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State of fintech 2025

The fintech sector has undergone a transformative evolution in the years following the 2020 pandemic, marked by rapid digitization, shifting consumer expectations and macroeconomic volatility. In 2025, fintechs are navigating a complex landscape of growth opportunities and emerging risks.

This report synthesizes Experian's proprietary data, market insights and strategic imperatives to help fintechs thrive in this ever-changing environment. From origination trends and consumer behavior to delinquency patterns and student loan impacts, we provide a comprehensive view of the state of fintech and what fintechs need in order to drive innovation and resilience.

Fintech market landscape: 2025 and beyond

The fintech ecosystem has rebounded strongly since the contraction in 2023. Originations, which peaked in 2021–2022, began to stabilize in 2023 but have shown consistent year-over-year growth since late 2024.

This resurgence is fueled by consumer demand for digital-first financial services and fintechs' ability to adapt underwriting strategies using advanced analytics. Key trends include the rise of embedded finance, AI-driven credit decisioning and the expansion into underserved markets. However, challenges such as rising delinquencies, regulatory scrutiny and economic ambiguity persist.

Experian data shows that fintechs have outpaced national growth in unsecured personal loan originations since late 2024, with particularly strong momentum in nonprime segments. This suggests fintechs are regaining market share by leveraging digital agility and alternative data strategies.

The fintech consumer: who they are and how they behave

Fintech borrowers are predominantly younger, digitally native consumers—primarily Gen Z and millennials—who exhibit higher credit utilization and shorter credit histories.

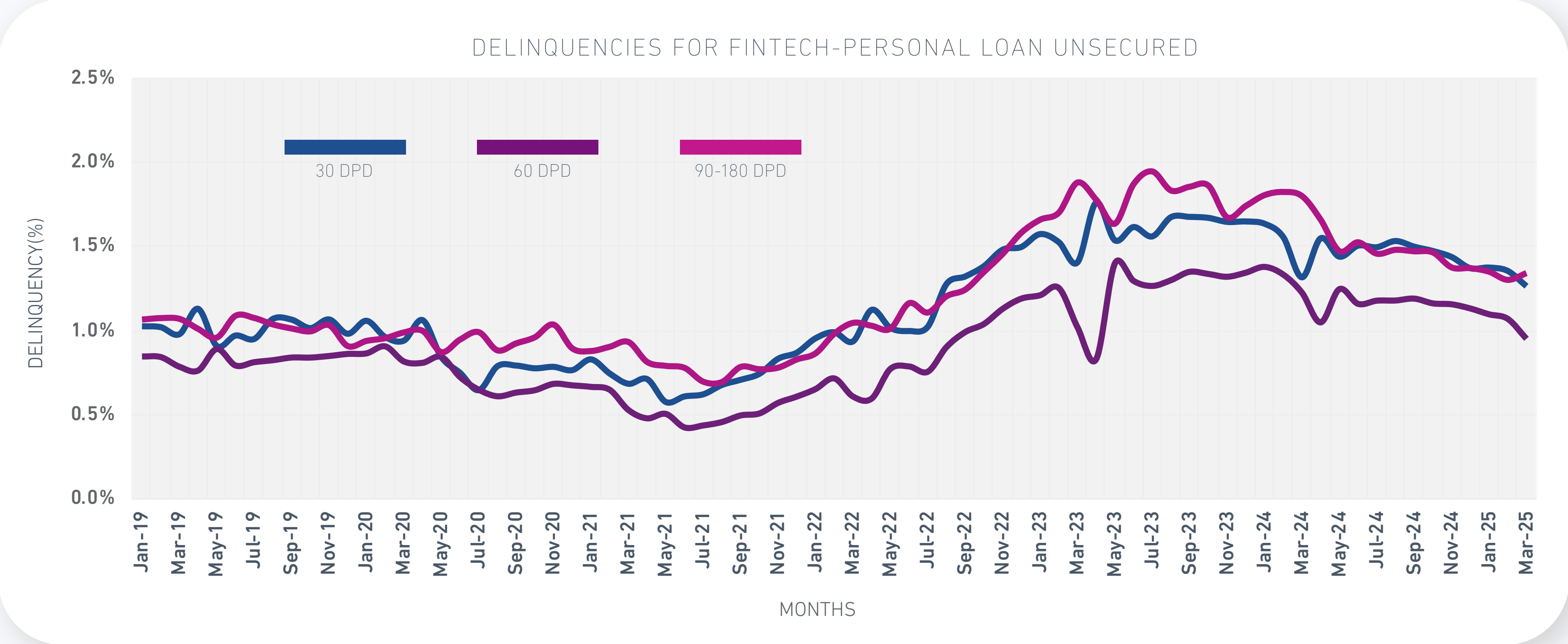
Compared to traditional borrowers, they have lower average credit scores (664 vs. 703) and higher inquiry volumes. Experian's data reveals a concentration of fintech consumers in the near-prime segment, **indicating a strategic focus on consumers who may be overlooked by traditional lenders** but still present viable credit opportunities. These consumers are more likely to engage with digital platforms and expect seamless, personalized financial experiences.

Fintechs continue to attract a disproportionate share of near-prime and subprime consumers, particularly in bankcard originations. This reflects their ability to serve credit-hungry segments with flexible underwriting and digital-first experiences.

DIGITAL BORROWERS COMPARED TO THE AVERAGE U.S. CONSUMERS	Digital borrower	All U.S. consumers
Credit Score	665	703
Years of history	167	215
Open trade lines	5.3	4.2
Outstanding balances ($ thousands)	$18.8	$16.8
Credit inquiries in the last 12 months	0.88	0.56
Credit utilization	57.6%	48.8%

Credit risk and delinquency trends: a tipping point

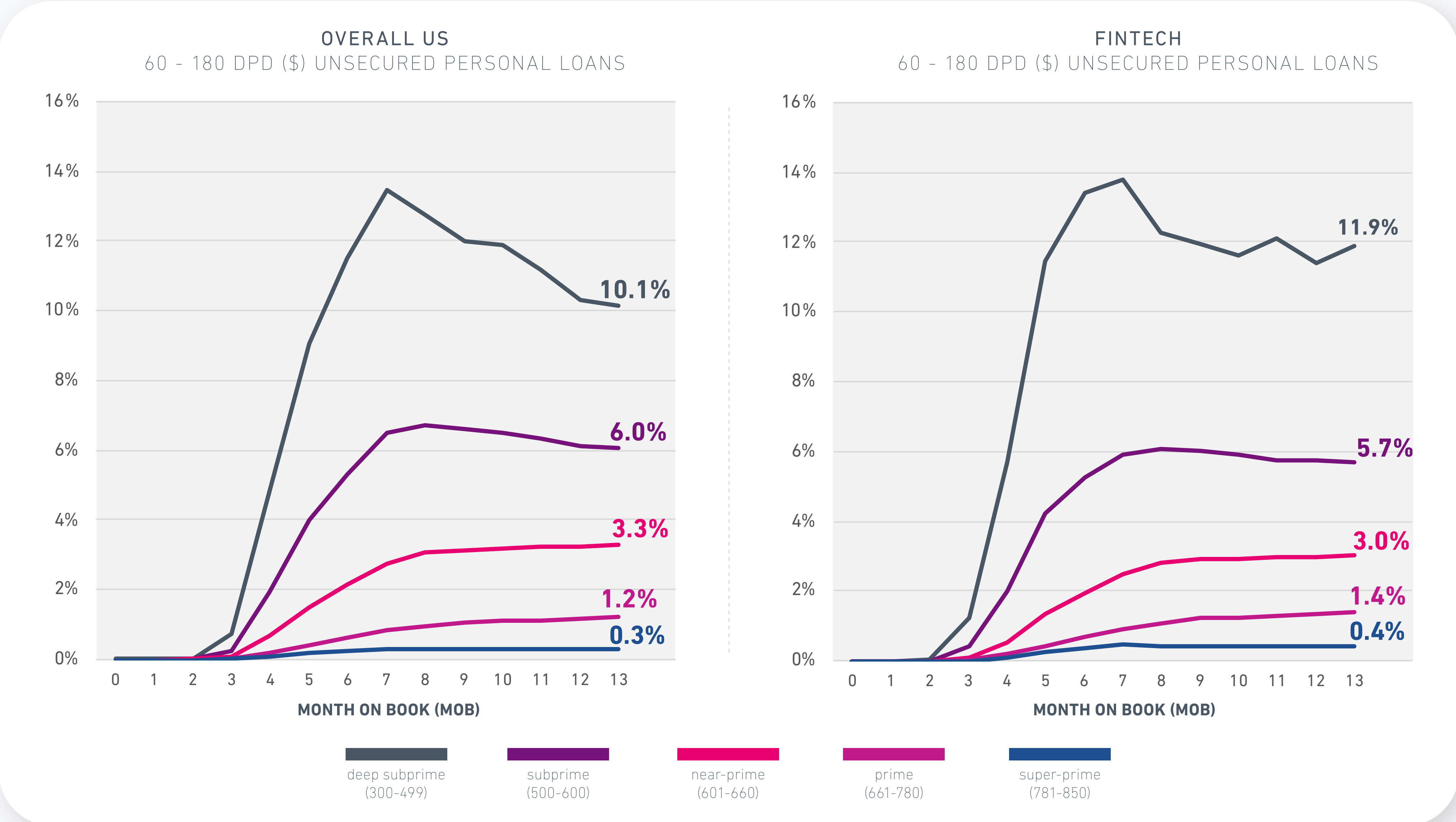
Despite a recent downward trend, there has been a general increase in delinquency since mid-2021, which continues to underscore the need for proactive risk management



The resumption of student loan payments in 2024 and the re-reporting of delinquencies in 2025 have introduced new credit stress. As of May 2025, nearly 1 million fintech consumers are 90–180 days past due on student loans. Notably, 68% of these were previously in the CARES Act payment pause, and super-prime consumers have experienced an average score drop of 169 points.

Experian's Clarity data further reveals that consumers with alternative lending presence are 3x more likely to be 90+ DPD, highlighting the importance of integrating alternative data into risk models.

While delinquency rates were higher through 2023 and 2024, they have begun to decline in 2025, driven by an influx of new, lower-risk originations. Fintech is very similar to US Overall from their 2024 vintages thus far.



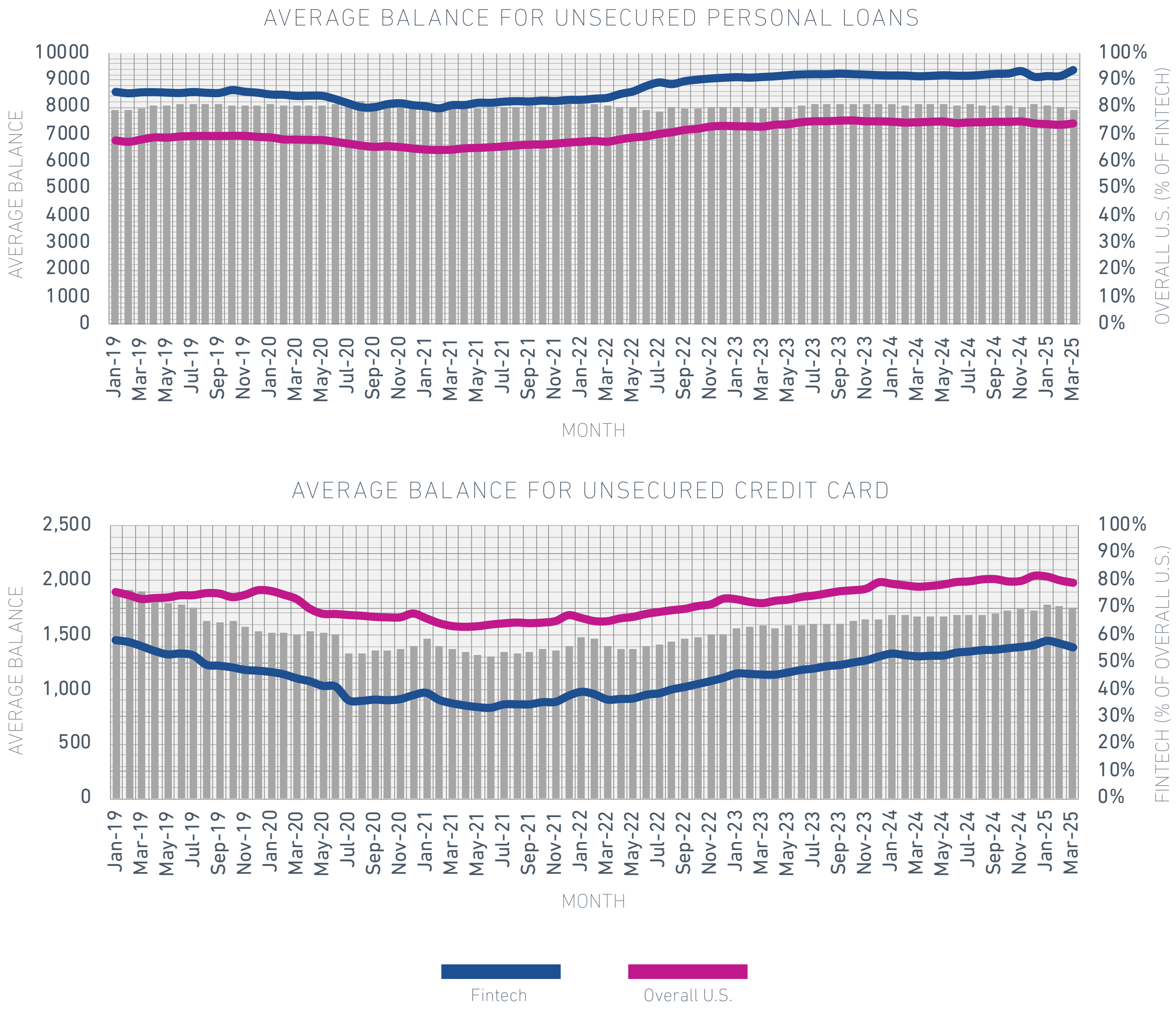
Origination and growth trends: where the market is moving

Fintech originations have not only stabilized, but are growing steadily year-over-year. Growth is particularly strong in the near-prime and prime segments, with longer-term loans (62+ months) gaining popularity.

Credit limits in the $15K–$30K range are also expanding, reflecting fintechs' confidence in higher-credit consumers. This shift suggests a strategic recalibration toward more resilient borrower segments and a focus on sustainable growth.

Experian's data shows that **fintechs are increasingly leveraging data-driven insights** to optimize their credit strategies and expand responsibly.

After a period of contraction, fintech unsecured personal loan (UPL) balances are rebounding, and bankcard originations are showing strong year-over-year growth in 2025. This signals renewed consumer demand and fintechs' ability to reengage borrowers with tailored credit products.



Strategic imperatives for fintechs in 2025

To succeed in this evolving landscape, fintechs must embrace the following imperatives:

Precision risk management: Go beyond traditional credit scores by using trended data, alternative data and ML-driven models.	Experian's trended data helps identify consumers who are steadily paying down balances versus those accumulating debt.
Personalization at scale: Use segmentation models and behavioral analytics to deliver personalized offers.	Experian's tools enable segmentation by credit behavior, life stage, and financial goals.
Financial inclusion: Leverage alternative data, such as rental and utility payments, to expand access to credit.	Experian's Lift Premium™ identifies creditworthy consumers with thin or no files.
Fraud and identity protection: Invest in real-time identity verification and fraud detection.	Experian's CrossCore® platform provides adaptive fraud prevention and identity checks.
Regulatory readiness: Ensure credit decisioning models are transparent and compliant.	Experian's governance tools help fintechs meet regulatory expectations.
Monitor student loan repayment behavior: Track student loan performance and score migration to identify early signs of financial distress.	Experian's data provides fintechs with critical early warning indicators.
Portfolio optimization: As fintechs reenter growth mode, it's critical to monitor shifts in portfolio composition and optimize for profitability.	This includes balancing origination growth with delinquency risk, particularly in nonprime segments.

Your strategic fintech partner

Experian offers unmatched software solutions, data depth, analytics capabilities, and fintech-specific solutions to help you grow responsibly. Our ecosystem includes:

- Industry-leading credit, alternative, and behavioral data
- AI/ML-powered decisioning tools and trended data
- Cloud-native platforms and API integrations
- Proven compliance and regulatory expertise

Experian's real-time benchmarking and portfolio monitoring tools enable fintechs to track risk migration, compare performance against peers and adjust strategies dynamically—ensuring agility in a volatile market.

Fintech is evolving fast—and the winners will be those who can harness data, technology and insight to serve customers better and grow responsibly. Whether you're launching a new product, expanding into new segments or managing risk in uncertain times, Experian is here to help.

Ready to unlock smarter growth?

Contact us today to learn how Experian can help you scale with confidence.

About the report

Fintech companies that lend money offer any of several financial products. These include mortgages; student loans; and buy now, pay later contracts. In this report, Experian data scientists and analysts take a deep look at two of the most popular lending products in the industry: the unsecured personal loan and credit cards. For the unsecured personal loan product, we excluded small-dollar loans, focusing on unsecured personal installment loan accounts originated with balances above $500 with loan terms between 12 and 84 months.

We compared the entire set of unsecured personal loans and credit cards during that period to the subset of those loans reported by select digital lenders.

To maintain confidentiality, we don't name the lenders selected as part of our subset and have applied a proprietary weighting scheme when calculating our reported statistics.

There's a significant overlap between the population used in our study related to all lenders, which includes the fintech segment and, in some cases, the fintech segment is discussed individually; however, we have no reason to believe the overlap biased any of our results.