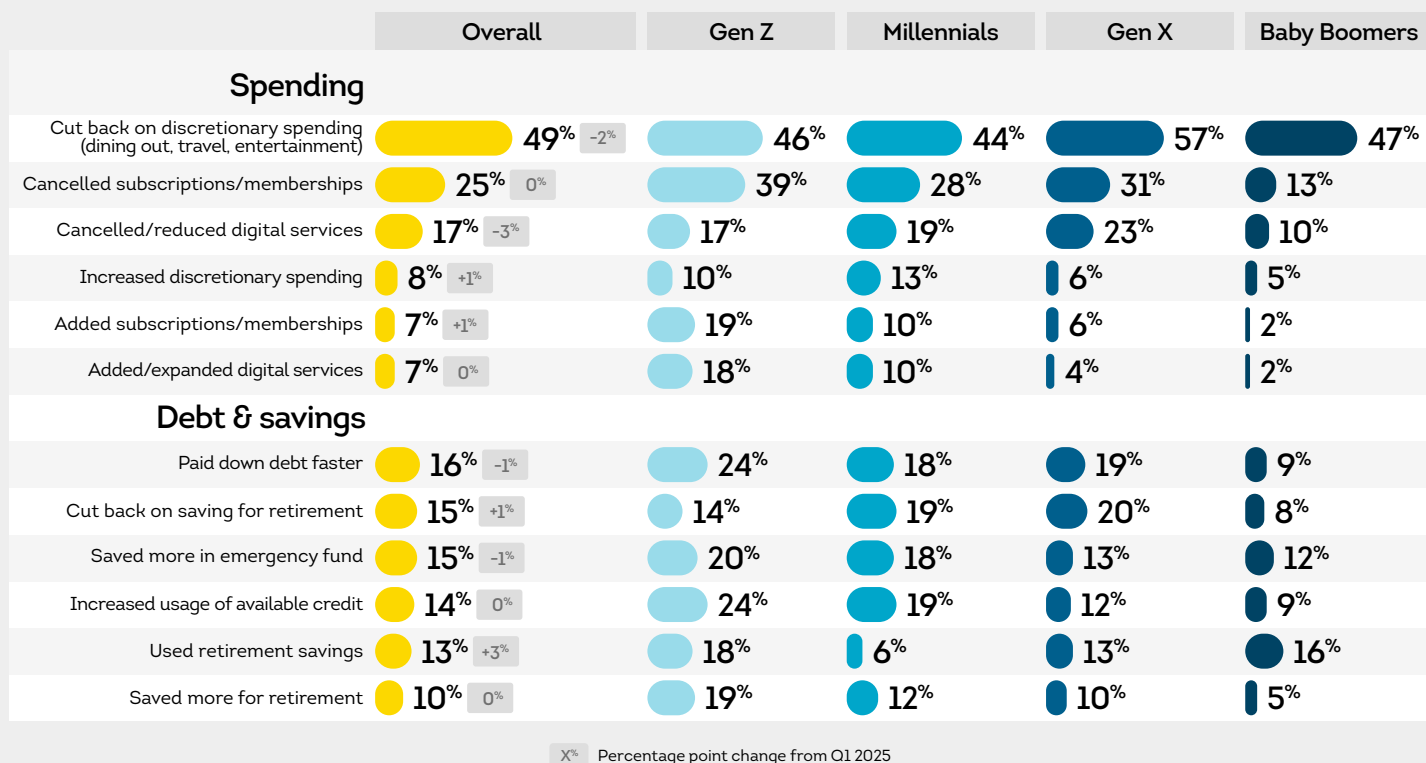
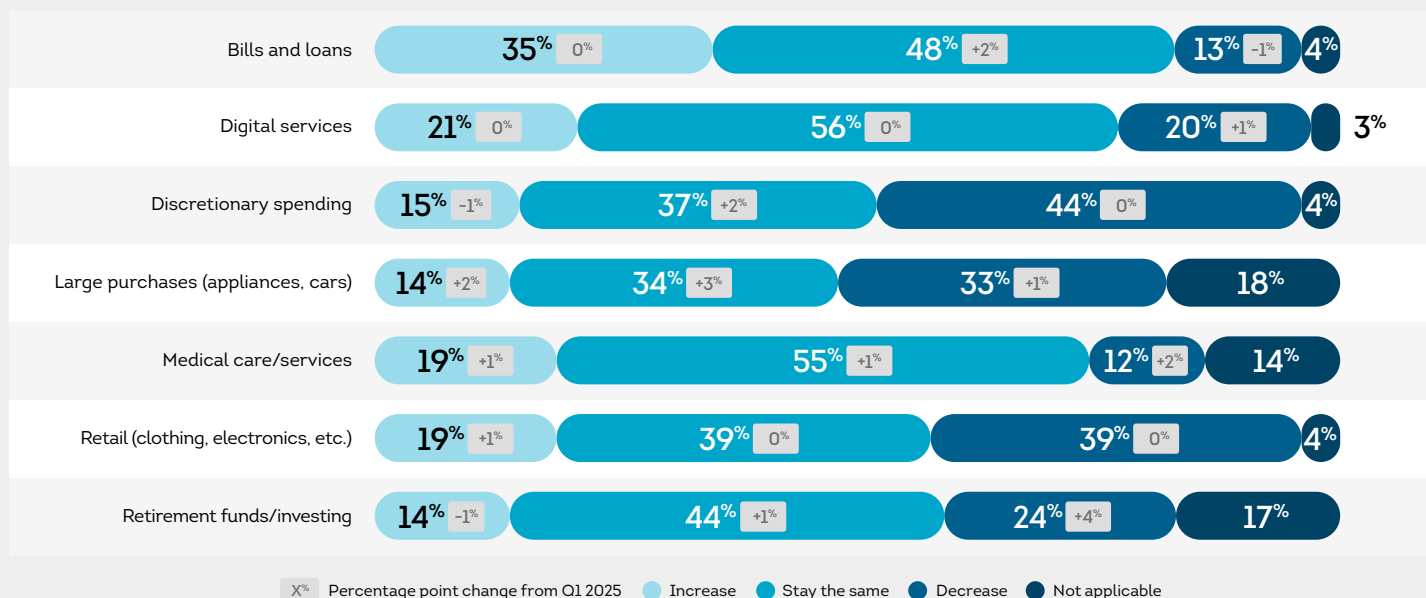


Figure 7. Expected change to household spending over next three months



Attitudes and plans for economic participation

A quarter (25%) planned to apply for new or refinance existing credit in the next year, down two percentage points from a year ago. Part of this decreased demand might be due to continued high interest. Despite falling considerably, interest rates are still above pre-pandemic levels, causing some consumers to wait for further reductions before increasing their borrowing.

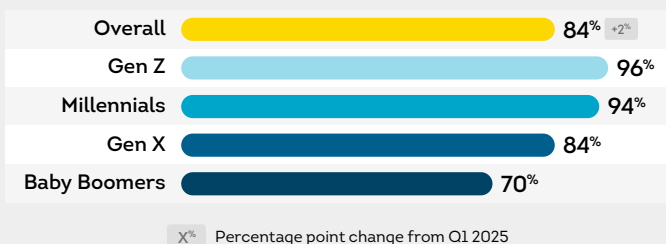
Almost a third (30%) indicated they were uncomfortable owning credit accounts like credit cards and loans. This was relatively consistent across all generations: Gen Z was the highest at 33% and Baby Boomers the lowest at 27%. This discomfort may reflect a heightened sensitivity to the current rate environment.

Almost half (46%) indicated they were concerned about interest rate increases and how they'll affect their abilities to pay off loans, mortgage or credit – although this amount was down 10 percentage points from a year ago. In addition, 58% had concerns about not putting enough money aside for savings, while 64% were concerned their costs of living exceeded their incomes. These are all things consumers can address during a downturn, and as Canada comes into a period of lower inflation and interest rates, all these concerns – while still high – were down from a year ago, indicating consumers are likely feeling more resilient.

Volatility and continued high interest rates most likely negatively impacted mortgage demand: Almost three-quarters (72%) of respondents weren't considering purchasing a new home in the next year. Higher interest rates have dampened demand as many consumers wait on the sidelines in anticipation of continued rate cuts by the Bank of Canada that will drive down mortgage rates. In fact, rising home prices (64%) and interest rates (50%) were the top two reasons those planning to buy a new home might change their minds.

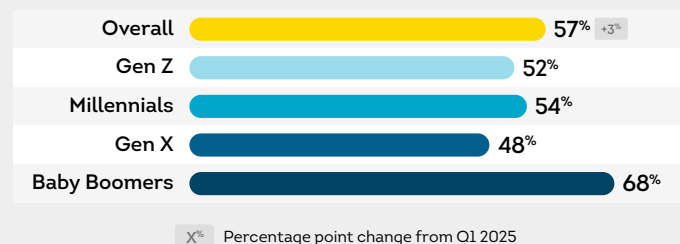
This same sentiment was generally prevalent across credit products in a high-rate environment. Of respondents who considered applying for or refinancing existing credit but ultimately decided not to, the predominant reason was the cost was too high (27%).

Figure 8. Believe important to have access to credit and lending products to achieve financial goals



X% Percentage point change from Q1 2025

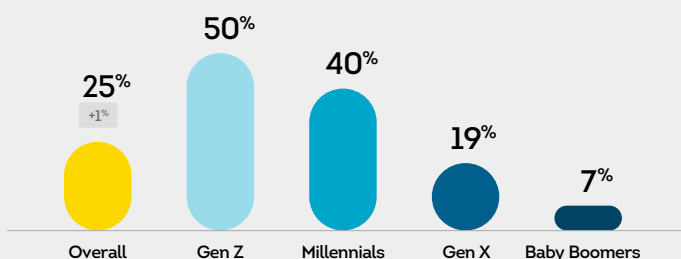
Figure 9. Believe have sufficient access to credit and lending products



X% Percentage point change from Q1 2025

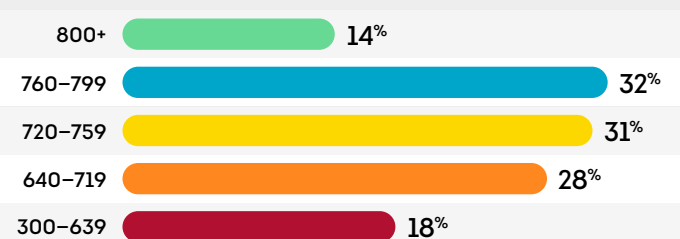
Figure 10. Plan to apply for new credit or refinance existing credit within the next year

By generation



X% Percentage point change from Q1 2025

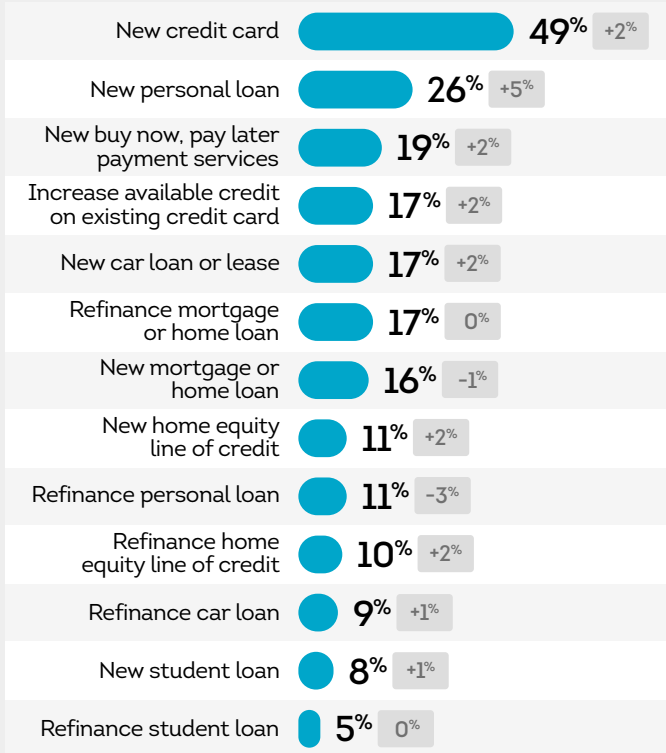
By credit score



Self-reported credit score ranges

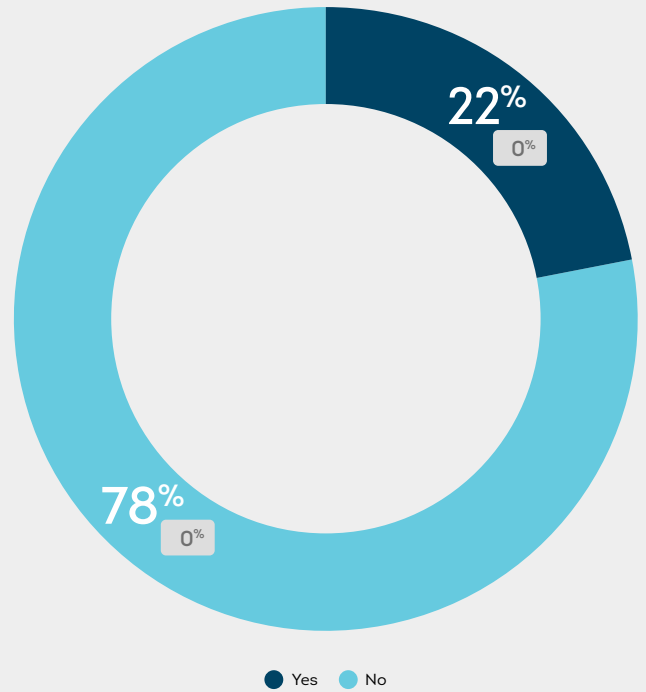
Figure 11. Type of new credit and loan activity planned in next 12 months

(among those who plan to apply for new or refinance existing credit)



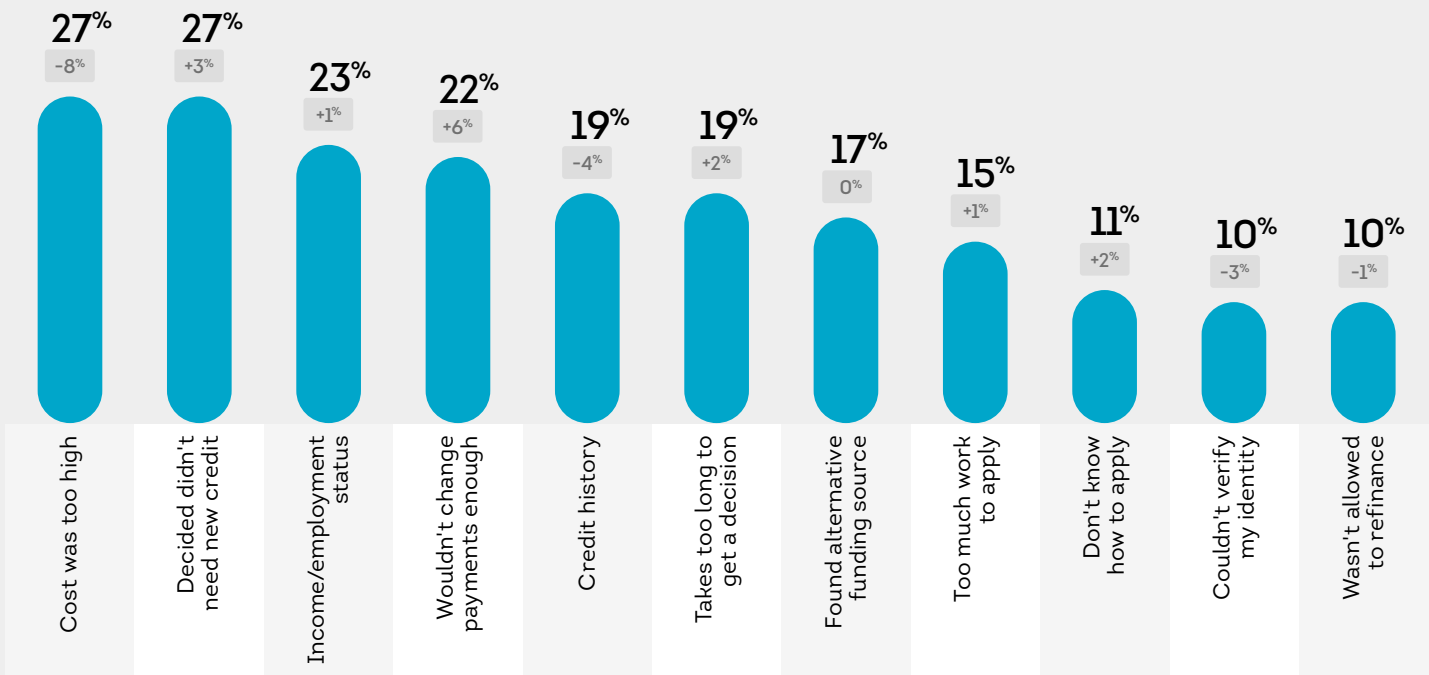
X% Percentage point change from Q1 2025

Figure 12. Abandoned plan to apply for new credit or refinance



X% Percentage point change from Q1 2025

Figure 13. Reasons for abandoning application for new credit or refinance



X% Percentage point change from Q1 2025

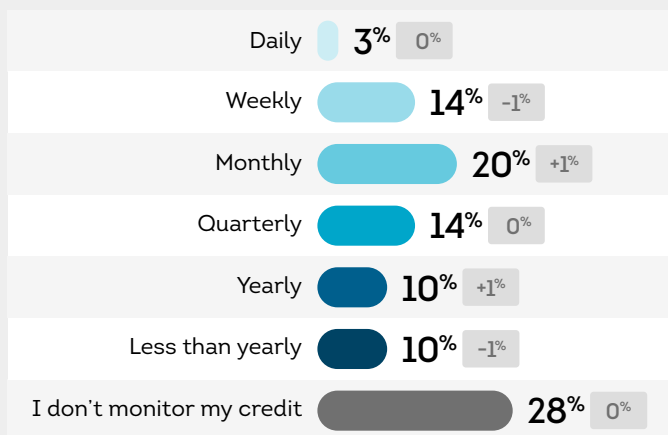
Attitudes and behaviour to manage financial choices

Canada has a very high proportion of consumers with access to credit monitoring tools, and consumers indicated they'll take advantage – 85% said they feel it's important to monitor their credit reports. Younger consumers found it even more important: 92% of Gen Z and 91% of Millennial consumers indicated credit monitoring is important as opposed to 85% of Gen X and 78% of Baby Boomers. These younger cohorts are generally more highly credit seeking as they enter the credit market or transition through life stages where access to credit becomes more important to create the quality of life they desire.

Almost three-quarters (71%) of respondents said they monitor their credit reports, with 37% reporting monitoring at least monthly.

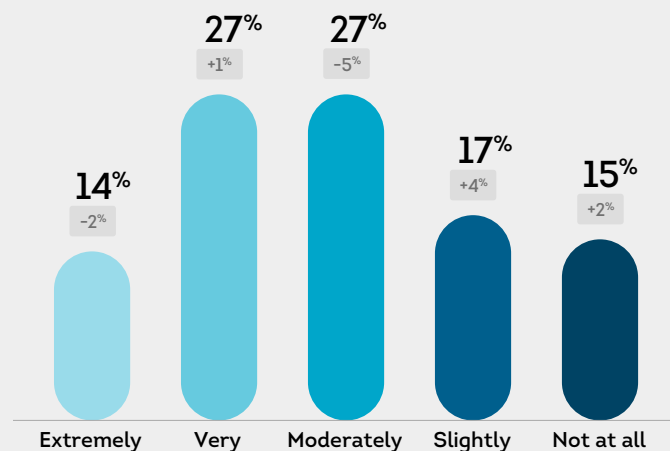
The top reasons cited for monitoring credit reports were: it's free (45%), to try to improve their credit scores (37%), to monitor their reports for accuracy (37%) and to protect against fraud (35%). A separate TransUnion study from January 2024 also revealed the importance of credit monitoring and showed consumers would be more willing to do business with lenders that offered credit monitoring as a value-added service.⁶

Figure 14. Credit report monitoring frequency



X% Percentage point change from Q1 2025

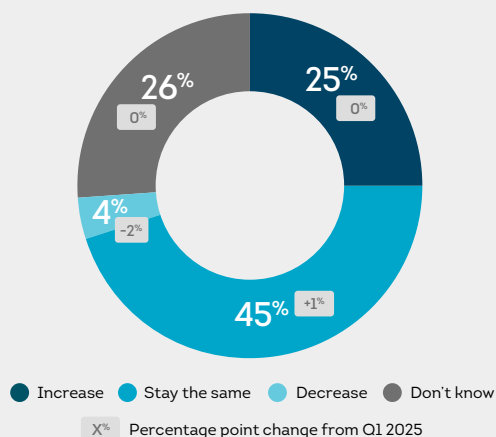
Figure 15. Believe monitoring credit report is important



X% Percentage point change from Q1 2025

Figure 16. How believe credit score would change if businesses used information not on standard credit report

Examples provided of non-standard information include: rental payments, short-term loan history and buy now, pay later loans



X% Percentage point change from Q1 2025

⁶ TransUnion, Credit Education: Empowering Consumers; Enabling Financial Inclusion

IDENTITY PROTECTION

Identity risks and usage

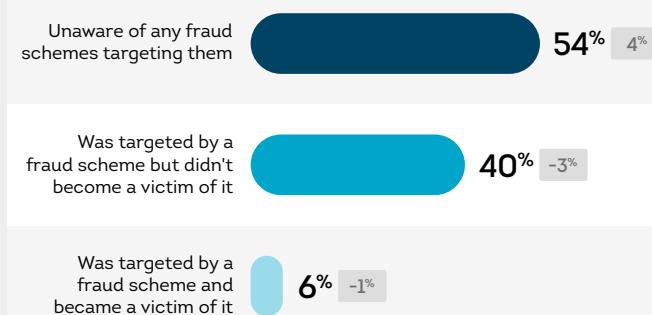
Fraud and identity management continued to be top of mind for many consumers: Almost half (46%) of respondents said they were targeted with email, online, phone call or text messaging fraud in the last three months and 6% indicated they became a victim of that scheme. Phishing (41%), vishing (41%) and smishing (38%) were the top reported schemes among those who said they were targeted with email, online, phone call or text messaging fraud in the last three months.

Given the prevalence of modern cyber threats, respondents indicated the cyber threats that most concerned them included stolen identity (56%) and credit/payment card fraud (52%). Identity theft can have consequences beyond accessing credit cards or financial accounts. Other potential consequences respondents indicated they were most concerned about included having their identities used in a crime (50%) or to falsely claim government benefits (47%).

To assuage their concerns, consumers indicated the top step they took in the last 60 days in response to cybersecurity concerns was changing passwords (43%). However, 37% reported they took no action – with the most popular reason for inaction being they didn't know what action to take (44%).

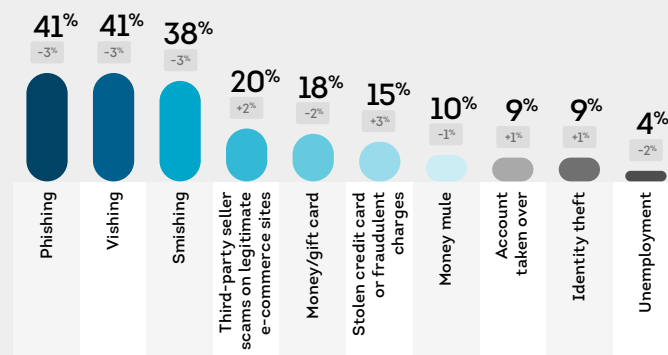
In another TransUnion survey during a separate time period, among Canadians who said they fell victim to email, online, phone call or text messaging fraud from August to December 2024, only 51% contacted relevant impacted companies like credit card issuers, retailers, etc. and 29% placed a fraud alert on their credit reports.⁷

Figure 17. Personal experience with online, email, phone call or text message fraud attempts in last three months



X% Percentage point change from Q1 2025

Figure 18. Most frequent fraud schemes targeting consumers
(among those targeted with online, email, phone call or text message fraud in the last three months)

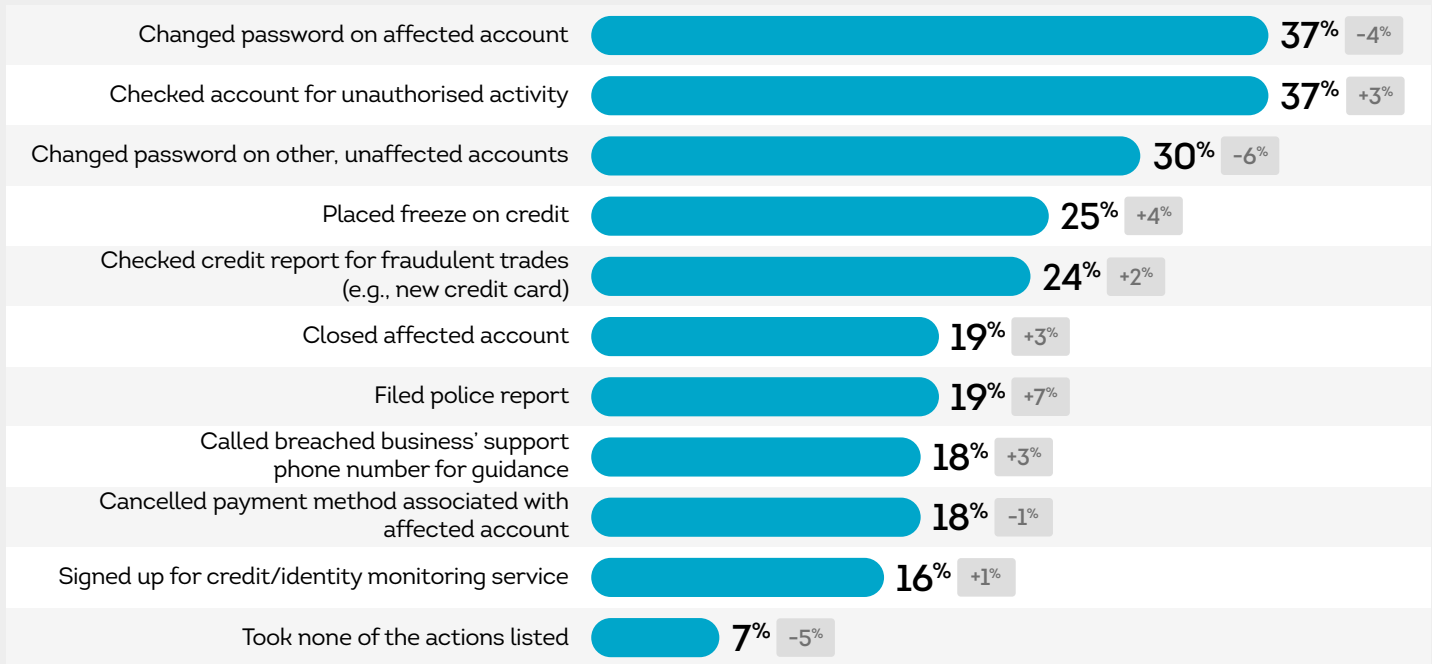


X% Percentage point change from Q1 2025

⁷ Survey findings part of research for TransUnion's H1 2025 Update to the State of Omnichannel Fraud Report

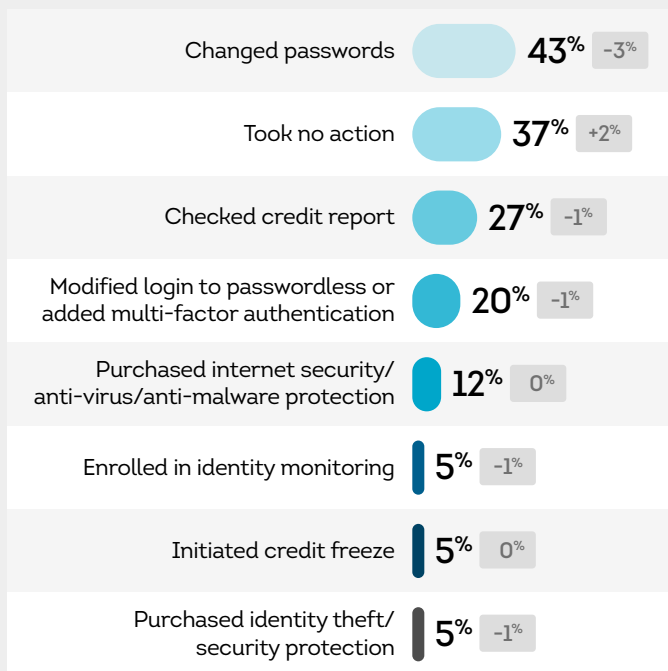
Figure 19. Most frequent actions data breach victims took

(among consumers notified in the last three months that details about their identities and/or online accounts were stolen)



X% Percentage point change from Q1 2025

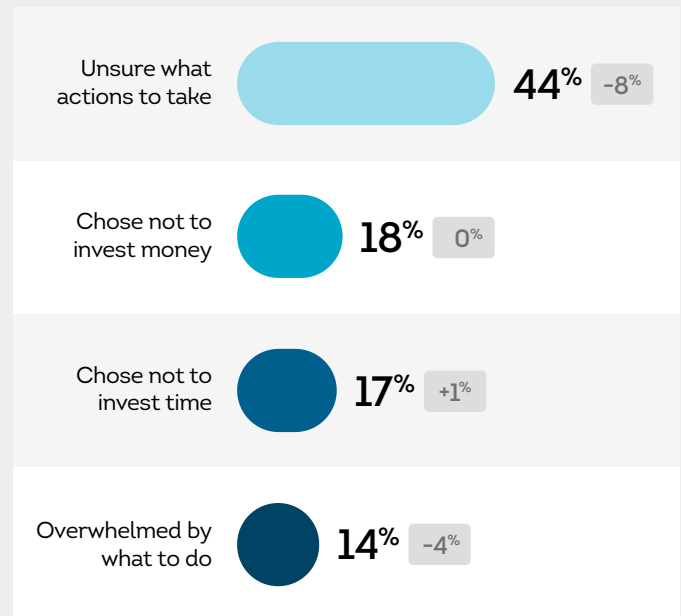
Figure 20. Actions taken in last 60 days due to cybersecurity concerns



X% Percentage point change from Q1 2025

Figure 21. Reasons did nothing about cybersecurity concerns

(among those who took no action about cybersecurity concerns in the last 60 days)



X% Percentage point change from Q1 2025

Research Methodology

TransUnion's Consumer Pulse Survey of 982 adults was conducted May 5-18, 2025 by TransUnion in partnership with third-party research provider, Dynata. Adults 18 years of age and older residing in Canada were surveyed using an online research panel method across a combination of desktop, mobile and tablet devices. Survey questions were administered in English and French. To increase representativeness across resident demographics, the survey included quotas to balance responses to the census statistics dimensions of age, gender, household income and region. Generations are defined in this research as follows: Gen Z, 18-28 years old; Millennials, 29-44; Gen X, 45-60; and Baby Boomers, age 61 and above. These research results are unweighted and statistically significant at a 95% confidence level within ± 3.1 percentage points based on a calculated error margin. Please note some chart percentages may not add up to 100% due to rounding or multiple answers being accepted.

For previous Consumer Pulse Studies, visit
transunion.ca/consumer-pulse-study



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Through our acquisitions and technology investments we have developed innovative solutions that extend beyond our strong foundation in core credit into areas such as marketing, fraud, risk and advanced analytics. As a result, consumers and businesses can transact with confidence and achieve great things. We call this Information for Good® – and it leads to economic opportunity, great experiences and personal empowerment for millions of people around the world.

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