

Credit Card Spending Tops Rs 2.2 Lakh Crore, Highest in The Last 5 Years

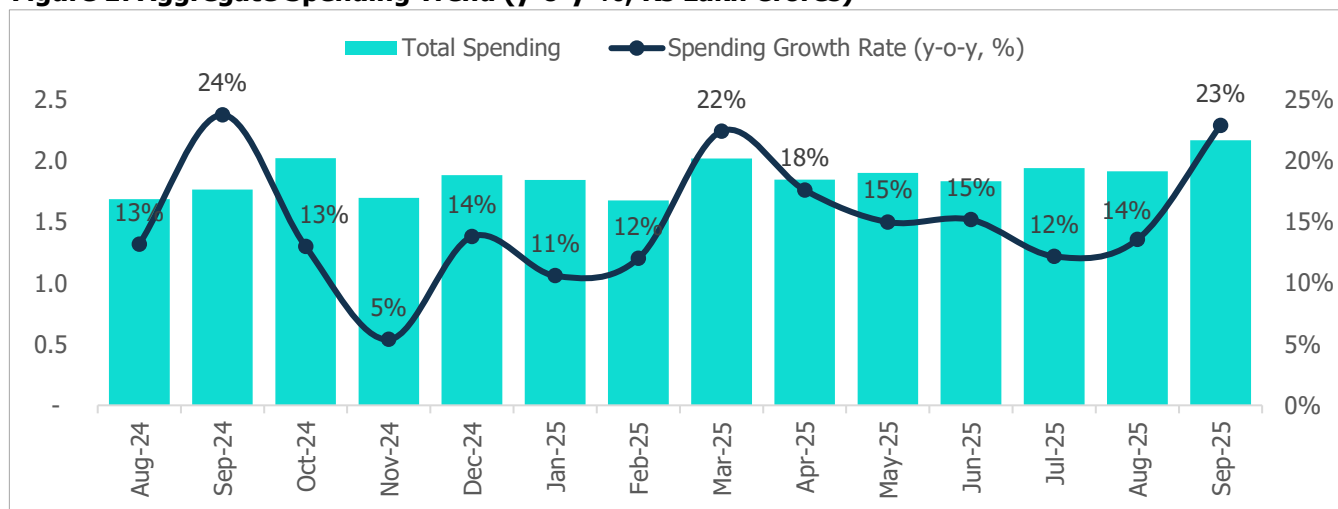
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Synopsis

- In September 2025, credit card spending rose by 23.0% year-on-year (y-o-y) and by 13.0% sequentially to Rs 2.17 lakh crore, reaching an all-time high for the first time since 2020, attributed to bank-led festive offers, increasing consumer demand driven by the festive season spending, spurred by GST reduction, along with increased card issuances for the month. This growth was marginally lower than the 24.0% growth seen in the same period last year.
- PVBs maintained their dominance in the credit card spending market with a 74.2% share in September 2025, although this was a 130-basis point decrease y-o-y. Meanwhile, PSBs increased their share to 21.2% from 18.4%. The PSB market remains concentrated among a few large players.
- The total number of outstanding credit cards grew from 10.6 crore in September 2024 to 11.3 crore in September 2025, reflecting a steady increase in card penetration. Private banks' (PVBs) average spending per card in September 2025 was Rs 20,011, a 3.0% rise y-o-y. Conversely, public sector banks (PSBs) experienced a more significant increase of 30%, with per-card spending rising to Rs 16,927.
- The share of credit card outstanding balances in total retail loans declined to 4.5% in September 2025 from 4.9% a year earlier, indicating a relative slowdown in credit card outstandings even as other retail segments expanded.

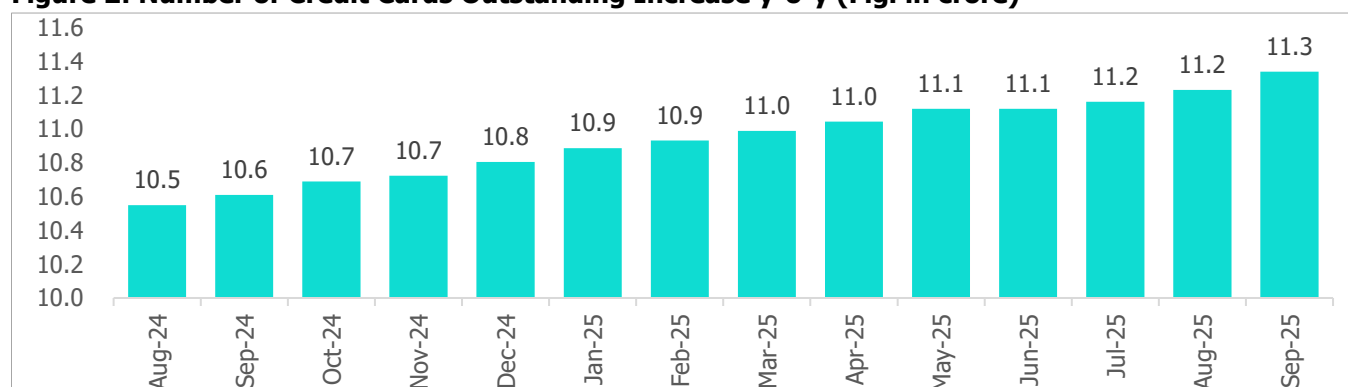
Rising Credit Card Spending

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



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

In September 2025, credit card spending rose by 23.0% y-o-y and 13.0% m-o-m to Rs 2.17 lakh crore, driven by festive-related offers, GST rate reductions, and increased card issuances that boosted discretionary spending. While the growth remained robust, it was slightly lower than the 24.0% expansion seen a year ago.

Figure 2: Number of Credit Cards Outstanding Increase y-o-y (Fig. 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 rose from 10.6 crore in September 2024 to 11.3 crore by September 2025, increasing 7.0% y-o-y and 1.0% m-o-m, attributed to an expansion in credit card adoption and usage. Growth has been primarily driven by PVBs through acquisition strategies, co-branded partnerships, and the enhancement of digital offerings. However, this growth was slower than the 14.0% growth seen in the same period last year due to a focus on higher-quality customers, which reduced card issuances, as delinquencies in the unsecured segments were on the rise.

Public Banks Gain Share m-o-m, Private Still Holds a Dominant Share in Credit Card Spending

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

Bank-Group	Sep-24	Oct-24	Mar-25	Jun-25	Jul-25	Aug-25	Sep-25
Large PVBs	58.1	58.4	58.4	58.1	58.2	57.6	59.3
Other PVBs	17.3	17.2	17.3	17.1	17.2	17.3	14.8
PVBs	75.5	75.5	75.7	75.2	75.4	74.9	74.2
Large PSBs	18.0	18.1	18.4	19.0	19.1	19.7	20.9
Other PSBs	0.4	0.4	0.4	0.4	0.4	0.4	0.3
PSBs	18.4	18.5	18.7	19.4	19.5	20.1	21.2
FBs	5.1	5.0	5.0	4.9	4.6	4.4	4.1
SFBs	1.0	1.0	0.5	0.5	0.5	0.6	0.5

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)

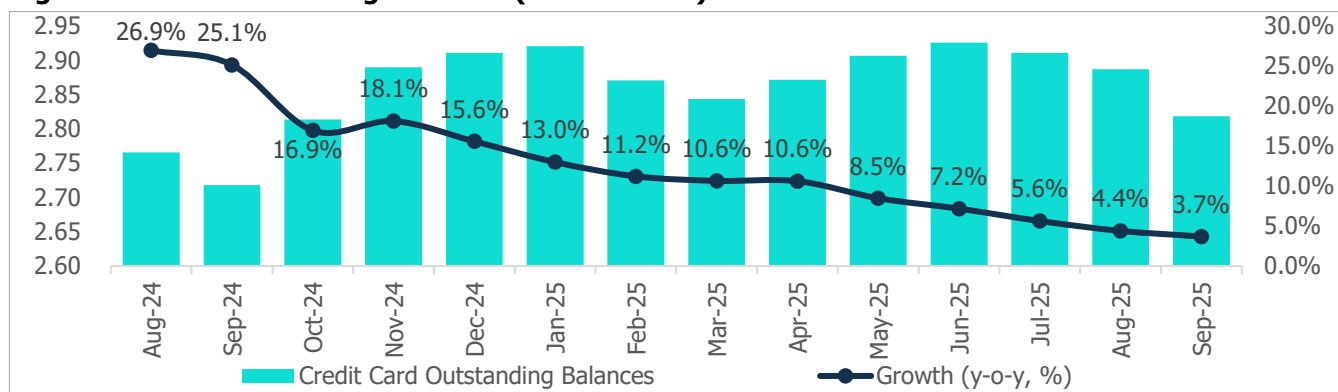
The market share of PVBs decreased by 130 basis points from 75.5% a year earlier. Meanwhile, PSBs gained market share y-o-y due to a wider customer reach in tier-2 and tier-3 cities, government efforts, and more aggressive distribution compared to PVBs. PSBs have a relatively smaller presence, with their spending market share rising above 20%, concentrated among a few large PSBs. Smaller PSBs contribute marginally to this segment, holding just ~0.5% of the total spending.

Overall, per-card spending stood at Rs 19,144, marking a 12.2% m-o-m uptick from Rs 17,052 in August 2025, and a 15.0% y-o-y increase from Rs 16,645 in September 2024. This rise in spending was attributed to festive tailwinds, rising digital and e-commerce adoption, and bank-driven incentives, with a marked shift toward higher-ticket, value-driven transactions.

In September 2025, PVBs' per-card spending was Rs 20,011, up 3.0% y-o-y. On the other hand, Public Sector Banks (PSBs) saw a sharper increase of 30%, with per-card spending rising to Rs 16,927, attributed to enhanced digital and rewards offerings by large PSBs. Additionally, the higher spending among PVBs reflects their focus on urban, high-income customers with larger credit limits. Furthermore, reward structures, partnerships with e-commerce platforms, and digital engagement have also contributed to higher utilisation levels.

Outstanding Trends in Credit Cards – Credit Card O/s Balances Decline for the Month

Figure 4: Total Outstanding Balances (₹ Lakh Crore)



Source: RBI, CareEdge Calculations

- The total outstanding credit card balances stood at Rs 2.82 lakh crore as of September 2025, compared to Rs 2.89 lakh crore in August 2025 and Rs 2.72 lakh crore in September 2024, indicating a moderate y-o-y growth of 3.7% y-o-y and a sequential decline of 2.38%. The share of credit card outstanding balances in total retail loans has decreased marginally by 40 bps to 4.5% in September 2025 from 4.9% a year earlier.

Conclusion

Credit card spending surged to a record Rs 2.2 lakh crore in September 2025, driven by festive demand and sustained e-commerce growth, which was amplified by attractive discounts, retailer-led campaigns, and GST rationalisation, making high-ticket purchases more accessible for consumers. This confluence of factors drove both transaction volumes and spending value, with leading banks reporting double-digit month-on-month spend growth and a notable increase in the share of online transactions.

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