



# Top Five Credit Risk Assessment Trends for 2026

## Fresh insights to help lenders navigate a rapidly shifting credit environment

Dynamic economic conditions and regulatory changes are reshaping how UK lenders evaluate risk in 2026. The credit ecosystem is shifting toward deeper visibility and stronger consumer protections, and borrowers that were once considered “credit invisible or thin file” may now show signs of financial reliability.

As we head into 2026, lenders will need sharper visibility into both emerging risk and opportunity—not only to keep pace with demand and competition, but to maintain compliance amid new regulatory shifts. Organisations that embrace broader data sources and more adaptive assessment strategies will be better positioned to confidently and responsibly grow their portfolios.

Below are our top credit risk trends to watch out for in 2026.

### TREND 1 Credit inquiries—and the number of borrowers—steadily rise

In 2026, UK lenders will see a steady uptick in credit inquiries as more consumers seek credit to cope with increasing costs of living and higher interest rates. Rather than signalling confidence, the increase in applications reflects borrowers’ need for help managing everyday expenses, with many turning to personal loans, buy now, pay later (BNPL) options and a broader set of credit products to get by.



**£1.7 billion**  
Net consumer credit borrowing by UK adults<sup>1</sup>



January 2025 saw the highest jump in credit card borrowing since late 2023<sup>2</sup>—an uptick expected to continue in 2026

#### Key takeaway

With demand for credit intensifying, lenders will benefit from enhanced visibility into applicants’ financial behaviours earlier on in the decisioning process. More robust data and sharper assessment frameworks can help separate the resilient borrowers from those who present heightened risk.



### TREND 2 Buy now, pay later (BNPL) undergoes increasing regulation and change

Beginning 15 July 2026, BNPL providers will fall under full Financial Conduct Authority (FCA) regulation. This means that providers must soon require authorisation, proportionate creditworthiness assessments and stronger governance across all agreements, regardless of size.

Consider that:



of UK adults have used BNPL as of 2025<sup>3</sup>



Up from 36% in 2023<sup>2</sup>



The UK BNPL market is forecast to grow to **£47.27 billion** by 2029<sup>4</sup>

#### Key takeaway

The rising cost of compliance means more pressure on firms to find business opportunities and keep operations efficient. Now is the time for lenders to ensure their risk modelling is backed by the right sources, as BNPL’s shift into heavily regulated territory will raise the bar on visibility and risk modelling, making robust data sources and stronger decisioning frameworks essential for compliance and consumer protection. Third-party data providers who have extensive insights, like LexisNexis® Risk Solutions, can help lenders better benchmark creditworthiness and minimise defaults.

### TREND 3 Financial inclusion and capability become increasingly mandatory

Financial capability and inclusion will take centre stage in 2026 as HM Treasury pushes to expand access to affordable credit, especially for consumers historically disadvantaged by thin or nonexistent credit files. Although many applicants may exhibit stable financial behaviour, traditional scoring may fail to capture it due to a narrower focus on historical credit performance—meaning lenders will need to use broader datasets and stronger linking insights that can provide a more accurate view of consumers and more fairly evaluate true affordability.

1 in 8 UK adults is considered financially stressed<sup>5</sup>



of 2.8 million financially excluded individuals could be successfully scored using alternative data<sup>4</sup>



of those scored would be considered low credit-risk customers<sup>4</sup>

#### Key takeaway

As financial inclusion shifts from conversation to expectation, lenders that adopt richer datasets—like alternative data—will be better positioned to assess overlooked borrowers and strengthen portfolio performance while maintaining compliance.

### TREND 4 Rental data comes into the spotlight

Rental data is moving toward becoming a more visible component of consumer credit assessment, reflecting growing industry alignment that rent payments provide valuable insight into financial reliability. Historically not considered part of traditional credit scores, the inclusion of rental data in more and more consumer credit reports helps lenders fill key visibility gaps for applicants with limited credit activity elsewhere.

Those pushing for rental payment data being shared with credit-reference agencies claim:

20.2 million UK adults are financially underserved<sup>6</sup>  
A 50% increase since 2016<sup>5</sup>



3 million have turned to illegal lenders in the past 3 years<sup>5</sup>

Rental data adoption not only aligns with the broader industry movement toward more holistic credit evaluation, but will result in responsible portfolio growth for forward-thinking lenders.



#### Key takeaway

By incorporating rental data into mainstream credit assessment, lenders gain a clearer, more complete understanding of applicants’ financial reliability—improving credit decisions for those whose strongest financial indicators exist outside traditional credit lines.



### TREND 5 Motor finance remediation places pressure on lenders

UK motor finance lenders are preparing for regulatory-led remediation to millions of consumers over unfair car loan practices occurring over the last twenty years. While the details of the redress scheme are still being finalised, what impacted financial firms can expect is significant operational, outreach and fraud-related challenges.



of all motor finance agreements are now considered unfair and qualify for reimbursement under the new fair compensation scheme<sup>6</sup>



**£11–13 billion**  
Estimated cost of the UK motor finance redress scheme for lenders<sup>7</sup>



Up to 25% of data in financial institutions’ customer information files is incorrect<sup>8</sup>, complicating customer outreach

Data decays at an average 30% every year<sup>9</sup>

Further, fraud and impersonation attempts are expected as bad actors seek to make false claims and exploit the remediation process.

#### Key takeaway

As remediation planning accelerates, lenders will face difficult decisions around managing the process internally or outsourcing to third parties—but trusting in partners that go beyond process support will be critical. Using our massive database of verified email data, LexisNexis® Risk Solutions can support firms’ large-scale customer outreach initiatives, as well as enrich and cleanse decaying contact data ahead of campaigns, confirm claimant identities and ensure remediation payments are sent to the correct individual through our Safe Payment Verification solution.

As 2026 brings new realities and regulations, lenders will need flexible, multi-layered data strategies to keep pace with the shifting economic landscape. LexisNexis® Risk Solutions enables organisations to deepen their understanding of risk and opportunity by combining traditional credit information with a wide range of proven and permissible alternative data signals.

Our insights help risk leaders evaluate consumers more accurately, from first contact through repayment, so portfolios remain resilient even as economic and compliance conditions evolve.

Contact us to learn how LexisNexis® Risk Solutions can help your organisation strengthen risk visibility, support inclusion and assess affordability throughout 2026.

Learn more at [risk.lexisnexis.co.uk/credit-trends](https://risk.lexisnexis.co.uk/credit-trends)

<sup>1</sup>Bank of England, Money and Credit – January 2025.

<sup>2</sup>Finder, “Buy now, pay later (BNPL) statistics,” January 2025.

<sup>3</sup>LexisNexis® Risk Solutions, 2025 Financial Inclusion Report.

<sup>4</sup>LexisNexis® Risk Solutions, “Analysing Financial Exclusion and Credit Distress in the UK.”

<sup>5</sup>Introducer Today, “Credit ratings must include rental payment records – new campaign,” November 2025.

<sup>6</sup>Financial Conduct Authority, “FCA consults on motor finance compensation scheme,” July 2025.

<sup>7</sup>Reuters, “UK car finance industry faces \$11–13 billion mis-selling hit,” October 2025.

<sup>8</sup>Apiture, “Are Your User Records Full of Data Decay? A Guide to Clean Data,” May 2025.

<sup>9</sup>Data8, “Data decay: Could it be eating into your annual budget?”