

# Consumer insolvencies highest since 2009 as Canadians struggle with debt

By Uday Rana Global News | Posted May 11, 2026 12:11 pm



Canadians are reeling from **debt**, data shows, as consumer **insolvencies** have reached their highest level since the start of 2009.

Consumer insolvencies — a measure that indicates how many Canadians filed for relief under the Bankruptcy and Insolvency Act — reached record highs in the first three months of 2026, according to data from the Office of the Superintendent of Bankruptcy.

In January, February and March, 37,121 Canadians filed for insolvencies — amounting to 17 Canadians filing for insolvencies every hour this year, according to the Canadian Association of Insolvency and Restructuring Professionals (CAIRP).

This is the highest volume of Canadians filing for insolvencies since the first quarter of 2009, CAIRP said, when the Canadian economy was reeling from the aftershocks of the Great Recession of 2008.



Compared to the same period in 2025, consumer insolvencies were up 8.5 per cent, while they were up 6.5 per cent compared to the last three months of 2025.

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Between January and March, 1,232 businesses in Canada filed for insolvency. While this was down 7.5 per cent compared to the same period in 2025, it was up 9.8 per cent compared to the last three months of 2025.

This comes after a recent TransUnion report showed that Canadians took on more mortgage debt last year, with the total household debt reaching \$2.6 trillion across all credit products in the last quarter of 2025.

During the same period, the mortgage delinquency rate in Canada reached 0.24 per cent, according to the CMHC, the highest level since the end of 2021.

“The latest consumer insolvency data suggests more Canadians are reaching a financial breaking point,” says Wesley Cowan, licensed insolvency trustee and vice chair of the Canadian Association of Insolvency and Restructuring Professionals.

“The concern is that many households are entering this next period of economic uncertainty already carrying debt they can no longer comfortably manage,” Cowan added.

Canadians who have already been financially stressed from debt are getting pushed into a crisis after a “tipping point,” Cowan said.

“A job disruption, missed payment, rent increase, relationship breakdown, or unexpected expense can be enough to push someone past the point where they can recover on their own,” he said.