

# Credit Card Spending Softens in January 2026

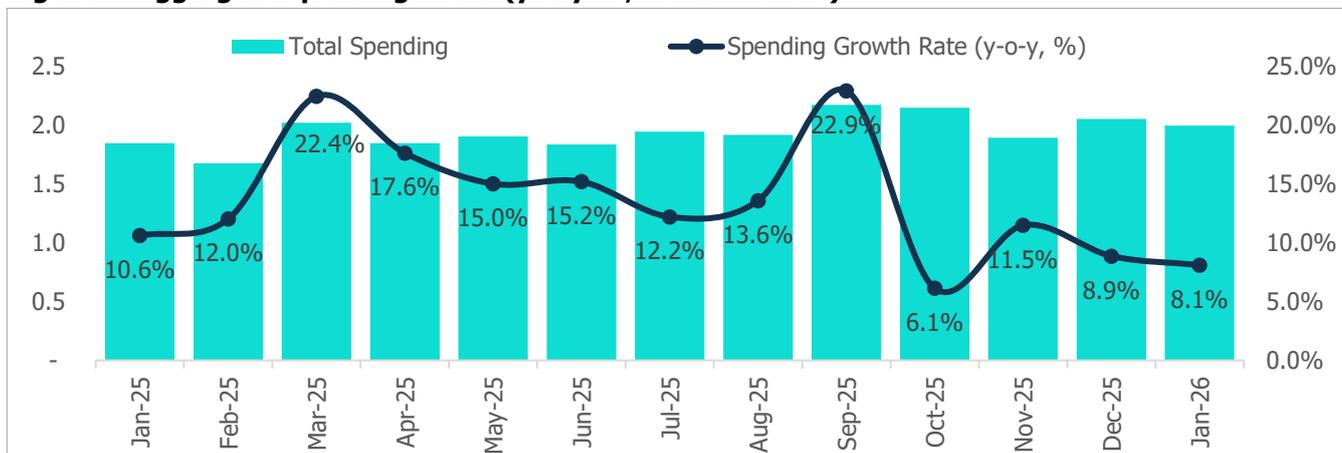
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## Synopsis

- In January 2026, credit card spending rose by 8.1% year-on-year (y-o-y), to Rs 1.99 lakh crore, driven by sustained e-commerce spending; however, this growth was slower than 11.0% observed in the same period last year, attributed to the base effect. Meanwhile, it witnessed a marginal 2.8% month-on-month (m-o-m) decline, attributed to the normalisation of year-end discretionary demand.
- Private Sector Banks (PVBs) retained their dominance in the credit card spending market with a 72.8% share in January 2026, albeit with a 300-basis point (bps) decline y-o-y. Meanwhile, Public Sector Banks (PSBs) continued to increase their share during the same period, attributed to improved digital onboarding and expanded reach into tier-2 and tier-3 cities. Additionally, PVBs' average spending per card in January 2026 was Rs 17,496, a 3.0% y-o-y decrease. Meanwhile, PSBs experienced a significant 20% increase, with per-card spending rising to Rs 15,761 as newer cardholders increased utilisation.
- The total number of outstanding credit cards grew from 10.9 crore in January 2025 to 11.7 crore in January 2026, reflecting a steady increase in card penetration. The credit card market remains concentrated among a few large players, with three large PVBs and five large PSBs accounting for ~80% of the market share. PVBs continue to dominate premium cards and fee-based income.

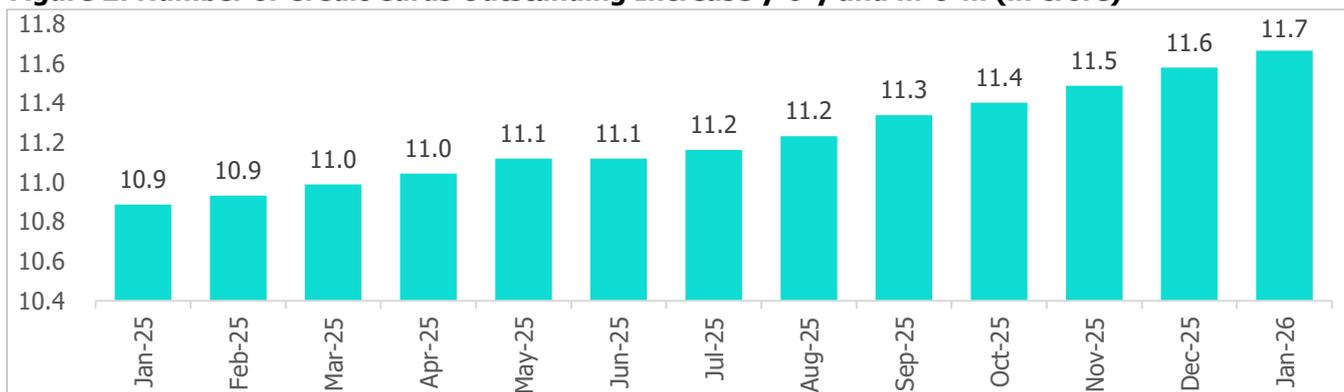
## Credit Card Spending Growth Rate Moderates

Figure 1: Aggregate Spending Trend (y-o-y %, Rs Lakh Crore)



Source: RBI, CMIE, CareEdge Calculations, Note: Includes 40 Banks (09 PSBs, 18 PVBs, six FBs and seven SFBS)

In January 2026, credit card spending rose by 8.1% y-o-y to Rs 2.05 lakh crore due to elevated e-commerce spending. However, it declined by 2.3% m-o-m, attributed to normalisation post year-end discretionary demand. Meanwhile, this growth was slower than 13.8% in the corresponding period last year, attributed to the base effect.

**Figure 2: Number of Credit Cards Outstanding Increase y-o-y and m-o-m (in crore)**

Source: RBI, CMIE CareEdge Calculations, Note: Includes 40 Banks (09 PSBs, 18 PVBs, six FBs and seven SFBS)

The total number of outstanding credit cards increased to 11.7 crore as of January 2026, registering 7.1% y-o-y and 0.8% m-o-m growth. Issuance momentum continued to be led by PVBs, which recorded 7.6% y-o-y growth, supported by their stronger distribution capabilities and co-branded partnerships with e-commerce and fintech platforms. Within the segment, growth was largely driven by other PVBs, which witnessed relatively stronger card issuances during the period. Meanwhile, PSBs reported a 7.1% y-o-y increase in outstanding cards. This expansion was primarily anchored by the SBI group, which grew its card base by 7% y-o-y to 2.19 crore cards, continuing to support growth within the PSB segment. In contrast, foreign banks witnessed a contraction of around 6% y-o-y in outstanding cards, reflecting their relatively cautious expansion strategy and continued focus on premium customer segments.

### Market Concentration Persists, Led Primarily by Large Private Sector Issuers.

**Figure 3: Market Share of Spending of Credit Cards for Different Bank Groups (%)**

Bank-Group	Jan-25	Mar-25	Nov-25	Dec-25	Jan-26	bps (Y-o-Y)	bps (m-o-m)
Large PVBs	57.9	58.4	58.4	57.3	57.4	-50	10
Other PVBs	17.9	17.3	15.5	15.2	15.4	-251	20
<b>PVBs</b>	<b>75.8</b>	<b>75.7</b>	<b>73.8</b>	<b>72.5</b>	<b>72.8</b>	<b>-302</b>	<b>23</b>
Large PSBs	18.1	18.4	20.4	21.8	21.5	345	-30
Other PSBs	0.4	0.4	0.4	0.4	0.4	0	0
<b>PSBs</b>	<b>18.5</b>	<b>18.7</b>	<b>20.8</b>	<b>22.2</b>	<b>22.0</b>	<b>349</b>	<b>-25</b>
<b>FBs</b>	<b>5.2</b>	<b>5.0</b>	<b>4.7</b>	<b>4.6</b>	<b>4.6</b>	<b>-63</b>	<b>-5</b>
<b>SFBs</b>	<b>0.6</b>	<b>0.5</b>	<b>0.6</b>	<b>0.6</b>	<b>0.7</b>	<b>15</b>	<b>6</b>

Source: RBI, CareEdge Calculations, Note: Includes 40 Banks (05 Large PSBs, 04 Other PSBs, 03 Large PVBs, 15 Other PVBs, six FBs and seven SFBS)

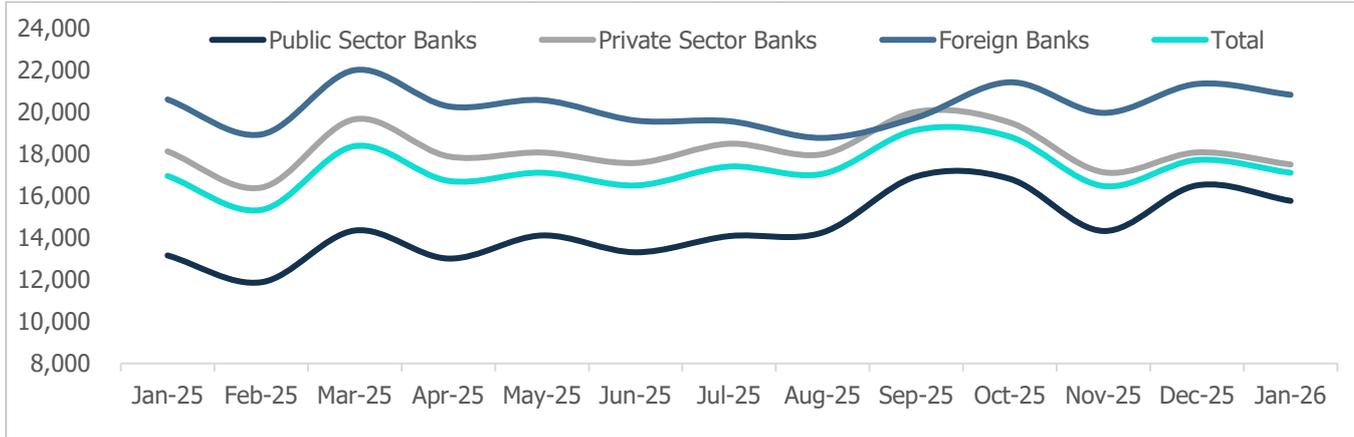
The credit card market remains structurally concentrated, with the top five issuers accounting for over 80% of overall spending, underscoring the dominance of large players. Against this backdrop, the overall market share of PVBs declined by 302 bps y-o-y, largely driven by a contraction among small and mid-sized PVBs, while leading PVBs broadly sustained their share. The decline among other PVBs reflects a more selective approach to card issuance and credit limit enhancements, indicating tighter underwriting and moderated risk appetite.

In January 2026, PSBs experienced a 349-bps y-o-y increase in their spending market share, largely driven by large PSBs, supported by their wider customer reach in tier-2 and tier-3 cities and higher utilisation of their existing card base, particularly in mass retail categories. Greater penetration into government-linked and salaried accounts

further supported this growth. On a m-o-m basis, PSBs witnessed a 25 bps downtick, attributed to normalisation following year-end offers. However, PSBs’ overall presence in credit card spending remains lower, with a spending market share of 22.0%, largely driven by a few large PSBs, while smaller PSBs contribute marginally (around 0.4%). In contrast, PVBs continue to dominate premium cards and fee-based income.

**PSBs Gain Ground in Per-Card Spending as PVB Utilisation Levels Normalise**

**Figure 4: Per Card Spending Bank group-wise (In Rupees)**

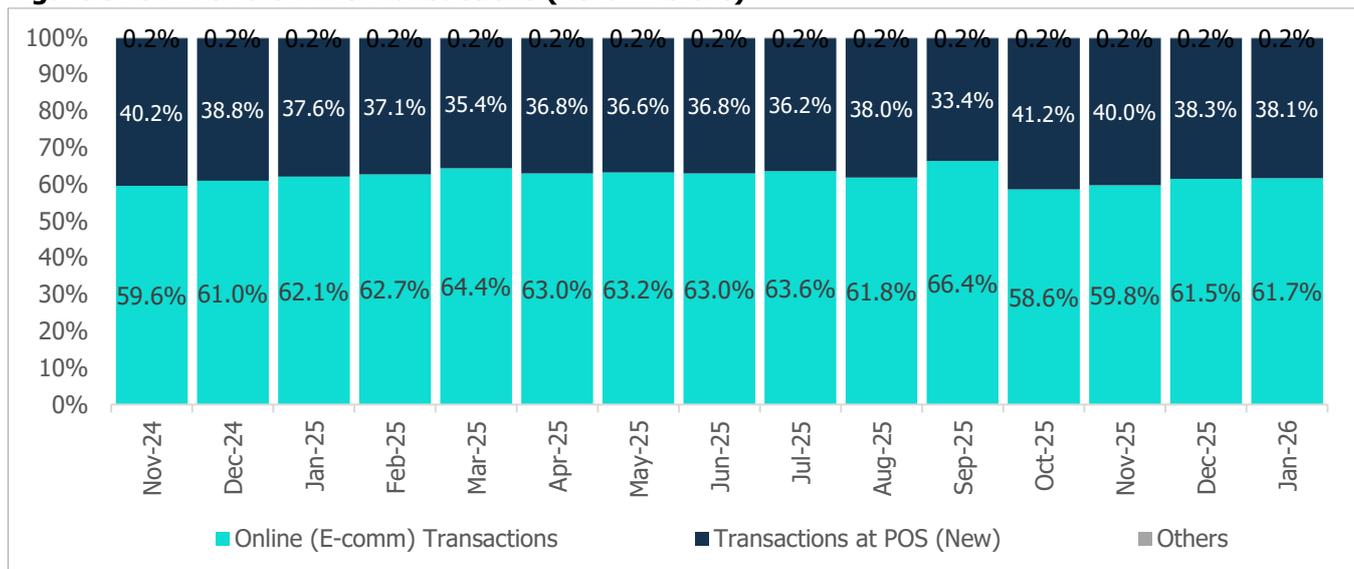


Source: RBI, CMIE, CareEdge Calculations

Per-card spending moderated to Rs 17,100 in January 2026, declining 3.0% m-o-m amid post-festive normalisation in discretionary spending, although y-o-y growth remained muted at 1.0%. At the bank-group level, the spending differential between PVBs and PSBs has narrowed further. PVBs reported per-card spending of Rs 17,496, down 3.0% y-o-y, reflecting the impact of rapid card-based expansion, where increased issuances, particularly among newer and mass-market customers, have moderated average utilisation levels. Meanwhile, PSBs recorded a robust 20% y-o-y increase in per-card spending to Rs 15,761, highlighting improved customer engagement and transaction intensity.

**E-Commerce Expansion Sustains Growth in Online Card Transactions**

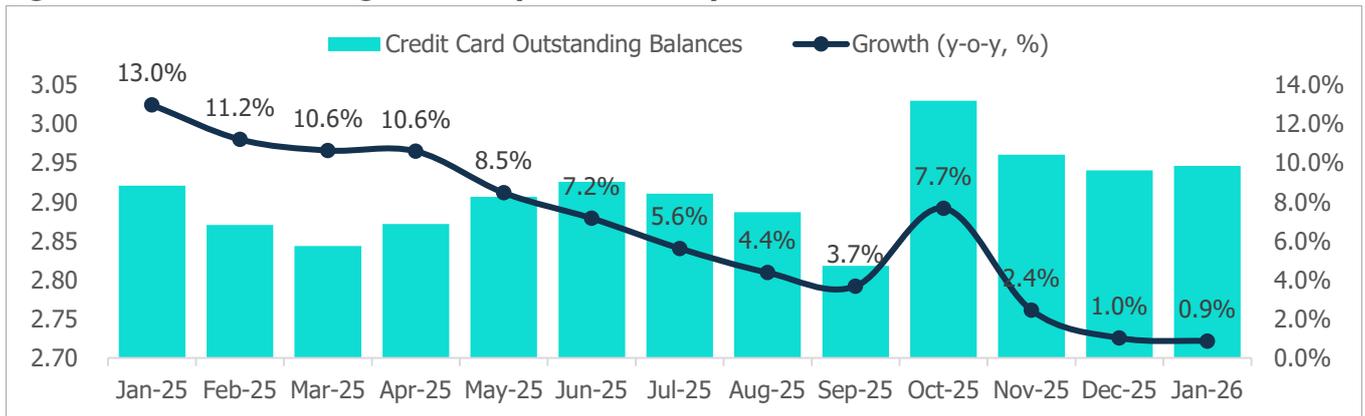
**Figure 5: Online vs Offline Transactions (Rs lakh crore)**



Source: RBI, CMIE, CareEdge Calculations

- Online (e-commerce) transactions continue to dominate credit card usage, accounting for more than 61% of total transactions over the period, with their share remaining stable over the year. In January 2026, total online e-commerce credit card transactions grew by 7.3% y-o-y, underscoring continued digital adoption. Notably, PSBs recorded a sharp 31.5% y-o-y growth, significantly outperforming PVBs at 2.7%, indicating rapid digital traction and improved customer engagement. In contrast, growth in offline transactions outpaced that of online transactions on a y-o-y basis, rising 9.4%. Meanwhile, offline spending remains relevant, and incremental growth remains largely concentrated in the online channels.

**Growth Rate in Credit Card Outstanding Balances Reduces**  
**Figure 6: Total Outstanding Balances (Rs Lakh Crore)**



Source: RBI, CareEdge Calculations

- The total outstanding credit card balances stood at Rs 2.95 lakh crore as of January 2026, compared to Rs 2.92 lakh crore in January 2025. The share of credit card outstanding balances in total retail loans continued to decline by 60 bps to 4.4% in January 2026, from 5.0% a year earlier, attributable to relatively faster growth in secured retail credit.

**Conclusion**

Credit card spending rose from Rs 17.4 lakh crore in YTFY25 to Rs 19.7 lakh crore in YTFY26, registering a 12.9% y-o-y increase and reflecting sustained growth in card-driven consumption. However, spending momentum softened towards January 2026, with sequential moderation in monthly spends as demand normalised following the surge in year-end discretionary purchases. The slowdown was largely attributable to lower per-card spending, despite outstanding balances increasingly skewing toward higher credit-limit segments. Looking ahead, spending growth is expected to remain moderate but resilient, supported by services consumption, expansion of digital commerce, and increasing penetration in semi-urban and rural markets. However, growth could be tempered by a cautious credit environment and tighter underwriting standards across issuers.

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