

Issue 03 | 2026 |
New Zealand

NZCFI
New Zealand Credit
& Finance Institute

THE **CREDIT** *BALANCING ACT*

Built for a resilient industry.

*Where household recovery meets
business pressure.*

NZCFI MAGAZINE

Economic outlook • AI foundations • Trade credit risk • Professional standards

INSIGHT, STANDARDS & RESILIENCE FOR 2026.

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Welcome Message

Dear Members,

Welcome to the third issue of the NZCFI Magazine. As Vice President, it's a pleasure to introduce another edition that captures more valuable and interesting insights for our credit profession.

A big theme this issue is households finding slow recoveries, whereas businesses remain under serious strain. That contrast runs through the whole issue. Monika Lacey opens with Centrix's latest read on the credit cycle, with household arrears still well below last year set against rising company liquidations and continued pressure in construction, hospitality and retail. Shayle Fleming of NCI follows with a practical look at why most bad debts are visible long before they land, and the signals worth watching in your own ledger.

Matthew Shand examines AI in finance and reminds us that the value is visible when AI sits inside governed processes, with clean data and clear accountability behind it. Debbie Tuck of Huntress reads the hiring market as cautious rather than closed, with employers slower to commit and keener to develop the people they already have.

Cheryl O'Brien, our Board Member, writes on why professional bodies matter and what NZCFI's transformation means for members. We also profile Michelle Herlihy, CEO of Speirs Finance Group, in our Women in Finance spotlight, and look back on our website launch event reconnecting the community at Bell Gully in July.



Joshua Wong

Vice President, NZCFI

Thank you for being part of NZCFI. Whether you read this issue cover to cover or turn straight to the piece that speaks to your work, I hope you take something useful from it.

Household repayment performance improves as *business conditions remain under pressure*

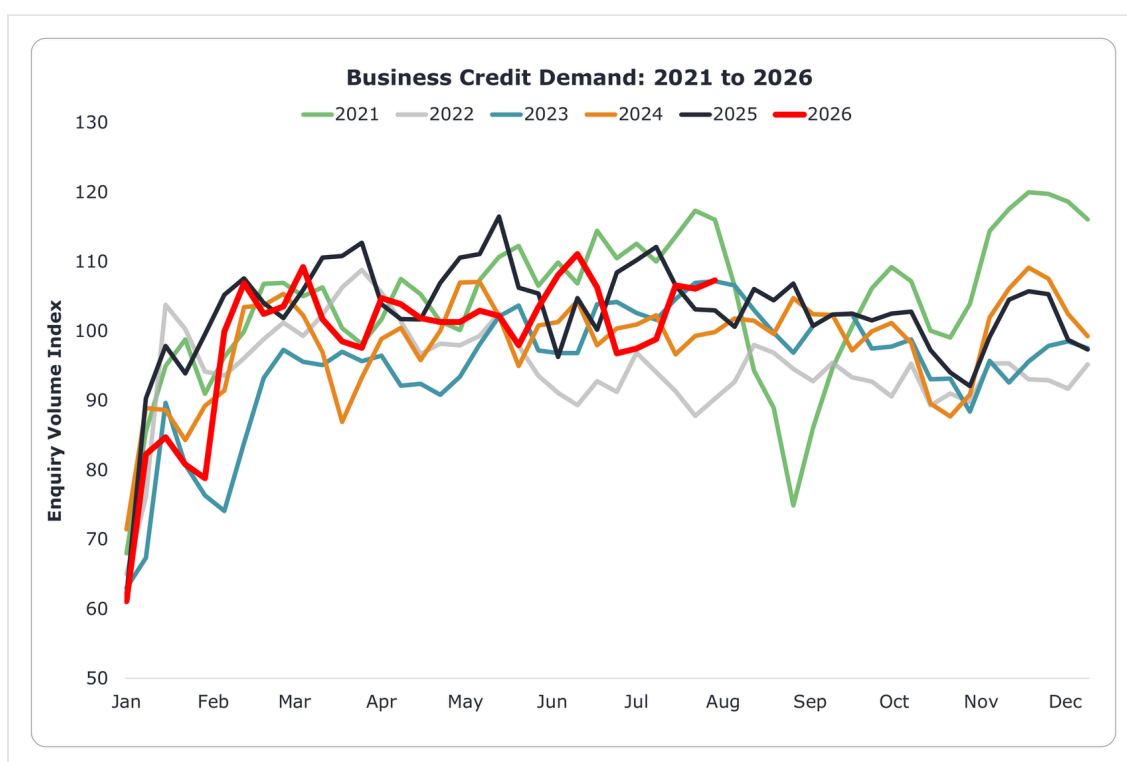


August 2026 | by Monika Lacey, Chief Operating Officer, Centrix

New Zealand's credit conditions continue through the third quarter of 2026 with improving household repayment performance set against continued strain across parts of the business sector.

Business credit demand was down 0.8% year-on-year, although activity remained broadly consistent with longer-term trends. Persistently high input costs, tight margins and subdued discretionary spending continue to weigh on borrowing appetite across much of the economy.

Hospitality and agriculture remained notable exceptions. Agriculture credit demand rose 14% year-on-year, while hospitality increased 9%, continuing the stronger demand recorded in both sectors during the quarter.



Business Credit Demand: 2021–2026 (Enquiry Volume Index)

There are also signs of selective strength among businesses currently seeking credit.

The average credit score for new business applicants reached 741 in July, three points higher than a year earlier, while business credit defaults declined 12% year-on-year.

	Sector	Credit Demand	Credit Defaults	Avg Credit Score	Company Liquidations	Liquidation Rating
	Construction	-6%	-17%	755 ↑	+0%	2.2X
	Hospitality	+9%	+1%	727 ↑	+42%	3.3X
	Retail Trade	-5%	-17%	761 ↑	+50%	1.4X
	Transport	-7%	-3%	727 ↑	-4%	2.1X
	Property / Rental	-1%	+5%	805 ↑	+19%	0.8X
	Manufacturing	-3%	-27%	780 ↑	+0%	1.5X
	Agriculture	+14%	-29%	791 ↔	+4%	0.6X
	All Sectors	-1%	-12%	783 ↑	+14%	1.0X

Table above shows 'Year-on-year' comparisons using 12-month rolling averages (3 months for credit demand)
The Liquidation rating is the proportion of liquidations divided by the proportion of businesses in a given sector.

Credit demand, defaults, average credit score and liquidation trends by sector

Despite these pockets of resilience, company liquidations remain a persistent source of pressure. Annual liquidations increased 14% year-on-year to 3,092 by July.

Construction remained the largest contributor, with 764 firms (0.09% of the sector) entering liquidation during the past year, although the annual trend is now broadly unchanged from a year ago. Hospitality liquidations rose 42% to 422 (1.3% of the sector), while retail trade liquidations increased 50% to 239 (0.6% of the sector).

Hospitality remains one of the most vulnerable business sectors

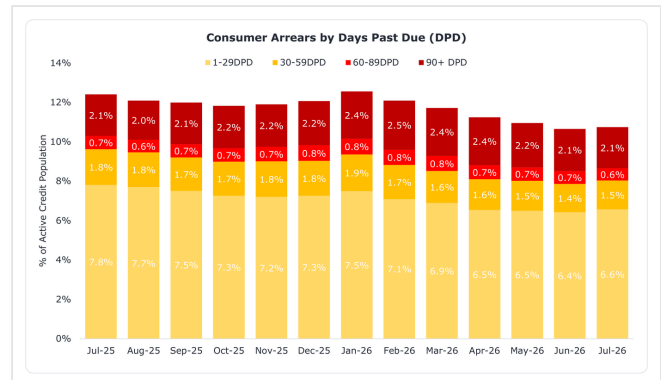
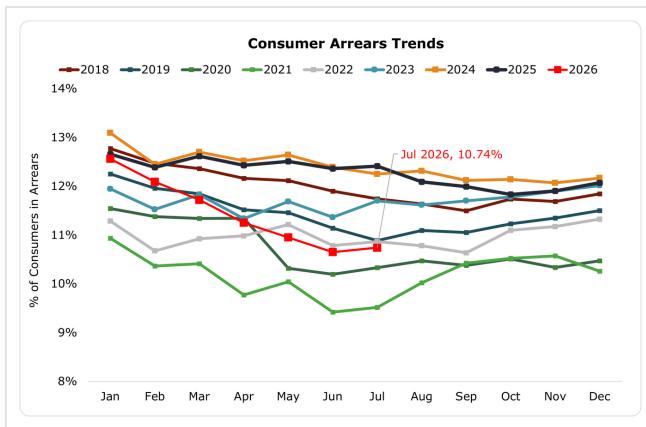
Hospitality continues to face elevated insolvency pressure, with its liquidation rate sitting 3.3 times that of the average New Zealand business.

During the past 12 months, 422 hospitality companies entered liquidation, up from 297 a year earlier. More than 2,900 hospitality businesses also ceased trading during the period, an increase of 38%.

Restaurants and takeaway operators remain among the most affected. Restaurant liquidations increased 43% year-on-year, takeaway food service liquidations rose 143%, and café liquidations increased 27%.

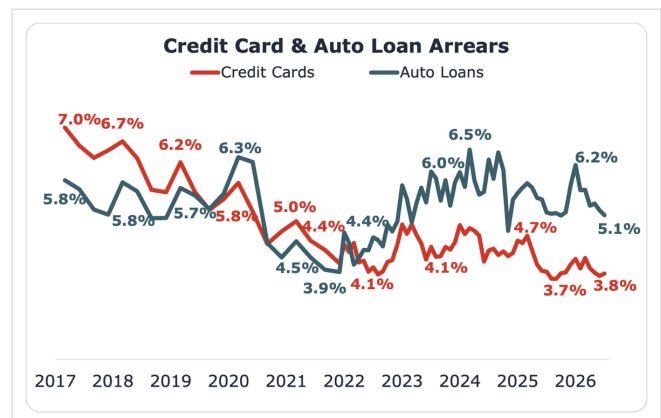
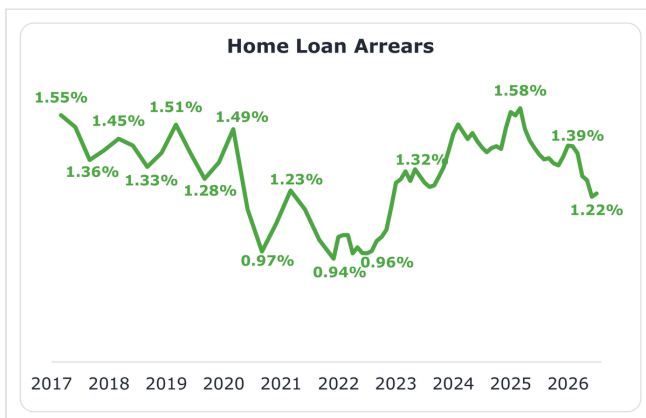
Household arrears remain well below last year despite July increase

Consumer arrears edged higher during July to 10.74%, up from 10.65% in June, with the number of consumers behind on payments increasing to 424,000, still 13.4% lower than a year ago.



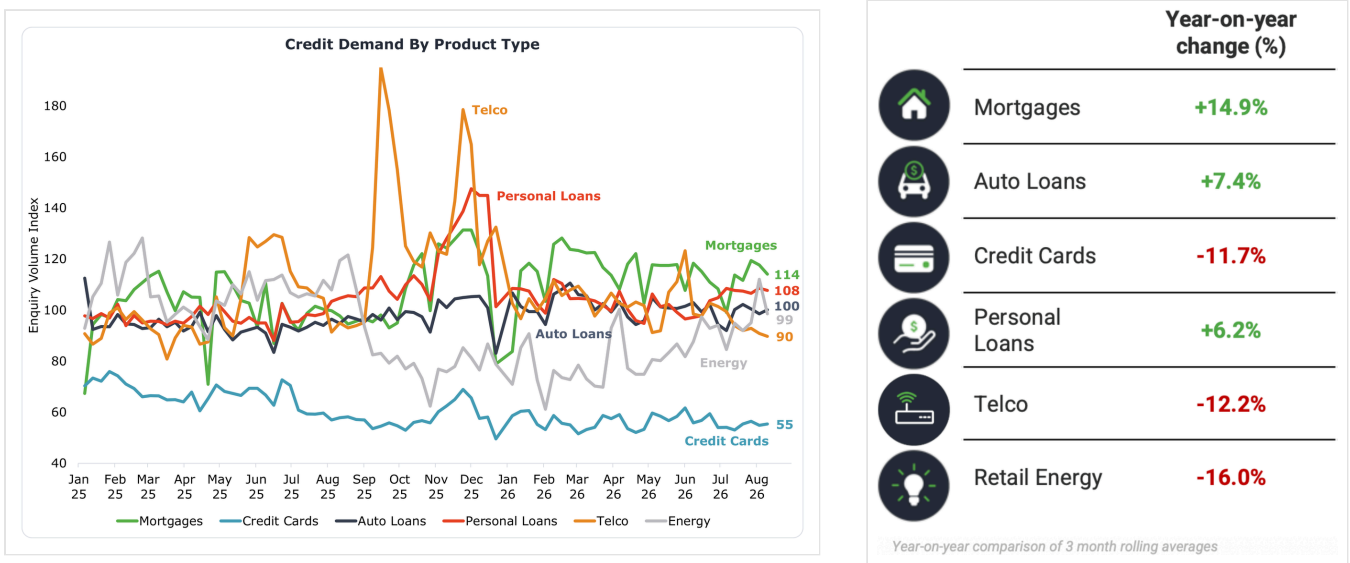
Consumer Arrears Trends, including by days past due

Mortgage arrears edged higher in step, with 19,900 accounts now past due (12% below the level recorded a year ago). Deeper arrears continued to ease, with 82,000 consumers remaining 90 or more days past due, though renters continued to make up a disproportionate share, accounting for approximately 69,000 of these cases.



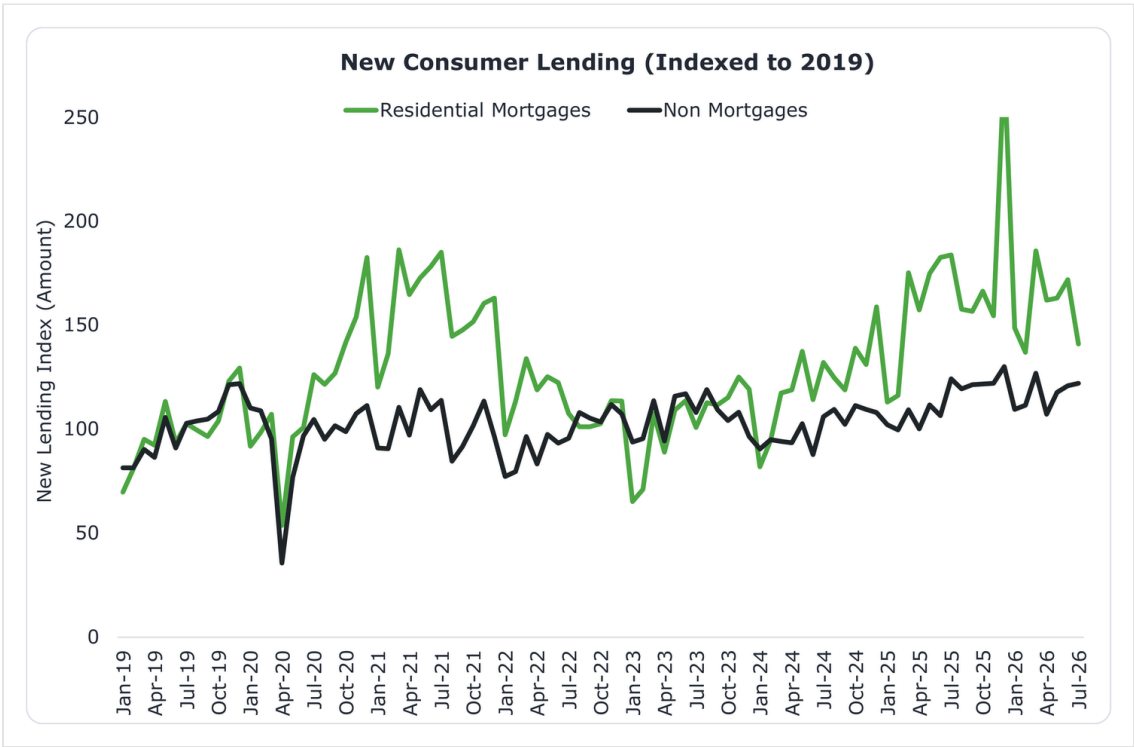
Home Loan Arrears (left) and Credit Card & Auto Loan Arrears (right)

Consumer credit demand, however, remained subdued, down 7.3% year on year, as households stayed cautious about taking on new debt despite the improving repayment picture. Demand held up best in larger, purpose-driven categories (mortgage enquiries rose 14.9%, auto loans 7.4% and personal loans 6.2%), while appetite for credit cards, telco and retail energy credit fell sharply.



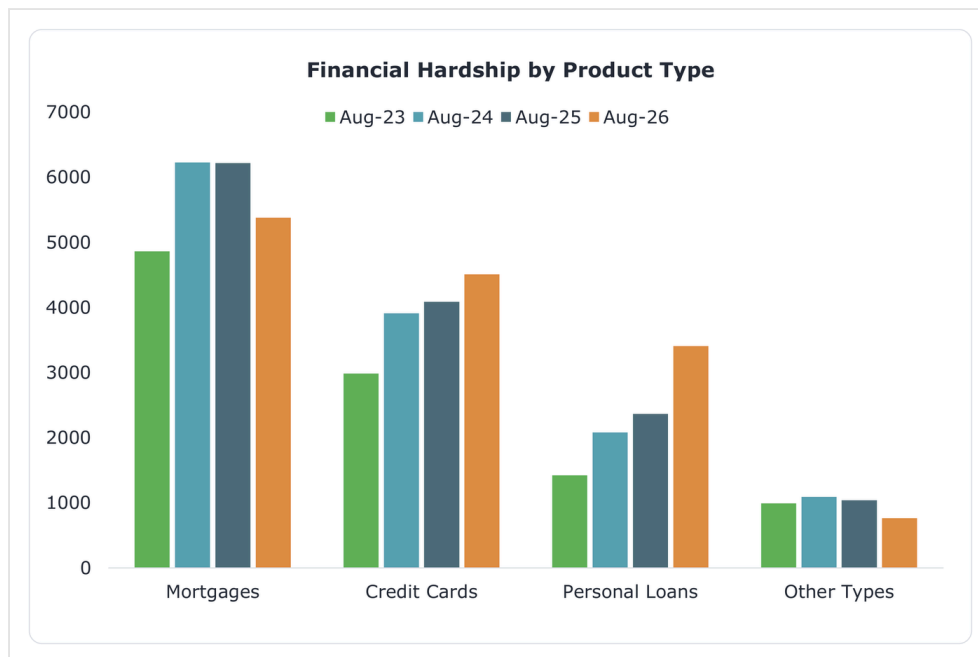
New household lending slowed further.

Mortgage lending was down 11.6% year on year in the July quarter, while non-mortgage lending rose 4.9% on the back of secured vehicle lending. Overall, new household lending was 10.5% lower than the same period last year.



New Consumer Lending (Indexed to 2019). Residential mortgage lending shows record refinancing activity in recent quarters.

Financial hardship ticked up slightly, with 14,000 accounts recorded in July, up 450 from June but still 1.3% lower year on year. Mortgages are now the largest hardship category (38% of cases), followed by credit cards (32%), while personal loan hardship remains the clearest pressure point, up 44% year on year and now representing 24% of all cases, concentrated among 35–39 year olds.



Financial Hardship by Product Type

A recovery still finding its balance

Taken together, the quarter points to a gradual improvement in household credit performance alongside ongoing softness in parts of the business sector. Households appear to be regaining some ground, although interest rate movements and inflation trends suggest the outlook for the second half of the year remains somewhat mixed.

For businesses, particularly in hospitality, construction and retail, conditions remain the more exposed side of the picture.

As New Zealand moves through the second half of 2026, disciplined credit management and early engagement will remain essential for households and businesses navigating a recovery that is improving but continues to be inconsistent.



About the Author

Monika Lacey is Chief Operating Officer at **Centrix**, New Zealand's credit bureau. Centrix provides credit risk insights, monitoring and data solutions that help New Zealand businesses make better, faster credit decisions.

centrix.co.nz

Your next bad debt is *already in your ledger*



Bad debt is rarely bad luck. It is almost always a signal someone missed, or dismissed.

By Shayle Fleming, Head of Sales – NZ, National Credit Insurance (NCI) New Zealand

Most bad debts arrive as a surprise. They should not. A debtor does not fail overnight. Pressure builds for months before the first payment is missed, and by the time an administrator calls, the warning signs have usually been sitting in your own system for some time.

The trading environment has made that more likely. Company liquidations in New Zealand rose from 1,379 in 2021 to 2,867 in 2025, an increase of 108% in four years, on Companies Office register data. Hospitality, retail and construction have felt it hardest. Hospitality liquidations are up 50% and retail trade up 34% across 2025, while construction produced the largest number of failures at 751. Insolvency numbers lag and the stress can be long-term, so the failures recorded this quarter began long before it.

The credit decision you made 12 months ago rested on information that is now 12 months old.

The uncomfortable part is that risk does not stand still. A business that passed your checks at onboarding may be in serious difficulty today. Most businesses apply their credit policy at the start of a relationship and then leave it there, while the risk keeps changing long after the account opens.

The signals are already in your data

A debtor who consistently paid on day 28 now pays on day 52. Orders spike unexpectedly, then go overdue. Invoice queries and disputes increase. Requests arrive to extend terms or lift limits. Payments come through in parts rather than in full. Individually, each has an explanation, but together they tell a story.

There is more information available outside your ledger than most credit managers use. The Companies Office register shows director changes and resignations. You can search judgments and court actions publicly, and a pattern of them is a serious red flag. None of this costs much to check. Not checking costs considerably more.

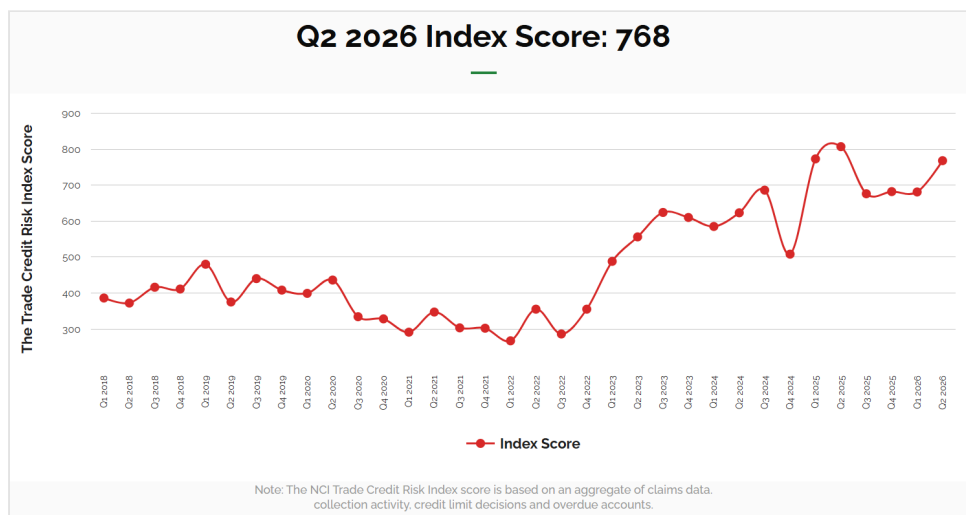
Of course, for many businesses this can be time consuming, but a third-party provider like NCI can do this on your behalf, alerting you to any changes that may impact one of your customers' ability to pay.

What good practice looks like

Review credit limits annually for every debtor, and quarterly for your largest 20. Monitor behaviour, not only financials. Track which sectors are under stress and adjust limits accordingly. Agree in advance who acts when an account reaches 60 days, and look at the whole book, not one account at a time, because concentration is where a bad debt becomes a crisis.

The ultimate protection

If all else fails, Trade Credit Insurance is the ultimate solution to prevent your business being impacted by a bad debt. In most scenarios, a policy will ensure you receive 90% of your debt back as cash, securing your cashflow, future growth plans and your peace of mind. Our most recent Trade Credit Risk Index shows that risk is high, and now is the time to ensure you're protected.



NCI Trade Credit Risk Index, Q2 2026 Index Score: 768

Look at your ledger this week with fresh eyes. The next loss is probably already on it.

About the Author



Shayle Fleming is Head of Sales – NZ at **National Credit Insurance (NCI) New Zealand**. NCI provides trade credit insurance, credit risk monitoring and debtor management solutions that protect New Zealand businesses against bad debt.

ncinz.co.nz

AI in Finance: *Intelligence Needs Infrastructure*

By Matthew Shand

AI is no longer hovering at the edge of financial services. It is already reshaping how banks, lenders and fintechs operate across New Zealand, Australia and South-East Asia. Institutions are under pressure to automate faster, launch products sooner, understand customers more deeply and grow without continually adding people. AI promises sharper insight, lower costs, faster innovation and near-instant decisions.

But AI alone is not a strategy.

In regulated finance, speed without structure creates risk at machine pace. The organisations that succeed will not simply bolt experimental tools onto fragile processes or trust poor data to produce reliable decisions. They will embed AI within proven operational platforms where data, policy, workflow, compliance, auditability and human accountability already exist.

Adoption is already widespread. A 2024 Bank of England and Financial Conduct Authority survey found that 75% of financial services firms were using AI, with another 10% planning to adopt it within three years. The attraction is clear: AI can remove manual friction, improve risk detection, personalise engagement and extract more value from existing information.

The danger is that AI amplifies whatever it is given. Incomplete applications, inconsistent records, stale bureau data and fragmented systems can quickly become fuel for poor recommendations. A sophisticated model cannot compensate for weak foundations. If the data is unreliable, AI simply helps an organisation make bad decisions faster.

Governance is equally critical. A model may perform well in a demonstration but fail quietly in production, where it must handle fraud attempts, policy exceptions, customer disputes, changing risk appetites and regulatory obligations. AI-generated software also creates problems when provenance, testing, security, documentation, change control and ownership are unclear. In finance, "it works" is not enough. Institutions must know what a system does, why it does it, who approved it and how it can be controlled.

"The model said no" is not a credit policy; it is a liability.

Ill-governed black-box decisioning is particularly dangerous in credit. When a customer is declined, the lender must be able to explain why.

Third-party concentration adds further risk. Many AI strategies depend heavily on a small group of cloud, model and data providers. That can introduce service disruption, cyber exposure, data leakage, model drift and unexpected automation. The more central AI becomes, the stronger the controls must be.

The better model has AI operating inside governed financial infrastructure rather than sitting above the business. AI can triage applications, extract document data, summarise risk signals, identify anomalies and recommend next actions. But the underlying process must still provide validated data, clear policies, approval authorities, audit trails and visible accountability.

Three questions for finance leaders

Finance leaders should therefore begin with three questions: What decision are we improving? Is the supporting data trustworthy? How will the outcome be explained and audited?

The prize is not automation for its own sake. It is better decisions, supported by cleaner data, stronger controls and accountable people.

AI will reshape finance, but not by replacing operational discipline. Its real value will emerge when it makes trusted platforms faster, clearer and more responsive.

A sophisticated model cannot compensate for weak foundations.

About the Author



Matthew Shand is Senior Account Executive at **Credisense**. He has several years' experience as an account manager across a range of industries, including Spicers NZ, Equifax and now Credisense. He works with customers to simplify digital customer onboarding, and advises on cutting operational costs while keeping the customer experience strong across every sector.

credisense.co.nz

A More Cautious Market: What Employers Are Really Seeing

Huntress
RECRUITMENT

By Debbie Tuck, Founding Director – Huntress Recruitment

New Zealand's employment market is moving forward, but with real caution.

While the headline numbers still point to a relatively steady labour market, the mood among many employers has changed. Hiring has not stopped, but it has become slower, more thoughtful and more focused on roles that are genuinely needed.

For many businesses, this feels less like a dramatic downturn and more like a quiet slowdown. Employers are still recruiting, but they are taking more time to make decisions, looking more closely at what each role needs to deliver, and being more careful about who they bring into the business.

At Huntress, we are seeing this play out across the market. Clients are still coming to us with key roles, but the briefs are often more specific, and expectations around culture fit and long-term value are even sharper than before.

A softer market does not automatically mean great people are easy to find.

There may be more candidates available in some areas, but strong talent is still selective, and certain skill sets remain hard to secure.

Salary expectations are also starting to shift. Many businesses are holding firm on salary bands, while some candidates are becoming more open to flexibility as the market changes. This means both employers and job seekers need to be realistic, well prepared and clear about what matters most.

We are also seeing businesses become more inwardly focused, placing greater emphasis on developing the talent they already have. Training, upskilling and internal development are increasingly being prioritised, especially in areas like finance and technology.

Employers are hiring more slowly, and looking harder at every role.

Like many other sectors, the finance sector is evolving rapidly in the era of AI. Employers are requiring professionals to develop new technology capabilities to complement the traditional skills of commercial judgement, stakeholder management and critical thinking, the latter becoming more important than ever.

For employees and job seekers, the message is simple: keep learning.

Experience is still valuable, but so is adaptability. People who continue to build their skills, stay open to change and communicate well will be in a stronger position as the market continues to evolve.

For employers, this is a market that rewards clarity. Knowing what you need, what you can offer and where you can be flexible will make a real difference. A transparent, well-managed recruitment process is still one of the best ways to attract the right people.

Overall, the market is cautious, not closed.

Businesses are still hiring and people are still moving jobs. For employers, this is the time to hire and invest in existing teams, and to make decisions that support both today's needs and tomorrow's growth.

In a cautious market, the people who keep learning come out ahead.

About the Author



Debbie Tuck is Founding Director of **Huntress Recruitment**, specialists in recruiting finance, credit and commercial talent across New Zealand.

huntressrecruitment.co.nz

Why Professional Bodies Matter to the Credit & Finance Industry

By Cheryl O'Brien, NZCFI Board

I have spent much of my career working across the practical, commercial and people side of finance, payroll, credit management and debt recovery. I currently lead Australasian Payroll and Credit Management and Debt Recovery at Fletcher Building, and the job reminds me daily how much strong credit practices shape business performance, cash flow, customer relationships and risk.

Credit professionals sit right at the heart of business. They help enable sales, protect cash, manage risk, support customers and provide the information businesses need to make good decisions. That is why I care about the role professional bodies play in our industry. Organisations like CICM, AICM and NZCFI give credit and finance professionals something that is hard to build alone: connection with peers, shared standards, real development, and a voice for the profession.

A career in credit, payroll and leadership

Across finance, payroll and credit management, the common thread has been the same: accuracy, discipline, good systems, clear process and strong relationships. At Fletcher Building, I work alongside dedicated credit professionals who support a large and varied business, strengthening governance, building capability and improving systems while staying close to the business units and the wider Fletcher Building credit community.

One highlight for me was seeing the Fletcher Building Credit Management and Debt Recovery team named a top-five finalist in the AICM Credit Team of the Year Awards. It reflected the work of a small, committed team. It confirmed something I believe strongly: when credit teams invest in capability, systems and professional standards, they make a real difference to the business.

Professional bodies help credit practitioners deal with complexity, and create a community where people can test ideas, share experiences and learn from others who understand the job.

Why CICM, AICM and NZCFI matter

The Chartered Institute of Credit Management, the Australian Institute of Credit Management and the New Zealand Credit and Finance Institute all support the profession toward the same end: helping credit and finance professionals build skills, stay current, connect with peers and raise the standard of practice. That support is becoming more important, not less, as businesses deal with tighter cash flow, changing customer behaviour, insolvency risk, regulatory change and rising expectations around hardship, fairness, privacy and responsible decision making.

My involvement with NZCFI

I recently joined the NZCFI Board because I believe New Zealand needs a strong, modern and relevant professional body for credit and finance professionals. NZCFI has supported the industry for many years, and we are now in an exciting period of transformation.

That transformation means strengthening what we offer members, refreshing how we engage with them, improving access to resources, and building partnerships that create more chances to learn and connect. We have launched a refreshed NZCFI website, put more focus on corporate membership, run industry networking events, opened sponsorship conversations and worked more closely across the credit community. We are also exploring closer ties with AICM and CICM, so members can draw on broader knowledge, shared resources and trans-Tasman connections.



Cheryl O'Brien
NZCFI Board
nzcfi.org

Raising the profile of credit professionals

I would like to see more recognition for the value credit professionals bring. Good credit management is not just about collecting overdue accounts; it is about enabling sales, protecting working capital, spotting risk early, supporting customers through hard patches and giving leaders information they can trust. Professional bodies help tell that story. They lift the credibility of the profession and help people see credit management as a strategic function rather than an admin task.

Looking ahead

The future of credit and finance will require strong capability, good judgement, practical education and connected professionals. For NZCFI, the task now is to keep the momentum going: grow membership, strengthen partnerships, support professional development and build a stronger voice for credit and finance professionals across Aotearoa.

When credit teams invest in capability and standards, the whole business feels it.

Credit professionals do important work. Professional bodies help us do that work with more confidence and capability, and give us each other to lean on.

Women in Finance

1

Tell us about your role and what you enjoy most about working in financial services.

I'm the Chief Executive Officer of Speirs Finance Group. Founded in 1964 by Nelson Speirs, we are one of New Zealand's most established non-bank lenders, operating across specialist asset finance and fleet leasing. We run two brands: Speirs Finance for asset and equipment finance, and Yoogo Fleet for fleet leasing and management.

My role spans strategy, performance, capital management, and employee and customer engagement, but at its core it's about alignment. I often describe it as "80 percent people". What I value most about the sector is the tangible impact we have: we sit at the intersection of capital and real-world productivity, helping businesses navigate cycles and unlock opportunities.



Michelle Herlihy

**Chief Executive Officer
Speirs Finance Group**

speirsgroup.co.nz

2

What has been one of the most significant challenges of your career, and how did you navigate it?

Rather than a single event, the defining challenge has been leading through sustained uncertainty, from the GFC to COVID and ongoing economic volatility. Difficult periods often expose areas for improvement and, if you lean in, you can create opportunities. But to unlock them you have to be anchored in a clear strategy: answering the "why", and then focusing relentlessly on what's within your control.

3

What does supporting women in finance mean to you personally?

It starts with role modelling what is possible. Women can absolutely build both a successful career and a fulfilling personal life, but there's no perfect balance, and it's important to be honest about that. I also encourage women not to rule themselves out of opportunities. Flexibility needs to be embedded in culture, not positioned as a women's issue. At Speirs, we have as many young dads as mums needing flexibility; when that is normalised for everyone, it becomes a marker of good leadership and culture.

4**What advice would you give to women early in their credit or finance careers?**

Say yes to opportunities, even if you don't feel fully ready; growth comes from stepping outside your comfort zone. Build strong networks that provide support, perspective and advocacy; relationships remain critical, even in a technology-driven industry. And be kinder to yourself; confidence and capability develop over time, and mistakes are often where the greatest lessons are learnt.

5**What has been one of the most significant lessons you've learned in your career?**

The people who make the biggest impact are the ones who know how to get things done. I saw an interview Barack Obama did a few years back and he summed it up perfectly: his advice to young people was to "just learn how to get stuff done and be the person who says, let me take care of that." You would be surprised how this can shine a light on emerging talent, no matter what your role or where you sit in a business.

6**What's one thing you're excited about in the industry right now?**

The pace of innovation, and the growing role of non-bank lenders in supporting businesses. Technology is enabling smarter, more responsive solutions, but relationships remain critical. The opportunity lies in combining both: being relationship-led, backed by strong technology.

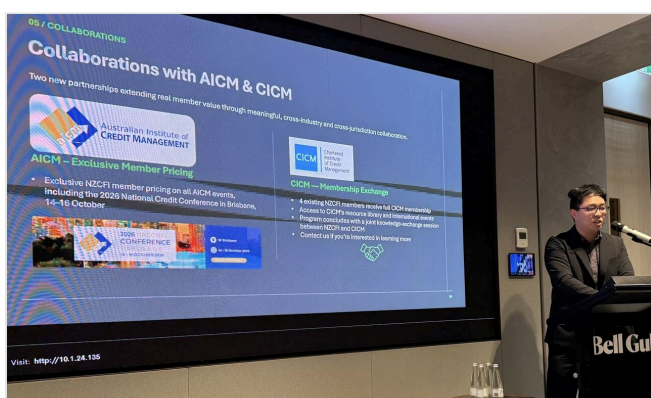
**Say yes to opportunities, even if you don't feel fully ready.
Growth comes from stepping outside your comfort zone.**

NZCFI Member & Community Update at Bell Gully

Reconnecting, learning and building the future

On 16 July, NZCFI members, sponsors and industry leaders gathered at Bell Gully in Auckland for the NZCFI Member and Community Update. Hosted by Bell Gully, the evening was a chance to reconnect the community, share what is happening across the industry, and show the progress behind NZCFI's transformation.

The room brought together over 50 credit, finance, lending, collections, insolvency and risk professionals from across New Zealand. A programme of short presentations was followed by networking over drinks and canapés. A highlight was Tim Fitzgerald of Bell Gully, whose practical guidance on managing insolvency and voidable transaction risks included clear advice on protecting creditor positions in a tighter trading environment.



NZCFI's new partnerships with AICM and CICM were a focus of the evening.



Members and guests at Bell Gully, Auckland, on 16 July.

Monika Lacey of Centrix followed with the latest credit market trends and economic indicators, giving members a clearer read on the pressures facing New Zealand businesses and consumers. The evening also included the launch of NZCFI's refreshed website and an update on the wider transformation programme: a first look at the new platform, better member resources, and more knowledge-sharing and professional development to come.

The Board announced new partnerships with AICM and CICM, opening up trans-Tasman and European resources and connections for members. The clearest signal on the night was the feedback from attendees, and the appetite for a strong professional body that backs credit professionals through education, advocacy, networking and shared expertise.

Nights like this show what NZCFI membership offers: a connected credit community that learns from and supports one another.

Upcoming Events

Professional development for the rest of 2026

NZCFI runs a regular programme of seminars and webinars for members across the credit and finance community. Here are three to have on your calendar before the end of the year.

SEP
08

Breakfast Seminar: What Actually Happens When Contractors Fail?

Tuesday 8 September, 7:00am–9:00am (breakfast from 7:30am) • Russell McVeagh, Level 15, 48 Shortland Street, Auckland



Alex MacDuff
Russell McVeagh



Stephen Keen
Teneo

When a construction or development firm collapses, creditors are often left working out their exposure with little warning. This session looks at what actually happens when a contractor fails, and what credit professionals can do to protect their position beforehand.

OCT
21

Why Trade Credit Insurance?

Wednesday 21 October, 11:30am–12:30pm (TBC) • Fletcher Building, 810 Great South Road, Penrose, Auckland



Shayle Fleming
NCI New Zealand

Shayle Fleming looks at how trade credit insurance protects cash flow when a customer cannot pay, covering policy structures, the claims process, and how insurers use market data to help set credit limits with confidence.

NOV

NZCFI x Turner Hopkins

November • Topic and format to be confirmed



Michael Robinson
Turner Hopkins

Save the date. NZCFI is back with Turner Hopkins in November. Keep an eye on nzcfi.org for the topic, format and venue as details are confirmed.

Full details and registration for every event are at nzcfi.org/learning-and-development.

Be part of what's next for credit in New Zealand

Join NZCFI for insight, professional development, events and connection across the credit community.

NZCFI would like to thank our sponsors for their support

National Sponsor



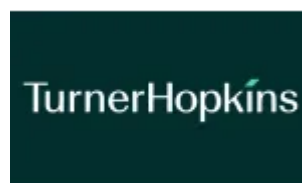
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