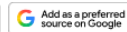




From groceries to travel, how Indians are using credit cards differently: SBI Card report

SBI Card data shows Indians increasingly using credit cards for everyday spending, UPI payments, EMIs and rewards.

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Credit cards in India are quietly becoming an everyday habit. What was once mostly used for flight tickets, shopping sales or emergency expenses is now increasingly being used for groceries, fuel, utility bills and even small UPI payments.

SBI Card's latest data shows that Indians are not just owning more credit cards, they are using them differently. India had nearly 118.6 million credit cards in circulation in FY26, with spends crossing Rs 23.62 trillion. But beyond the numbers, the bigger shift is behavioural: credit cards are becoming more deeply woven into how people spend, shop and manage cash flow on a daily basis.

The report also highlights how UPI-linked cards, EMI-led spending and rewards-focused usage are slowly blurring the line between payments and borrowing.

Credit cards are now being used for everyday spends

One of the clearest shifts in the data is the rise of UPI-linked credit cards. According to SBI Card's Q4 FY26 numbers, spends through UPI-linked cards grew over 10 percent quarter-on-quarter, driven by categories such as groceries, utilities, fuel, apparel and restaurants.

That says a lot about how consumer behaviour is changing. Earlier, credit cards were largely reserved for bigger purchases or planned spending. Now, people are increasingly using them for routine daily expenses simply because the experience feels seamless within existing UPI habits.

The shift is visible in overall spending patterns too. Retail spending through SBI Card crossed Rs 3.54 trillion in FY26, growing 15 percent year-on-year, while online transactions made up nearly 62.5 percent of spends. Digital-first spending is no longer a niche habit, it is becoming the default.

Paying or borrowing?

One of the most interesting takeaway from the report is how UPI is quietly changing the psychology of credit.

When someone scans a QR code to pay for groceries or fuel, it feels like a regular digital payment. But increasingly, that payment may actually be happening through a credit line rather than directly from a bank account.

That subtle shift matters. Consumers no longer need to consciously “use a credit card” in the traditional sense of swiping for a large purchase. Credit is now getting woven into everyday payments in a way that feels frictionless and familiar.

In many ways, borrowing itself is becoming less visible inside digital transactions, especially for younger consumers who are already comfortable with app-based payments.

Tier-2 and Tier-3 cities are driving the next phase

The next phase of credit card growth is also increasingly coming from outside metros.

According to SBI Card, around 77 percent of UPI-active credit card users and nearly 81 percent of UPI-credit spends originated from Tier-2 and Tier-3 cities. The integration of RuPay credit cards with UPI appears to be accelerating this shift by making even low-value transactions possible through credit.

That is significant because credit cards have traditionally been seen as metro-centric products tied to affluent urban consumers. The latest data suggests the user base is widening rapidly as digital payments infrastructure becomes more accessible across smaller cities.

Consumers are now carrying multiple cards

Another trend emerging from the report is the rise of multi-card usage.

Instead of relying on a single card for everything, consumers are increasingly picking cards based on spending habits, one for travel, another for fuel, shopping, dining or cashback rewards.

The trend reflects how credit cards are evolving into lifestyle and rewards products rather than just borrowing tools. Consumers today are far more aware of reward points, category-specific benefits and ecosystem perks than they were a few years ago.

EMI culture is becoming mainstream

EMI-led spending is also continuing to grow, especially for gadgets, consumer durables and other high-value purchases.

SBI Card said EMI spends saw double-digit growth in FY26, with the trend extending beyond metros into smaller cities as well. Instalment-based spending is increasingly becoming part of how consumers manage affordability and monthly cash flow.

Combined with rewards, offers and seamless digital payments, EMIs are helping make credit usage feel more integrated into everyday consumption rather than something reserved only for occasional large expenses.

Credit is becoming part of everyday consumption

Taken together, the trends point to a broader shift in how Indians are spending and borrowing.

Credit cards are increasingly moving beyond occasional usage and becoming embedded into everyday financial behaviour, whether through UPI-linked grocery payments, reward-led spending, travel bookings or EMIs for larger purchases.

So it's no longer just about how many Indians own credit cards, it is about how seamlessly credit itself is becoming part of daily life.