

Consumer Pulse Study

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

Canada Q4 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 (especially younger generations) remain financially resilient and optimistic despite economic pressures. However, inflation and cost of living concerns are driving cautious spending, including cuts to discretionary items like dining, travel and subscriptions, and restrained holiday budgets.



Canadians view credit as essential for achieving financial goals, especially younger generations who rely on it for major expenses and to build positive credit profiles. Gen Z and Millennials are driving demand, yet rising interest rates and economic pressures affect borrowing decisions. Credit cards remain the primary tool for liquidity, underscoring the need for flexible, responsible credit options to support financial stability and inclusion.



Fraud continues to be prominent in Canada as nearly half of Canadians – and over half of Gen Z – reported being targeted recently, with phishing, vishing and smishing leading the charge. While many are taking steps in response to cybersecurity concerns, such as changing passwords and checking credit reports, over a third said they did nothing – mainly due to confusion about what actions to take. This highlights an urgent need for clearer guidance and stronger identity protection tools to help Canadians safeguard their personal information.

Household income (HHI), spending and bill payment impact

Canadian consumers continued to demonstrate resilience despite a volatile economy. Almost two-thirds indicated their household finances were as planned or better at this point in 2025. This is up seven percentage points (pp) year-over-year (YoY) and one pp from the prior quarter. Younger consumers seem to be faring better: 67% of Gen Z said their household finances were as planned or better at this point in 2025 and Millennials were at 65% compared to Baby Boomers at 64% and Gen X at 56%. Younger generations are more engaged in the gig economy; this adaptability can boost confidence in their abilities to manage finances. Additionally, younger consumers generally have more years ahead to earn, save and recover from economic downturns. This makes them less sensitive to short-term volatility compared to older consumers nearing retirement.

Despite relatively strong household financial situations, 25% of all consumers surveyed indicated they're unable to pay at least one of their bills and loans in full. Contrary to the financial health answer, younger consumers indicated a lower potential to pay: 39% of Gen Z respondents and 31% of Millennials indicated they'll be unable pay their bills in full. Conversely, Gen X (24%) and Baby Boomers (17%) said they're more able to fully pay obligations.

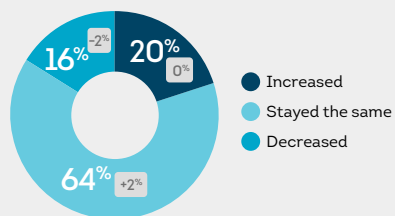
Cost of living and the economy remained in the top three consumer concerns. Inflation for everyday goods (e.g., groceries, gas, etc.) was in the top three household financial concerns over the next six months for 84% of Canadians followed by higher housing prices (54%) and the potential of a recession (51%).

Possibly as a result of these pressures, consumers indicated they're shifting spending habits to accommodate. When asked how their household spending has changed in the past few months, the top answer was cutting back on discretionary spending (51%) followed by cancelling subscriptions and memberships (25%).

One specific area respondents indicated they've decreased discretionary spending the most in was travel. Half (50%) of respondents stated they cut down on travel in the past three months, up eight pp from the prior quarter and two pp YoY. Dining out remained the highest discretionary cut with 80% of consumers saying they decreased spending in this category in the past three months. However, this was down four pp from a year ago.

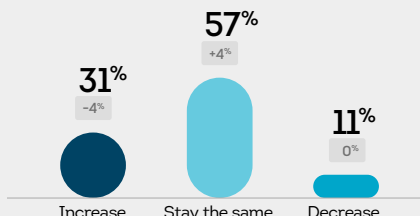
Heading into the holiday shopping season, 41% indicated they'll spend the same on holiday shopping this year as last – and only 4% said they'll increase holiday spending.

Figure 1. Household income change last three months



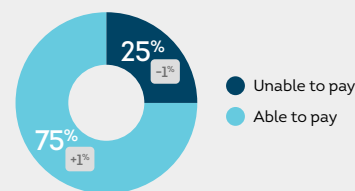
X% Percentage point change from Q3 2025

Figure 2. Expected household income change next 12 months



X% Percentage point change from Q3 2025

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



X% Percentage point change from Q3 2025

Figure 4. Optimism about household finances in next 12 months

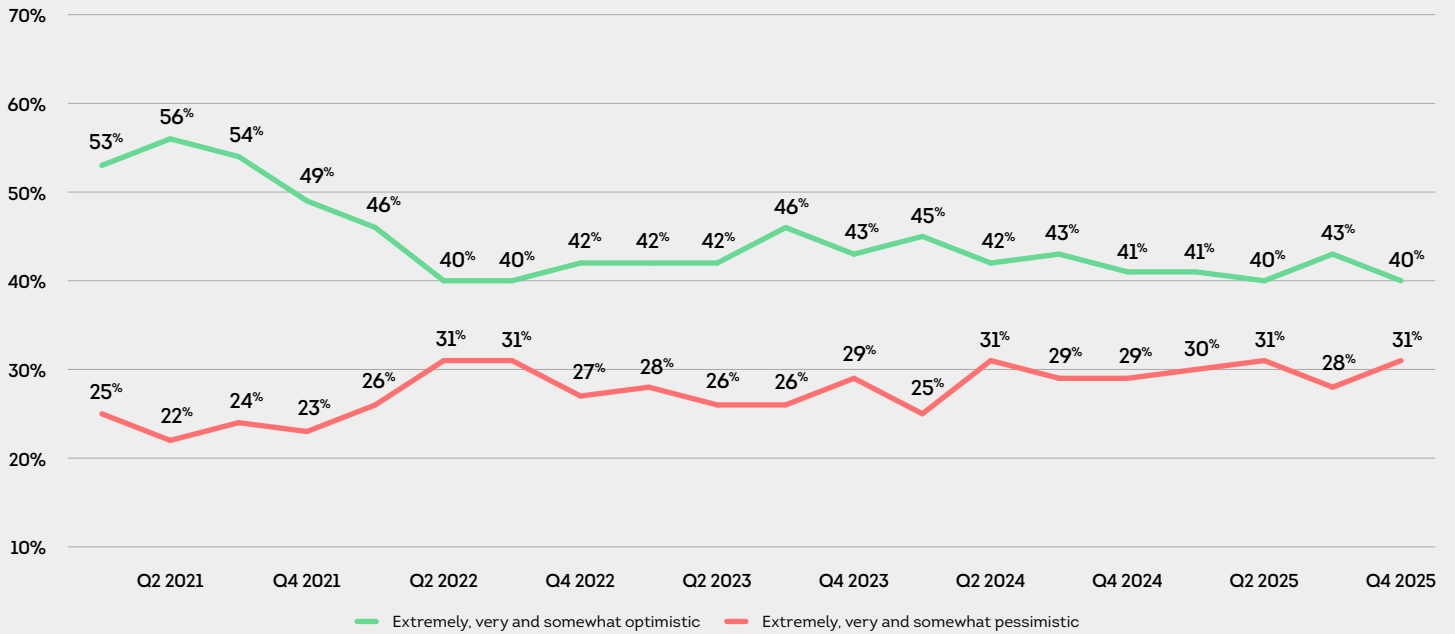


Figure 5. Biggest concerns affecting household finances in next six months
Percentage of consumers who said this concern was in their top three

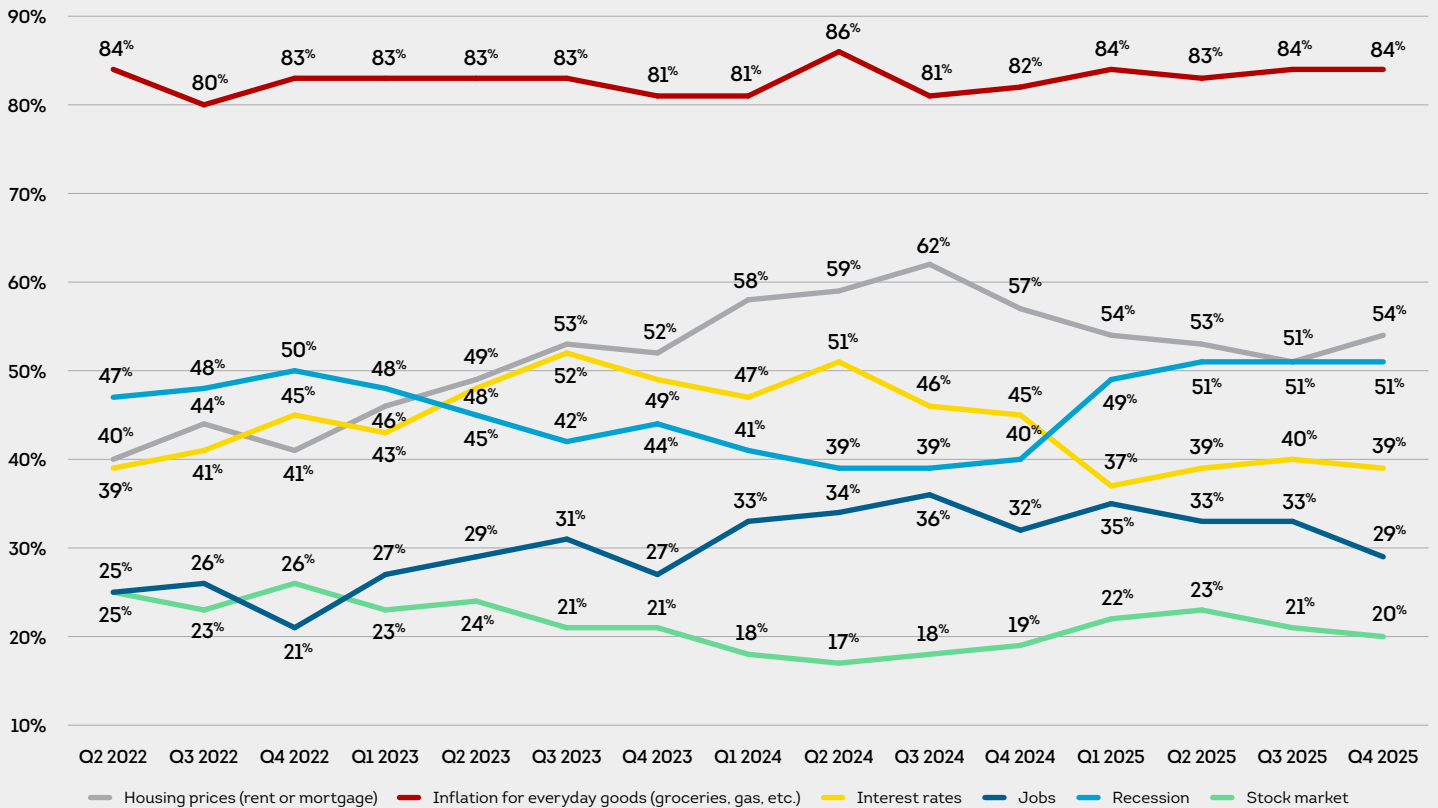
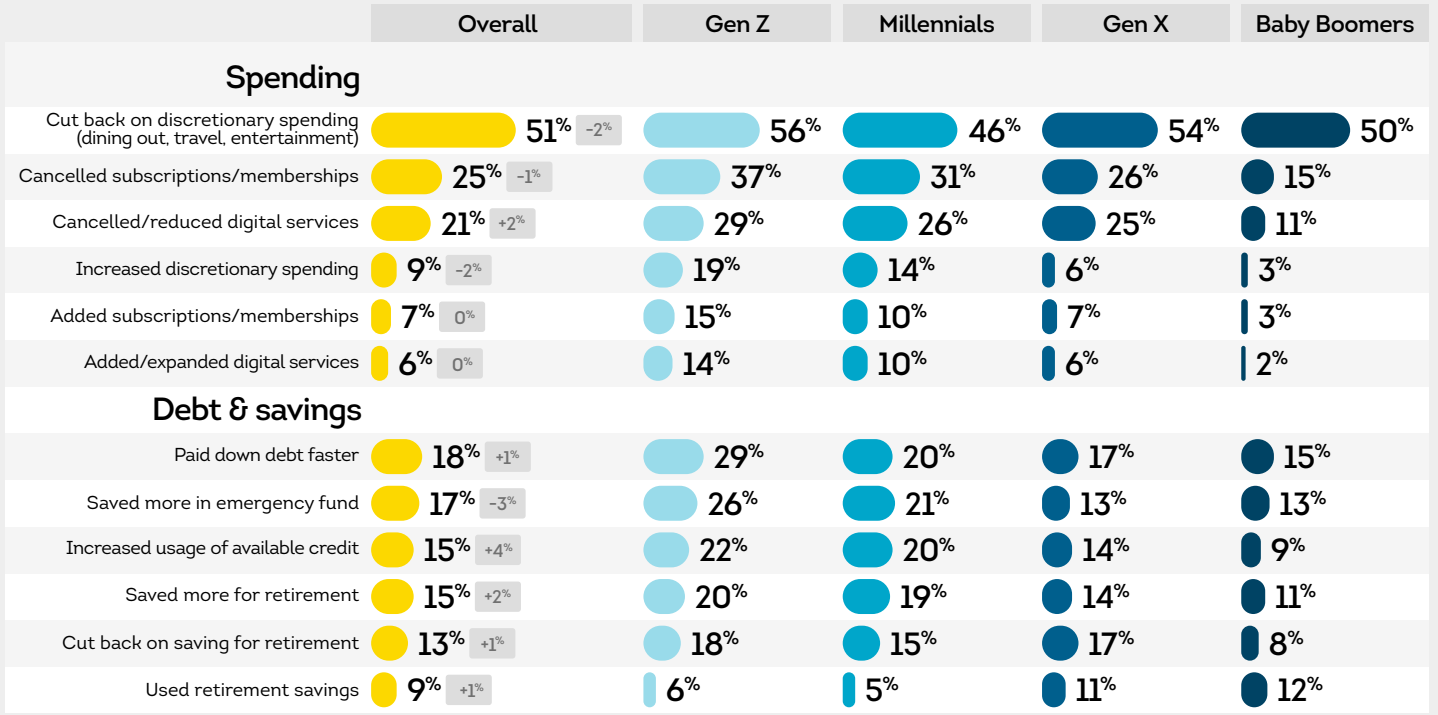
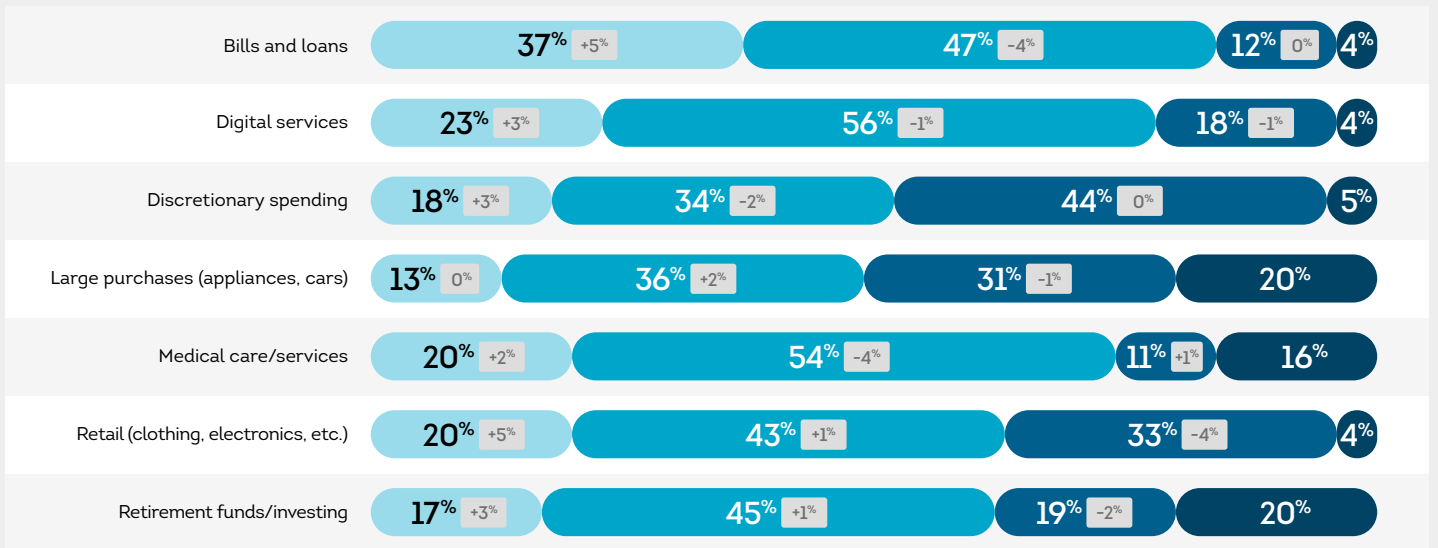


Figure 6. Changes to household budget in the last three months



X% Percentage point change from Q3 2025

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



X% Percentage point change from Q3 2025 ● Increase ● Stay the same ● Decrease ● Not applicable

FINANCIAL INCLUSION

Attitudes and plans for economic participation

The majority (82%) felt access to credit and lending products is important to be able to achieve their financial goals. The importance was more evident during the earlier stages of credit participation: 94% of Gen Z and 92% of Millennial respondents indicated access to credit and lending is important compared to 83% of Gen X and 69% of Baby Boomers. Access to credit earlier on provides a way to bridge gaps for essential investments like education, transportation and housing deposits, as well as unexpected expenses, and can help establish a positive credit profile for future borrowing needs. Overall, 56% believed they currently have sufficient access to credit.

Just under a quarter of respondents indicated they plan to apply for new or refinance existing credit in the next year. Demand was significantly higher for younger consumers as 47% of Gen Z consumers planned to apply for credit. Millennials were also a bit higher than the average at 31%. This is evident in TransUnion's credit data which shows younger generations are driving the surge in credit participation. That data also shows Millennials now account for 38% of total outstanding credit debt in Canada.¹ Among all who said they'd apply for credit in the next year, new credit cards remained their top credit product they'd apply for in that period (47%) followed by requests for limit increases on cards (23%), and buy now, pay later payment services, mortgage refinancing and new car loan or lease (all tied at 20%). Many consumers turned to cards for liquidity – substituting for cash flow during the recent period of inflation.

Almost a quarter (21%) indicated rising interest rates would have a high impact on whether or not they'd apply for credit in the next 12 months.

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

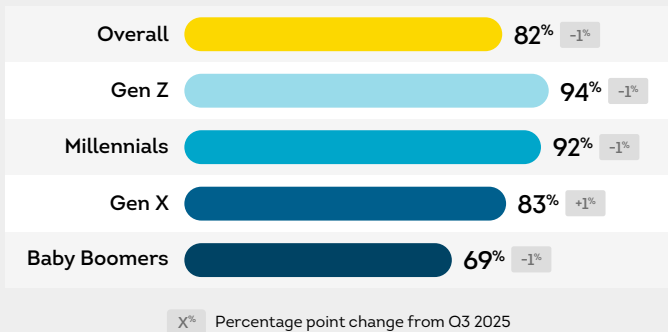


Figure 9. Believe have sufficient access to credit and lending products

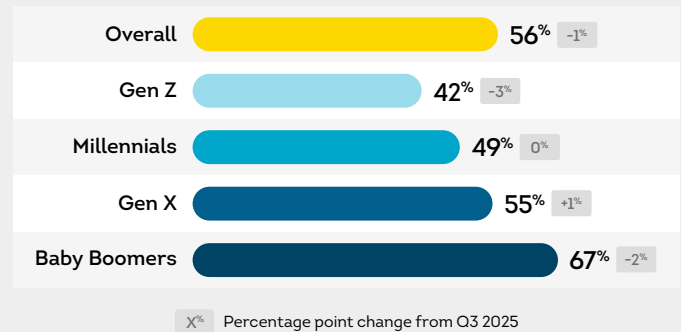
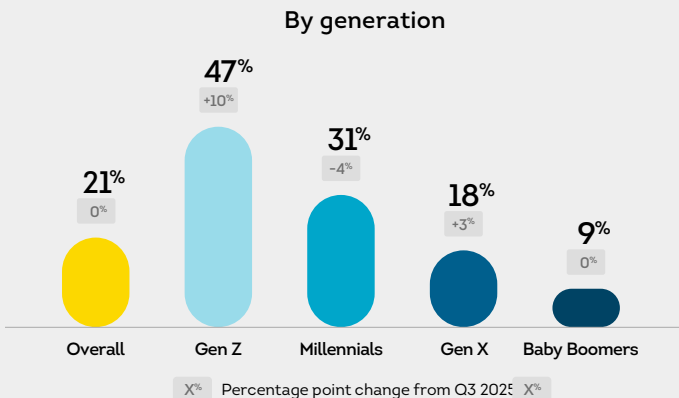
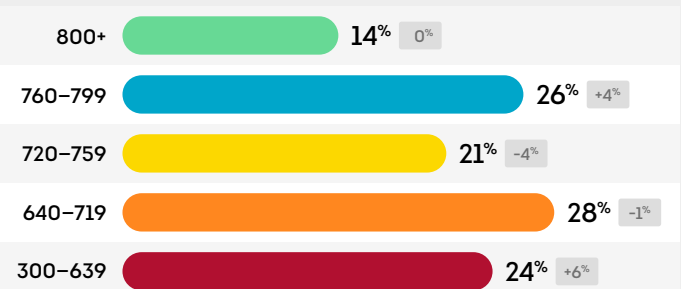


Figure 10. Plan to apply for new credit or refinance existing credit within the next year



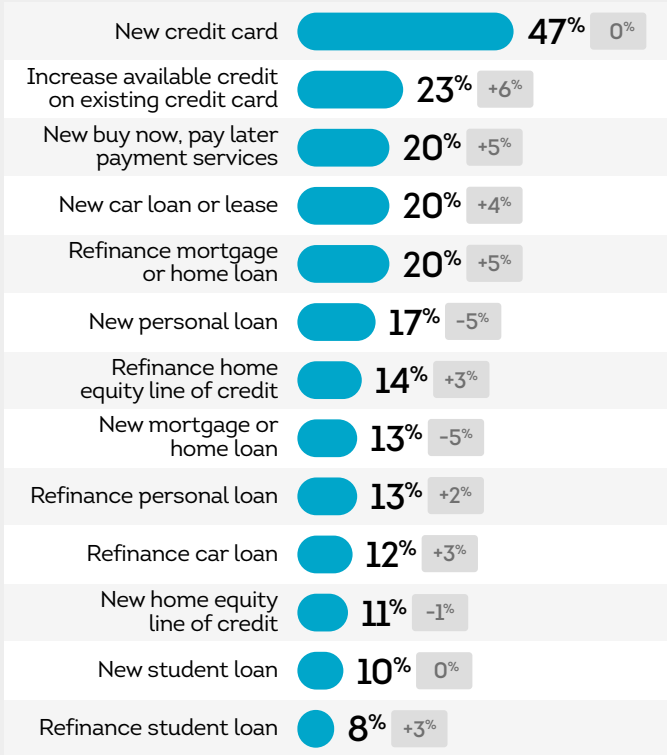
By credit score



¹ TransUnion Canada consumer credit database

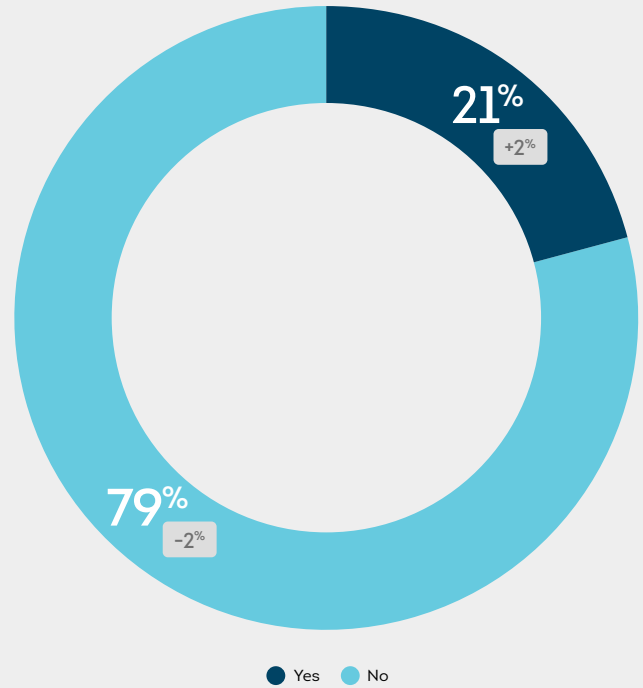
Figure 11. Type of new credit and loan activity planned in next 12 months

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



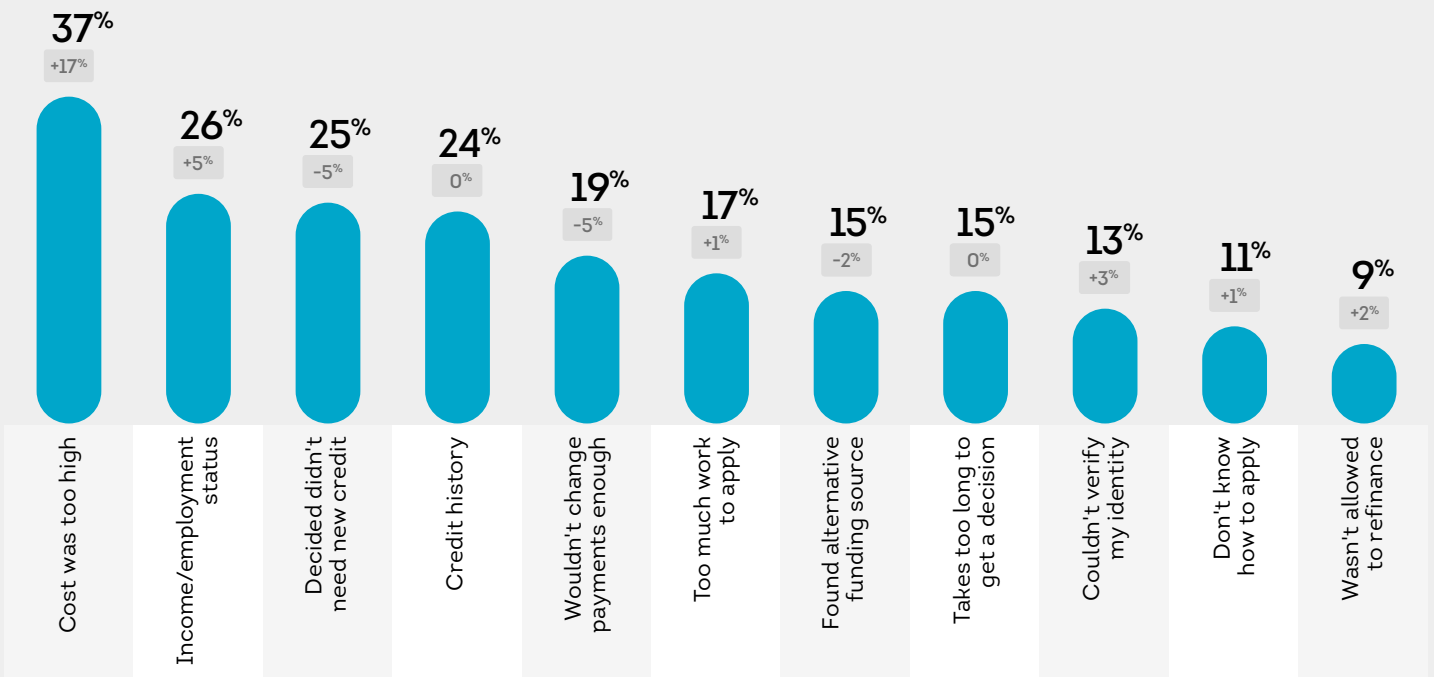
X* Percentage point change from Q3 2025

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



X* Percentage point change from Q3 2025

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



X* Percentage point change from Q3 2025

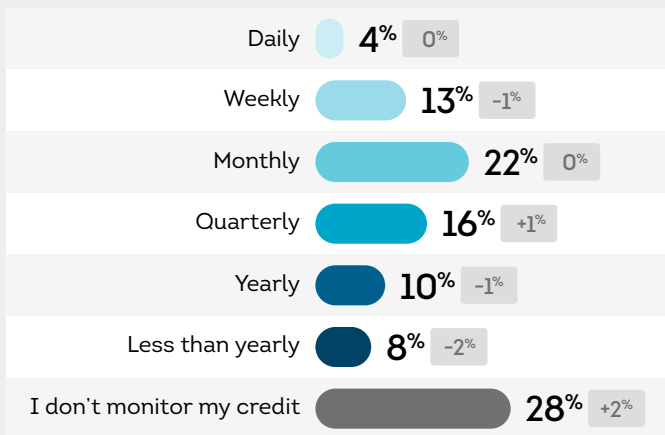
Attitudes and behaviour to manage financial choices

Most respondents (85%) thought monitoring their credit reports is important. Among generations surveyed, Gen Z were those who most believed it's important to monitor their credit reports at 96%, reflecting a shift toward greater financial awareness and a proactive approach to financial management. This aligns with the expectation consumers are more likely to engage in credit education and understand their credit profiles early in their credit journeys.

Over half (55%) of respondents reported checking their credit reports at least quarterly, with nearly two in five (39%) checking monthly. This also increased with younger generations as 64% of Gen Z reported monitoring monthly and 39% monitoring weekly – both the highest among generations.

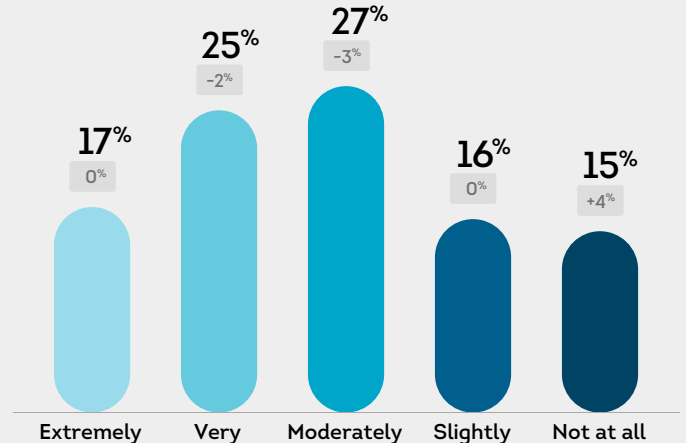
Among all surveyed, the most common reasons for frequent monitoring was cost and security; 45% indicated they monitor frequently because it's free, while 41% said they do so to protect from fraud. The top reason for Gen Z was to try and improve their scores at 51%. On the opposite end of the spectrum, Baby Boomers cited fraud protection (54%) as their top reason.

Figure 14. Credit report monitoring frequency



X% Percentage point change from Q3 2025

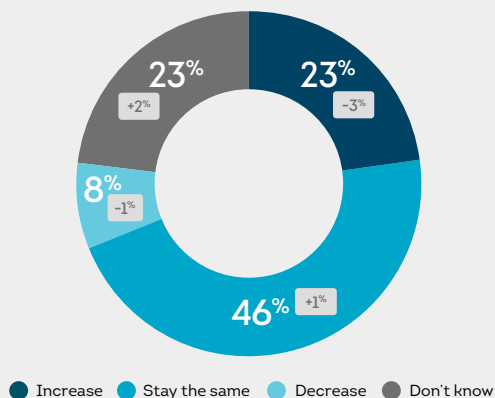
Figure 15. Believe monitoring credit report is important



X% Percentage point change from Q3 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 Q3 2025

Identity risks and usage

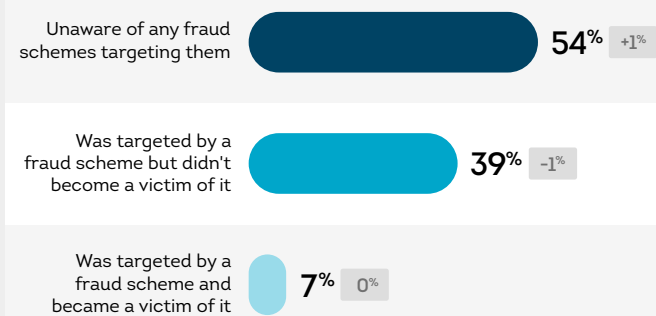
Fraud remained a persistent problem, particularly as technology like AI enables new scams and impersonation tactics. Almost half (46%) of respondents said they were targeted by email, online, phone call or text messaging fraud in just the past three months. Among those, 7% said they fell victim, up one pp from the prior year. Fraud was a continued concern for consumers – with financial losses and identity theft being major consequences. The risk was even higher for younger consumers: 54% of Gen Z respondents indicated they were targeted, the highest among generations. This generation is digitally native and perhaps even more prone to online attacks.

Among all respondents who said they were targeted, the top fraud scheme (at 43%) reported was phishing (fraudulent emails, websites, social posts, QR codes, etc. meant to steal data). Smishing (fraudulent text messages meant to trick a person into revealing personal data) and vishing (fraudulent phone calls meant to trick a person into revealing personal data) followed at 41% each. While email phishing remains widespread, vishing and smishing have seen dramatic increases in effectiveness.

More and more, consumers are taking proactive steps to mitigate the risk of fraud. Among those asked what action they took in response to cybersecurity concerns in the last 60 days, the top answer was changing passwords more frequently at 42%. This was followed by checking their credit reports at 29%. Still, 36% of respondents claimed they took no action.

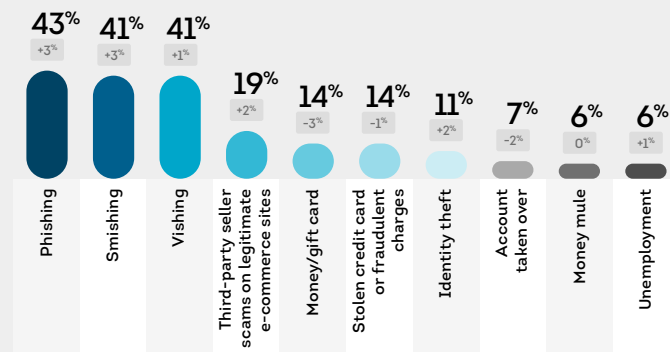
Of those not taking action, the most common reason was they were unsure which actions to take at 48%. This lack of knowledge about what steps to take, combined with feelings of vulnerability and embarrassment, prevents many from reporting fraud and protecting themselves.

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



X% Percentage point change from Q3 2025

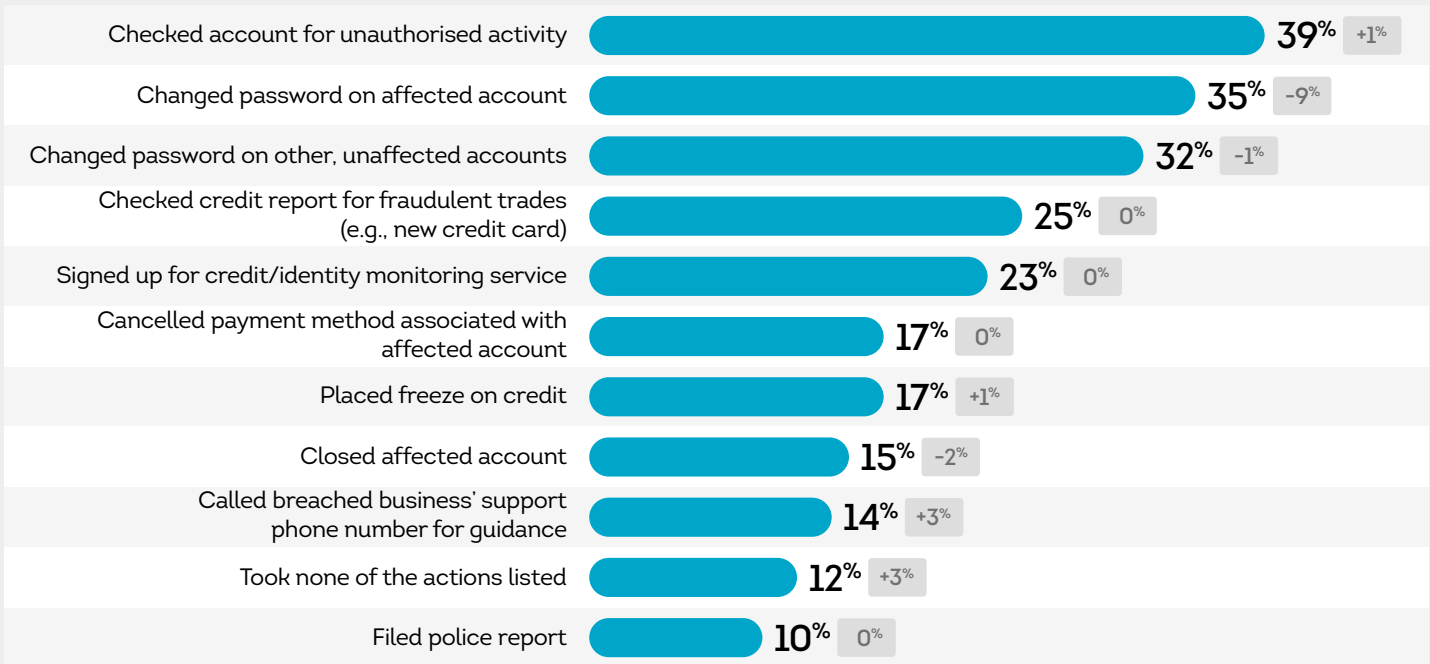
Figure 18. Most frequent fraud schemes targeting consumers
(among those targeted with online, email, phone call or text message fraud in the last three months)



X% Percentage point change from Q3 2025

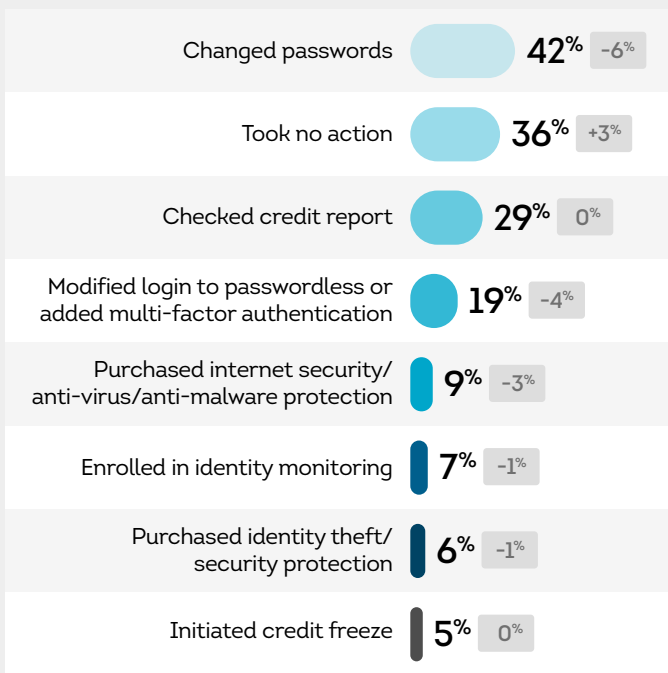
Figure 19. Most frequent actions data breach victims took

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



X% Percentage point change from Q3 2025

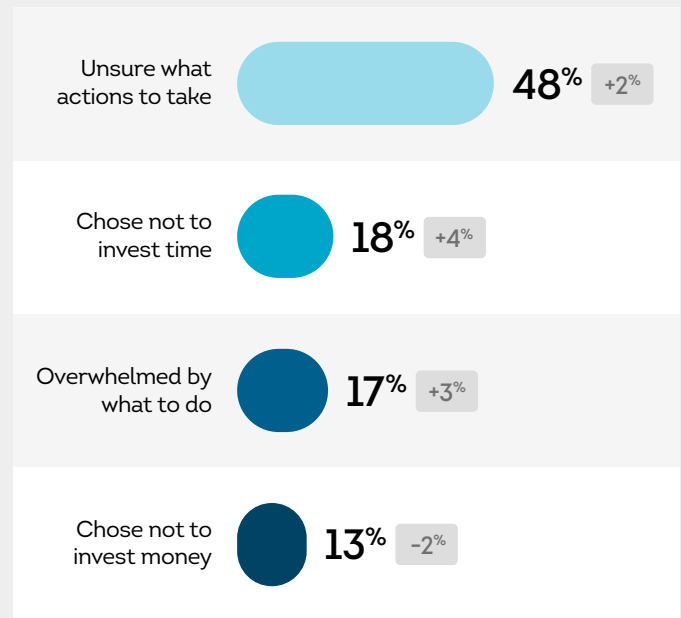
Figure 20. Actions taken in last 60 days due to cybersecurity concerns



X% Percentage point change from Q3 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 Q3 2025

Research Methodology

This online survey of 1,000 adults was conducted Sept. 25–Oct. 7, 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 were 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 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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