Vancouver's debt-payment delinquency rates rise 19 per cent in the past year

Tiffany Crawford 2025-05-06

File photo of an empty wallet. Vancouver debt payment delinquency is at a record high. Photo by ALFSnaiper /Getty Images/iStockphoto

Three years ago, Stuart Tisdale lost his job as a regional manager for a national non-profit after a series of illnesses and medication side-effects that affected his job performance.

His wife's income was just enough to cover rent for their Maple Ridge home but as months went by, the family of five's bank account dwindled as their credit card debt piled up.

With inflation and costs of living skyrocketing, it wasn't long before Tisdale hit his card's $22,000 credit limit and was unable to make the minimum payments.

"It got to a point it was a choice: Do I buy groceries or do I pay the Visa?" said Tisdale, 55. "You get caught in that unfortunate downward spiral you can't get out and you start sinking."

The debt kept on mounting, even as Tisdale tried to make payments which couldn't keep up with high interest rates.

"The price of everything was increasing so much, and quickly," he said. "It's like Canada got hit by a financial bomb since COVID and it's been crazy ever since."

Tisdale's experience is a common one, according to a new financial report released Tuesday that found Vancouver had some of the highest rates of debt nonpayment in the country last year.

The Money.ca report says nonpayment rates in Vancouver, which is burdened by high housing costs, jumped by a record 19 per cent year over year, to an overall rate of 1.43%, following Toronto with a 24 per cent jump, revealing deep-seated financial vulnerabilities.

Money.ca is a financial news and credit comparison site.

Overall in Canada, personal debt has grown modestly, the report says, mainly because of increased reliance on credit to meet basic living costs.

Nonpayment, also known as delinquency, rates are an indicator of financial distress and have surged dramatically, signalling a growing inability among many to manage their finances, the report says.

It blames the high number of Canadians defaulting on debts on stagnant wages, persistent inflation driving up the cost of essential goods and services, and more people using credit to put food on the table.

“Wage growth has not kept pace with inflation, leaving many Canadians unable to adjust to rising costs,” the report says. “Canadians are turning to credit as a temporary solution to financial strain, but rising delinquency rates suggest this approach is proving unsustainable for many.”

Blair Mantin, president of the debt help firm Sands & Associates and a licensed trustee, said his staff has reported a 22 per cent increase in calls from around B.C. over the last year.

That doesn’t mean they are all necessarily filing for bankruptcy, but that more people are reaching out for help with skyrocketing debt, he added.

“Phones are literally ringing off the hook. We’re hiring people trying to meet the demand. It’s never been this busy,” he said.

Mantin said many of his clients struggle with paying rent, the cost of living and wages that are not keeping up with inflation, especially in Vancouver.

“It used to be people paid one-third of their income on rent. Now, it’s over 50 per cent for many people … and so it becomes very difficult to do anything more than just survive on that if you’ve got no emergency fund, no savings,” he said.

Mantin said the delinquency rate going up is a “very worrisome” indicator because usually the vast majority of people are able to make the minimum payments required to avoid debts being sent to collection agencies.

“So the fact that people are essentially running out of runway, that’s concerning, because no one wants to be delinquent, and usually the answer is just to try to keep borrowing. And that’s where we see huge uptake in payday loans in the last few years.”

He added that many people are becoming despondent and think they will go bankrupt but the majority of clients who consult a trustee end up filing a proposal to pay down debt instead of filing for bankruptcy.

Overall in Canada, average non-mortgage debt increased modestly by 3.79 per cent year over year, reaching $21,810, according to the money.ca report.

Delinquency rates, however, surged by 19.14 per cent, highlighting the growing inability of Canadians to manage their financial obligations, the report says.

It also noted a Google search on bankruptcy is up slightly by four per cent over last year, suggesting some Canadians may be considering bankruptcy as a way to manage unmanageable debt. A search for garnishment — which relates to wage or asset seizure for unpaid debts — was up by six per cent, according to the report.

Tisdale, who reached out to Sands & Associates for help, said the debt affected everything in his life, including his relationship with his wife and children.

Now on a debt reduction program, he estimates he can pay off his debt to the firm in five years and didn’t have to declare bankruptcy.

“We still own everything we have. I’m still out of work, but because the debt load is lower we can afford to breathe.”

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With files from Cheryl Chan