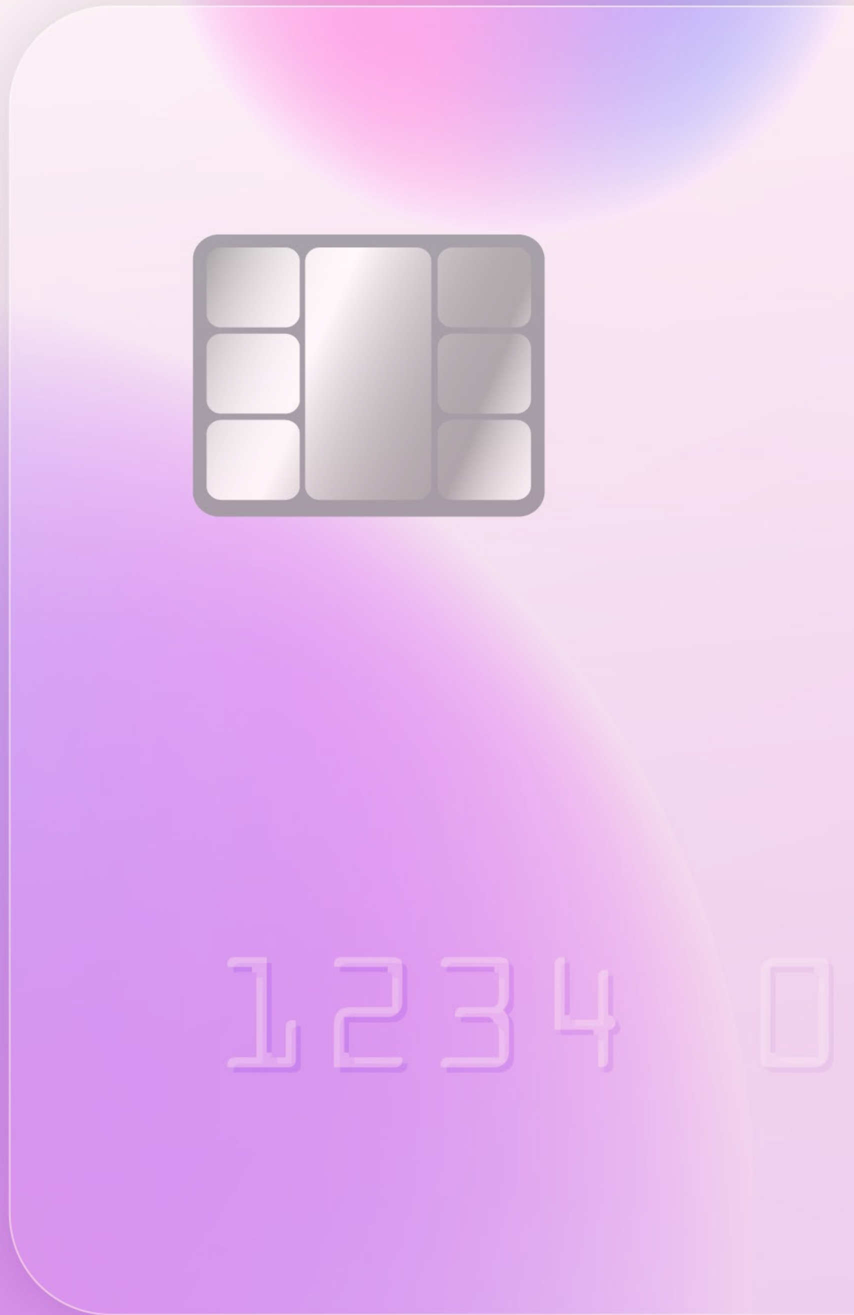
2026 EDITION

State of credit cards report

Amid ongoing inflationary pressures and early signs of labor market softening, the credit card landscape continues to evolve. While policy actions and easing uncertainty have supported a more stable operating environment, **lenders are navigating a balance between renewed growth momentum and the need for disciplined risk management**.



Our second annual report provides a timely update on key market dynamics and dives into an often-overlooked segment within credit card portfolios: business accounts. Together, these perspectives provide insight into emerging risks and opportunities that will shape the credit card market through 2026 and beyond.

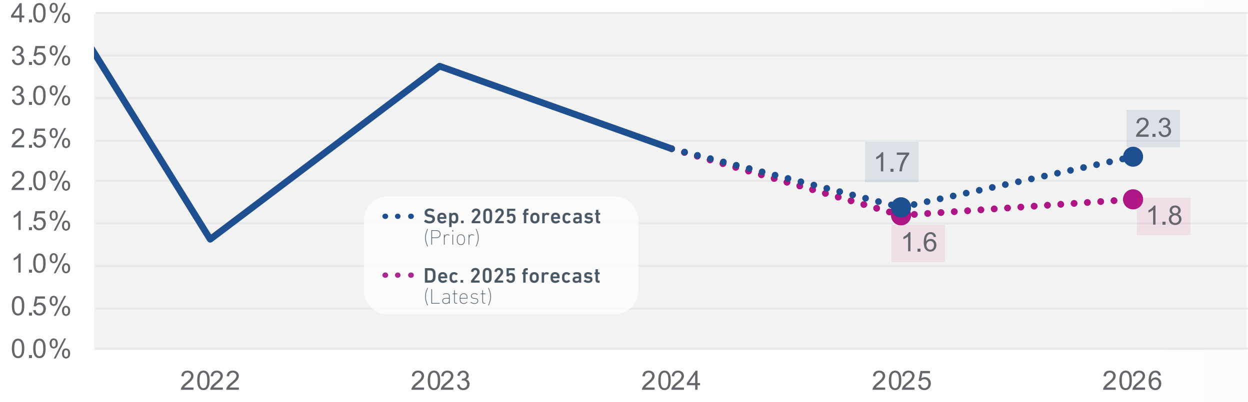
This analysis was conducted by Experian's expert team of economists, data scientists and solution engineers, who examined key trends across consumer and business portfolios. Leveraging Experian's market-leading data, advanced analytics and proprietary credit insights, the team identified patterns in portfolio performance, risk migration and economic drivers. The findings deliver a robust view of current conditions and emerging opportunities for lenders.

Macroeconomic backdrop

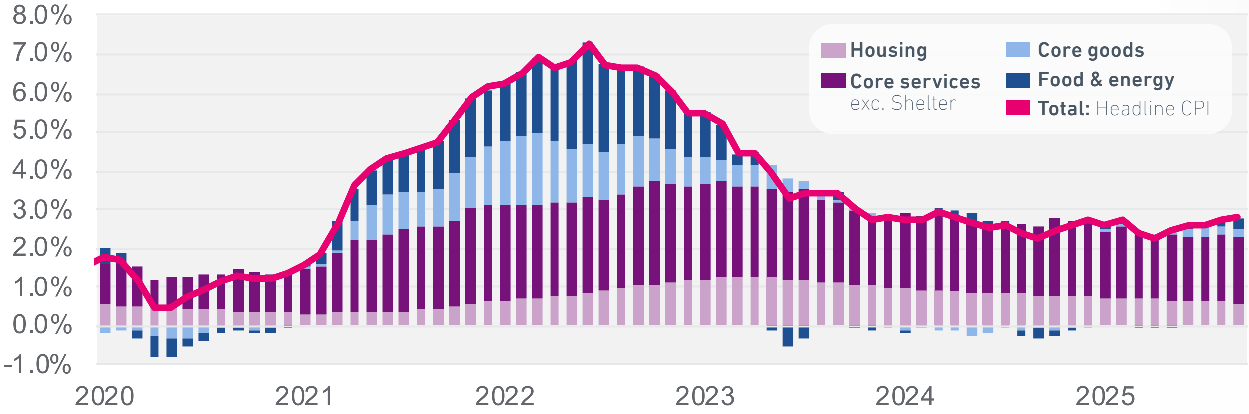
Economic conditions shaping credit demand and risk

As 2026 begins, easing trade uncertainty and stabilizing supply chains have improved the overall growth outlook, while elevated inflation, higher interest rates and a softening labor market continue to shape credit conditions.

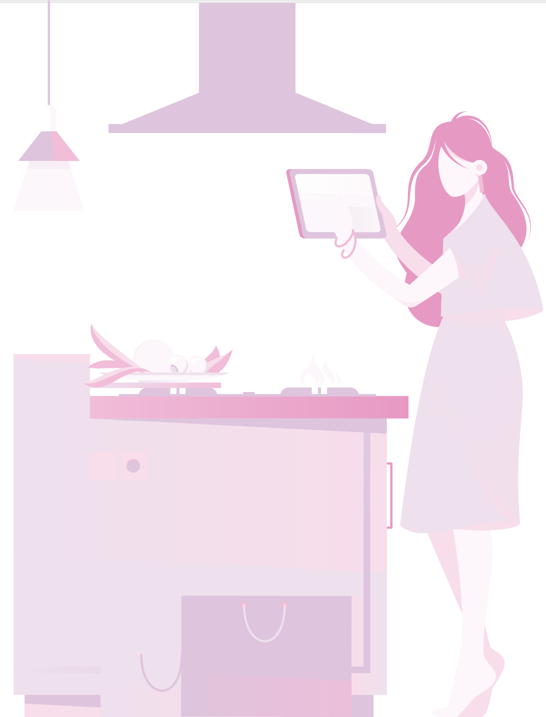
FOMC officials' projections: real GDP Q4/Q4 % change



Personal consumption expenditures index: contributions to YOY % change



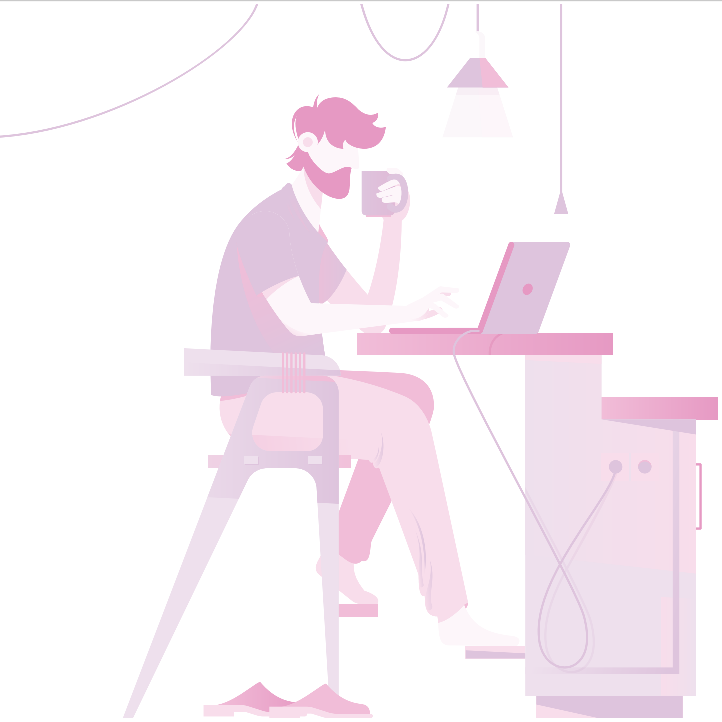
Sources: Federal Reserve, "Measuring Economic Policy Uncertainty" Scott Baker, Nicholas Bloom and Steven Davis, Bloomberg and Summary Economic Projections, Federal Reserve Summary of Economic Projections – December 2025, Federal Reserve Bank of San Francisco, and Experian Economic Strategy Group.

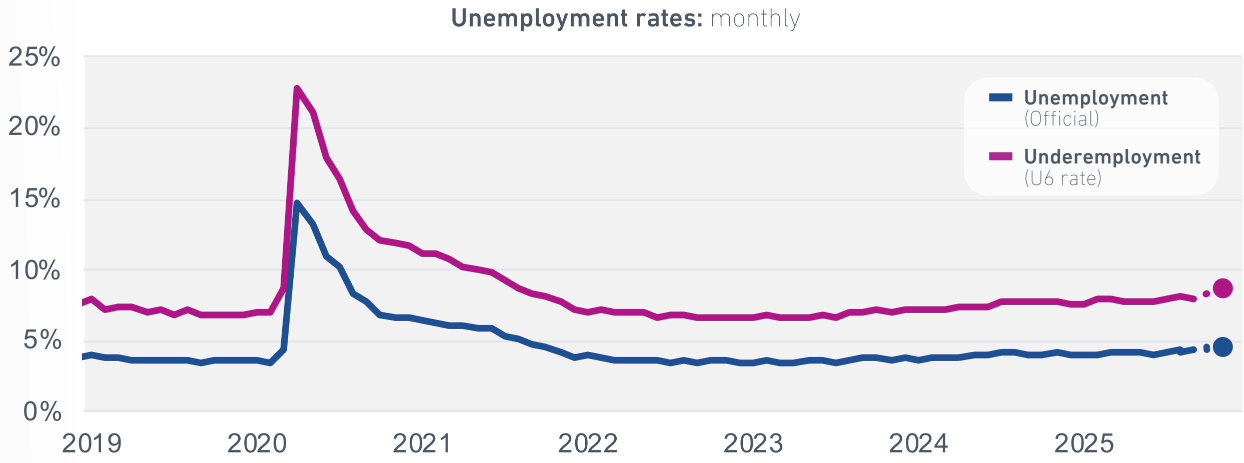


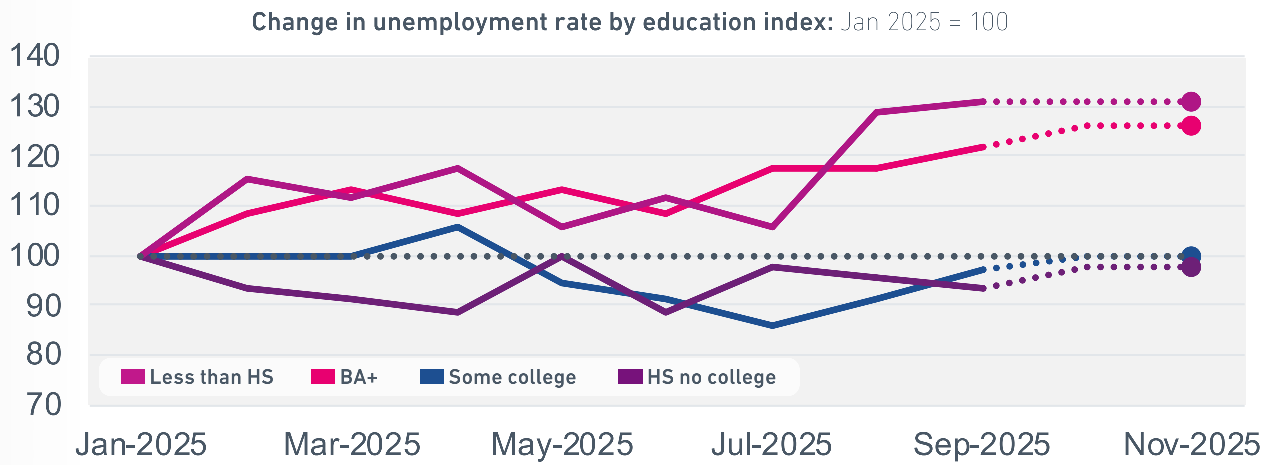
Observation:

The Trade Uncertainty Index fell significantly by October 2025, dropping to less than half of its peak following April 2025's "Liberation Day" tariff announcement.* Concurrently, **personal consumption, which increased on a year-over-year (YOY) basis throughout 2025, is expected to moderate in 2026, easing from 3.0% to 2.5% on a Q4/Q4 basis**.

**In April 2025, the U.S. announced sweeping new tariffs on imported goods — an event commonly referred to as "Liberation Day." The announcement drove a sharp increase in trade uncertainty and accelerated supply chain adjustments across industries.*







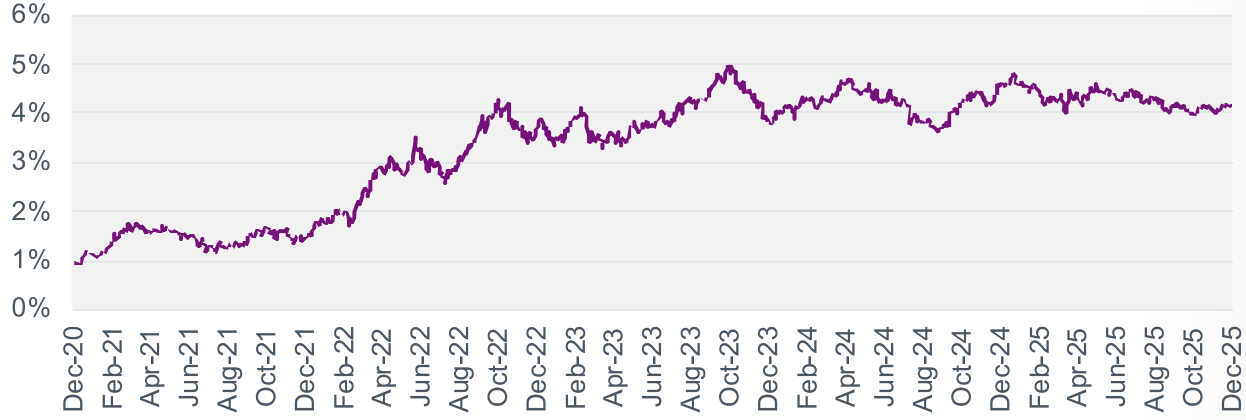
Observation:

Both unemployment and underemployment have risen to their highest levels in four years**, with the largest increases occurring among individuals with no high school diploma and those holding a bachelor's degree or higher. Projections of continued increases in unemployment and underemployment in 2026 may create additional upward pressure on already-elevated risk within these niche segments.

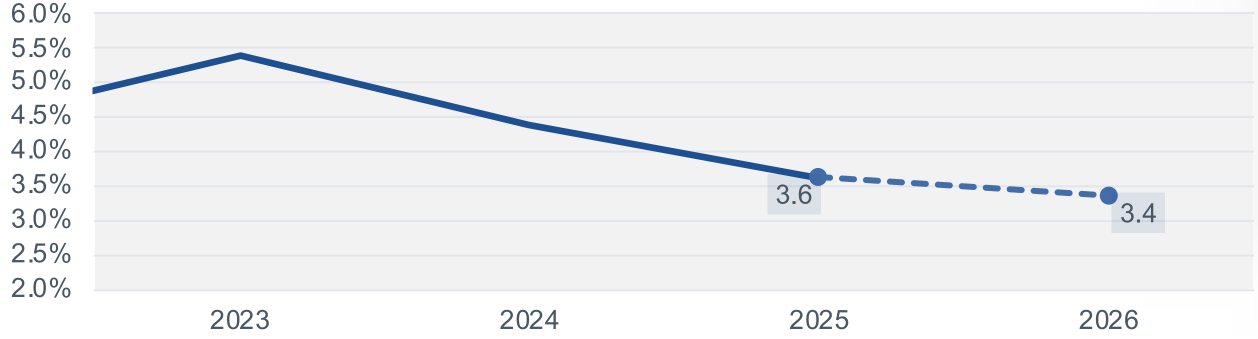
***Underemployment measures individuals who are unwillingly working part-time or in low-skill roles due to limited full-time or skill-appropriate job opportunties.[1]*

Sources: Federal Reserve — Summary of Economic Projections, Bureau of Labor Statistics (Unemployment data for October was not reported by the BLS due to the shutdown) and Experian Economic Strategy Group.

US Treasury Security at 10-Year constant maturity
daily market yield quotes on an investment basis



FOMC officials' projection: Q4 federal funds rate midpoint



Sources: Federal Reserve Bank of San Francisco and Experian Economic Strategy Group.

Observation:

One of the key factors influencing the 10-year Treasury yield is the federal funds rate, which directly affects borrowing costs across the economy. At the Federal Open Market Committee meeting on Dec. 10, 2025, the Federal Reserve implemented a 25-basis point rate cut. Despite this reduction, the longer-term interest rates remain elevated. Ongoing concerns about the longer-term economic impact of tariffs have led to a more cautious policy outlook, with the Fed signaling only one additional 25-basis point cut in 2026. **As a result, the effective federal funds rate remains relatively high, hovering around 3.64%**.

Strategic consideration

The current picture shows promise from a growth perspective, tempered by modestly elevated inflation and signs of a softening labor market. While these conditions warrant caution for certain segments of the population, they also present opportunities for measured origination growth across others.

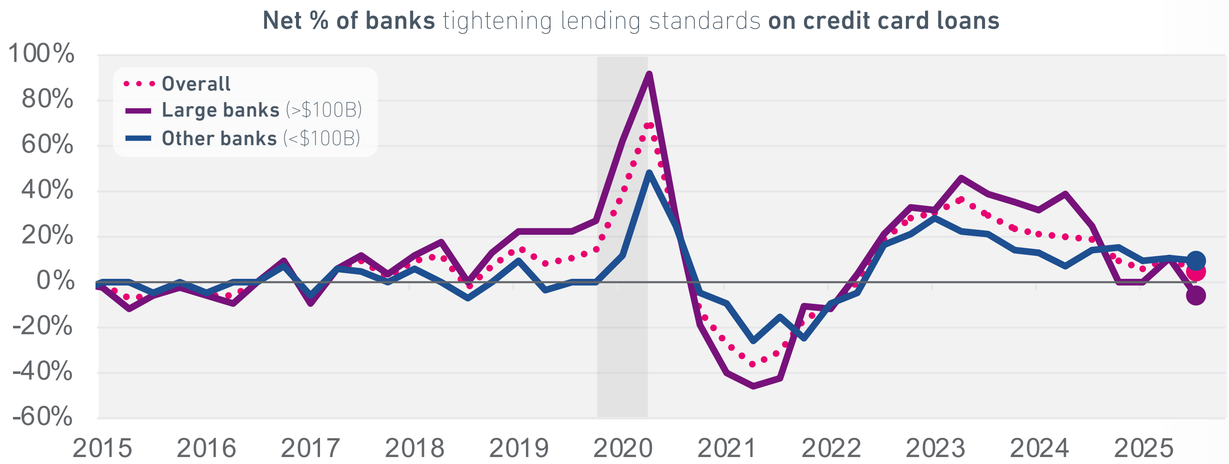
In last year's report, lenders were operating in a holding pattern, with significant uncertainty across multiple risk factors. At the time, the recommendation was to look inward to strengthen existing account management practices and portfolio strategies.

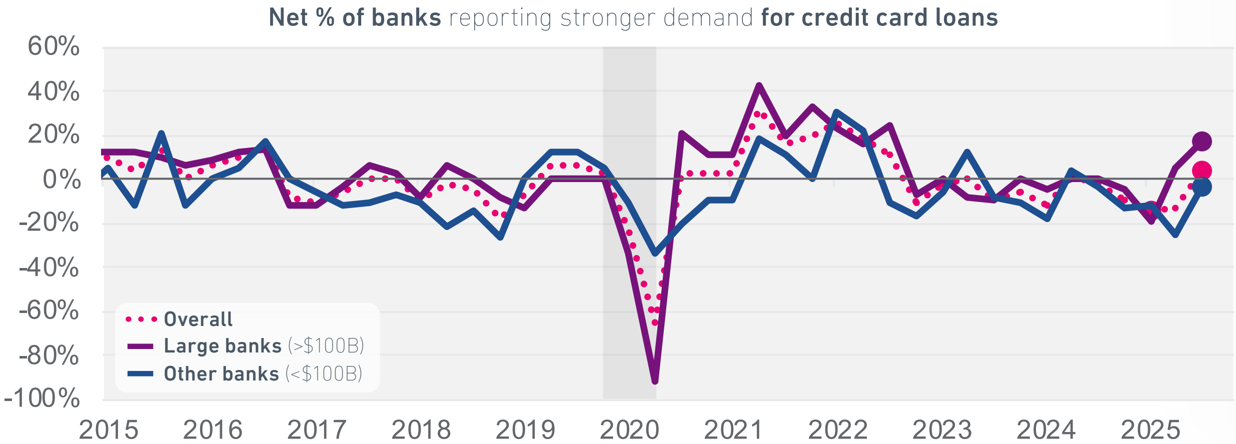
This year's report takes a deeper dive into the makeup of the consumer credit card universe. More specifically, it examines the extent to which business accounts reside within consumer portfolios and highlights the risks and considerations that arise from this subsegment.

Credit card trends

Origination momentum, market shifts and asset quality

Credit card activity accelerated in 2025 as easing underwriting standards, rising consumer demand and increased lender outreach supported origination growth. Concurrently, shifts in lender mix, risk-tier growth and rising delinquency rates signal the need for heightened attention to asset quality.





Observation:

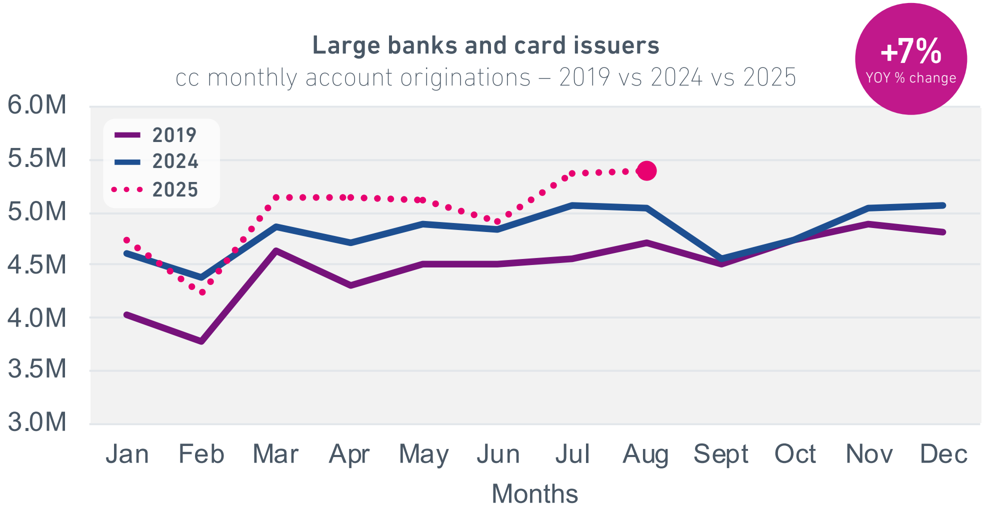
Large banks loosened credit card underwriting standards for the first time in three years in Q3 2025. At the same time, **they reported a notable increase in demand for credit cards**, driven by both the easing of standards and an uptick in outbound solicitations. Reflecting this momentum, YOY originations rose for the fourth consecutive month on a three-month moving-average basis, **reaching a 17% increase in Q3 2025**.

Sources: Federal Reserve Senior Loan Officer Survey and Experian Economic Strategy Group.

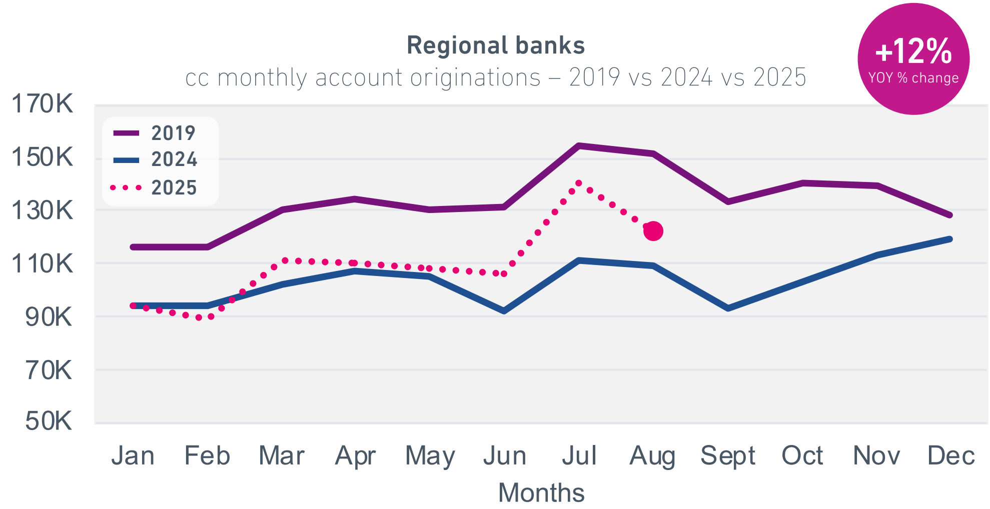
Observation:

Fintechs continue to gain share in the credit card market, posting a 71% YOY increase in account originations. All lender groups except credit unions are seeing modest upward trends. These patterns are consistent with recent shifts in lending standards, rising consumer demand and the broader macroeconomic conditions discussed.

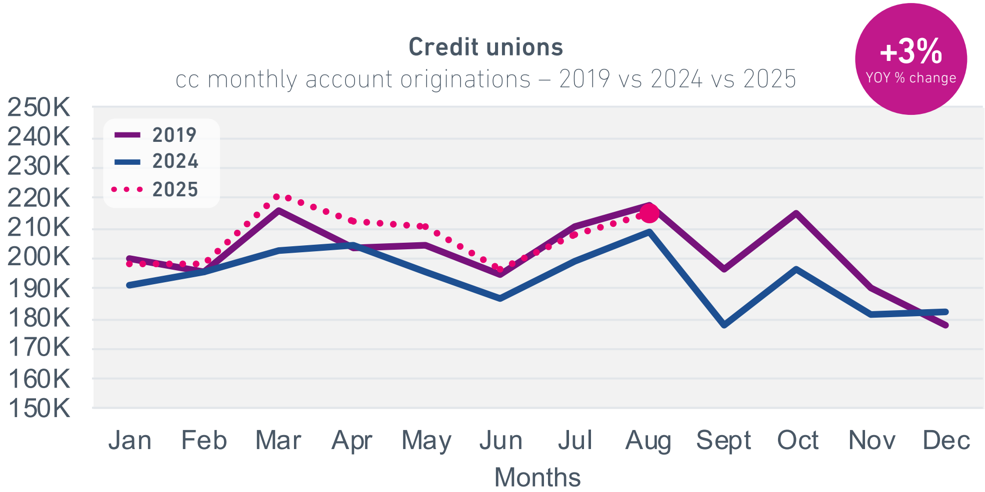
Large banks and card issuers
cc monthly account originations – 2019 vs 2024 vs 2025



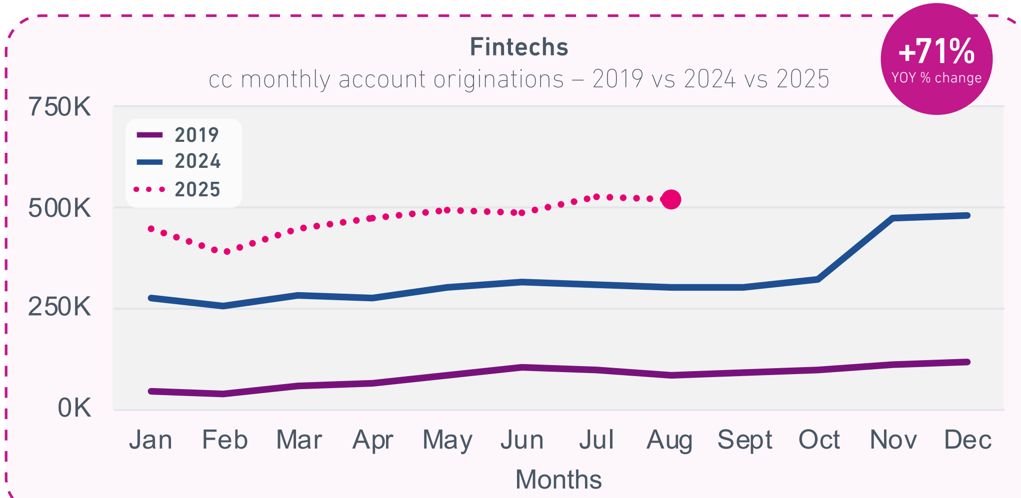
Regional banks
cc monthly account originations – 2019 vs 2024 vs 2025



Credit unions
cc monthly account originations – 2019 vs 2024 vs 2025



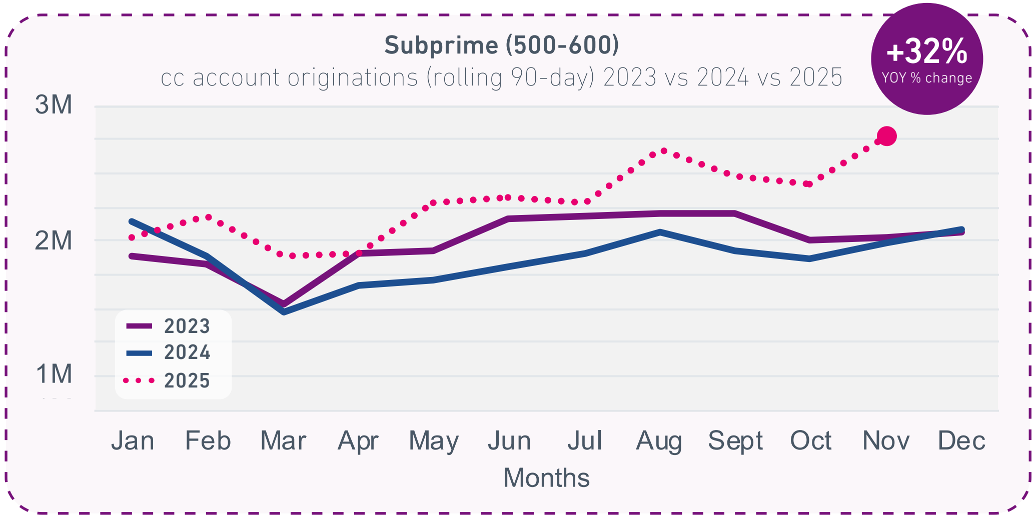
Fintechs
cc monthly account originations – 2019 vs 2024 vs 2025

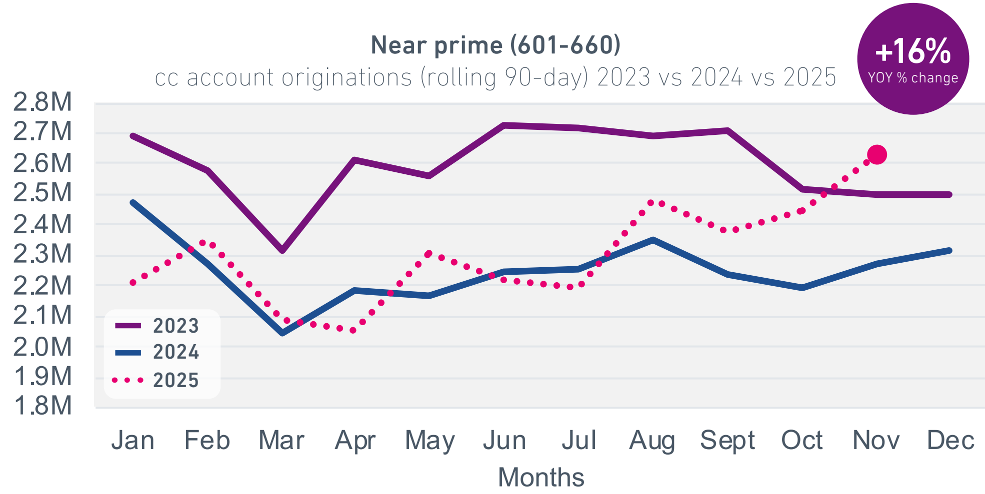


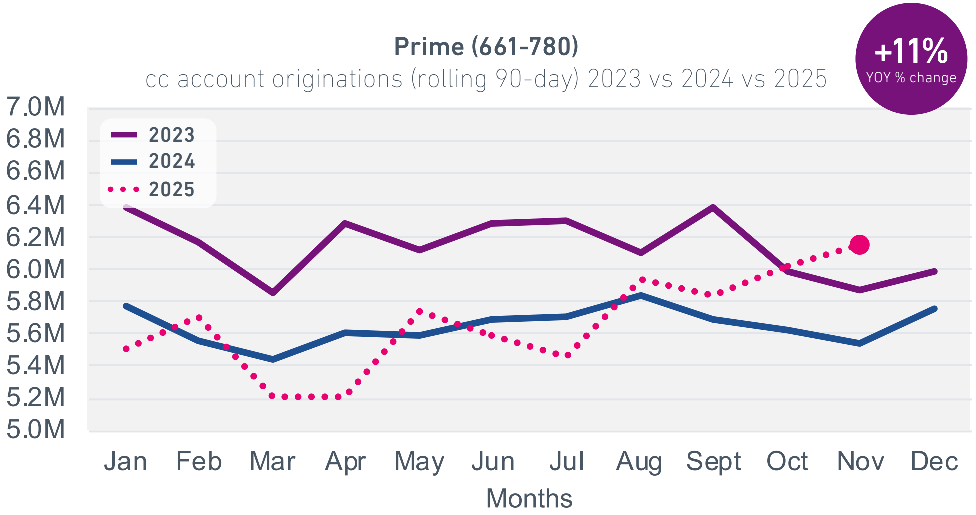
Sources: Experian Sandbox — Credit Trends Dashboard (data through August 2025. Note: Data beyond June 2025 is preliminary) and Experian Economic Strategy Group.

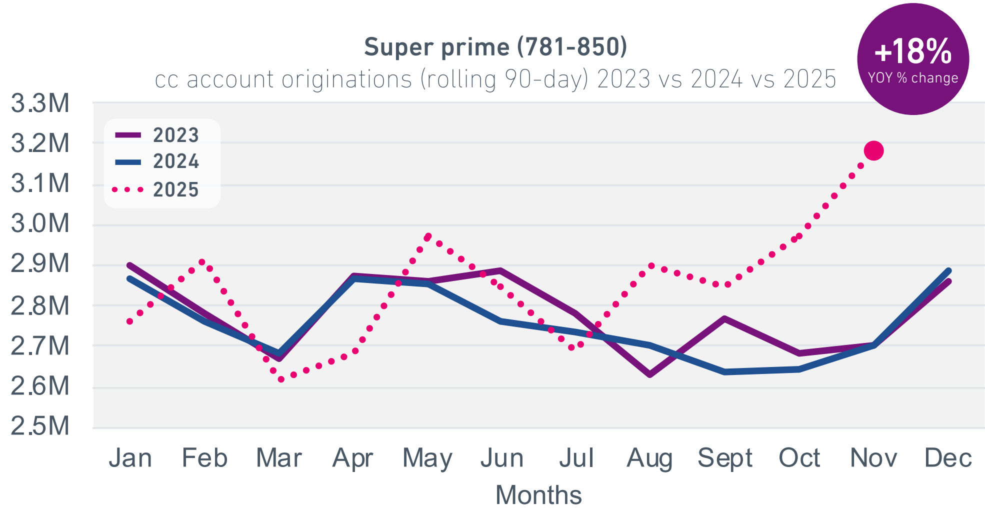
Observation:

When examining originations by risk tier on a three-month moving-average basis, **growth is evident across segments, with subprime leading the increase** and super prime having the second-highest YOY growth rate.

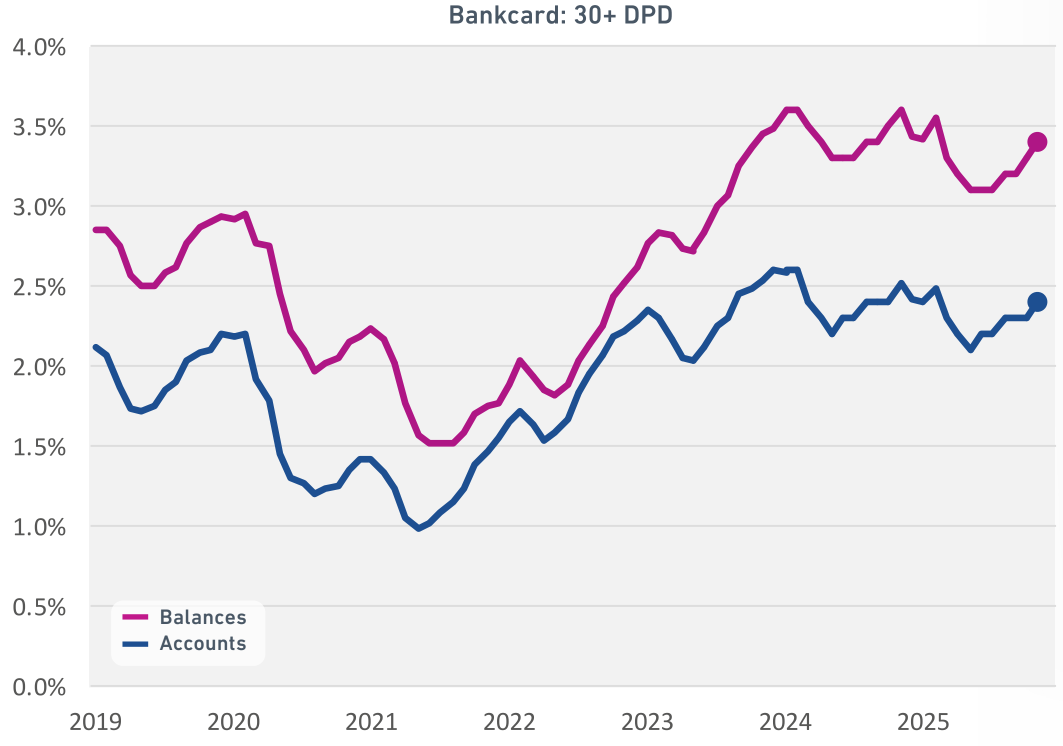








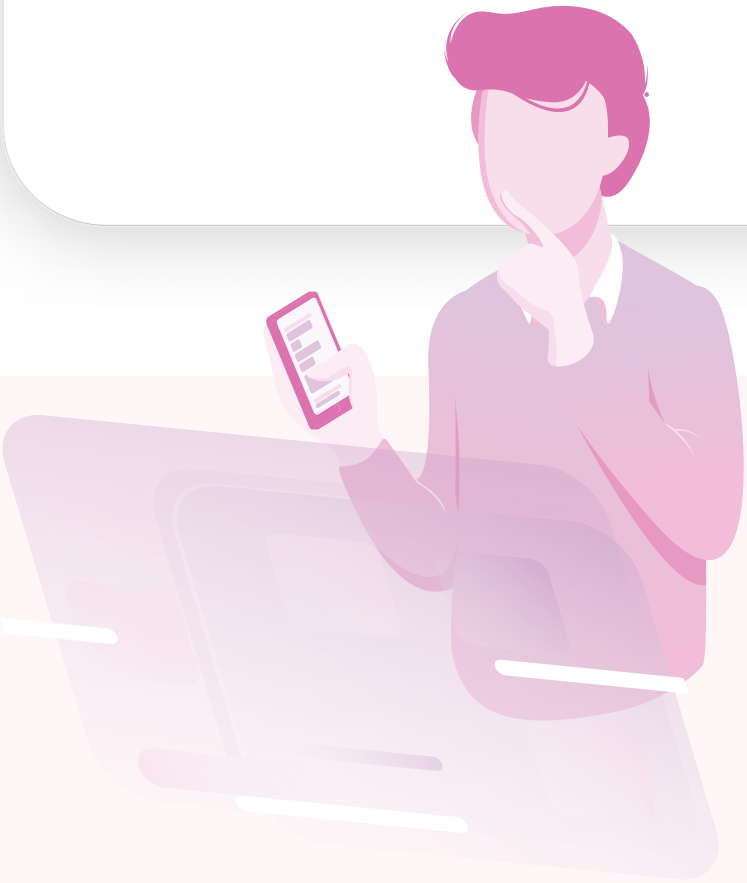
Sources: Experian Sandbox — Ascend Market Insights Dashboard (data through November 2025) and Experian Economic Strategy Group.



Sources: Experian Ascend Market Insights Dashboard (data through November 2025) and Experian Economic Strategy Group.

Observation:

Card delinquency has been gradually rising since the summer, both in terms of account volume and dollar balances. With persisting inflation and a weakening labor market, maintaining a strong focus on asset quality has become a priority for portfolio managers. Notably, **the 30-plus-day delinquency rates are running higher than pre-pandemic levels**. As originations and delinquencies continue to rise, portfolio growth may be masking a broader reduction in long-term asset quality, one that would become more apparent as originations level off or begin to decline.



Strategic consideration

Considering both macroeconomic and credit-specific indicators, maintaining disciplined and precise portfolio management practices is critical to preserving long-term asset quality. The following section focuses on the composition of consumer credit card portfolios, a segment that's often overlooked. The analysis examines the risks and opportunities associated with managing two distinct cardholder types — consumer and business — within a portfolio.

Consumer credit card portfolio composition

Business accounts masked in the consumer credit card universe

Identifying business accounts masked in the consumer credit card universe helps lenders uncover hidden risk and untapped revenue opportunities. Experian's datasets and bureau structure enable the comparison of individuals with an associated business presence in the Business Credit Bureau to their credit card activity within the Consumer Credit Bureau. Specifically, individuals who (1) have a business reported in the Business Credit Bureau, (2) don't hold a business credit card but (3) hold a consumer credit card that may be used to support business-related activities.

Evidence of this behavior is reflected in the similarities between these consumers and known business credit cardholders, as well as the differences when compared to traditional consumer-only cardholders. **The focus of the following analysis is to identify consumer credit cards that are being used for business purposes. For the purposes of this report, this segment is referred to as the "target group."**

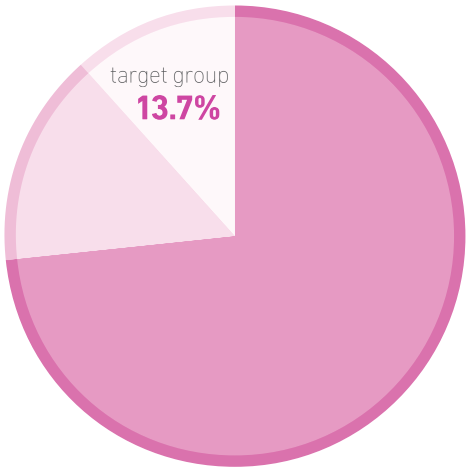
The target group is booked with financial institutions under the assumption of typical consumer behavior. However, indicators associated with business ownership suggest this group may present distinct risk characteristics. As a result, consumer underwriting, pricing and account management criteria are applied to a segment of the portfolio that exhibits alternative risk dynamics.

To establish context, the table below segments the consumer credit card universe into three distinct groups. For perspective, the total outstanding balance of the business credit card universe was $126.1 billion as of August 2025[2]:

Makeup of consumer credit card universe

balances as of August 2025, secured & unsecured open accounts

Consumer card in Consumer Credit Bureau **$1,299 billion**	Has business and business card in Consumer Credit Bureau **$248 billion**	Has business and only a consumer card (target group) **$195billion**



Observation:

The target group represents approximately 13.7% of the consumer credit card universe and is more than 50% larger than the business credit card universe.[3] Without processes in place to identify and segment this group, **lenders risk overlooking a material portion of their consumer portfolios** — one that has distinct risk profiles and customer needs.

Source: Experian Consumer Credit Bureau and Business Bureau.

Topline differences between consumer and business credit cards

Personal	Business
CARD Act (Credit Card Accountability Responsibility and Disclosure Act)	CARD Act partially
Rate and fee protections	Sudden rate and fee changes
Person-based risk assessment	Personal and business risk assessment
Focused single-person fraud	Expanded multi-profile fraud
Personal choice revolving vs transacting	Business transaction-based
Direct liability	Personal liability

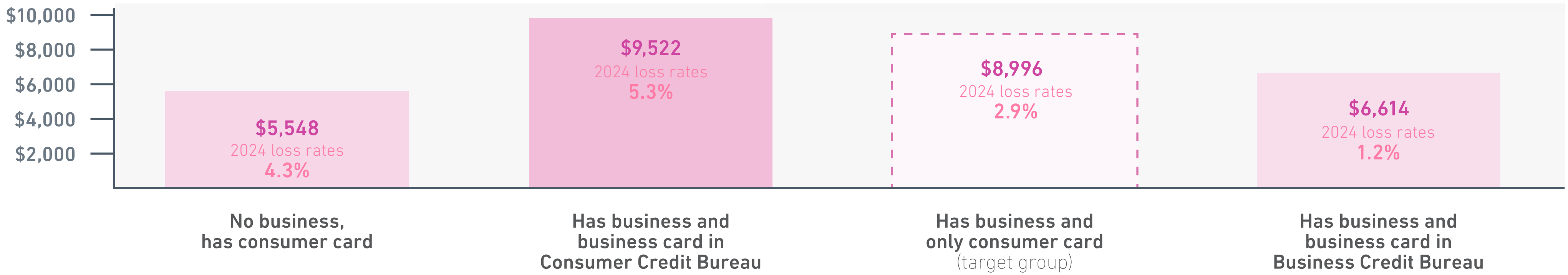
Observation:

When customers in the target group unknowingly select consumer credit cards for business use, there's a risk that they're not choosing products with features best suited to their needs. Structural differences between consumer and business card offerings — such as rewards, expense management tools and controls — can result in suboptimal value for both the customer and the lender.

From a portfolio perspective, profit-and-loss dynamics may not be fully optimized. Additionally, within existing constraints on pricing, fees and credit limits, account management strategies – such as credit line management and collections — are typically designed around consumer behavior patterns. Applying these strategies to consumer cards used for business purposes can introduce unmanaged risk at levels that may exceed an institution's risk tolerance.

Metric-based differences between consumer and business cards

Average credit line and loss rate by consumer and business segments | Jun-Aug 2025



Observation:

The average credit line of business accounts appearing in the Consumer Bureau (second bar) closely resembles that of the Business Credit Bureau (fourth bar). The target group (third bar) exhibits a higher average credit line, consistent with the segments that include business credit cards.

Additionally, The target group's loss rate is closer to that of accounts with both a business and a business credit card in the Business Credit Bureau. There are multiple factors driving the differences across the accounts' lifecycles, highlighting both risk and opportunity. Consumer underwriting and account management strategies applied to the target group contribute to a larger denominator, lowering loss rates relative to the broader consumer population. At the same time, higher credit lines drive up loss severity, as reflected in higher average charge-off balances.

Source: Experian Consumer Credit Bureau and Business Bureau

Strategic consideration

This high-level view demonstrates Experian's ability to identify business owners within consumer credit card portfolios. Based on these insights, lenders are encouraged to take a deeper dive into their consumer books of business to determine what portion is made up of business accounts, compare performance metrics across segments and develop tailored strategies and product features that better align with customer needs.

Conclusion

As lenders navigate a credit environment shaped by moderating growth, elevated risk signals and renewed origination activity, disciplined portfolio management remains essential. While easing uncertainty and improving demand are supporting credit card growth, rising delinquency and shifting borrower behavior underscore the importance of maintaining a clear view of underlying asset quality.

Experian's data, analytics and decisioning capabilities enable lenders to apply more precise segmentation and align underwriting and account management strategies with actual consumer behavior. By leveraging these insights, lenders can strengthen risk oversight, uncover new growth opportunities and support more sustainable portfolio performance as the credit card market evolves.

To learn more about how Experian's tools, such as the Consumer-to-Bureau Linkage Service and Blended Score, can help you identify hidden risk, refine portfolio strategies and drive confident credit decisions, contact us today.