



CIBIL FOR
EVERY INDIAN



EMPOWERING FINANCIAL FREEDOM

The rise of self-monitoring consumers in India

Our latest research explains the evolving landscape of credit self-monitoring in India. Learn how consumers across different demographics are engaging with their credit profiles and uncover the key insights driving this transformation.

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India's growth story is based on the strong foundation of credit-aware consumers. As revealed in this report, there is a remarkable increase in consumers monitoring their credit report leading to improvement in their CIBIL Score. The rise in consumer awareness, especially amongst youth, women and non-urban consumers, is a promising indicator of sustainable credit growth and financial inclusion. It bodes well towards accomplishing our country's USD 5 trillion economy goal in the coming years.

TransUnion CIBIL is committed to empowering consumers and driving awareness of the importance of a good credit score for availing financial opportunities easily and at better terms. Our solutions help create economic opportunity for millions of people in India, and we take our responsibility to drive consumer awareness about credit management very seriously.

As India's pioneer credit information company, TransUnion CIBIL works constantly with our member credit institutions to strengthen the credit information ecosystem for the public good."

RAJESH KUMAR

Managing Director & CEO
TransUnion CIBIL





The landscape of credit in India is undergoing a rapid evolution, characterised by a significant shift towards increased financial literacy and empowerment.

At TransUnion CIBIL, we have been privileged to witness and support this transformation, driven by a growing number of credit-savvy consumers who are actively monitoring and managing their credit health.

This report, "**Empowering Financial Freedom: The Rise of Credit Self-Monitoring Consumers in India**" is a testament to the strides we have made as a nation in democratising access to credit information. The findings herein reveal an encouraging trend – millions of Indians are now taking charge of their financial futures by regularly checking their credit scores and understanding the importance of maintaining good credit health.

As of March 2024, a remarkable 119 mn consumers have embraced credit self-monitoring. The data in this report underscores the tangible benefits of credit self-monitoring – improved credit scores, better access to loans, and reduced delinquency rates.

Our analysis reveals key trends in credit self-monitoring among Indian consumers:

1 Rapid Growth in Credit Self-Monitoring

As of March 2024, 119 mn consumers in India are self-monitoring their credit, a 51% increase from April 2023.

2 Improved Credit Health

Self-monitoring consumers have an average credit score of 729 compared to 712 for non-monitoring consumers. Additionally, 46% of self-monitoring consumers improved their scores within six months, compared to 41% of non-monitoring consumers.

3 Regional and Demographic Trends

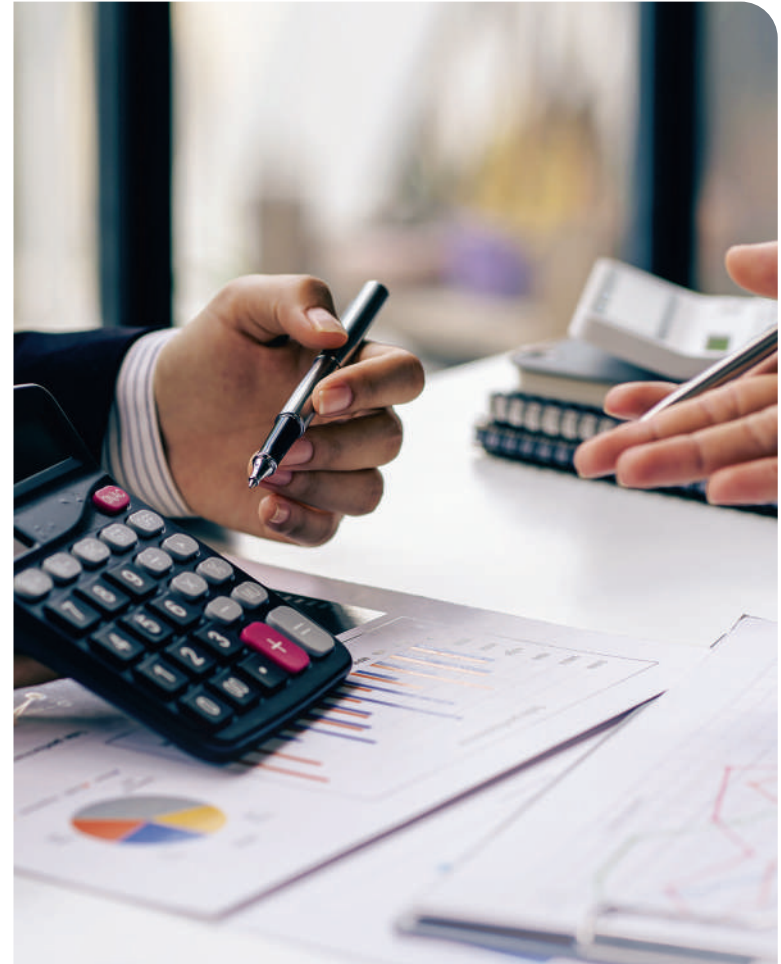
Kerala (112%), Tamil Nadu (76%), and West Bengal (62%) had the highest YoY growth in self-monitoring consumers in FY23-24 over FY22-23. Non-Metro areas saw a 57% increase from April 2023 to March 2024, outpacing the 33% growth in metro areas. Over 81% consumers who have opened their first credit product just six months prior to self-monitoring are from non-metro regions.

4 Product Preferences

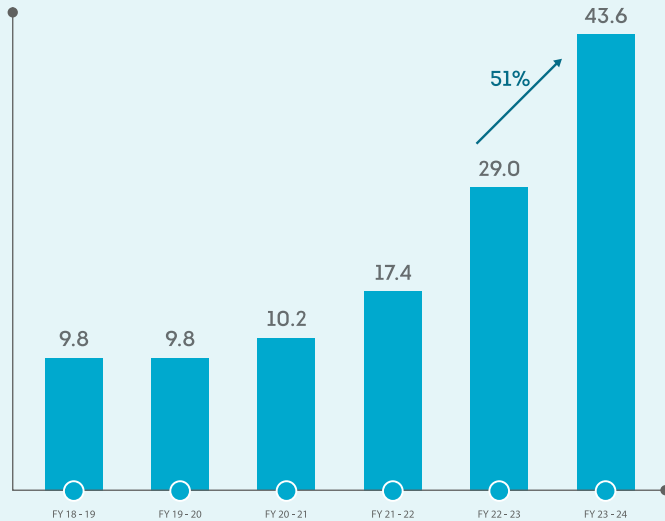
Two-Wheeler loans and consumer loans are popular among self-monitoring consumers, who hold an average of 1.98 credit products versus 1.33 for non-monitoring consumers. Post monitoring, Gen Z lead with an average of 1.32 products, indicating early credit adoption and the importance of a robust credit history.

For lenders, this presents a unique opportunity to engage with a more informed and proactive customer base. By fostering credit awareness, we can collectively drive innovation in financial products and services, mitigate risks, and ultimately contribute to a stronger, more resilient economy.

As we look to the future, our commitment to empowering every Indian through financial education and access to credit remains unwavering. We are excited to continue our journey towards a financially inclusive India, where every individual has the knowledge and tools to unlock their full financial potential.



New self-monitoring consumers registered in the financial year (in millions)



119 Million Strong: India's Increasing Credit Awareness Quotient

Numbers don't lie. An unprecedented 119 mn Indians are monitoring their CIBIL Scores as of March 2024.

From Surat to Siliguri, Jaipur to Jalpaiguri, credit awareness today has permeated India farther than ever before.

What explains this growing interest in understanding credit scores?

Simply put, digital access, credit awareness, and new user growth.

And their diligence is showing results. Those monitoring credit have higher average scores - 729 versus 712 among non-monitoring consumers.

The message is clear - understanding your score translates to good credit behaviour. And good credit behaviour unlocks privileges - from easy loans to customised financial products.

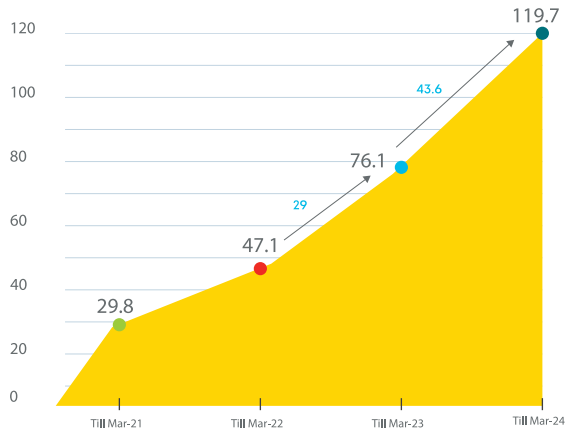


India's Credit Frontier Expands: 51% Growth of Self-Monitoring Consumers

As of March 2024, TransUnion CIBIL's 119 mn self-monitoring consumers reflect a significant 51% increase from previous years.

This increase in credit awareness mirrors growing financial literacy, digital access, and expanding credit markets.

Total base of self monitoring consumers (in millions)





GROWTH IN SELF-MONITORING CONSUMERS



Diverse Dynamics: A Deep Dive into the 119 Million Self-Monitoring Consumers

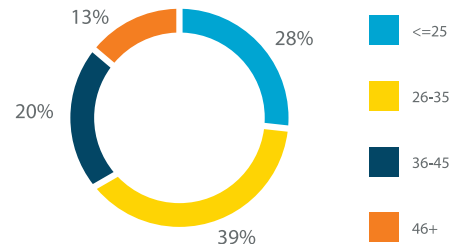
Here's an in-depth look at how this growth has been distributed across various segments:

- 72% of credit-monitoring consumers hail from non-metro areas, compared to 28% from metros, underscoring the deepening reach of financial literacy beyond urban centres.
- The 26-35 age group constitutes 39% of all credit-monitoring consumers, making them the largest cohort, indicating a shift towards early and sustained credit awareness.
- Men account for 82% of credit-monitoring consumers, while women represent 18%. Although the gap remains significant, the increasing participation of women in credit monitoring is a positive indicator of growing financial engagement among female consumers.

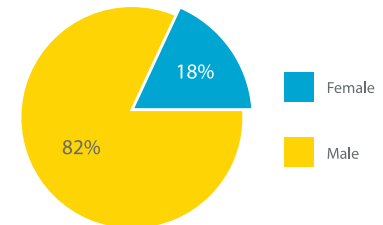
Tier-wise share of self-monitoring consumers as on Mar 2024



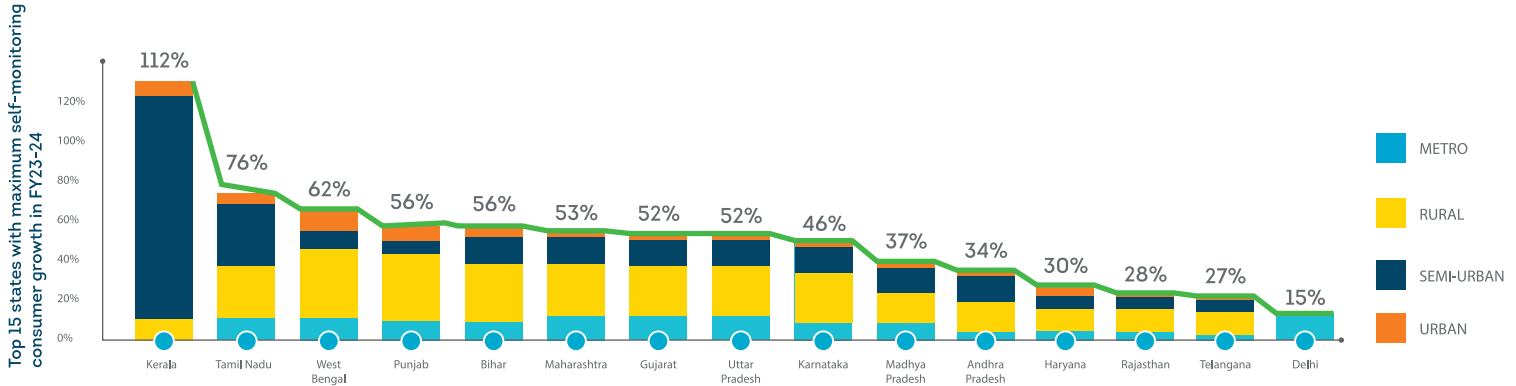
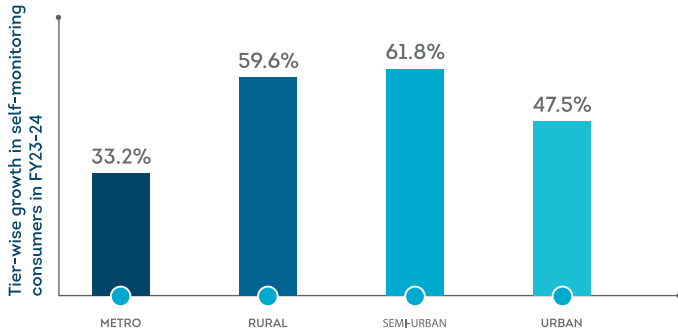
Age-wise share of self-monitoring consumers as on Mar 2024



Gender-wise share of self-monitoring consumers as on Mar 2024



Beyond the Metros: Credit Accessibility is Breaking Urban Barriers



Non-Metro Population Lead Credit Adoption:

Smaller cities and towns are at the forefront of credit adoption. Self-Monitoring consumers in non-metro locations increased by 57% from April 2023 to March 2024, compared to a 33% growth in metro locations.

Over 81% consumers who have opened their first credit product just six months prior to self-monitoring are from non-metro regions. 4.72 mn new, non-metro self-monitoring consumers in FY23-24 are the driving force behind the growing credit awareness and adoption that we are witnessing.

Among the top 15 states with the highest credit-monitoring population, Kerala (112%), Tamil Nadu (76%), and West Bengal (62%) experienced the highest YoY growth in self-monitoring consumers in FY23-24 over FY22-23. However, in terms of overall percentage share in the self-monitoring consumers base, the states of Maharashtra (14%), Uttar Pradesh (11%) and Tamil Nadu (8%) top the list.



Gen Z Digital Natives – Pioneers of Tomorrow

A 1.5x rise in Gen Zs self-monitoring base and with a 31% share in the new self-monitoring consumer pie in FY23-24, Gen Zs signalled early financial maturity.

A massive 70% credit-monitoring growth was observed among Gen Z women compared to last financial year.

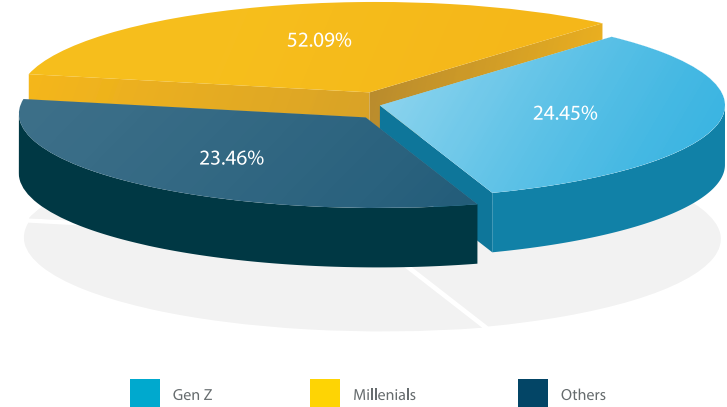
First-Time Credit Consumers

Of the consumers who have opened their first credit product just six months prior to self-monitoring, **91% are Millennials and Gen Z.** This early adoption indicates the generations that will shape India's consumer credit future.

Gen Z and Millennials: The Credit-Forward Generation

Contributing to 77% of India's 119 mn credit-monitoring consumers, tech-savvy Millennials (born between 1981 and 1996) and Gen Z (born between 1997 and 2012) understand that good credit planning aids financial goals.

Age-wise distribution of self-monitoring women consumers in FY23-24





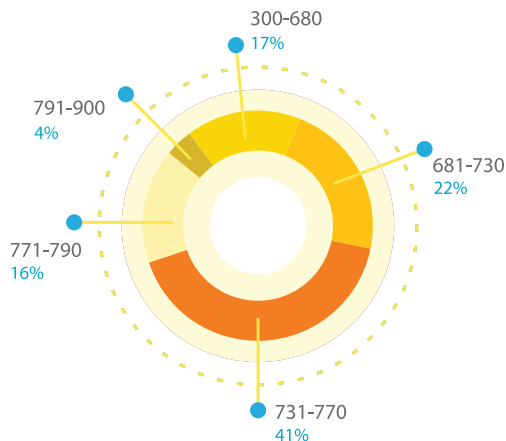
Women at the Helm: The Era of Confident, Credit-Aware Indian Women

A growth rate of 70% in credit-monitoring by women reveals a seismic shift – women across India are prioritising financial planning.

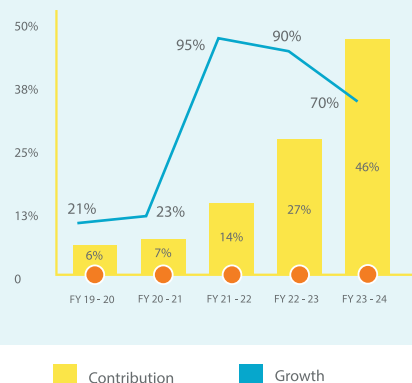
Self-Monitoring women from non-metros bringing Credit Revolution in FY23-24

Over 71.5% of new credit-monitoring women hail from beyond metros.

Risk profile of credit-monitoring women in FY23-24



YoY growth & share of self-monitoring women consumers



Credit-Empowered women

Over 1.8X more self-monitoring women consumers now boast credit scores above 730. Importantly, over 61% of women consumers fall in prime or above-average risk groups.

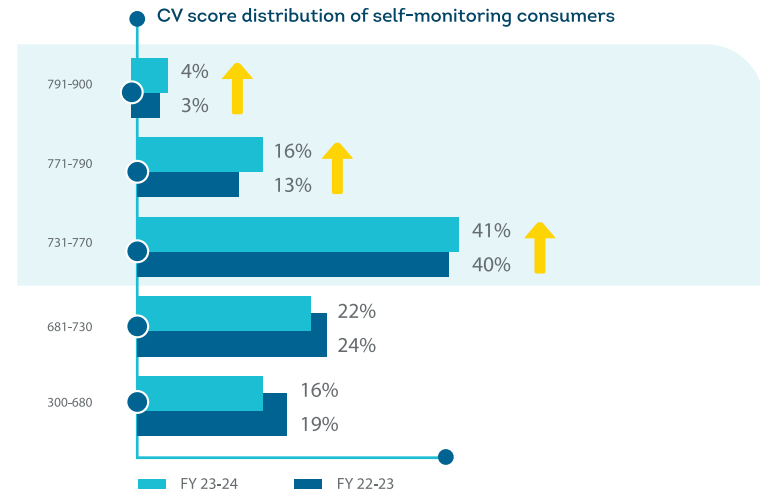


Prime and Above Consumers: Active Credit-Monitoring is Boosting Top Tiers

A 5-percentage point increase in the upper score tiers, specifically among the prime and above cohorts, has been observed.

Concurrently, there has been a reduction in the total base of near prime and subprime customers.

This clearly indicates the positive effects of self-monitoring.



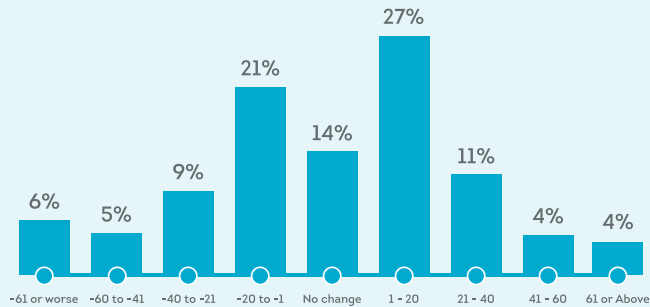


CHANGE IN SCORE POST 6 MONTHS OF SELF-MONITORING

Every Step Counts: Building Creditworthiness Through Self-Monitoring

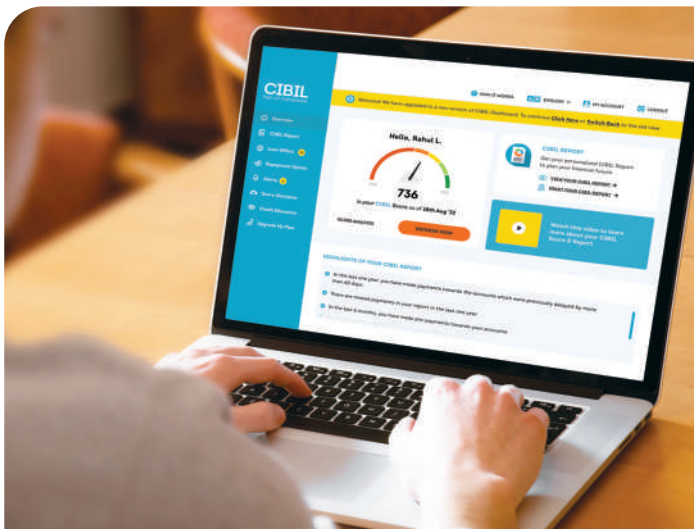
Overall, 46% of consumers strengthened their credit scores over 6 months of monitoring compared to 41% of non-monitoring consumers. This level of awareness ensures financial readiness to avail loans as aspirations arise.

Score improvement in self-monitoring consumers





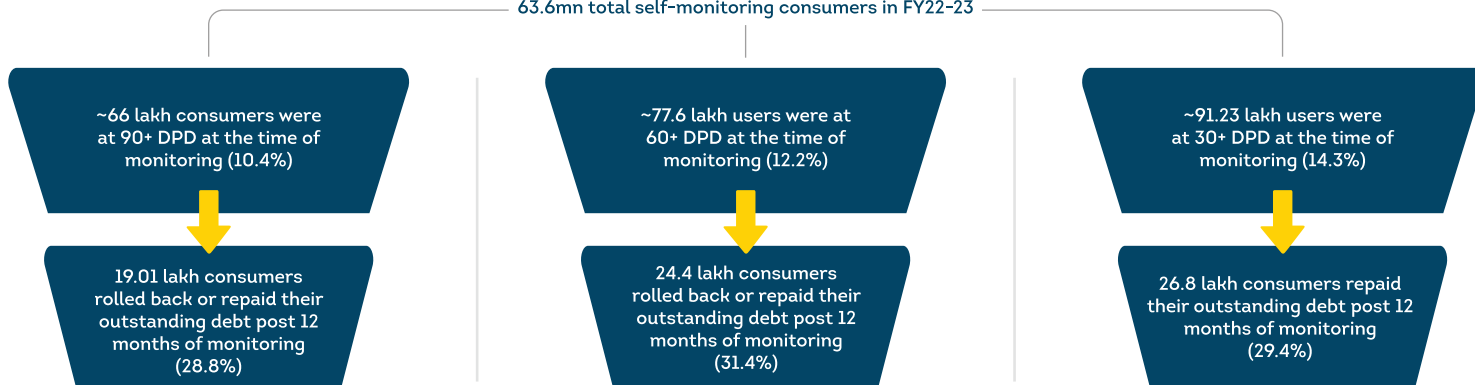
DELINQUENCY AND OUTSTANDING BALANCE WITHIN 12 MONTHS OF SELF-MONITORING



Self-Monitoring Empowers Consumers to Take Control of their Financial Health

Data shows that delinquent consumers who actively check their credit score often repay their outstanding balances within just six months, highlighting the positive impact of staying informed on their credit profile.

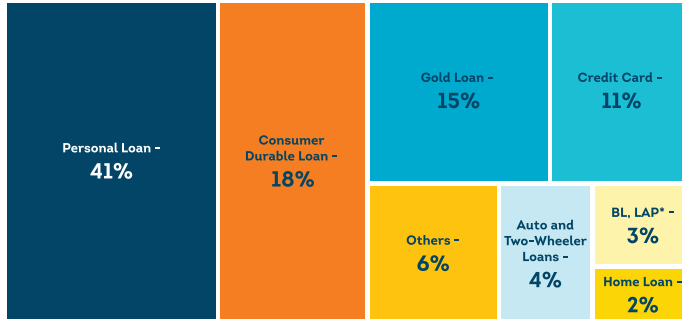
63.6mn total self-monitoring consumers in FY22-23



Credit-Savvy Consumers: Expanding Product Portfolios

- Self-Monitoring consumers showed a 5.8x increase in opening a new credit line in 3 months of monitoring compared to non-monitoring consumers.
- About 44% monitor at least 4 times within 12 months, and 46% of self-monitoring consumers improved their score within 6 months of checking their score.

Product preference in 3 months of monitoring



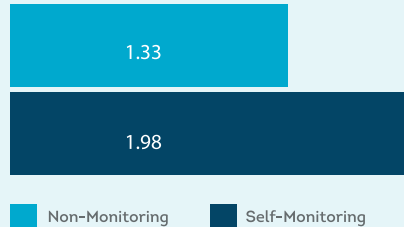
*BL = Business Loan, LAP = Loan Against Property



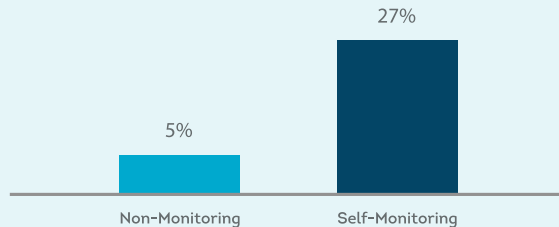


HOW MANY AVERAGE PRODUCTS DO SELF-MONITORING CONSUMERS HAVE VS NON-MONITORING CONSUMERS?

Average products self-monitoring vs non-monitoring consumer



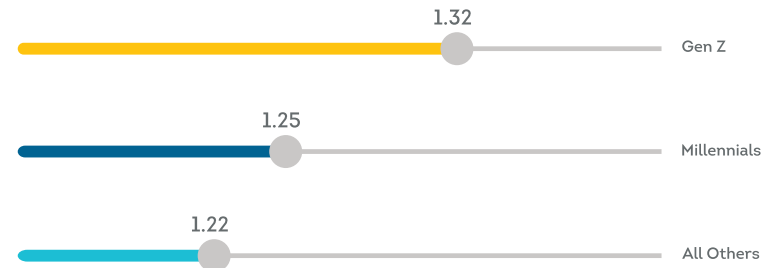
Credit seeking within 3 months of monitoring



Credit-Savvy Consumers: Expanding Product Portfolios

- On average, self-monitoring consumers tend to hold 1.98 products, significantly more than their non-monitoring counterparts, who average 1.33 products.
- Self-monitoring consumers have demonstrated a remarkable 9-fold increase in applying for a new credit line within three months, in contrast to non-monitoring consumers.
- Gen Z self-monitoring consumers top the list with an average of 1.32 products, surpassing Millennials at 1.25 and others at 1.22. This indicates that younger Indians are adopting credit at an earlier stage in their lives, recognising the importance of establishing a robust credit history.

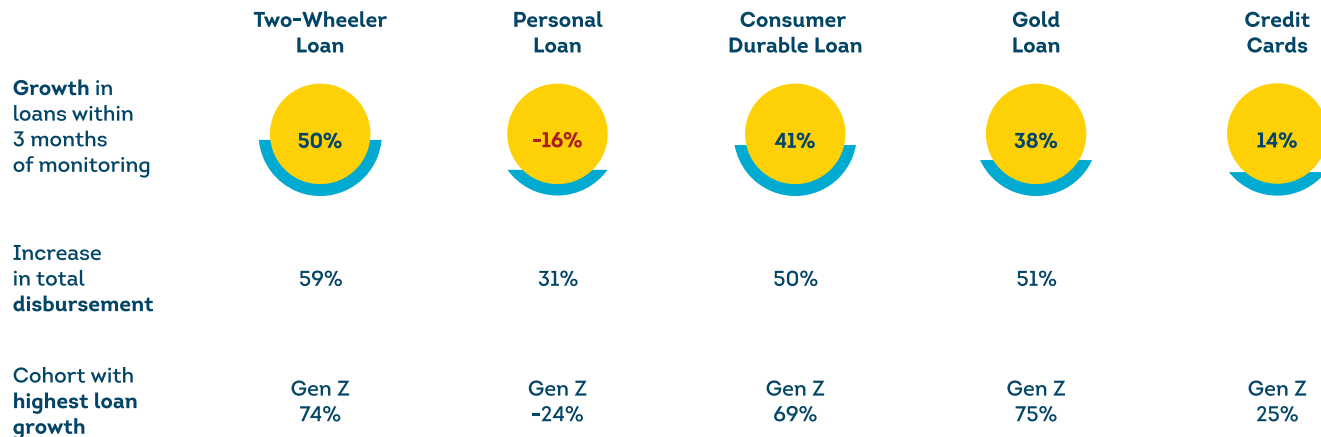
Average credit products by age group





Two-Wheeler Loans, Consumer Durable Loans, and Gold Loans are the favourite products of Self-Monitoring Consumers

Double-digit growth observed in value of loans taken by self-monitoring consumer base within 3 months of monitoring.



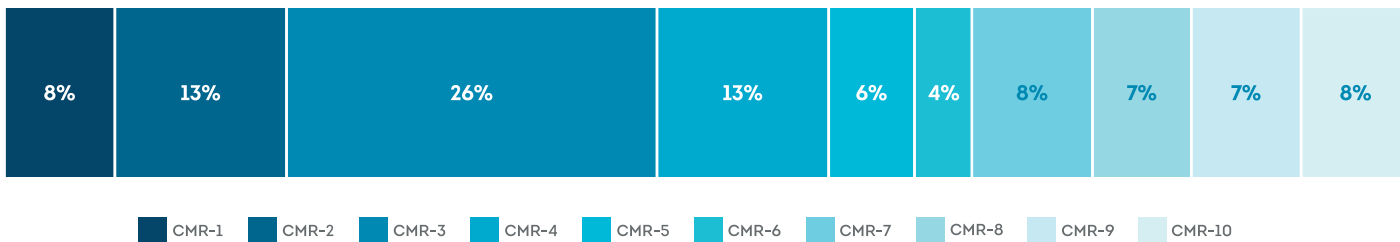
- Growth in loans by women borrowers post self-monitoring is almost 60% for Consumer Durable Loan, Two-Wheeler Loan and Gold Loan.
- Two-Wheeler Loan, Consumer Durable Loan and Gold Loan growth in Semi-Urban & Rural areas, post self-monitoring observed.



MSMEs Embrace the Change: Increased Credit Monitoring and Improved Ratings

- 12% YoY growth in commercial entities checking their Commercial Credit Report (CCR) for the first time.
- 47% self-monitoring entities maintain CIBIL MSME Rank between 1 and 3.
- 32% of commercial entities applied for the loan within 3 months after checking their CCR for the first time.
- Commercial vehicle loan, bank guarantee, long-term loan, unsecured business loan and auto loan are the top 5 types of commercial tradelines by self-monitoring entities.
- Term loan accounted for 51% of the tradelines whereas working capital contributed to 32%.

Commercial Self-Monitoring Entities – RANK Distribution

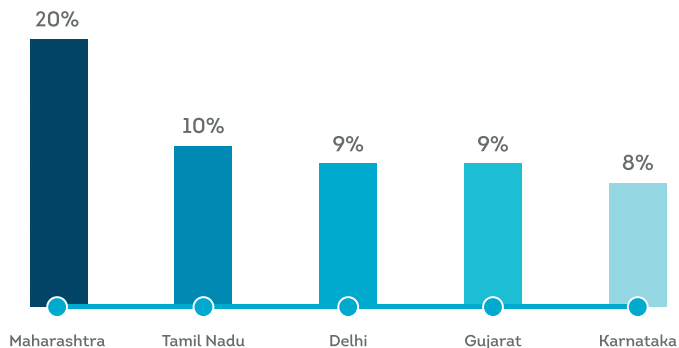




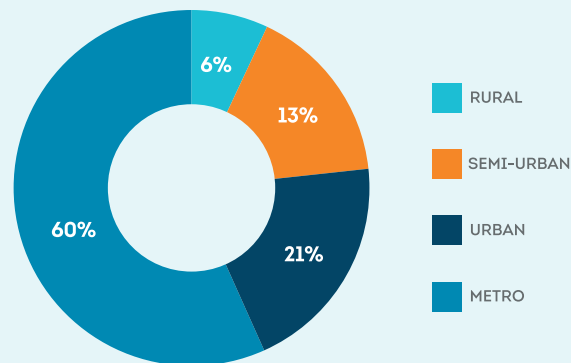
MSMEs Embrace the Change: Increased Credit Monitoring and Improved Ratings

- Number of proprietors checking their Commercial Credit Report (CCR) grew by 24% YoY, while Private Limited entities grew by 12% YoY.
- Maharashtra, Tamil Nadu, Delhi, Gujarat and Karnataka are the top 5 states by self-monitoring entities.

Top 5 states with the highest growth in self-monitoring entities in FY23-24



Tier-wise distribution of self-monitoring entities in FY23-24





TransUnion CIBIL: Empowering India's Credit Journey

TransUnion CIBIL has been at the heart of India's credit story, charting its progression towards becoming a nation of confident borrowers. For over 15 years, we've powered the country's largest credit database, unlocking the potential of credit for millions of Indians.

Today, a remarkable 119 mn people are actively managing their credit scores, shaping a new era of financial empowerment.

From young digital natives to ambitious entrepreneurs, Indians are taking control of their financial futures. We are seeing a surge in credit awareness, especially in smaller cities and towns, as more people recognise the importance of building a strong credit history. Impressively, women are also leading the charge, breaking down barriers and accessing credit like never before.

It's an exciting time to be part of India's credit journey. And we are committed to empowering every Indian to achieve their financial goals.



APPENDIX | AUTHORS & CONTRIBUTORS

- 1 Self-Monitoring consumers are users who have proactively checked their CIBIL Score and Report at least once with TransUnion CIBIL.
- 2 CIBIL Score ranges from 300-900. Score tiers are: subprime = 300-680, near prime = 681-730, prime = 731-770, prime plus = 771-790, and super prime = 791-900.
- 3 Gen Z are consumers born between the years 1997 and 2012.
- 4 Millennials are consumers born between the years 1981 and 1996.
- 5 CIBIL MSME Rank ranges from 10 to 1, with 1 being the best rank possible.

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