

Consumer Pulse Study

Consumer behaviours and attitudes about current and future household budgets, spending and debt

Kenya Q2 2026

TransUnion's quarterly survey explores how consumers' personal finances have changed and what changes they expect in the future. The study measures shifting consumer attitudes and behaviours based on the dynamics of income, debt and identity theft. The analyses and insights give consumers a voice and inform businesses' decision-making as they seek to create economic opportunity for consumers.

KEY TAKEAWAYS



Household finances remained under pressure

Kenyan households experienced a weaker financial quarter as fewer consumers reported income growth, and optimism about future earnings declined. The share of consumers able to pay bills and loans in full also edged lower, with younger generations experiencing the greatest financial strain. Consumers responded by making partial debt repayments, supplementing income through gig work, reducing discretionary spending and postponing major purchases. Looking ahead, households remain cautious as they continue prioritising essential expenditures and debt obligations.



Financial inclusion improved despite softer credit demand

Access to credit remained important to almost all consumers, and more respondents believed they have sufficient access to credit than a year ago, reflecting continued progress in financial inclusion. However, demand for new credit softened as consumer caution persisted in regard to taking on additional debt. Personal loans remained the preferred borrowing option, while demand for mobile lending and buy now, pay later (BNPL) products continued to grow. High borrowing costs remained the main barrier to credit uptake, with many consumers instead seeking alternative funding or expecting their applications to be declined.



Consumers embraced digital finance while remaining vigilant against fraud

Consumers continued to take a more active role in managing their financial well-being; almost all considered credit monitoring important and many supported the inclusion of alternative data to strengthen their credit profiles. Digital engagement continued to increase as confidence in artificial intelligence (AI) remained high, reflecting growing acceptance of AI-enabled technologies and digital financial services. At the same time, awareness of digital fraud stayed high, with most consumers successfully avoiding fraud attempts. Smishing, vishing and phishing were the most common scams, and many consumers strengthened their cybersecurity stance by changing passwords, enabling stronger authentication and monitoring their credit reports. However, a sizeable minority still took no action because they were unsure how to protect themselves, highlighting the need for continued consumer education and cybersecurity awareness.

Household income (HHI), spending and bill payment impact

Kenyan households experienced a deterioration in their financial position during Q2 2026. Only 30% of households reported an income increase over the previous three months, down a significant 12 percentage points from Q2 2025, indicating mounting financial pressures. Millennials experienced the sharpest decline in reported income gains.

The decline was primarily driven by reduced salaries (27%), job losses (24%) and business closures or declining orders (23%). Despite projected GDP growth of 4.7% in 2026,¹ Kenya's labour market remains constrained. The formal sector accounts for only 16% of employment, while 84%² of workers are employed in the informal sector, highlighting the prevalence of lower-paying and less-secure employment. These challenges are particularly acute among young people aged 15–34, who account for 35% of Kenya's population yet face unemployment of approximately 67%. More than 1 million young people enter the labour market annually, intensifying competition for quality jobs.³

Kenyan consumers were less optimistic about future income: 78% expected an increase over the next 12 months, five percentage points lower than last year. Optimism declined most notably among Gen Z.

The share of consumers able to pay bills and loans remained flat at 61%. Despite their relatively strong position, the share of Gen Z consumers unable to meet financial obligations increased by seven percentage points to 54%, reflecting greater income and employment pressures facing younger consumers.

To manage these financial pressures, consumers focused on meeting their financial obligations. Among those unable to pay in full, 50% planned to make partial payments. Another 50% intended to supplement their incomes through gig work, especially Gen Z. 28% planned to draw on savings or borrow from friends and family, highlighting reliance on multiple coping strategies.

Despite easing interest rates, 32% of consumers prioritised paying down debt faster, down from 40% a year earlier. The Central Bank of Kenya has been steadily lowering its policy rate since August 2024, bringing it to 8.75%⁴ in Q2 2026, and providing relief to borrowers. However, household finances remain under pressure. Only 36% of households increased emergency savings (down sharply from 46% in Q2 2025), suggesting limited capacity to build financial buffers against future income or payment shocks. To accommodate ongoing financial pressures, 55% of households reduced discretionary spending over the last quarter, while 36% cancelled or reduced digital services to preserve cash flow.

Looking ahead, consumers expected to remain cautious. More than half (53%) planned to reduce discretionary spending, 48% intended to cut back on major purchases like appliances and vehicles and 40% anticipated reducing retail spending. At the same time, 41% expected to increase spending on bills and loan repayments.

This cautious outlook comes as inflation accelerated from 4.4% in Q1 to 6.4% in Q2 2026,⁵ driven by higher imported fuel prices, transport costs and global energy prices – eroding purchasing power, limiting households' abilities to rebuild savings and reinforcing the need to prioritise essential spending.

¹ Kenya | World Bank Group

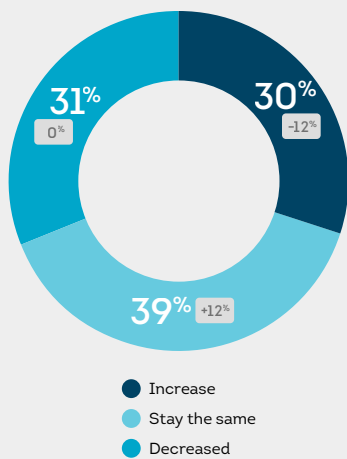
² 2026 Economic Survey

³ Youth Employment | The Federation of Kenya Employers (FKE)

⁴ <https://www.centralbank.go.ke/rates/central-bank-rate>

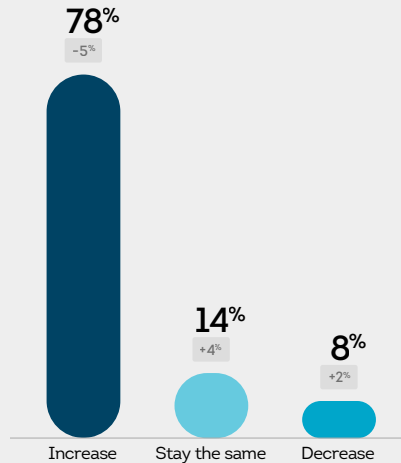
⁵ <https://www.knbs.or.ke/reports/consumer-price-indices-and-inflation-rates-june-2026>

Figure 1. Household income change last three months



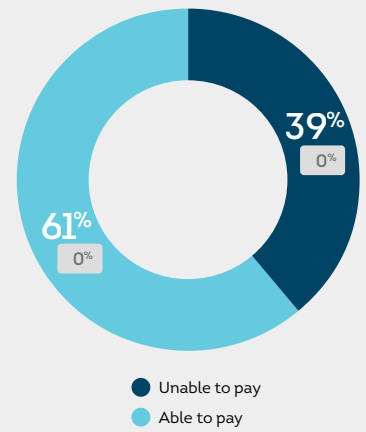
X% Percentage point change from Q2 2025

Figure 2. Expected household income change next 12 months



X% Percentage point change from Q2 2025

Figure 3. Expect to be unable to pay at least one of their current bills and loans in full



X% Percentage point change from Q2 2025

Figure 4. Plans to pay current bills or loans (among those unable to pay bills/loans)

	Overall	Gen Z	Millennials	Gen X
Cashflow injection				
Take on temporary/gig work	50% +2%	54%	42%	62%
Borrow money from friends/family	28% -1%	28%	27%	38%
Use money from savings	28% -6%	24%	32%	38%
Use unemployment benefits	4% -2%	5%	4%	0%
Existing accounts				
Pay partial amount	50% +2%	48%	49%	69%
Refinance/renege payments/rates	16% -5%	15%	15%	23%
Payment holiday/other accommodation	9% +4%	6%	11%	15%
Increasing credit usage				
Take out personal loan	23% +4%	25%	21%	15%
Use credit card available balance	11% -2%	8%	15%	8%
Open new credit card(s)	4% +3%	5%	3%	0%
Don't know				
I don't know how I'm going to pay	3% +2%	2%	4%	0%

X% Percentage point change from Q2 2025

Figure 5. Changes to household budget in the last three months

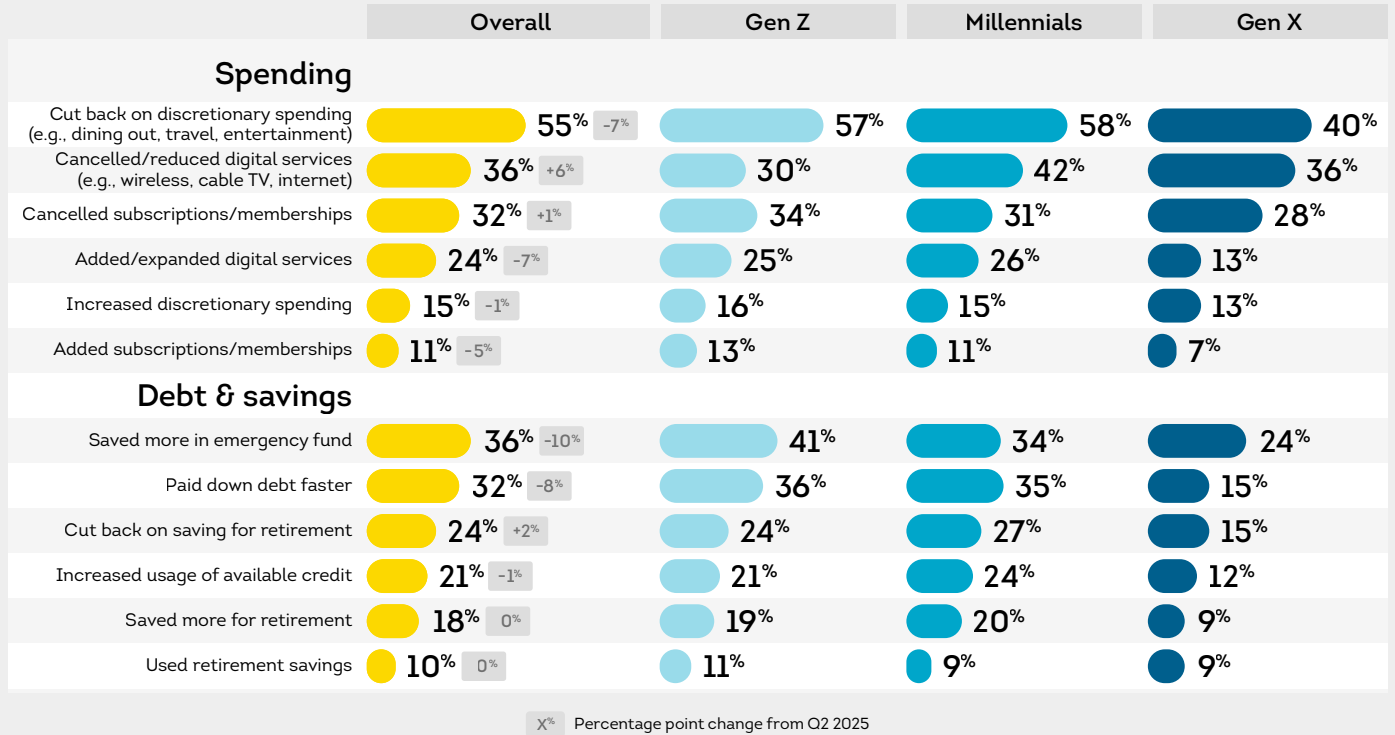
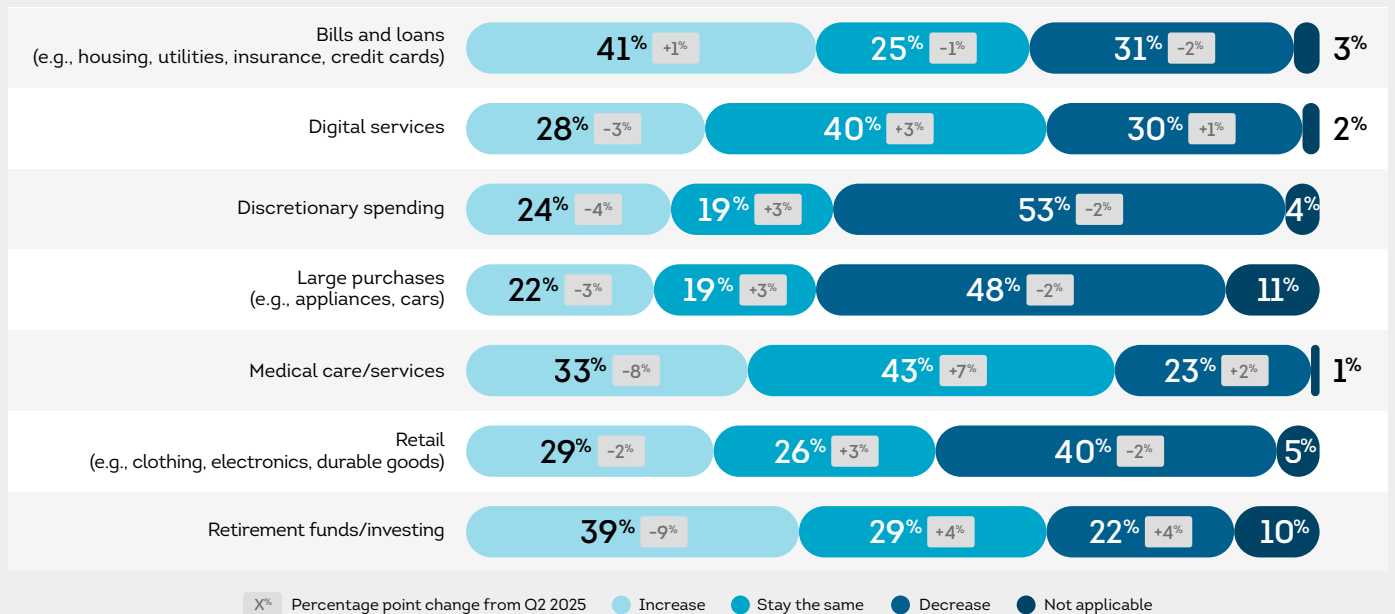


Figure 6. Expected change to household spending over next three months



Attitudes and plans for economic participation

Most (73%) Kenyan consumers regarded access to credit as very important. However, only 40% believed they had sufficient access to credit, although this was an improvement from 36% a year earlier. The gradual improvement in perceived financial inclusion reflects continued investment by banks in digital channels, mobile technology and electronic payment platforms – making formal financial services more accessible and convenient.

Despite improved access, demand for new credit weakened. While 57% of consumers expected to apply for new credit or refinance existing facilities over the next 12 months, that was down from 69% in Q2 2025. Millennial intent to seek credit fell 15 percentage points to 60%, reflecting their greater financing needs despite growing financial pressures.

Among prospective applicants, personal loans remained the preferred form of credit (53%). Interest in mobile loans increased significantly to 45%, up six percentage points from a year ago, highlighting the growing role of digital lending platforms in Kenya's credit market. Meanwhile, 27% of consumers planned to use buy now, pay later products, reflecting increasing demand for flexible short-term financing.

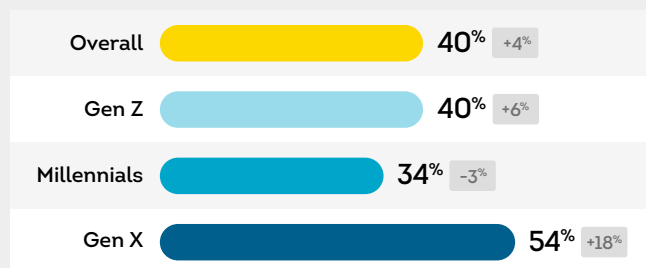
However, intended borrowing did not always translate into applications. Nearly two-thirds (62%) of consumers who initially planned to apply for credit ultimately chose not to proceed, although this was six percentage points lower than a year earlier. The high cost of credit remained the main deterrent, cited by 41% of respondents. While the Central Bank of Kenya has reduced its policy rate since 2024, the recent acceleration in inflation has continued to erode household purchasing power and may have tempered the willingness of consumers to take on additional debt despite lower borrowing costs. Instead, 30% secured alternative sources of funding, while 27% believed their applications would be rejected because of their income or employment status.

Figure 7. Believe important to have access to credit and lending products to achieve financial goals



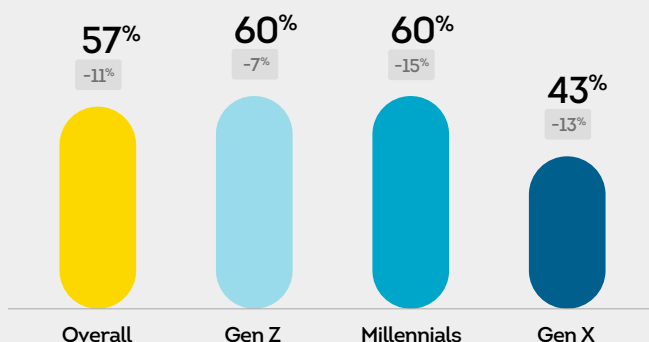
X% Percentage point change from Q2 2025

Figure 8. Believe have sufficient access to credit and lending products



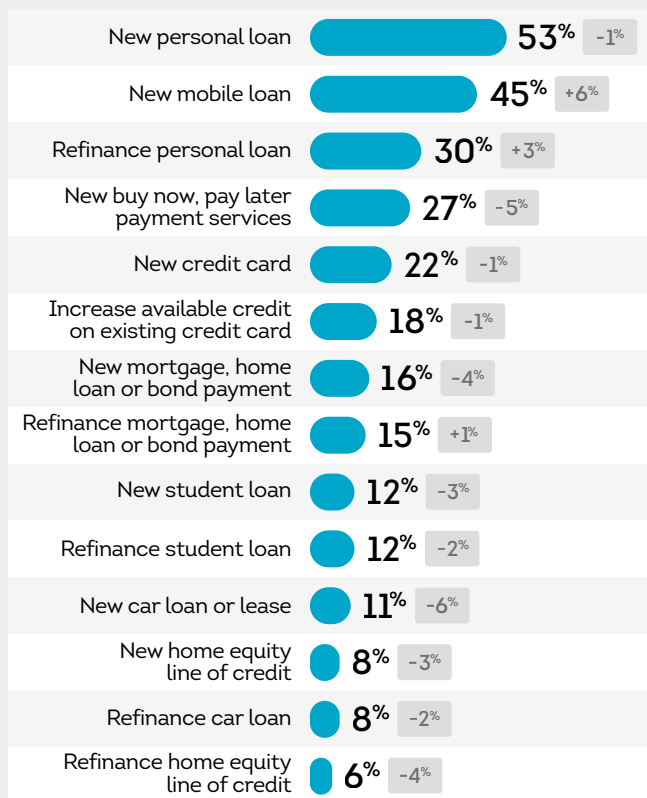
X% Percentage point change from Q2 2025

Figure 9. Plan to apply for new credit or refinance existing credit within the next year



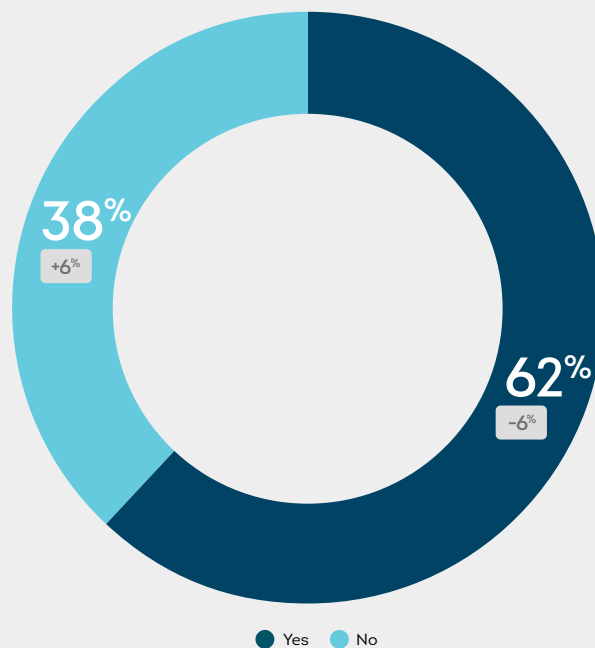
X% Percentage point change from Q2 2025

Figure 10. Type of new credit and loan activity planned in next 12 months
(among those who plan to apply for new or refinance existing credit)



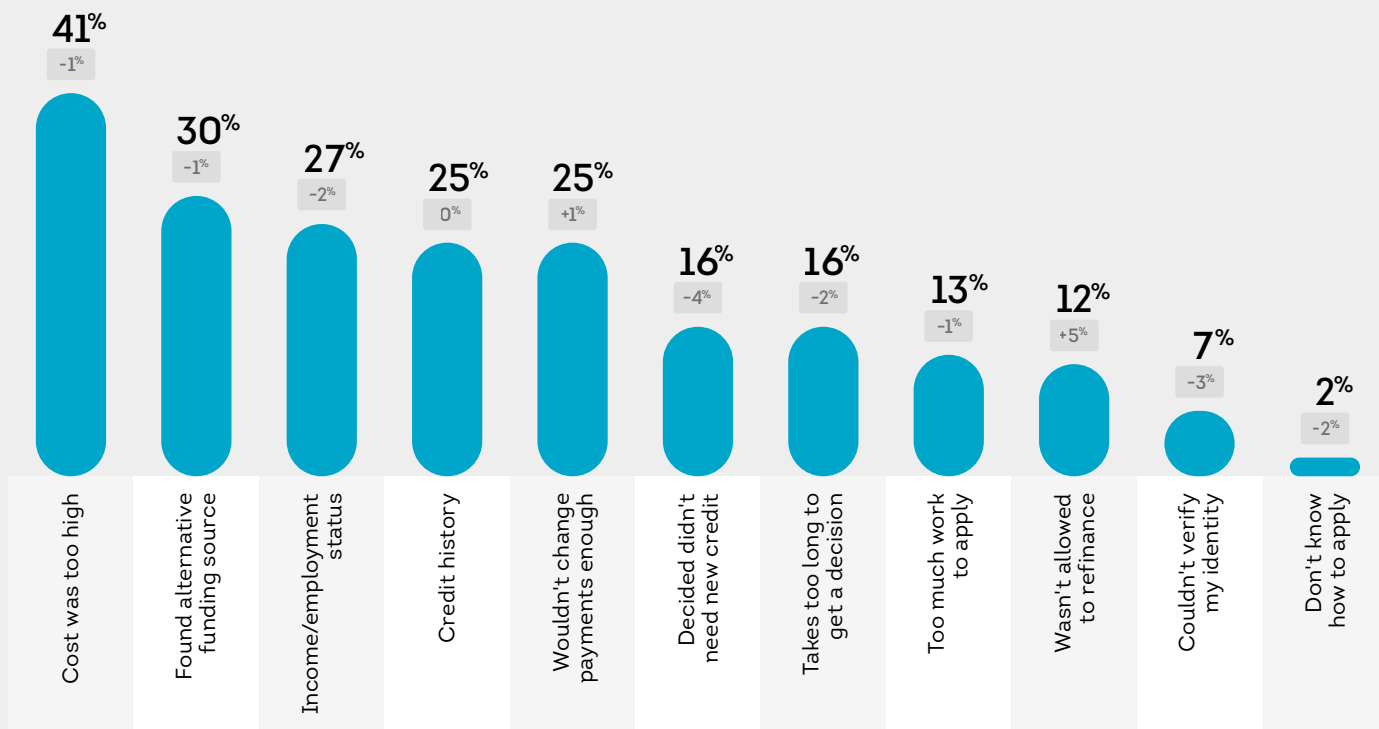
X* Percentage point change from Q2 2025

Figure 11. Abandoned plan to apply for new credit or refinance



X* Percentage point change from Q2 2025

Figure 12. Reasons for abandoning application for new credit or refinance



X* Percentage point change from Q2 2025

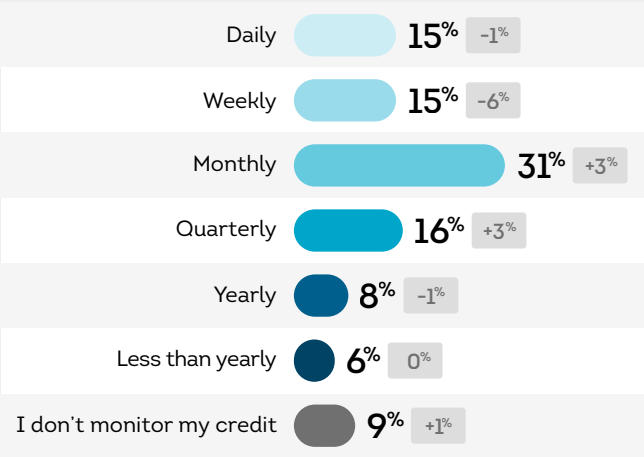
Attitudes and behaviours to manage financial choices

Almost all (97%) consumers considered monitoring their credit status to be important, highlighting growing awareness of the value of maintaining good credit health. However, the frequency of credit report monitoring declined slightly; 61% reviewed their credit reports at least monthly, down from 65% a year earlier.

Consumers also recognised the potential value of broader credit information. Nearly two-thirds (62%) believed incorporating alternative data not typically included in traditional credit reports, such as rental payments, gym membership subscriptions and BNPL transactions, would improve their credit scores and better reflect their financial behaviour.

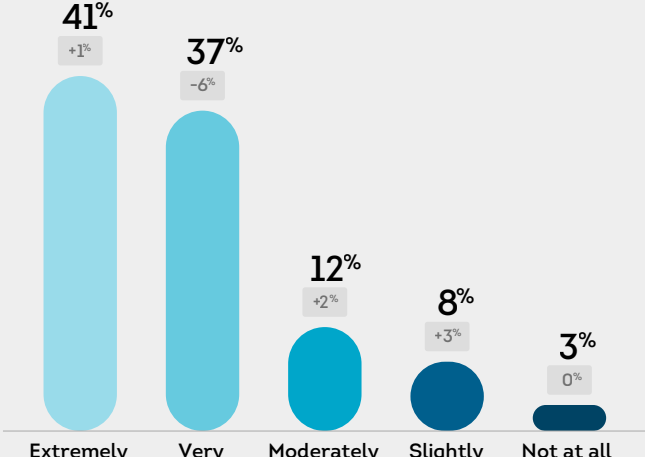
Digital engagement continued to accelerate as 46% of consumers conducted at least half of their transactions online, up two percentage points from Q2 2025. Confidence in artificial intelligence was also high; 64% believed AI will have a positive long-term impact on their lives, reflecting growing acceptance of AI-enabled technologies and digital financial services compared to only 17% who disagreed.

Figure 13. Credit monitoring frequency



X% Percentage point change from Q2 2025

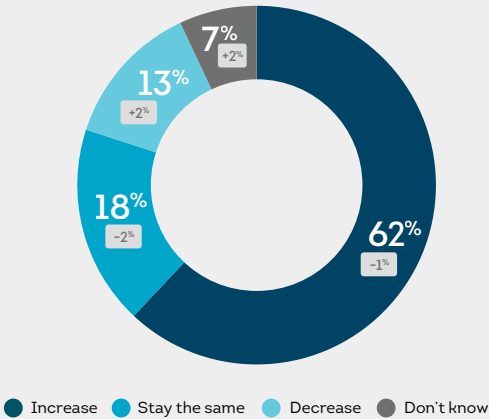
Figure 14. Believe monitoring credit is important



X% Percentage point change from Q2 2025

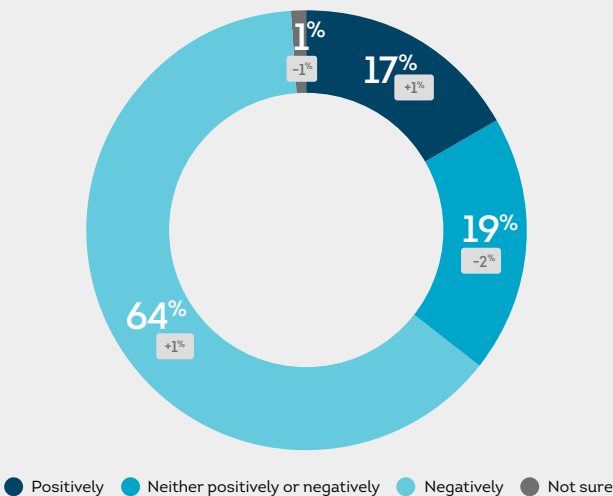
Figure 15. How believe credit score would change if businesses used information not on standard credit report

Examples provided of non-standard information include: rental payments, short-term loan history and buy now, pay later loans



X% Percentage point change from Q2 2025

Figure 16. How consumers believe AI will impact them



X% Percentage point change from Q1 2026

Identity risks and usage

Digital fraud remained a significant concern for Kenyan consumers. Over the past three months, 68% reported being targeted by digital fraud schemes but successfully avoided becoming victims, although this was down slightly from 71% a year earlier. A further 9% indicated they were targeted and fell victim to fraud, an improvement from 10% in Q2 2025. Gen Z consumers remained the most vulnerable; 12% reported they had been victimised.

Consumer awareness of digital fraud remained relatively high; only 23% of respondents were unaware of any fraud attempts directed at them.

Smishing (fraudulent text messages designed to obtain information) remained the most prevalent scam, reported by 41% of consumers and increasing by one percentage point over the past year. Vishing, involving fraudulent telephone calls, ranked second at 40%, despite declining six percentage points from Q2 2025. Phishing attacks, including fraudulent emails, websites, social media posts and QR codes, affected 39% of respondents, down two percentage points from last year.

Consumers generally responded proactively following data breaches. Among those notified their personal information or online account details had been compromised, 57% changed the password on the affected account, 54% updated passwords on other accounts and 46% checked their accounts for unauthorised activity. Broader cybersecurity awareness also appears to be improving. During the previous 60 days, 72% of consumers changed passwords as a precautionary measure, while half enabled passwordless login options or multi-factor authentication. More than one-third (36%) also reviewed their credit reports to detect potentially fraudulent activity.

Nevertheless, a significant minority still took no action to improve cybersecurity. Among these consumers, 58% reported being unsure what steps to take and 27% were overwhelmed by information regarding cybersecurity concerns – while 23% indicated they were unwilling to spend money on cybersecurity or identity protection services. These findings highlight that although awareness of digital fraud remains relatively high, improving consumer education around practical cybersecurity measures is essential to strengthening digital resilience.

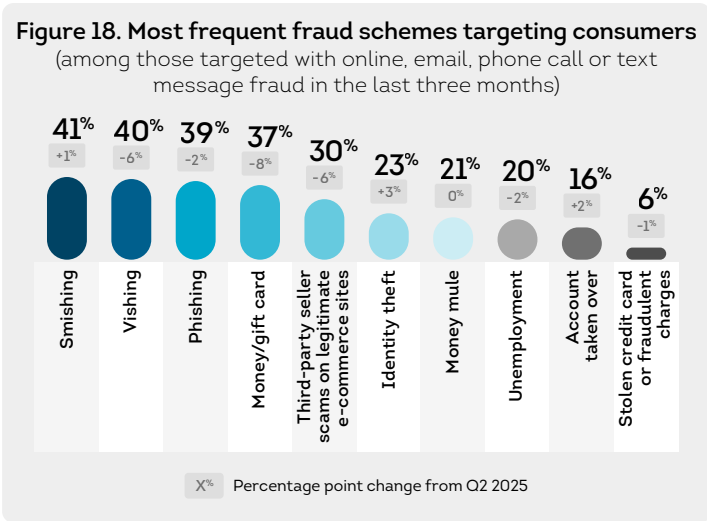
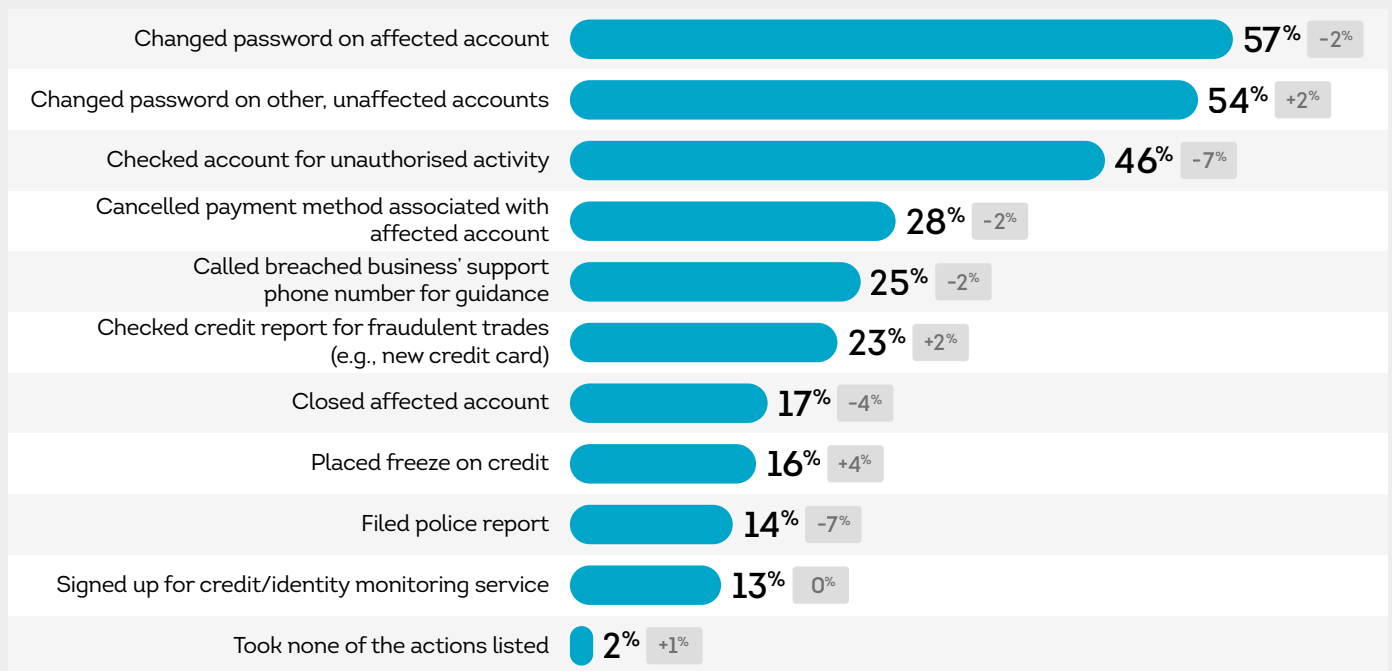


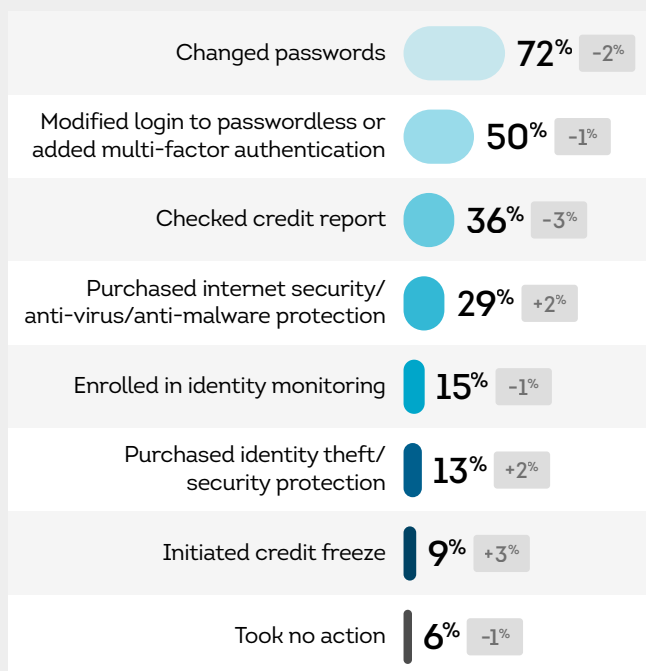
Figure 19. Most frequent actions data breach victims took

(among consumers notified in the last three months that details about their identities and/or online accounts were stolen)



X% Percentage point change from Q2 2025

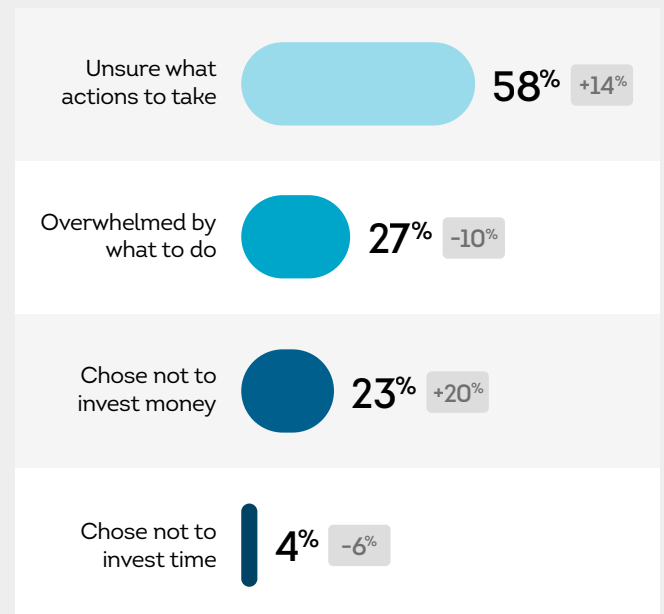
Figure 20. Actions taken in last 60 days due to cybersecurity concerns



X% Percentage point change from Q2 2025

Figure 21. Reasons did nothing about cybersecurity concerns

(among those who took no action about cybersecurity concerns in the last 60 days)



X% Percentage point change from Q2 2025

Research Methodology

TransUnion's Consumer Pulse Survey of 462 adults was conducted 29 April–19 May 2026 by TransUnion in partnership with third-party research provider, Dynata. Adults 18 years of age and older residing in Kenya were surveyed using an online research panel method across a combination of desktop, mobile and tablet devices. Survey questions were administered in English. To increase representativeness across resident demographics, the survey included quotas to balance responses to the census statistics dimensions of age, gender, household income and region. Generations were defined in this research as follows: Gen Z, 18–29 years old; Millennials, 30–45; Gen X, 46–61; and Baby Boomers, age 62 and above. These research results are unweighted and statistically significant at a 95% confidence level within ± 4.6 percentage points based on a calculated error margin. Please note some chart percentages may not add up to 100% due to rounding or multiple answers being accepted.

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