



# HOW INDIA BORROWS 2024

TRACKING THE BORROWING BEHAVIOUR OF CUSTOMERS  
FOR THE 6<sup>TH</sup> YEAR IN A ROW



A Study by Home Credit India Finance Pvt Ltd





## PREFACE

### ABOUT HOME CREDIT

Home Credit India Finance Pvt Ltd is a pioneering force in the world of customer finance lending. As a leading Non-Banking Financial Company (NBFC), Home Credit has redefined the landscape of credit penetration and financial inclusion since its entry into the Indian market in 2012.

Our vision at Home Credit is to provide financial solutions that are not only simple and transparent but also accessible to all. We continuously meet the evolving needs of the customers through innovative ecosystems - helping to build a more resilient world. Our financial services are designed to fit seamlessly into the daily lives of our customers. Our services are powered by a dynamic and scalable technology platform, driven by extensive and proprietary data-led insights that deliver a frictionless experience for our customers. We empower customers to live the life they want NOW, which we term as **#ZindagiHit**.

Home Credit has an employee base of **~3,800** and has been consistently expanding operations since its entry in 2012, with its operations spread over **625 cities** across India. The company has a strong network of over **53,000 partner shops** and is growing with a customer base of over **1.7 Cr.**, driven by Pan-India expansion across major markets, a range of diversified and innovative products backed by superior customer experience.



**3,800+**  
EMPLOYEES



**53K+**  
PARTNER SHOPS



TRUSTED BY  
**1.7 Cr.+** CUSTOMERS



PRESENCE IN  
**625+** CITIES



SERVING INDIA  
**SINCE 2012**

## MESSAGE FROM OUR CMO



In the evolving landscape of customer credit in India, our latest study, **How India Borrows**, offers an insightful look into the borrowing habits and trends of lower middle-class customers. The study explores the digital transformation among borrowers, driven primarily by the tech-savvy Gen Z and Millennials across diverse town classes, including Metros, Tier-1 and Tier-2 cities. As the Chief Marketing Officer of Home Credit India, I am excited to share key insights from this comprehensive study.

One of the key findings reveal that credit is being increasingly used to finance consumer durables and small business ventures. Aspirational customers are embracing loans, particularly small-ticket ones, to enhance their lifestyles and improve income opportunities. Notably, these individuals are leveraging digital platforms for easy access to affordable and convenient credit, underscoring their desire for a better quality of life.

The study also highlights the growing adoption of embedded finance and the rising trend in EMI-based financing. However, customer trust is being tested as financial literacy improves and regulatory interventions by the RBI focus on protecting customer interests.

At Home Credit, we are committed to empowering customers, and we recognize the critical role of financial literacy in achieving this. Our study points to a strong interest among borrowers in improving their financial management skills, particularly through digital platforms. These insights inspire us to design our tailored financial literacy program **#PaiseKiPaathshala** that meets the evolving needs of our customers.

Moreover, the study emphasizes the importance of raising awareness around data privacy in today's digital era.

As we continue to navigate this technological shift, Home Credit remains dedicated to offering transparent and accessible financial solutions, fostering a responsible and inclusive financial future for all and to be a partner for everyone in making their **#ZindagiHit**.

Thank you for being a part of our journey towards creating a financially literate and inclusive India.



Happy Reading,

**Ashish Tiwari**

Chief Marketing Officer, Home Credit





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# 01 STUDY FINDINGS

For the past six years, Home Credit has been dedicated to understanding the changing borrowing habits of lower middle-class customers in India. This extensive study, covering 17 major cities and 2,500 borrowers, offers an in-depth look at the financial behaviour of individuals aged 18-55 years from diverse income groups and professions. What sets this study apart is its focus on active loan users - those who have recently obtained loans and are currently repaying them. This provides valuable insights into their borrowing preferences, financial literacy, digital adoption and awareness of data privacy.



## Objective and Significance

This study seeks to explore and analyze the borrowing habits of lower middle-class customers in India - a segment that represents a significant portion of the population and plays a vital role in the nation's economic progress. Understanding the borrowing patterns of this group is essential for comprehending the evolving financial landscape of the country.

The primary objectives of this study are to:

- Analyze the borrowing landscape, highlighting shifts in customer behaviour over the past few years.
- Evaluate the comfort and familiarity of borrowers in using digital platforms for financial transactions.
- Investigate customer awareness and perceptions surrounding data protection and privacy in the context of lending.

By addressing these areas, this study will shed light on the broader implications of these trends, offering insights into the challenges and opportunities for financial service providers in catering to this pivotal demographic. It also aims to contribute to policy discussions around customer protection and financial inclusion in an increasingly digital economy.



## Key Findings and Insights

**Loan Preferences and Motivations:** The most common loan types for lower middle-class customers are consumer durable loans and personal loans, often driven by the desire to improve lifestyle or start and expand businesses. These aspirational customers seek material goods and entrepreneurial ventures to enhance their lifestyle and provide better opportunities for their families.



**Rise in Digital Adoption:** There is a notable increase in the use of digital platforms for banking, financial transactions, and loan-related activities, particularly among urban Gen Z. Customers are increasingly trusting platforms like WhatsApp and Chatbots for applying for loans and managing repayments.



**Emerging Lending Services:** The use of innovative financial solutions like embedded finance and EMI cards is growing due to their convenience in credit-related transactions. However, increasing regulatory scrutiny has raised awareness, nudging customers to question their reliability.



**Data Privacy Concerns:** While digital platforms offer convenience, borrowers are increasingly concerned about data privacy and security. This underscores the need for financial institutions to implement strong data protection measures and maintain transparency.



**Financial Literacy Gaps:** Significant gaps in financial literacy persist among lower middle-class customers, highlighting the need for focused initiatives to empower individuals to make informed financial decisions.



## Future Implication and Recommendations

The findings from this study offer vital insights towards financial inclusion and economic empowerment across India. These insights are particularly relevant for various stakeholders in the financial ecosystem-ranging from financial institutions and fintech companies to policymakers, in order to foster a more inclusive and secure financial environment for lower middle-class customers.



**Financial Institutions:** Financial institutions must design accessible financial products tailored to the lower middle-class, focusing on consumer durable loans, personal loans, and small business loans. Simplifying applications, offering flexible repayment options, and providing easy access to credit are key to addressing this segment's needs. With increased digital adoption, integrating user-friendly platforms for loan applications and repayments is essential for enhancing the customer experience.



**Fintech Companies:** Fintechs must prioritize building trust by enhancing data privacy and transparency, especially with growing regulatory scrutiny. As more customers use digital platforms like embedded finance and EMI cards, companies should focus on robust encryption, clear communication of data practices, and user education on secure transactions. Trust in technologies like Chatbots and WhatsApp should be nurtured through reliability, efficiency, and strong security measures.

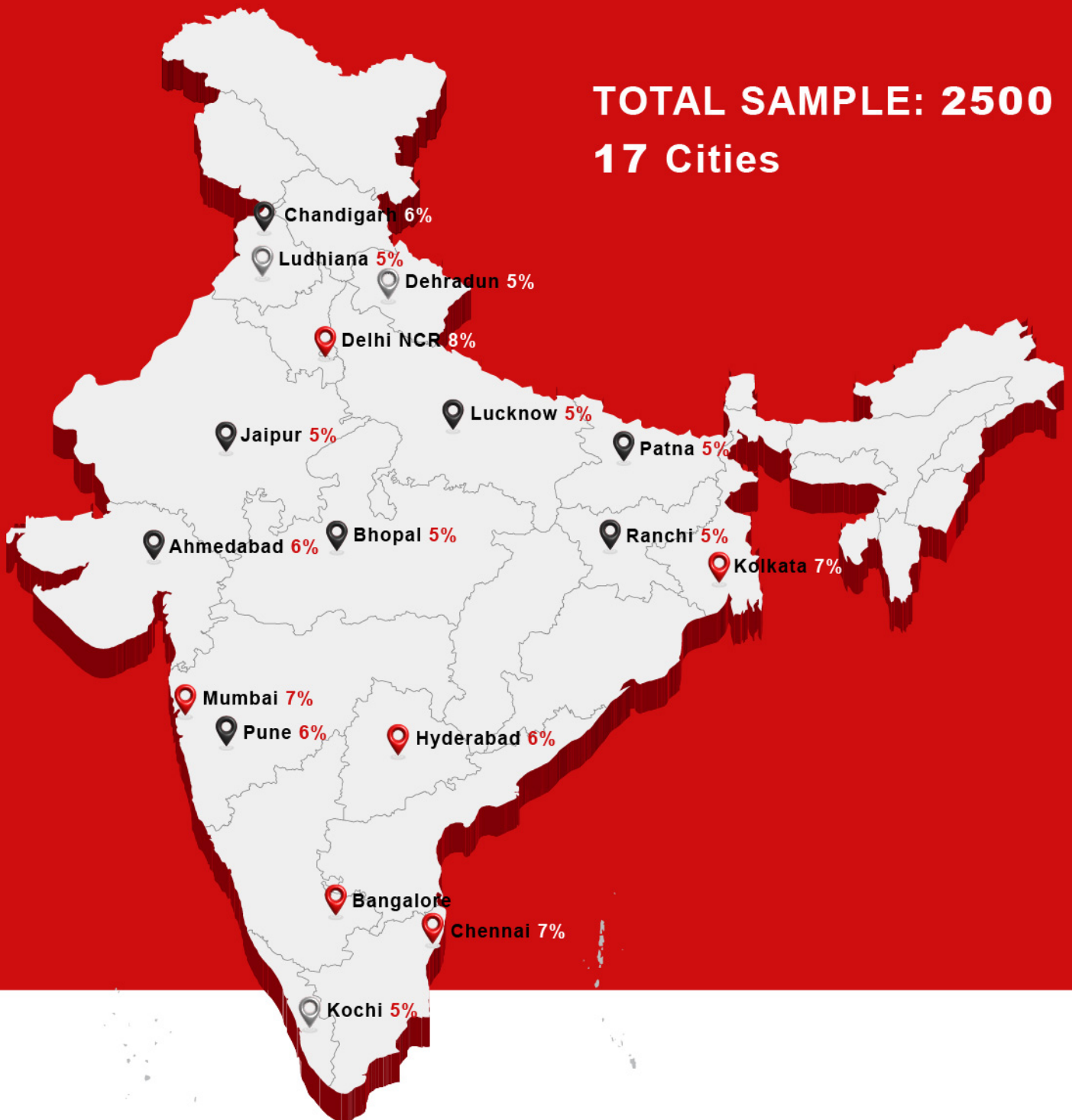


**Policymakers:** Policymakers play a vital role in promoting financial inclusion by addressing gaps in financial literacy, especially among lower middle-class customers. Large-scale literacy initiatives through digital platforms, schools, and partnerships are needed to help customers make informed financial decisions. Additionally, a strong regulatory framework should be established to build trust in emerging financial services while protecting customers from fraud, fostering an inclusive and secure financial environment for all.



# SAMPLE DESIGN

**TOTAL SAMPLE: 2500**  
**17 Cities**



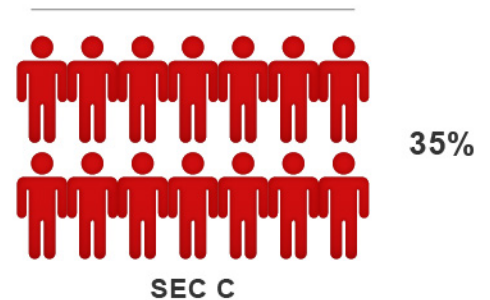
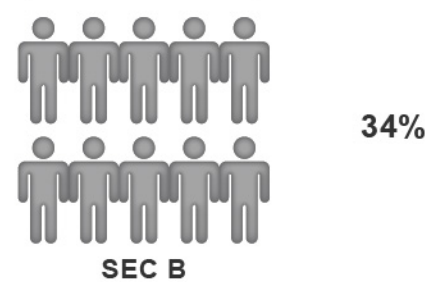
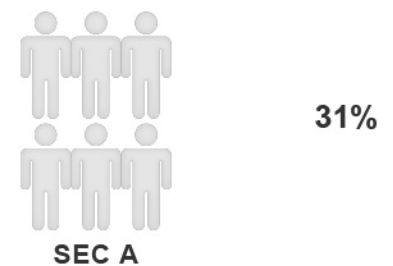
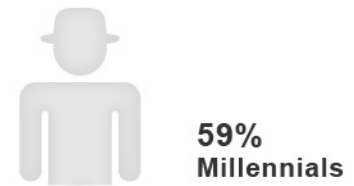
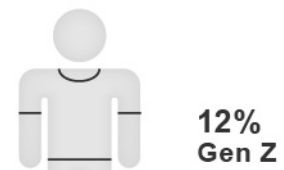
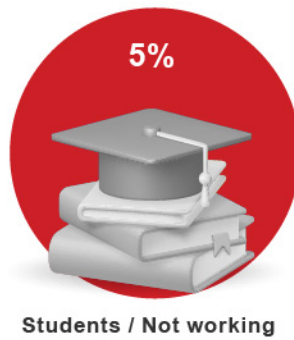
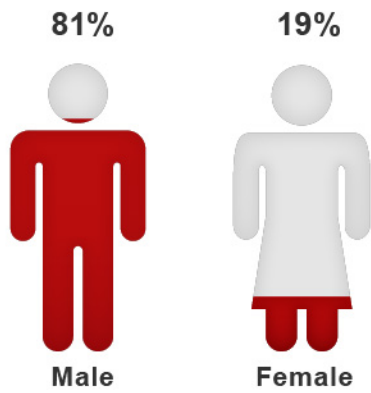
**42%**  
Metro



**43%**  
Tier-1



**15%**  
Tier-2





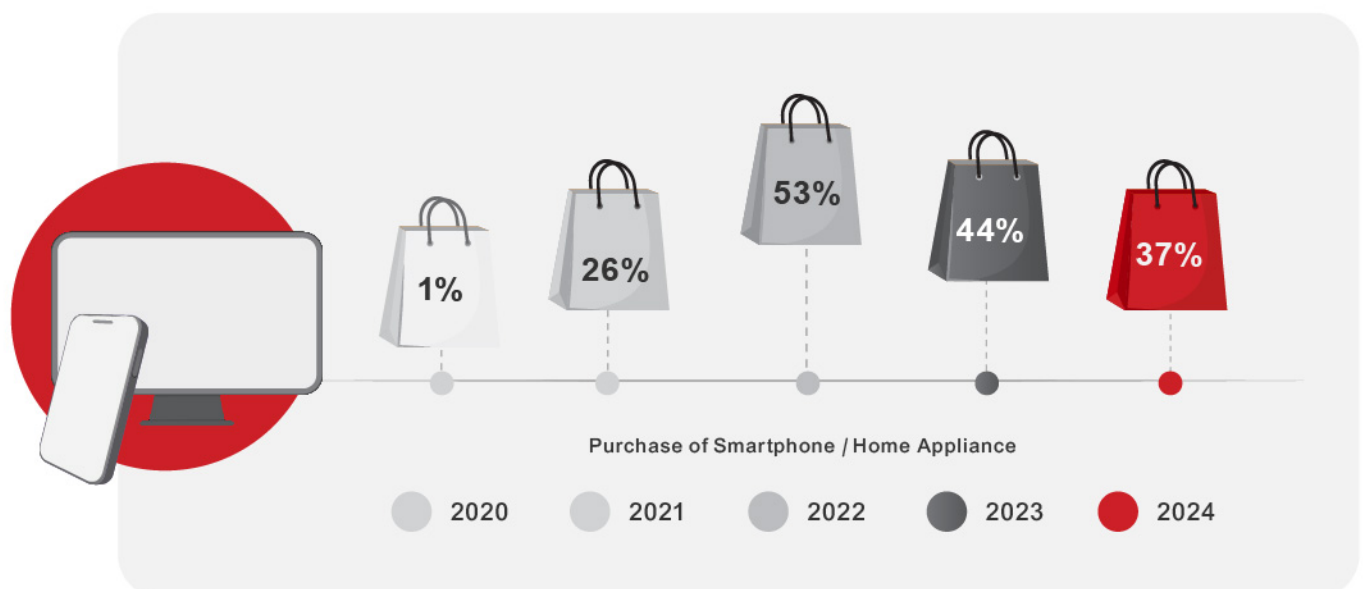
## 02 CUSTOMER BORROWING BEHAVIOUR

As India undergoes rapid economic transformation, the financial habits and borrowing patterns of its lower middle-class customers have evolved significantly. Over the past six years, data reveals a shift from survival-focused borrowing to one driven by aspirations, entrepreneurship, and long-term investments. This change mirrors broader socio-economic trends in the country, as consumers increasingly strive to enhance their quality of life, empowered by easier access to credit and the rise of digital platforms.



### Surge in Borrowing for Consumer Durables

Purchasing smartphones and home appliances became the leading reason for borrowing, rising sharply from just 1% in 2020 to 26% in 2021, and peaking at 53% in 2022 as remote work and online education made technology essential. This surge highlights a strong demand for digital and home technologies, driven by the growing need for connectivity and convenience in an increasingly digital world.

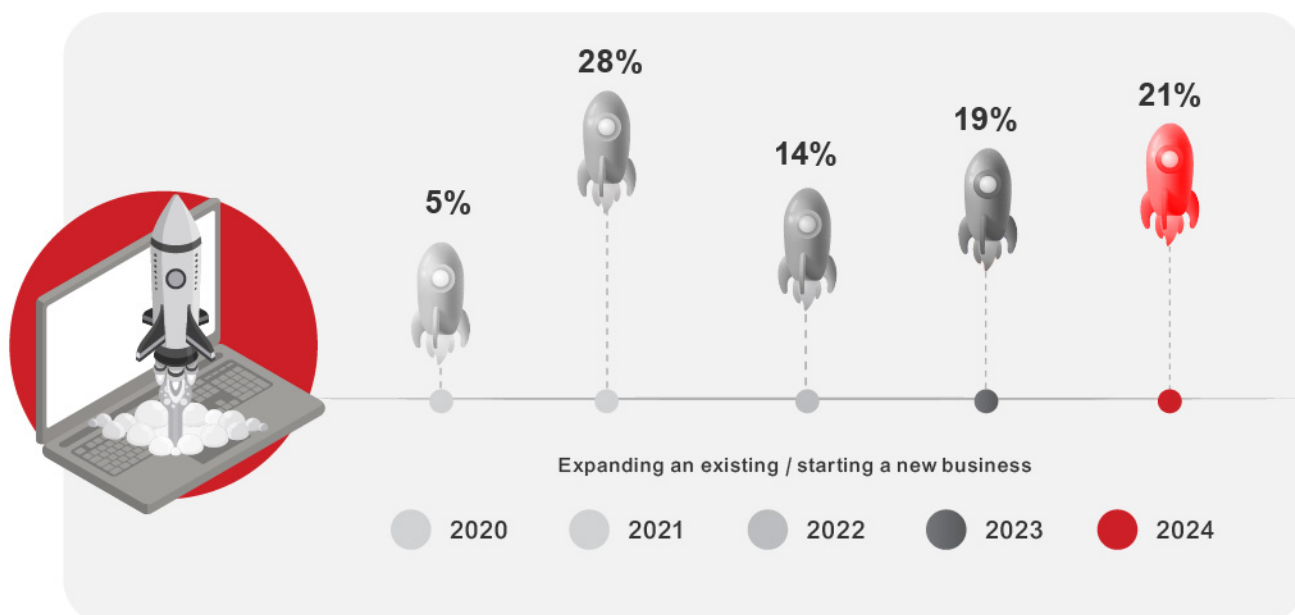




## Growing Entrepreneurial Aspirations

Borrowing to expand or start a business saw a marked increase, rising from 5% in 2020 to 28% in 2021, reflecting the economic shift during and post-pandemic as individuals sought new income streams. Individuals who had lost jobs or faced pay cuts sought new ways to generate income. The Indian government's support for MSMEs (Micro, Small, and Medium Enterprises), through credit schemes and subsidies, likely encouraged entrepreneurial activity during this period.

Although it dipped to 14% in 2022, it rebounded to 19% and 21% in the subsequent years, showing steady entrepreneurial momentum among this segment.

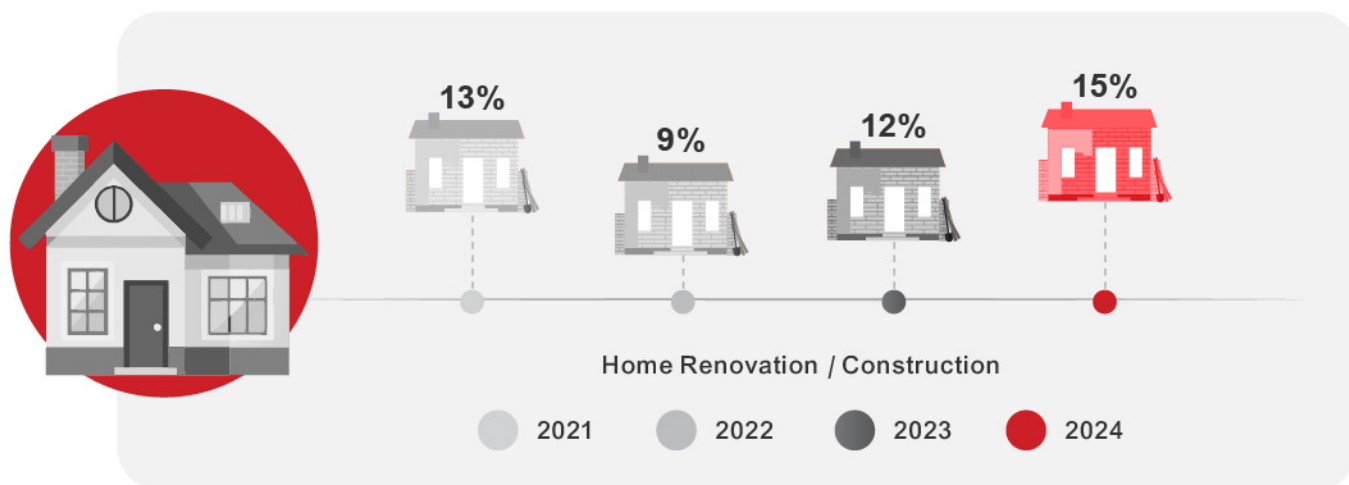






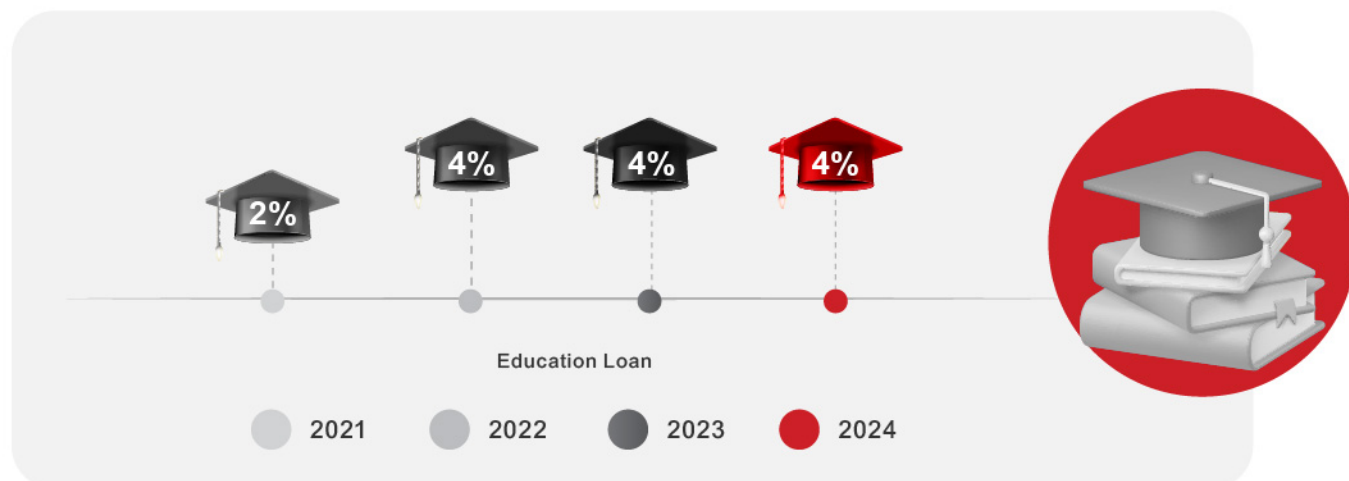
## Increasing Aspirations for Home Ownership

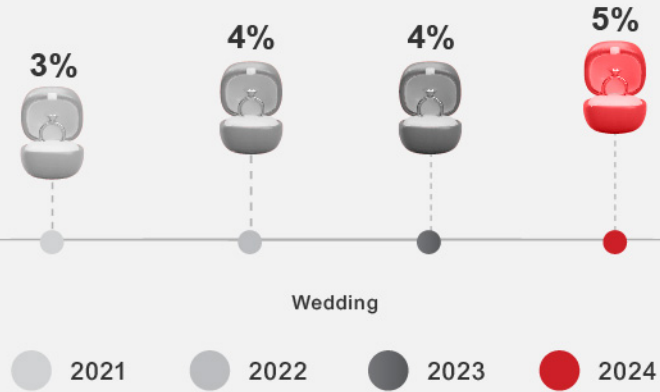
Borrowing for home renovation and construction showed consistent growth, rising from 9% in 2022 to 15% by 2024. This trend reflects a growing desire for improved living conditions, likely fueled by an optimistic economic outlook and increasing aspirations for home ownership. The steady increase in borrowing for these purposes also suggests that people are now more focused on investing in long-term assets.



## Education and Wedding-Related Borrowing

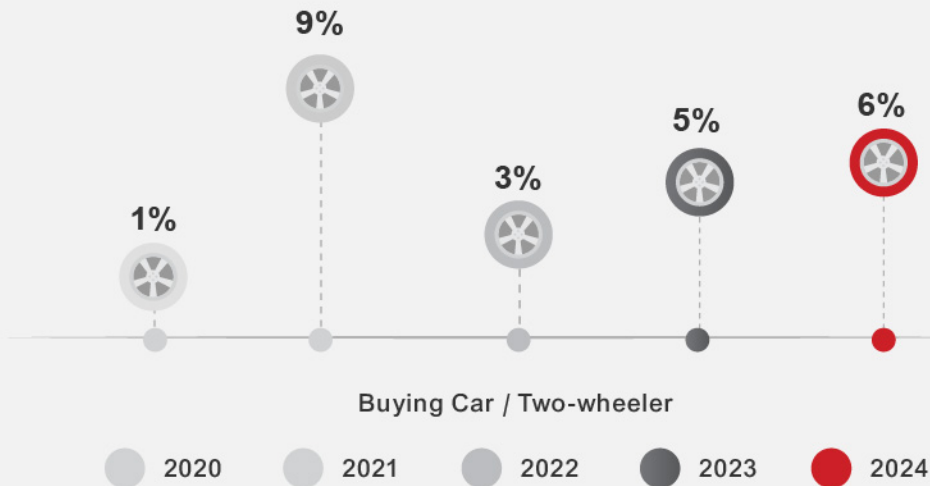
Education Loan remained stable at 4% from 2022 to 2024, indicating a sustained focus on personal development and investment in children's education. Similarly, borrowing for wedding saw a gradual increase from 3% in 2021 to 5% by 2024, highlighting the continued cultural importance of fulfilling social commitments.





### Rising Interest in Personal Transport

Loans for buying cars and two-wheelers, though fluctuating, saw a notable increase from 1% in 2020 to 6% in 2024. This rise may be attributed to increased mobility needs, reflecting both economic growth and the desire for independence, in the post pandemic period.

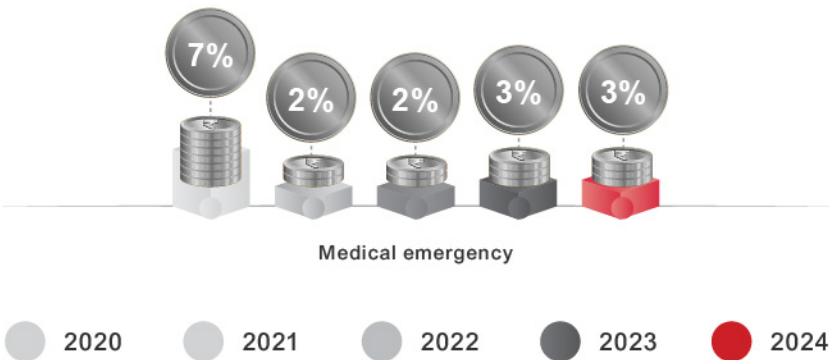






### Decline in Emergency Borrowing

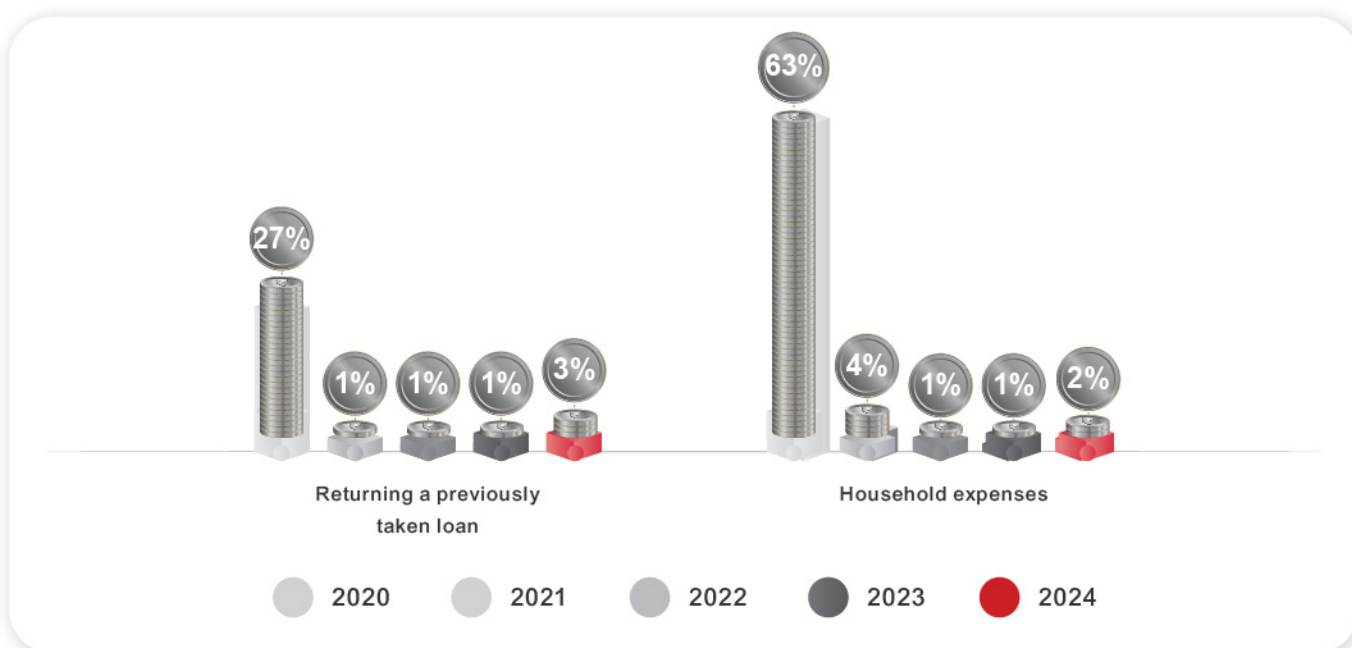
Medical emergencies, once a significant reason for borrowing (7% in 2020), have seen a steep drop, stabilizing at 3% in 2023 and 2024. This decrease might suggest better financial planning, more affordable healthcare options, or access to insurance.





## Decreasing Focus on Debt Repayment and Household Needs

In 2020, the world was hit by the COVID-19 pandemic, leading to an unprecedented financial crisis and survival took priority over aspirations. The data highlights this reality, as 63% of lower middle-class consumers borrowed just to sustain their households, struggling with reduced income and job uncertainty in 2020. Additionally, 27% borrowed to repay existing loans, underscoring the debt cycle many were trapped in during that year. Repaying previously taken loans and borrowing for household expenses saw a dramatic decline to just 3% & 2% in 2024, suggesting improvement in household financial stability.





## 03 RISE IN DIGITAL FINANCIAL TRANSACTIONS

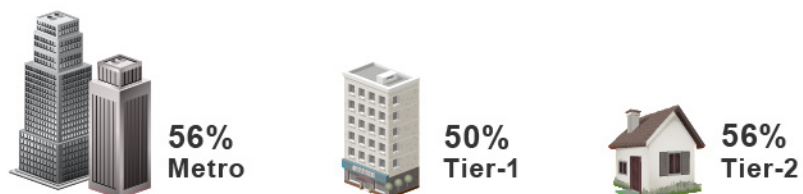
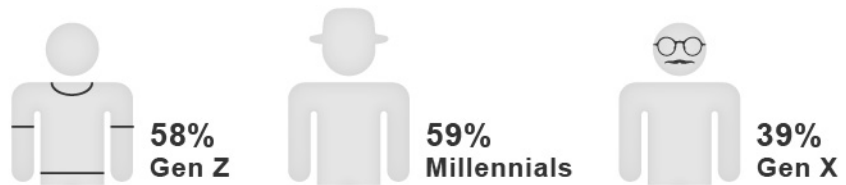
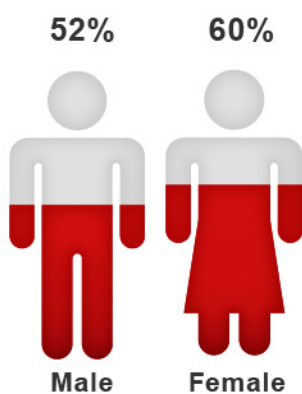


### Increasing Prevalence of Online Shopping

Over the past two years, the usage of online shopping has shown a pattern of normalization following the peak disruptions caused by COVID-19. In 2021, during the height of the pandemic, online shopping usage was at 69%, reflecting the increased reliance on digital platforms due to health and safety concerns. However, as restrictions eased and physical stores reopened, this figure decreased to 56% in 2022, and further to 48% in 2023. Despite the return to more traditional shopping habits, there has been a slight rebound in 2024, with online shopping usage rising to 53%. This modest increase indicates that while the urgency of pandemic-era shopping has subsided, online shopping continues to hold a significant place in customer behaviour, adapting to the evolving preferences of today's shoppers.



Online Shoppers



While the usage of online shopping is mainly driven by younger and middle-aged customers, usage in Tier-2 is now at par with the Metros.

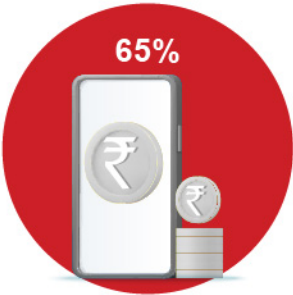


Online shopping is particularly popular among lower middle-class Indians in Eastern and Southern cities like Kolkata, Chennai, Hyderabad, and Kochi, reflecting a growing digital preference in these regions.



### Rise in the Usage of Digital Banking

The increasing usage of digital banking reflects a significant shift towards more convenient and accessible financial services. With advancements in technology, customers are increasingly opting for digital banking solutions that offer ease of access and real-time transactions. This trend is driven by the desire for 24/7 banking capabilities, reduced need for physical branch visits, and enhanced features like instant transfers.

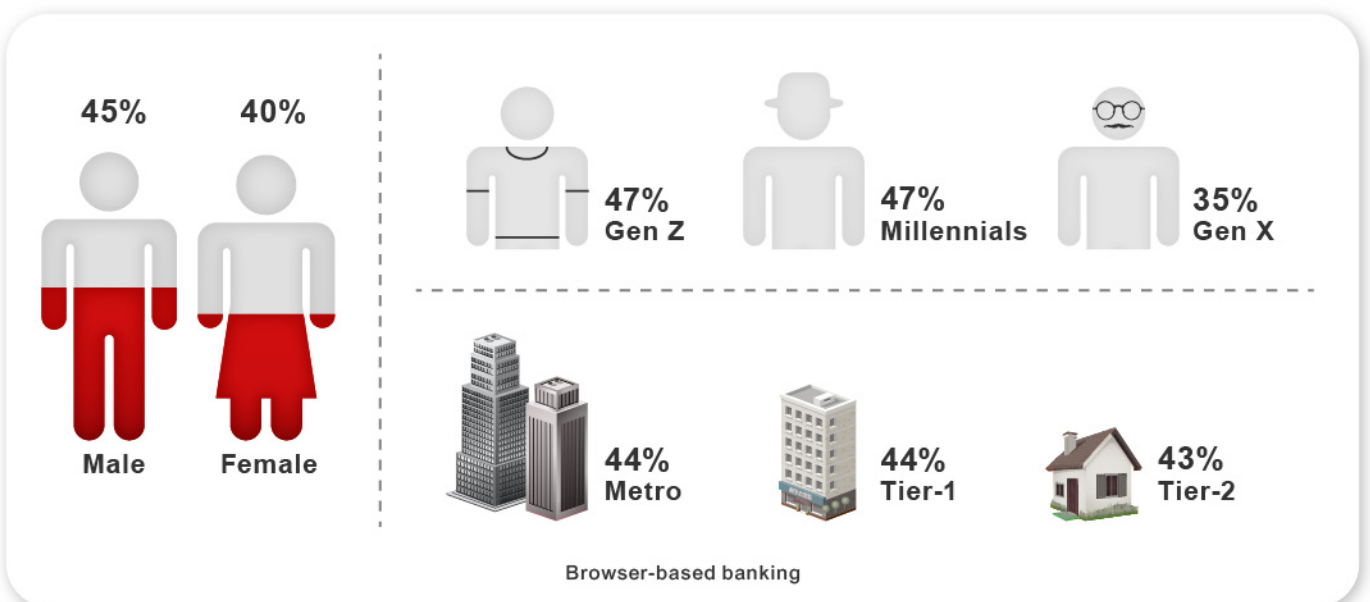
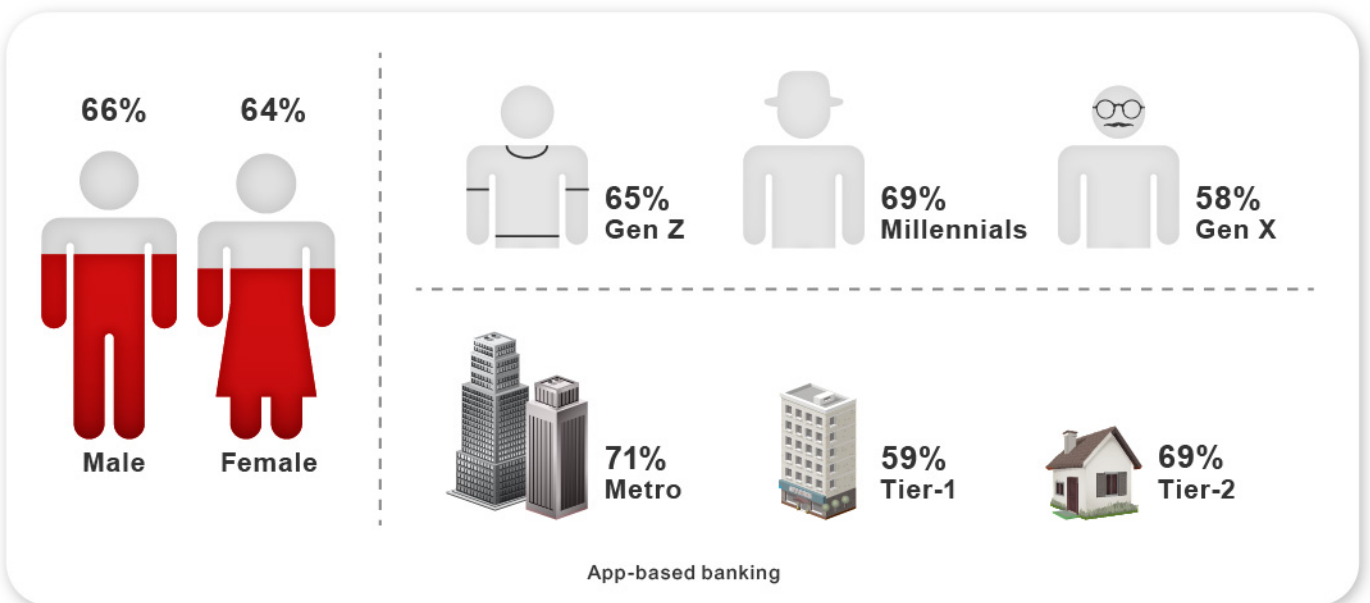


App-based banking



Browser-based banking

App-based banking, with a usage rate of 65%, significantly outpaces Browser-based banking, which stands at 44%. This trend highlights the growing preference for the convenience and accessibility offered by mobile Apps, allowing users to manage their finances on-the-go. App-based banking's superior engagement is driven by its user-friendly interfaces, real-time notifications, and the ability to perform transactions anytime and anywhere, compared to the more static and less flexible web Browser-based platforms. As mobile technology continues to evolve, the gap in usage between App and web banking is likely to widen further, underscoring the shift towards mobile-first financial solutions.



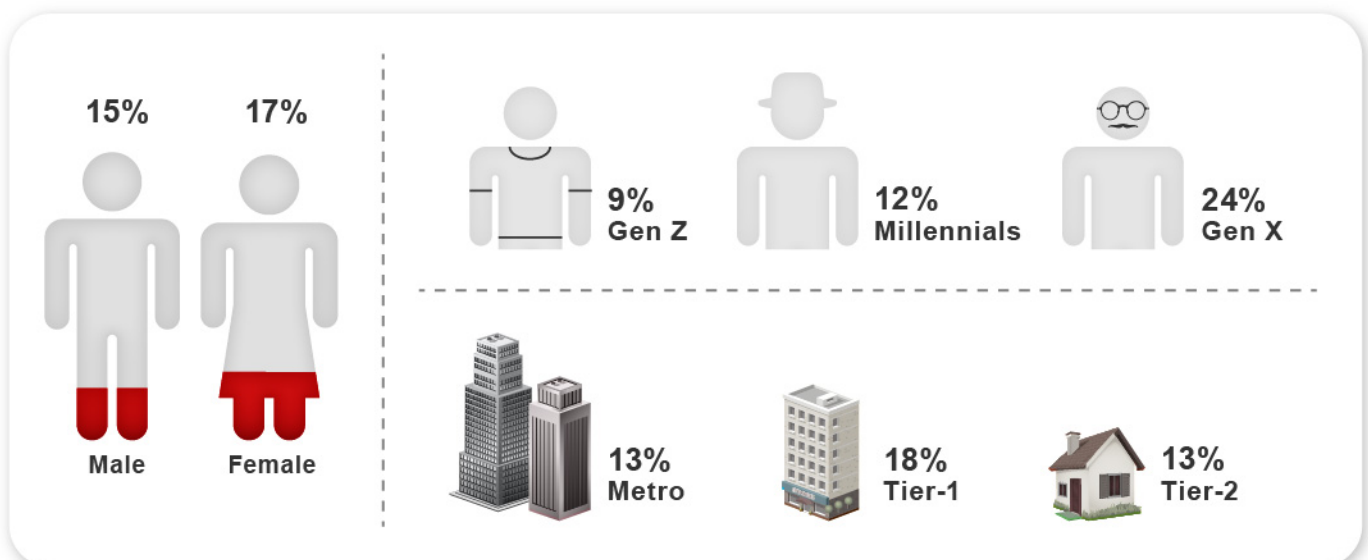
App-based banking is less popular among Gen X but sees higher adoption in major metropolitan areas. Browser-based banking also experiences lower usage among Gen X. Overall, Gen X shows less engagement with both App and Browser-based banking, while larger cities favor App-based solutions.

## 04 NEED FOR FINANCIAL LITERACY

15% of Customers reported needing assistance while using internet banking, loan applications and other critical online financial tasks. This indicates that a notable portion of users still encounter challenges or lack confidence in managing their financial activities digitally. Such assistance often highlights the complexities or learning curves associated with these platforms, suggesting a need for improved user education, more intuitive interfaces, and better customer support to enhance the overall user experience and ensure secure, seamless online financial management.

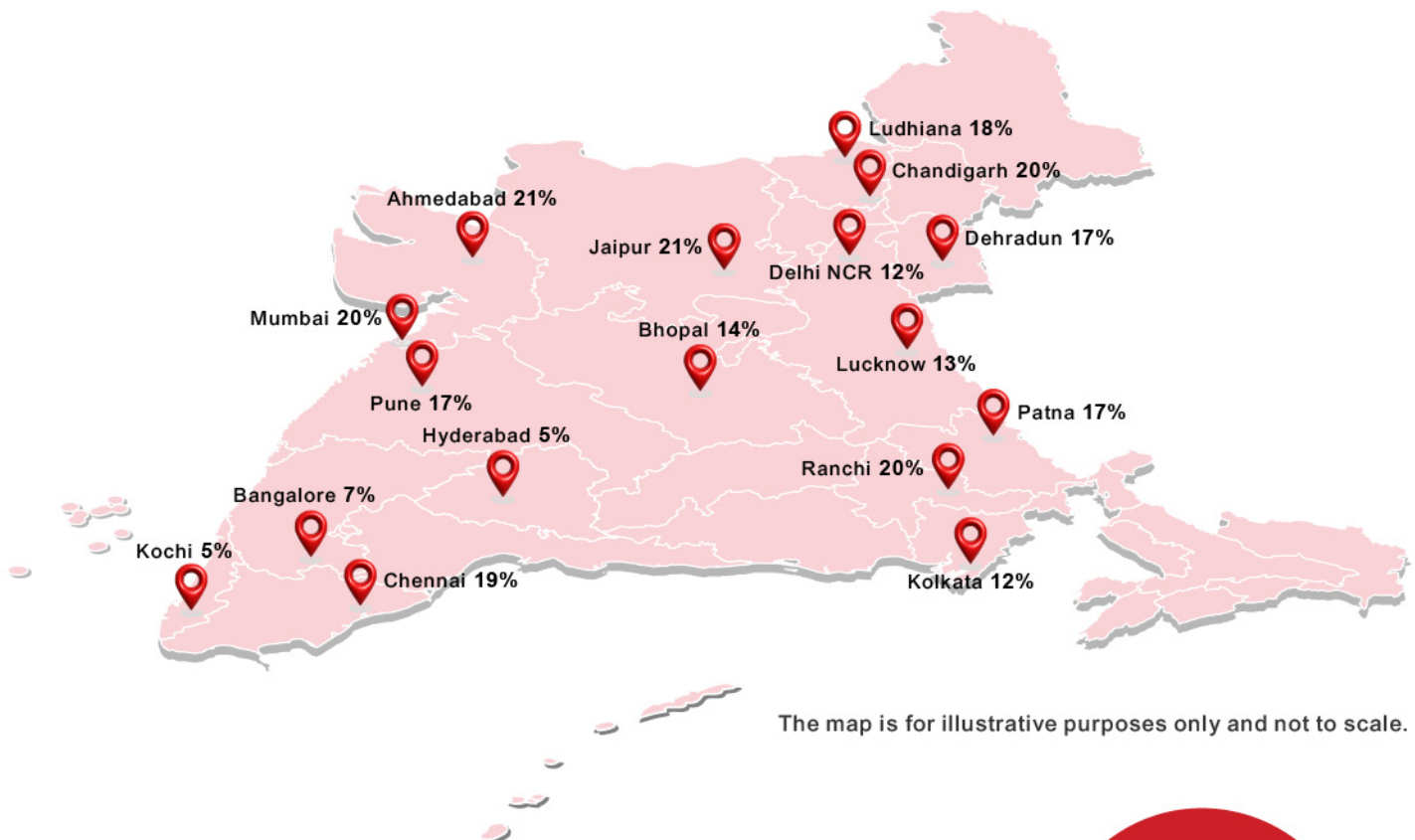


I seek help from others to use net-banking, payment wallets etc

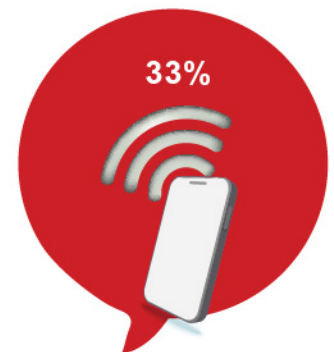


Gen X shows a greater eagerness for financial literacy from reputed organizations than Gen Z. Geographically, enthusiasm for financial education varies. In cities like Jaipur, Mumbai, Ahmedabad, Chandigarh, and Ranchi, there is a strong interest in improving financial literacy. However, IT hubs such as Bangalore and Hyderabad show comparatively lower interest.

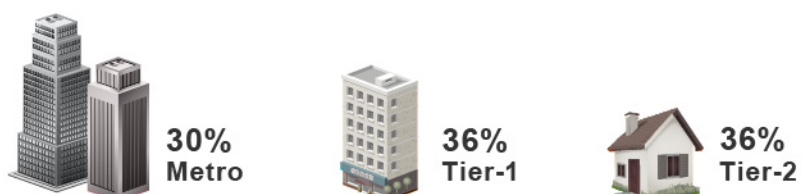
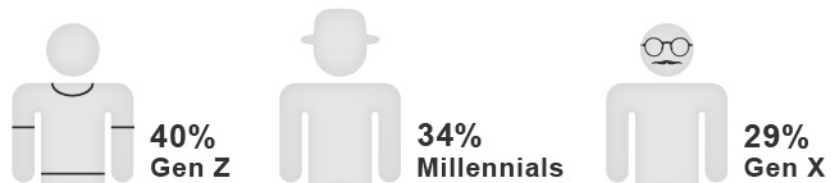
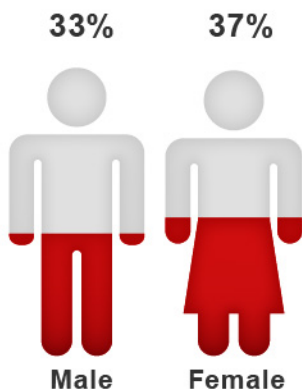




The data reveals varying levels of interest in financial education (related to financial management) across different demographics. Gen Z shows the greatest interest at 40%, reflecting their engagement with digital financial tools, while Millennials and Gen X are less inclined, with 34% and 29% respectively. Both Tier-1 and Tier-2 towns exhibit an equal interest at 36%, which is higher than the 30% in Metro areas. This data suggests that while financial education needs are widespread, not so younger generations and key towns, particularly Tier-1 and Tier-2, demonstrate a stronger demand for being equipped or educated to effectively manage online financial tasks.



I would like Home Credit or any other reputed organization to educate me regarding usage of internet related tasks



## 05 PREFERENCE FOR DIGITAL CREDIT

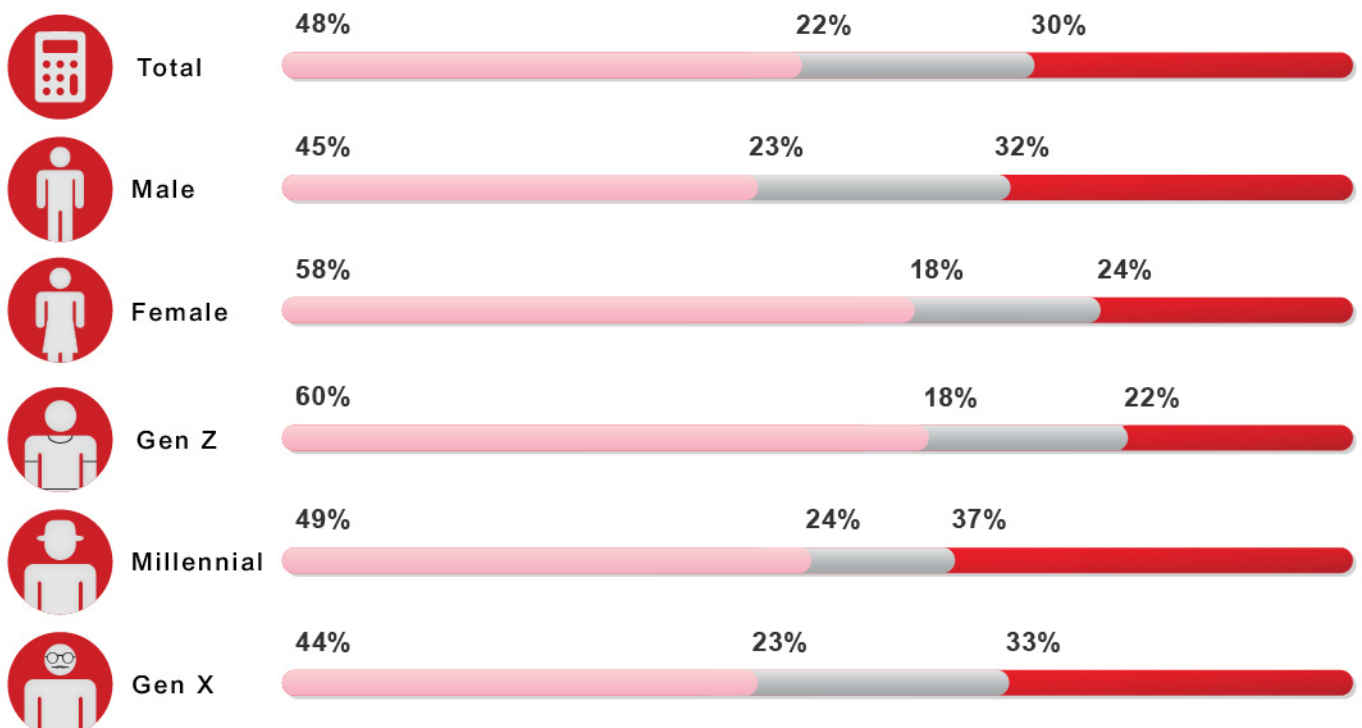


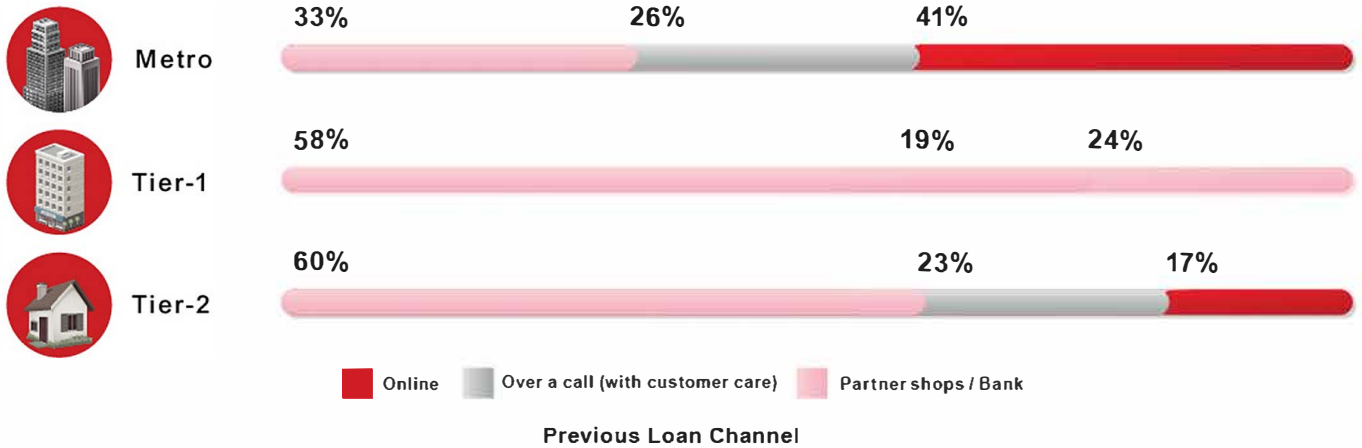
### Past Loan Journey

The landscape of loan acquisition is rapidly transforming, driven by technological advances and shifting customer behaviour. With the rise of digital alternatives, 30% of customers chose to complete their applications online, reflecting the growing confidence in technology and the convenience it offers. However, 48% of customers opted to visit a shop or bank branch for their loan applications, underscoring the enduring preference for face-to-face interactions. Further, 22% of borrowers still relied on the assistance of customer care agents, highlighting the persistent need for human support in navigating the complexities of financial products.

Notably, female borrowers showed a distinct preference for in-person guidance, valuing the clarity and reassurance offered by representatives.

Geographical variations also played a significant role, while customers from smaller towns predominantly favored physical branch visits, metropolitan customers leaned towards online channels, driven by accessibility and tech-savviness. This segmentation underscores a critical insight for financial institutions, the need for a diversified, omni-channel approach that addresses the varied preferences of a diverse customer base.



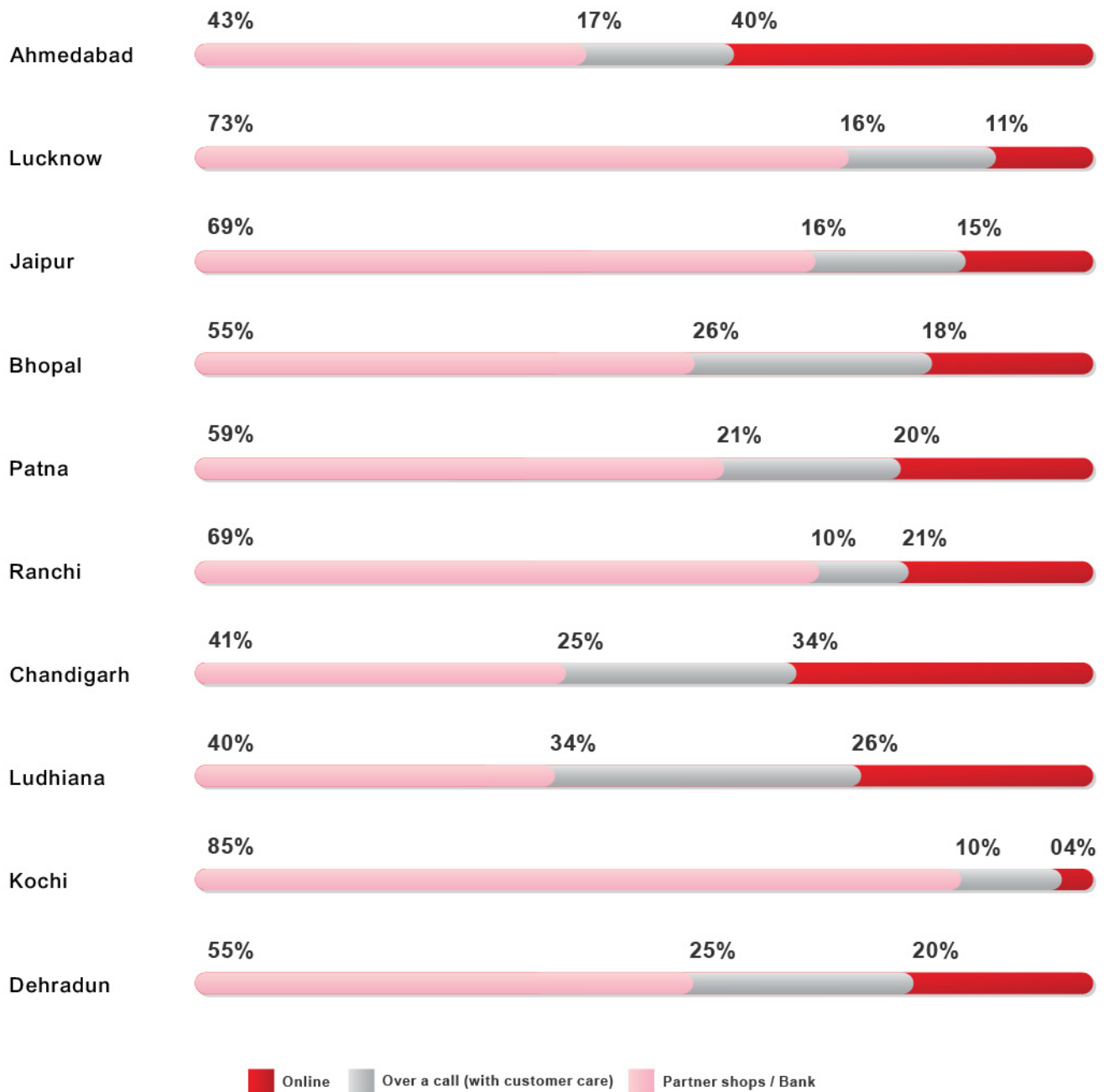


It's interesting to see how loan preferences vary by region. In Southern big cities like Chennai, Hyderabad, and Bangalore, the trend towards digital loans might reflect a higher comfort with technology and a more tech-savvy population. These cities are known for their robust IT industry and innovation, which could influence residents' openness to digital financial services.

On the other hand, in Northern and Western cities such as Mumbai, Lucknow, Jaipur, and Ranchi, a preference for face-to-face interactions for loans suggests that people might value the personal touch and trust established through direct interactions with bank representatives or loan officers.







Previous Loan Channel

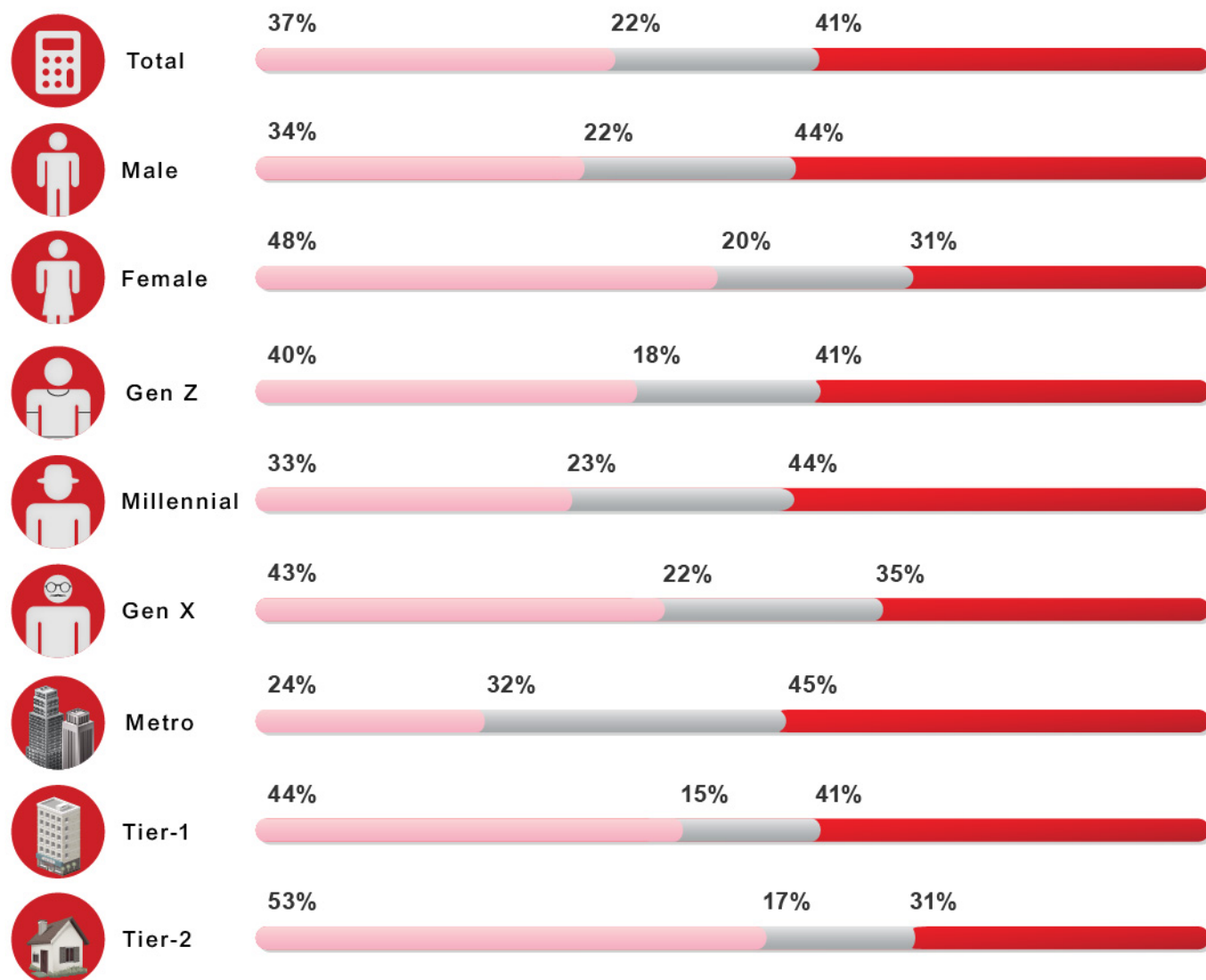


## Future Loan Preference

While digital channels continue to be the leading choice for securing loans, recent data highlights a notable shift in customer preferences. The preference for digital platforms has dropped by 10 percentage points compared to last year, reflecting an increasing demand for more personalized, human-centered experiences.

This shift also is reflected in the increased appeal of face-to-face interactions, which have risen by 6 percentage points, and telephone-based loans, which have gained 4 percentage points. These trends suggest a resurgence of human intervention, driven by borrowers' need for tailored guidance and reassurance, especially in the increasingly complex financial landscape.

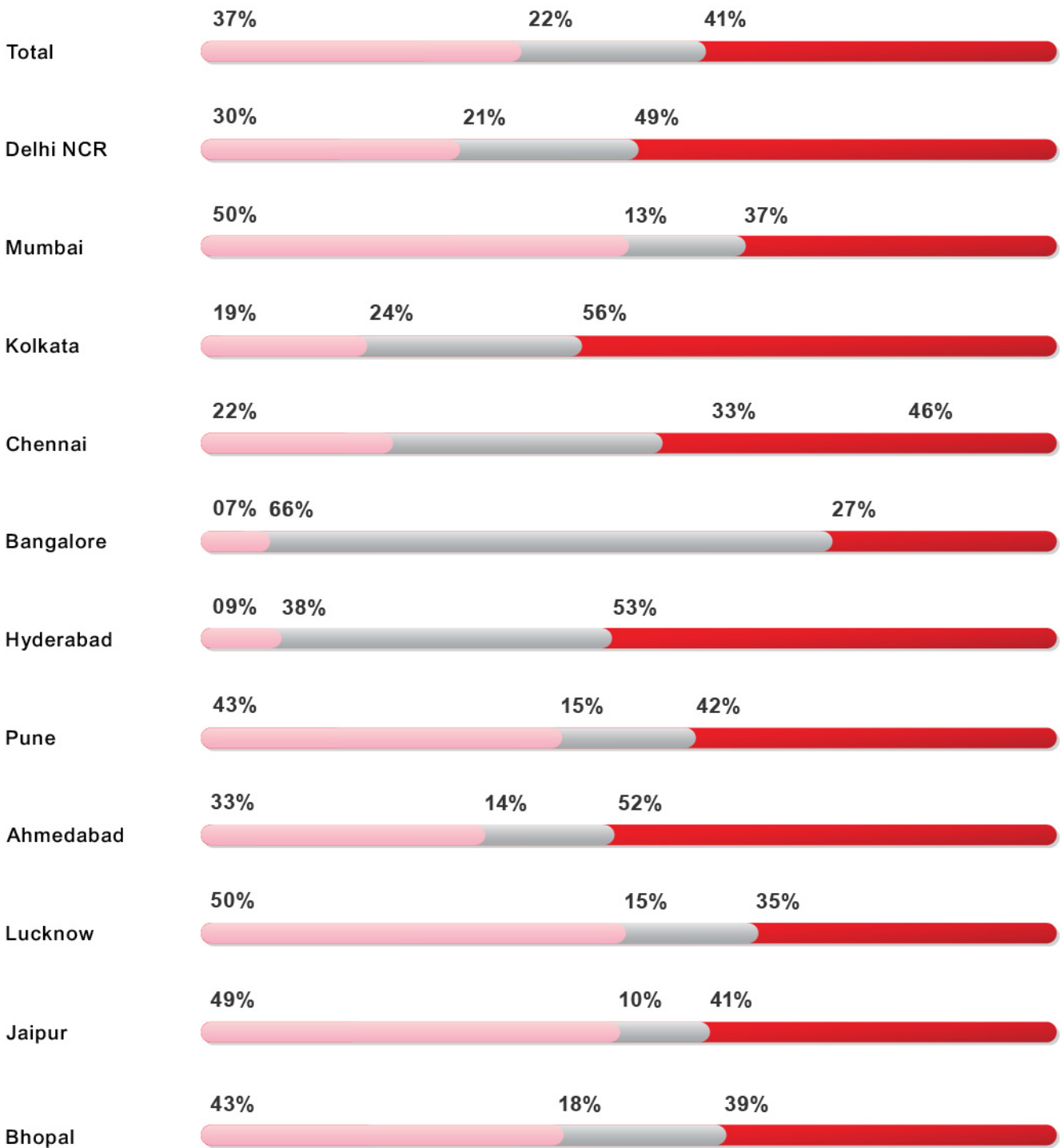
The changing dynamics point to an evolving customer mindset—one that values the balance between convenience and personal connection.



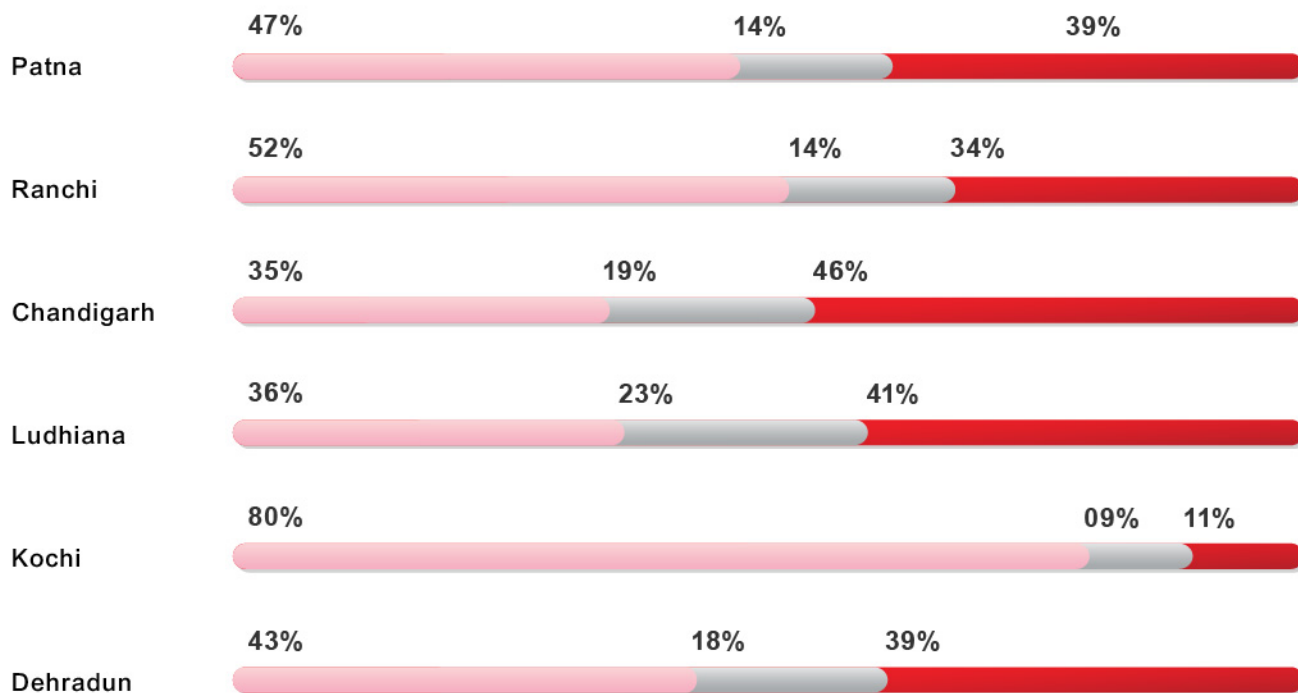
Preferred loan channel for next loan

By completing entire loan application on mobile App without visiting anywhere
 By speaking to customer care representative over a call to complete the loan application
 By visiting the nearby bank / POS to apply for a loan

The increasing preference for human intervention in loan acquisition is not uniformly distributed across demographics; it is most pronounced among females and Gen Z borrowers, particularly in Southern India and smaller Tier-2 cities.







By completing entire loan application on mobile App without visiting anywhere

By speaking to customer care representative over a call to complete the loan application

By visiting the nearby bank / POS to apply for a loan

Preferred Loan Channel for Next Loan



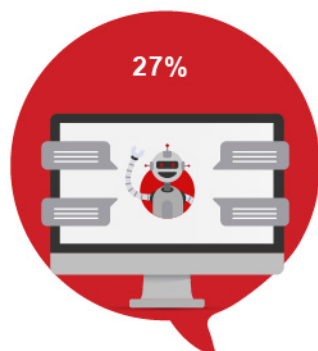
## 06 USAGE OF CHATBOTS AND WHATSAPP



### Acceptance of Chatbots as a Communication Medium

Chatbots have evolved significantly as a servicing tool, emerging from early rule-based systems to sophisticated AI-driven assistants. Their integration into customer service has been driven by the need for round-the-clock availability, cost efficiency, and improved user experiences. As technology has advanced, Chatbots have become more efficient at understanding context, offering real-time solutions, and enhancing overall service quality across various industries.

The evolution of Chatbots is also reflected in the increased awareness about the servicing tool, with 27% of the middle-class borrowers, an uptick of 4% since last year, saying they have heard or seen about the Chatbot service in the past. Chatbots are more familiar amongst the younger borrowers, particularly Gen Z, who are usually considered adept in using digital medium.



27%  
Male



26%  
Female



30%  
Gen Z



28%  
Millennials



21%  
Gen X



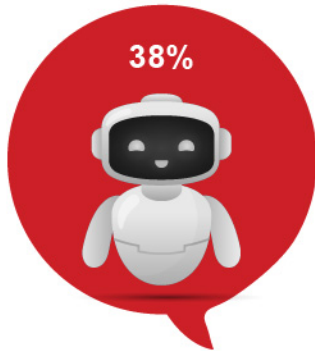
26%  
Metro



27%  
Tier-1



25%  
Tier-2



I find the Chatbot service easy-to-use facility



**38% Male**



**36% Female**



**51% Gen Z**



**39% Millennials**



**26% Gen X**



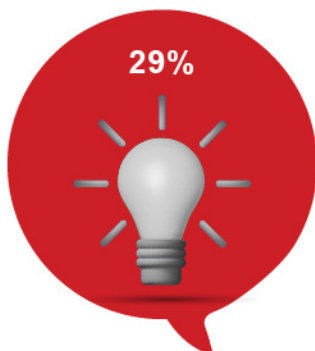
**45% Metro**



**36% Tier-1**



**20% Tier-2**



I trust the responses / solutions provided by the Chatbot



**28% Male**



**32% Female**



**40% Gen Z**



**30% Millennials**



**20% Gen X**



**33% Metro**



**27% Tier-1**



**24% Tier-2**



38% of customers are aware of Chatbots and find them easy to use, with Gen Z leading in this perception, while Gen X trails behind. This trend is particularly pronounced in metropolitan areas, indicating a stronger acceptance among younger users in urban settings compared to their counterparts in smaller Tier-2 cities.

Additionally, 29% of customers trust the solutions offered by Chatbots. Similar to usability, trust levels are higher among Gen Z and lower among Gen X, with a notable decrease in trust among users in Tier-2 cities.

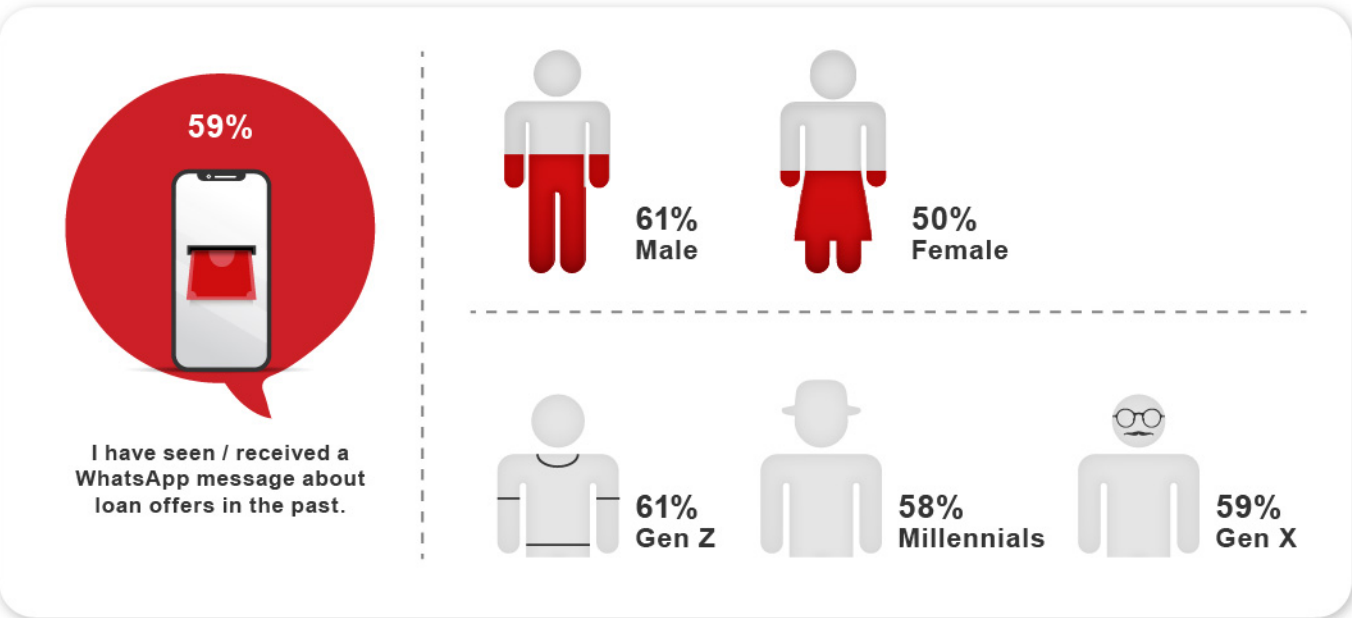
These insights highlight that the acceptability of Chatbots is higher in Metros and amongst younger audiences.



### Acceptance of WhatsApp as a Lending and Communication Medium

WhatsApp has redefined the communication landscape and taken it to a whole new level. Its widespread adoption and user-friendly features have made it a crucial medium in the lending space as well.

Almost 60% of borrowers have come across a WhatsApp message about a loan offer in the recent past. Trust in WhatsApp has also seen incremental change, from 24% in 2023 to 26% in 2024, indicating a positive shift in digital adoption of the communication tool.



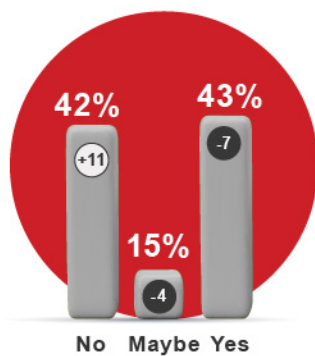
## 07 EMERGING LENDING PLATFORMS

In recent years, embedded finance has emerged as a transformative force within India's financial landscape, promising seamless integration of financial services into everyday transactions. However, building and maintaining customer trust is crucial, especially when new brands offer financial services.



### Embedded Finance

This study reveals a nuanced shift in customer attitudes towards this innovation. Trust in embedded finance has decreased by 7 percentage points, with 43% of Customers expressing interest in these services. Notably, interest is higher among men and Gen Z, reflecting a demographic divide in engagement.



Customers who would like to use embedded finance.



45%  
Male



32%  
Female



55%  
Gen Z



44%  
Millennials



34%  
Gen X



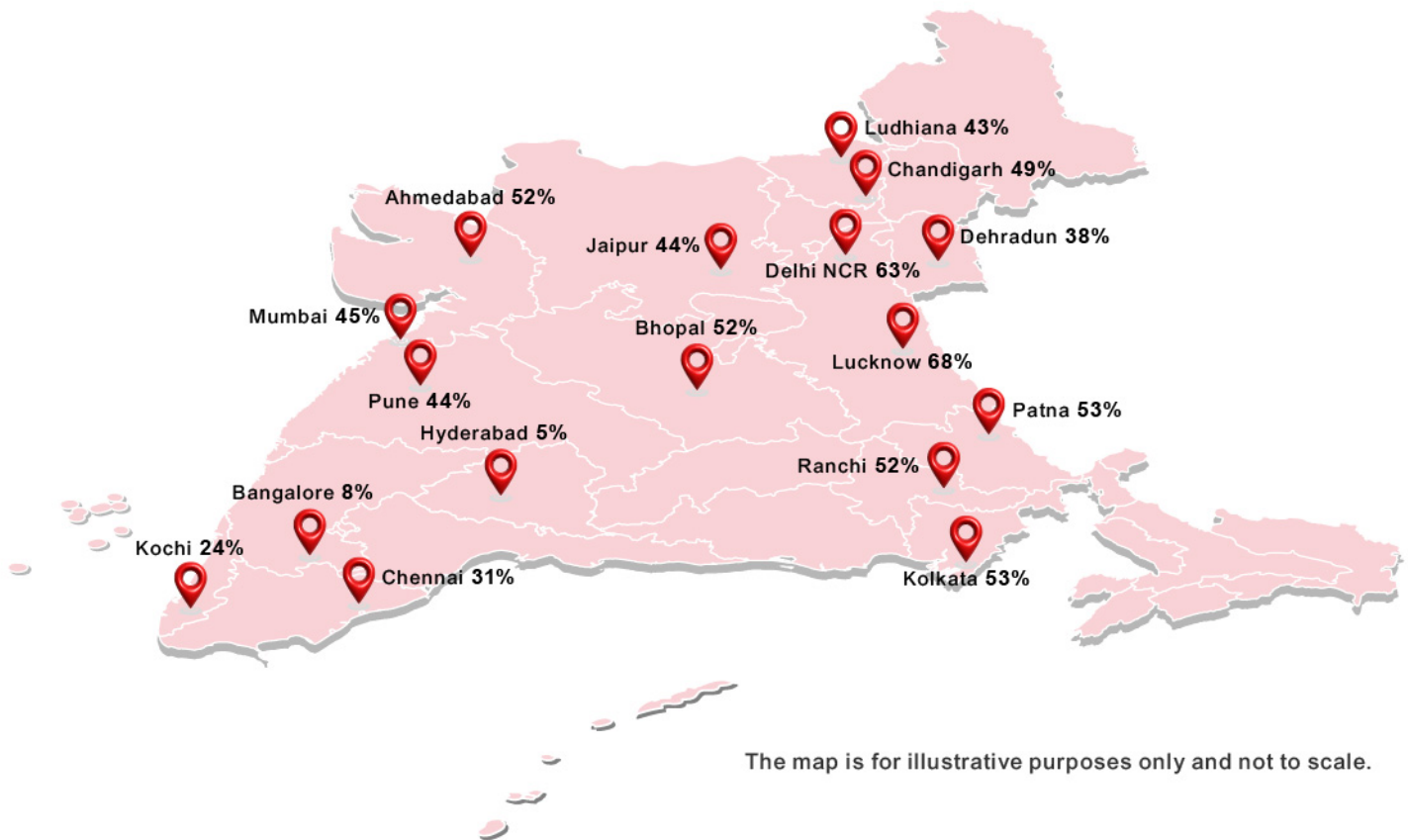
36%  
Metro



51%  
Tier-1



35%  
Tier-2



### Customers who would like to use embedded finance

Geographically, Customers in Tier-1 cities exhibit a greater propensity towards embedded finance, with particularly strong interest observed in Western and Central urban centers such as Ahmedabad, Lucknow, Bhopal, Patna, and Ranchi.

Conversely, trust for the platform in Southern cities of Chennai, Bangalore, Hyderabad, Kochi has reduced in this wave.



### Reasons for Favoring Embedded Finance

50%



Applying loan becomes a faster process

44%



Making purchases on e-commerce becomes an easier process

19%



Lesser file charge and other applicable costs

18%



Possibility of better and more offers

11%



I trust e-commerce platforms more compared to banking loans / websites

4%



I don't have to keep different Apps installed for shopping and taking loans

Customers who would like to use embedded finance

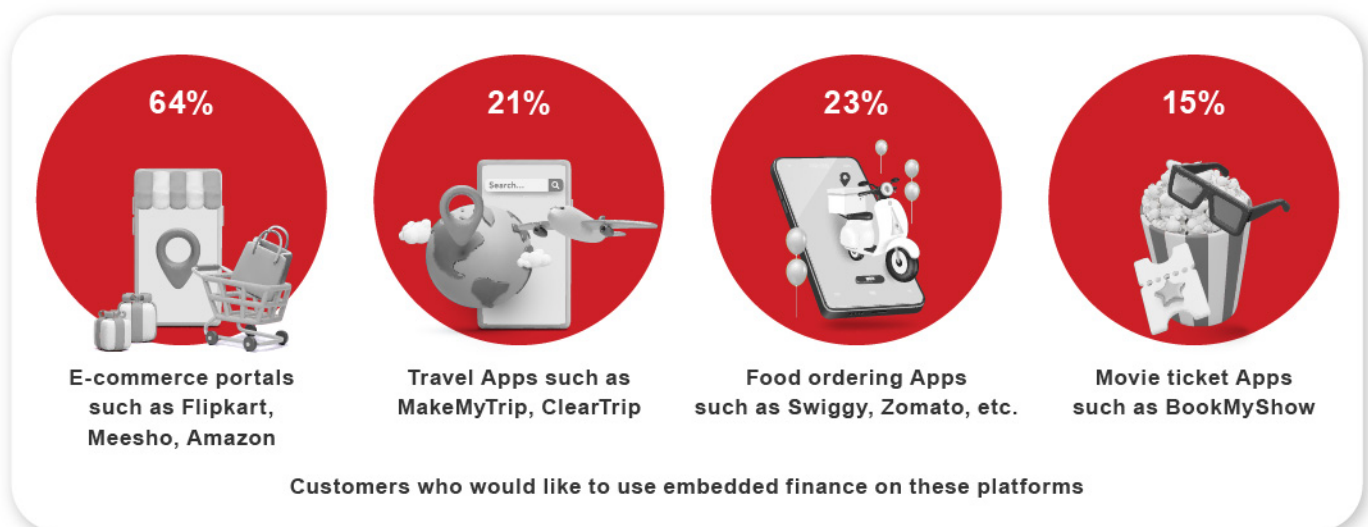


Key factors driving this preference include the streamlined loan application process, which allows for quicker and more straightforward approvals, and the expedited e-commerce purchasing experience, which simplifies transactions and reduces friction in online shopping.

These benefits highlight embedded finance's role in modernizing and accelerating financial interactions, making it an attractive option for customers seeking more seamless and integrated financial solutions.



## Preferred Platforms for Embedded Finance



Customers express a strong preference for utilizing embedded finance primarily on prominent e-commerce platforms such as Amazon, Flipkart, Meesho etc.

Additionally, there is considerable interest in applying embedded finance to other digital environments, including travel applications like MakeMyTrip and ClearTrip, as well as food ordering Apps such as Zomato and Swiggy.

These diverse use cases illustrate the broad potential of embedded finance to integrate seamlessly into various aspects of digital customer interactions, offering increased convenience and efficiency across multiple sectors.

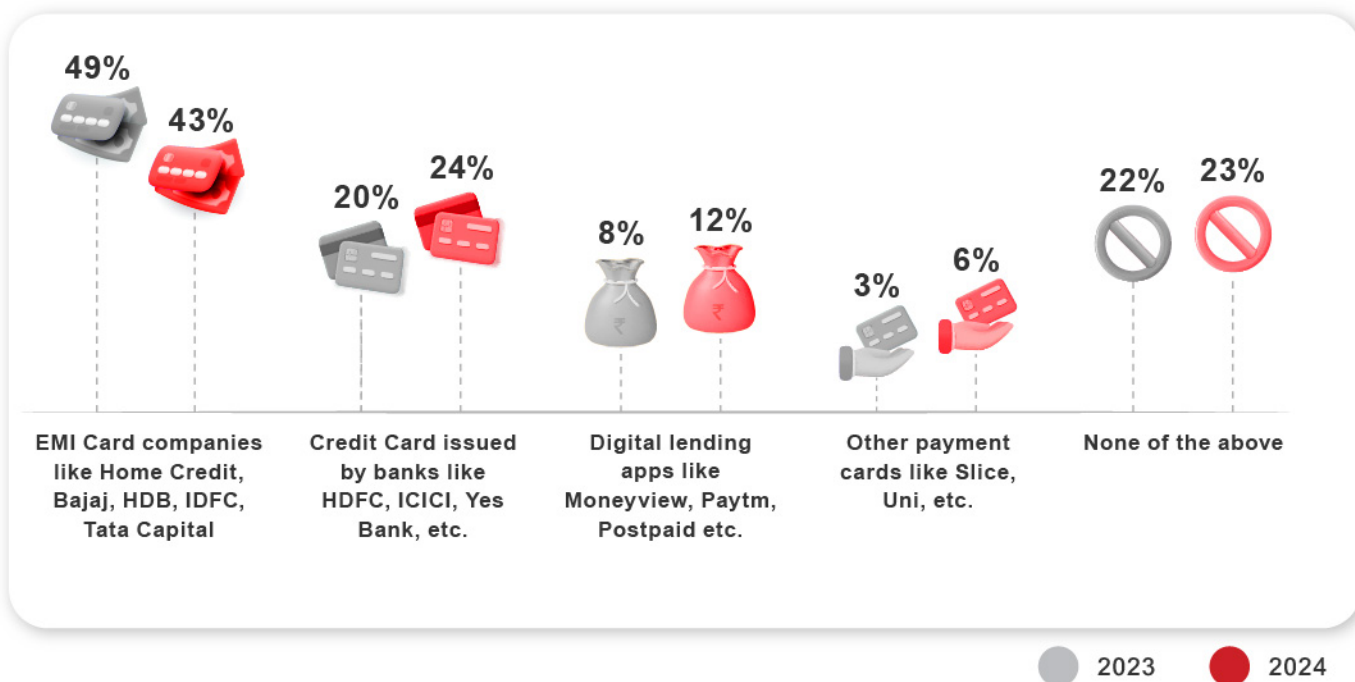


## Preferred Loan Source while Making Purchases

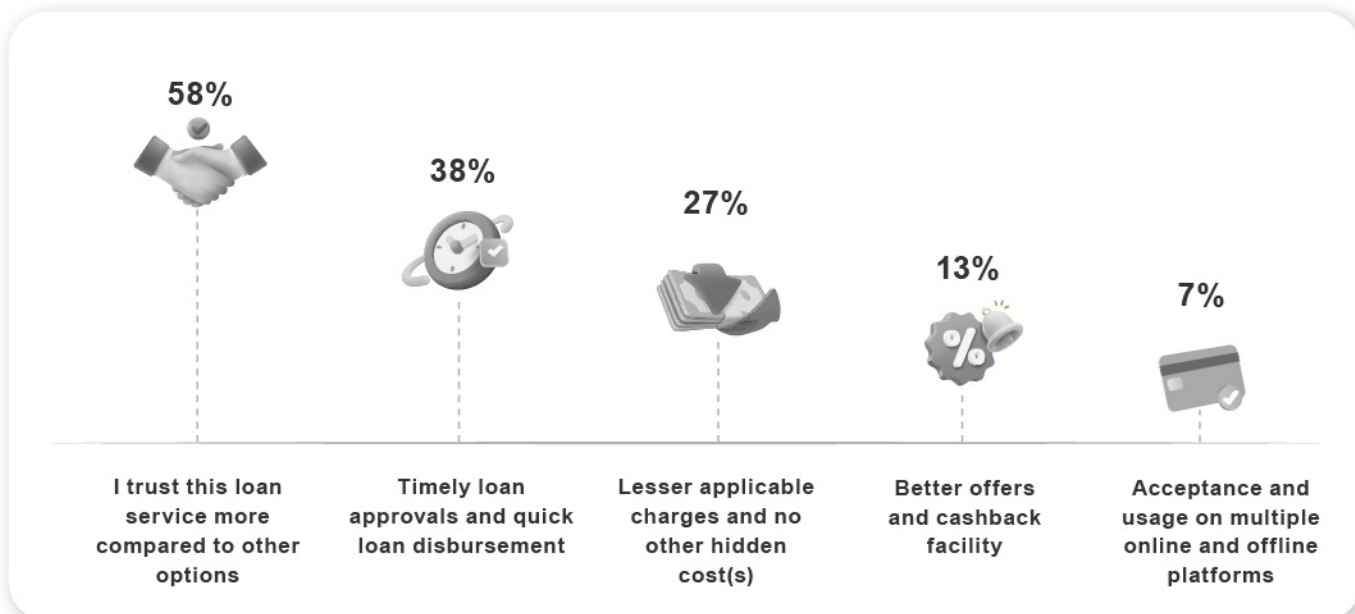
Among the lower middle-class demographic in India, despite a 6% decline in overall preference, EMI Cards such as the Home Credit Ujjwal EMI Card, Bajaj EMI Card, and IDFC EMI Card continue to be the favored method for securing loans during purchases, with 43% of individuals preferring these options.

Other popular sources for obtaining loans include credit cards, preferred by 24% of Customers, and digital lending Apps, preferred by 12%.

These preferences reflect the enduring appeal of EMI cards for their perceived convenience and accessibility, while also highlighting the growing role of digital and credit card based solutions in the broader financial ecosystem.



## Key Reasons for Preference of EMI Cards among Borrowers



Among borrowers who favor EMI cards, trust emerges as the most critical factor driving their choice. This trust is closely followed by the appeal of timely approvals and the rapid disbursement of funds.

These attributes underscore the importance of reliability and efficiency in the borrowing process, with EMI cards standing out for their perceived dependability and swift service.

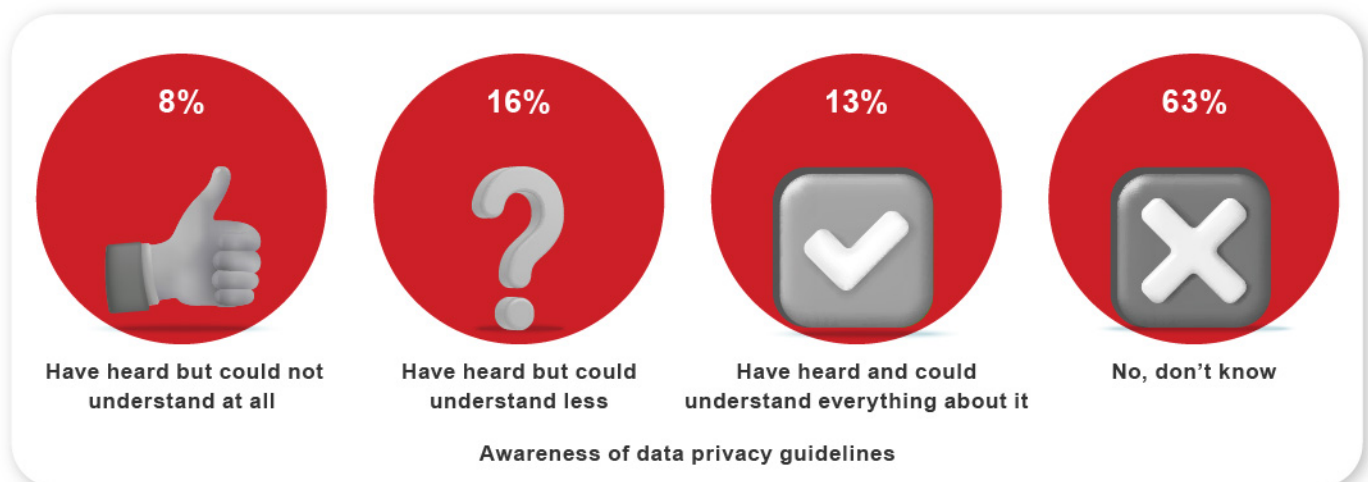
## 08 AWARENESS OF DATA PRIVACY AND PROTECTION

Awareness of data privacy guidelines among borrowers remains low, reflecting a concerning gap between regulatory standards and public comprehension.

Approximately 24% of customers have heard of the data privacy requirements that lending companies must implement, marking an 8% increase compared to the previous year. However, this rise in awareness is superficial—these individuals acknowledge the existence of guidelines but lack a concrete understanding of what they entail and how they protect their data.

More strikingly, only 13% of Customers claim to truly understand these data privacy guidelines, a 5% decline from the previous year. This drop highlights a growing disconnect between regulatory efforts and effective communication to the public.

The majority of customers remain unaware of the existence of these guidelines altogether, underscoring the urgent need for financial institutions and regulators to enhance transparency and education around data privacy issues.



Recognizing the critical need to enhance consumer awareness around data privacy and lending norms, Home Credit has taken proactive steps through its flagship financial literacy program, **#PaiseKiPaathshala**. This initiative aims to empower the common man with essential knowledge about the lending domain.

Approximately 40% of lower middle-class Indians have gained some understanding of data protection guidelines established by the regulator. This represents a significant increase in awareness, with 38% of this demographic recognizing that these guidelines pertain to the protection of their data from being shared without permission—a notable 8% rise from the previous wave of data.



Additionally, 15% of this group are aware that these guidelines specifically pertain to the use of their data exclusively for the loan application process. This figure has seen a 3% increase compared to earlier measurements.

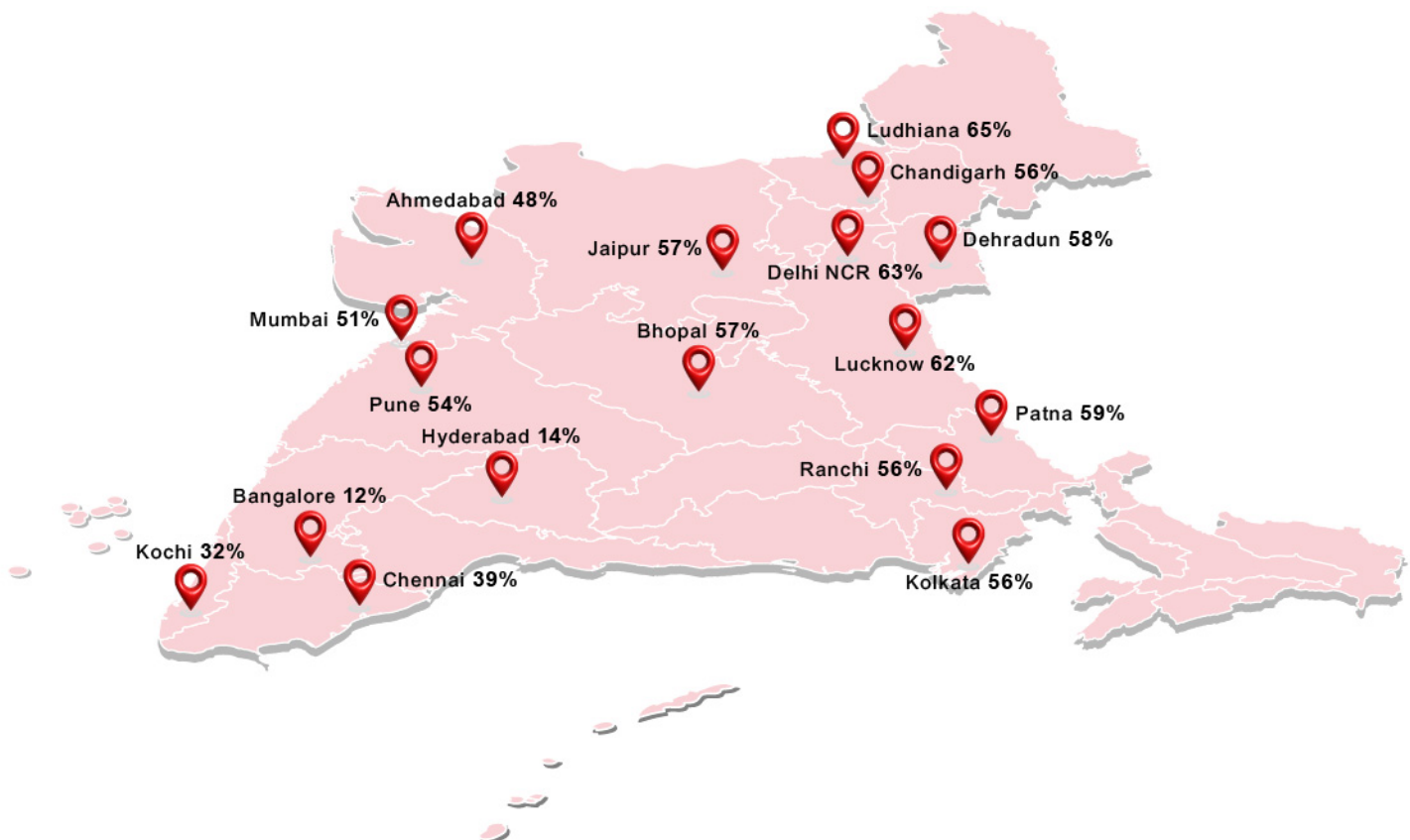
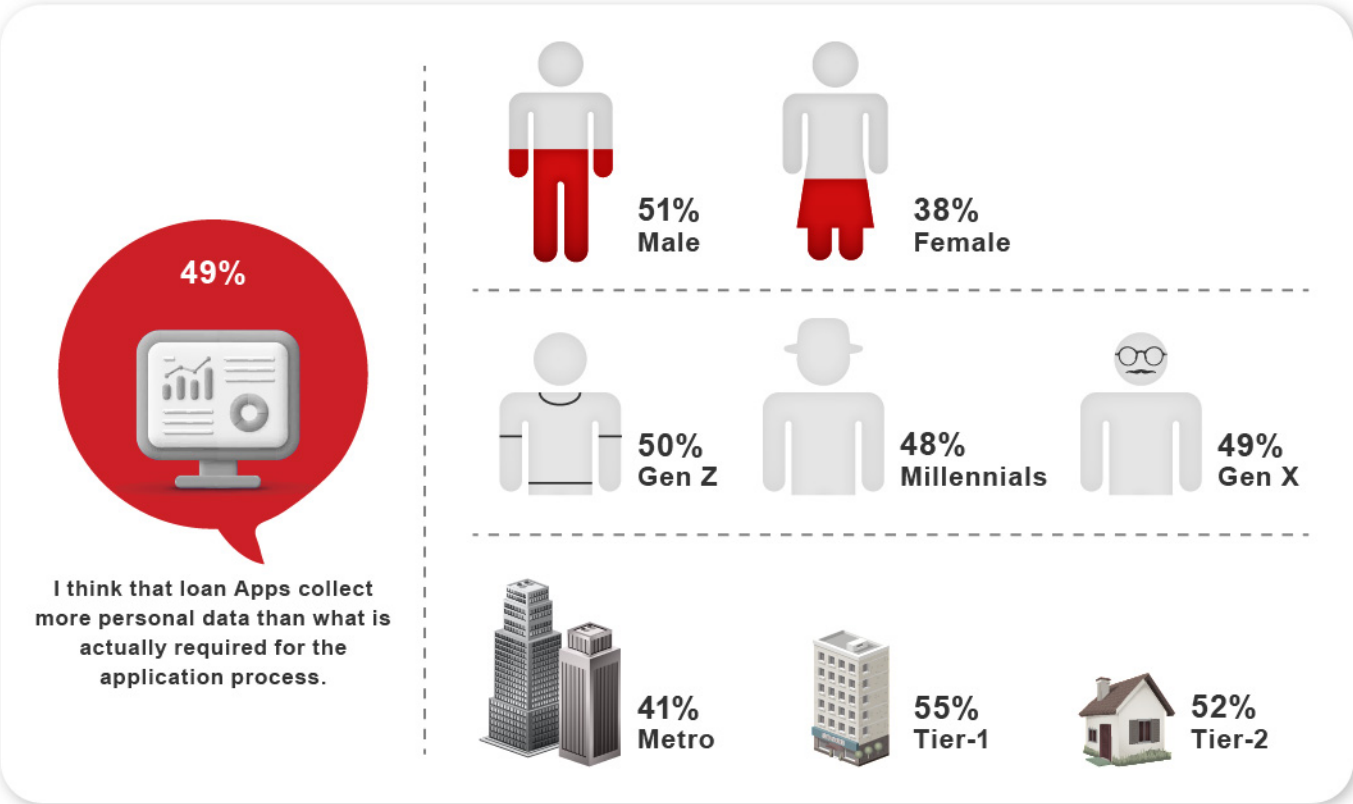
However, it's important to note that nearly half of the lower middle-class Indians remain unaware of the existence of such data protection guidelines.



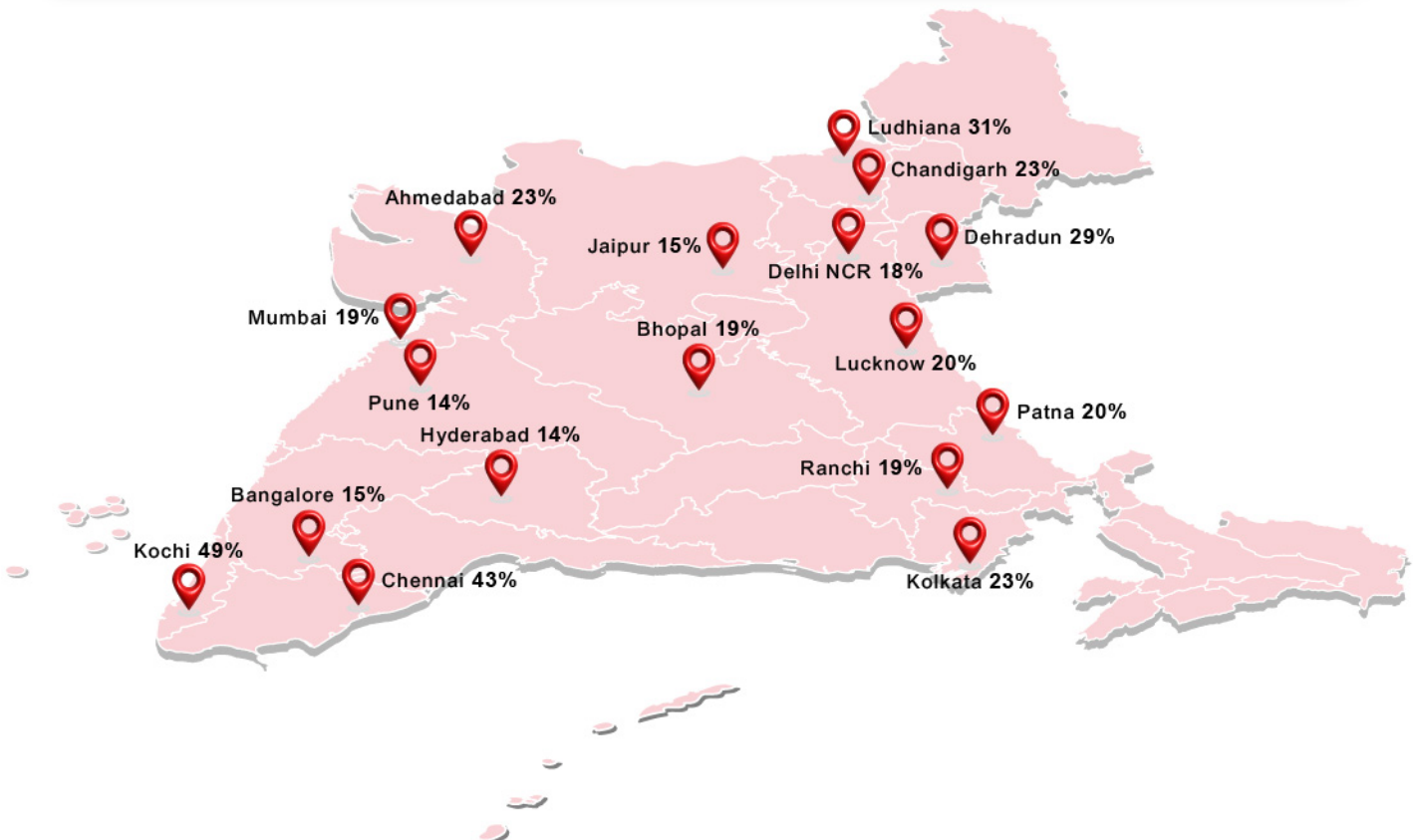
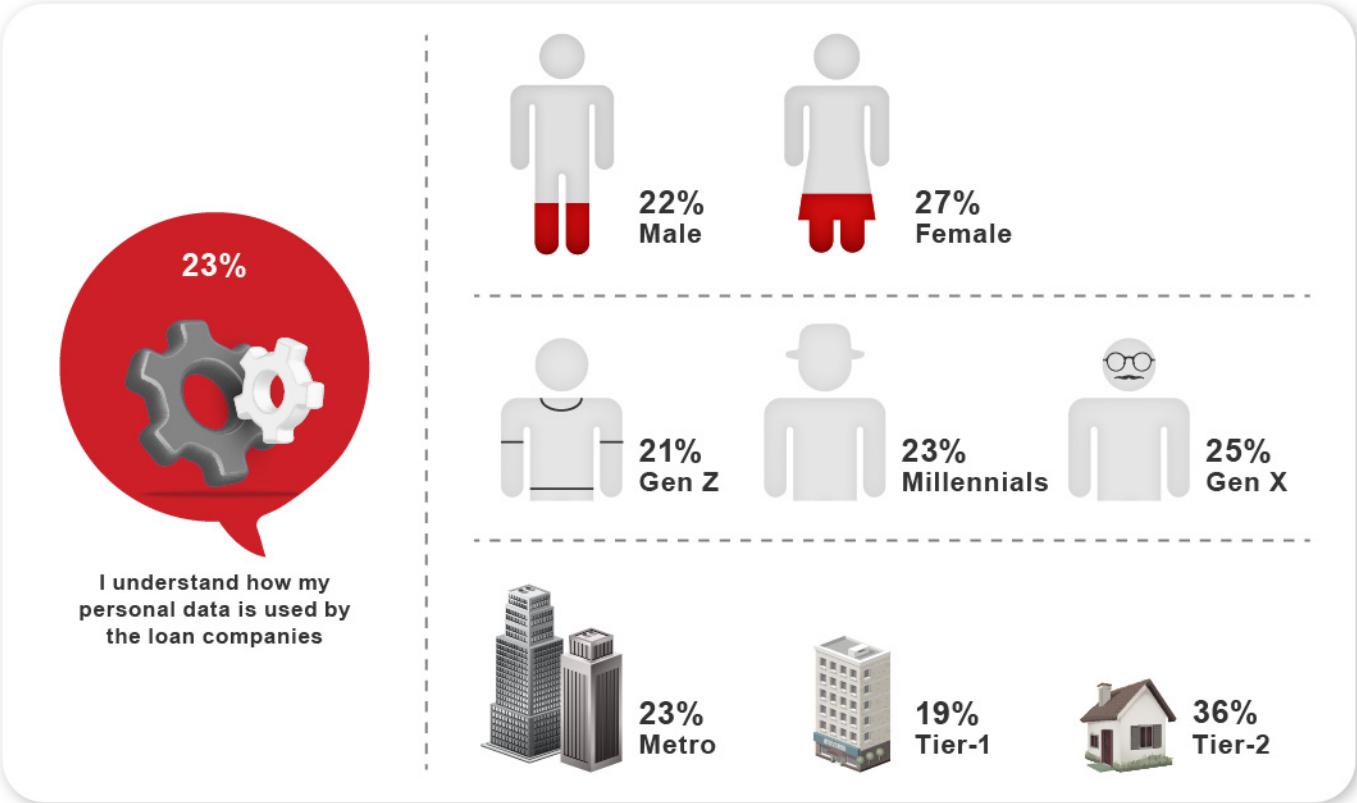
About 58% of borrowers are worried about how their personal data is collected and used by the lending Apps.



49% of the borrowers also feel that the lending Apps collect more data than required. Gen Z and borrowers from Tier-1 cities show higher concern with the amount of data being collected by lending Apps.



Less than one-fourth (23%) of the borrowers understand about the usage of their personal data by loan Apps. Borrowers from Kochi (49%) and Chennai (43%) seem to be more digitally advanced and claim to understand the usage of personal data.

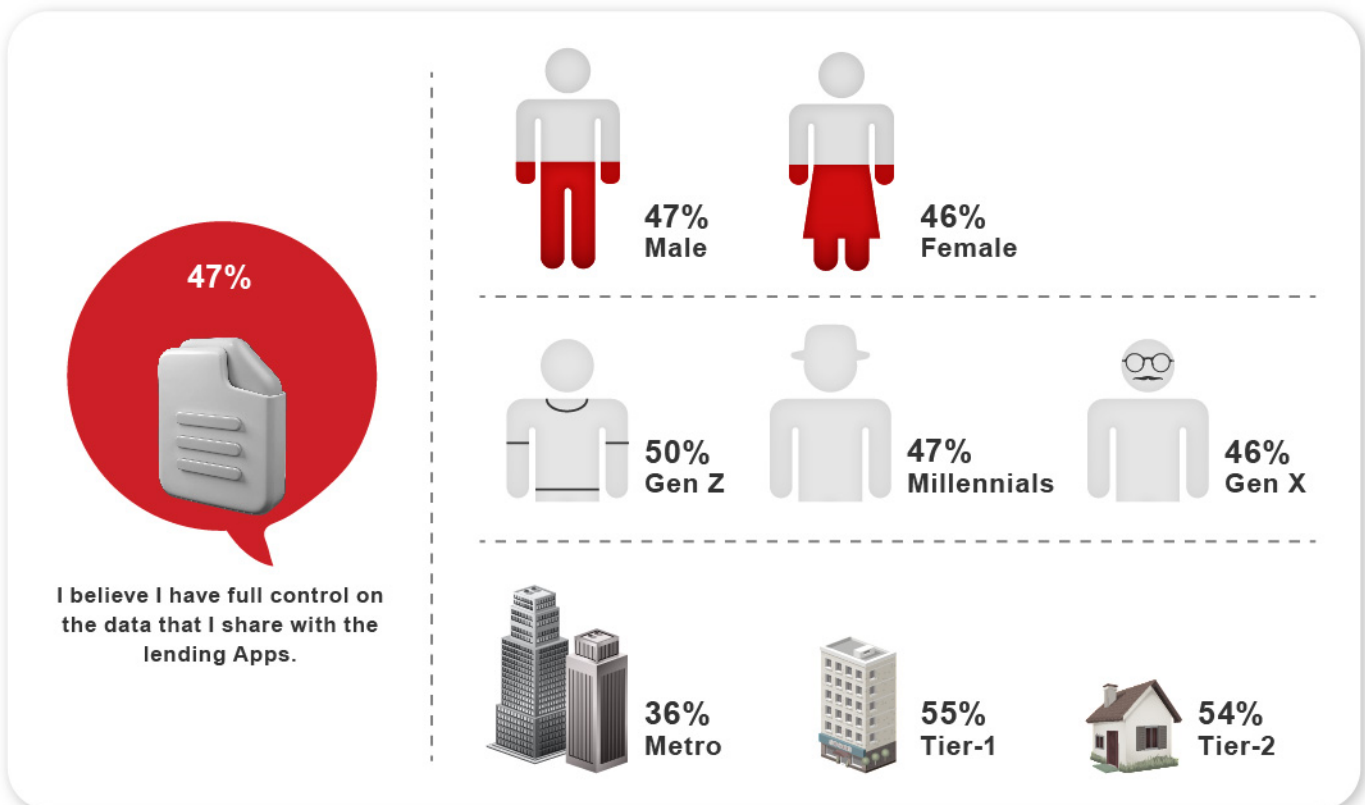




As digital lending platforms are gaining traction, user confidence in data privacy remains a significant concern. Only about half of customers believe they have control over the data they share with lending Apps. This sheds light on a broader issue of trust between consumers and fintech platforms, which depend heavily on personal and financial information for their services.

The skepticism isn't equally distributed across all demographics. Gen X are least likely to feel in control of their shared data. They are more cautious or mistrustful of how their personal information is handled by digital financial platforms. Hence, it is crucial for these fintech companies to address these concerns through transparency, robust security measures, and user-friendly data management tools.

In a world where data is currency, consumer trust and data control are paramount. Lending Apps that prioritize these aspects stand to benefit from stronger customer loyalty and a wider user base.



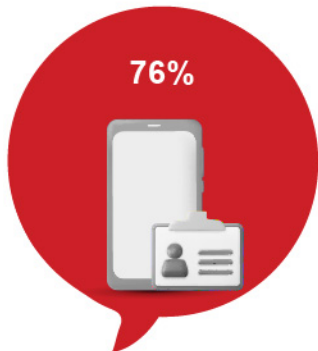


Approximately three-quarters of customers believe that loan Apps should clearly inform users about how their personal data is utilized.

However, there is a notable gender difference, with women showing less interest in understanding data usage compared to men.

Additionally, customers in metropolitan areas tend to be less engaged in seeking this information, while those from mid-sized Tier 1 cities exhibit a greater curiosity.

Geographically, customers in Southern Metros display less eagerness to know about data usage, contrasting with their counterparts in Northern and Western India, who are more proactive about wanting transparency.



**78% Male**



**64% Female**



**80% Gen Z**



**76% Millennials**



**74% Gen X**



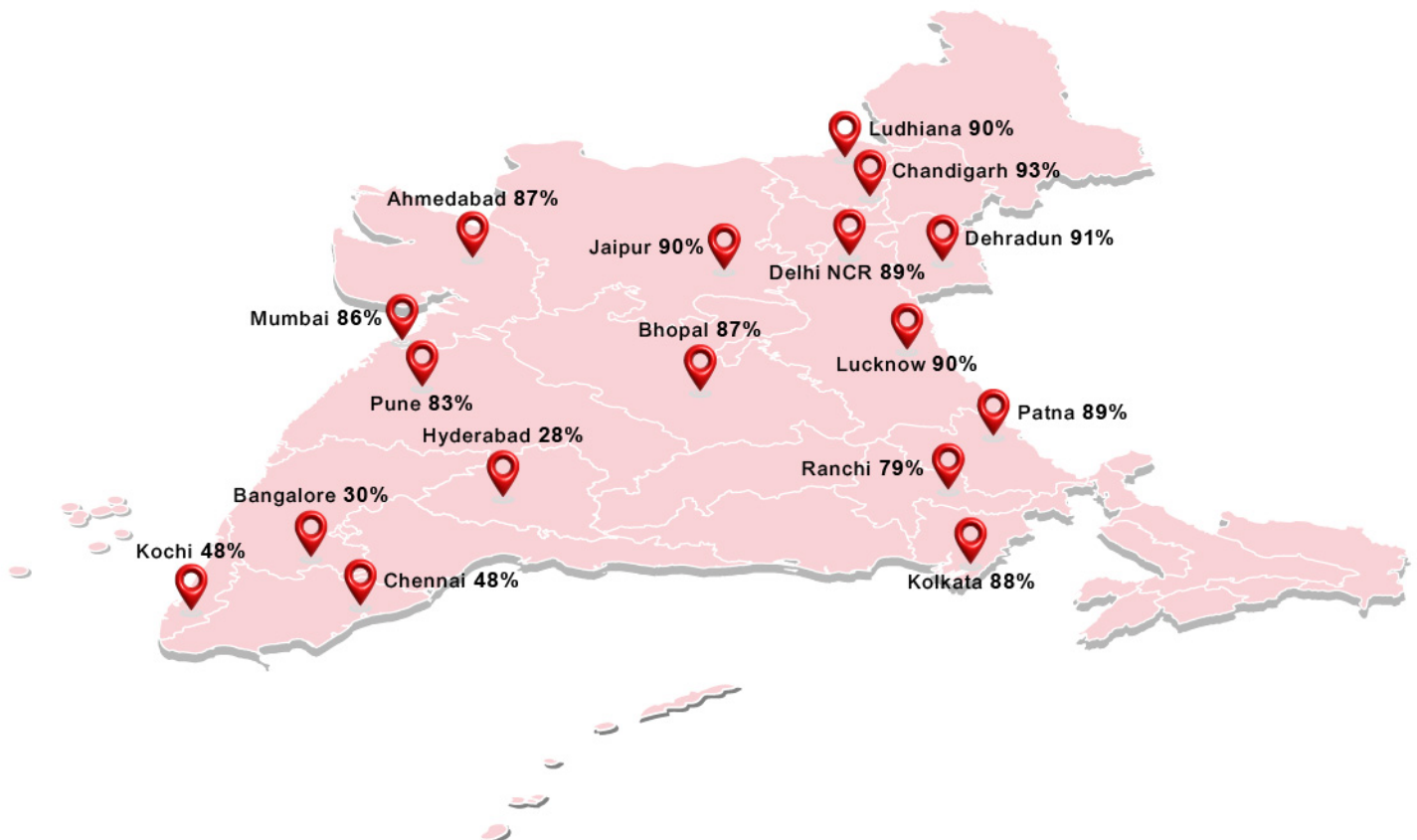
**63% Metro**



**87% Tier-1**



**77% Tier-2**







**HOME  
CREDIT**

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