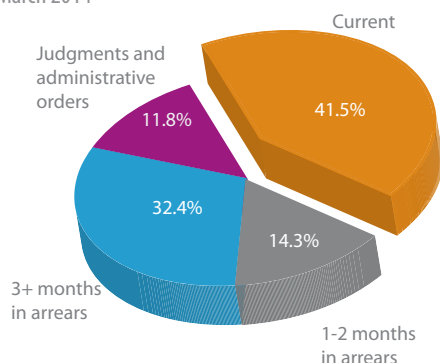


Credit Bureau Monitor

First Quarter | March 2014

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Credit standing of consumers: March 2014



For further information on credit provision, please access the Consumer Credit Market Report on www.ncr.org.za

The information reflected in this edition of the Credit Bureau Monitor covers the period from the quarter ended March 2010 to March 2014, and is based on data held by registered credit bureaus in terms of the National Credit Act No 34 of 2005.

Summary

Credit bureaus create consumer credit profiles based on credit information received from credit providers, courts and utility service providers. The National Credit Regulator (NCR) regulates and monitors registered credit bureaus and the quality of their data.

As at the end of March 2014:

- Credit bureaus held records for 21.71 million credit-active consumers, an increase of 5.2% when compared to the 20.64 million in the previous quarter. Consumers classified in good standing increased by 1.40 million, to 12.11 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 3.9% quarter-on-quarter and 3.3% year-on-year.
- The number of consumers with impaired records decreased by 329,000 to 9.60 million, from 9.93 million in the previous quarter.
- The number of accounts increased from 73.18 million in the previous quarter to 77.18 million. The number of impaired accounts decreased from 19.74 million to 19.27 million when compared to the previous quarter, a decrease of 470,000 quarter-on-quarter and an increase of 962,000 year-on-year.
- A total of 333.66 million enquiries were made on consumer credit records, a decrease of 4.3% quarter-on-quarter and 15.4% year-on-year. Enquiries initiated by consumers accounted for 14.33 million of all enquiries, a decrease of 7.4% quarter-on-quarter and 6.1% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 83.4%, enquiries from retailers accounted for 3.6% and enquiries from telecommunication providers accounted for 2.7%. Banks and other financial institutions' enquiries decreased by 6.6% from the previous quarter, retailers increased by 16.3% and telecommunication providers decreased by 15.9%.
- The number of credit reports issued to consumers increased to 168,829. Of the total credit reports issued, 78.9% (133,216) were issued without charge, and the remaining 21.1% (35,613) were issued with charge.
- There were 25,005 disputes lodged on information held on consumer credit records for the quarter ended March 2014, an increase of 27.2% quarter-on-quarter and 48.2% year-on-year.

Introduction

The information reflected in this Credit Bureau Monitor covers the period from the quarter ended March 2010 to March 2014.

Comparisons in this report: "quarter-on-quarter" refers to a comparison between the March 2014 and December 2013 quarters, and "year-on-year" refers to a comparison between the March 2014 and March 2013 quarters.

On 26 February 2014 the Department of Trade and Industry published regulations on the Removal of Adverse Consumer Credit Information and Information Relating to Paid Up Judgments, which came into effect on 1 April 2014 . Data shifts depicted in this report were as a result of the credit bureaus implementing the above-mentioned regulations.

Credit-active consumers

There were 21.71 million credit-active consumers as at the end of March 2014

Credit bureaus held records for more than 45.71 million individuals on their databases as at the end of March 2014. From these records, 21.71 million (47.5%) were credit-active and the remaining records contained only identification information and no credit activity. The number of credit-active consumers increased by 1.07 million quarter-on-quarter and 1.63 million year-on-year.

The percentage of consumers in good standing increased this quarter

Consumers classified in good standing increased by 1.40 million to 12.11 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 3.9% quarter-on-quarter and 3.3% year-on-year. Of the total 21.71 million credit-active consumers, 55.8% were in good standing.

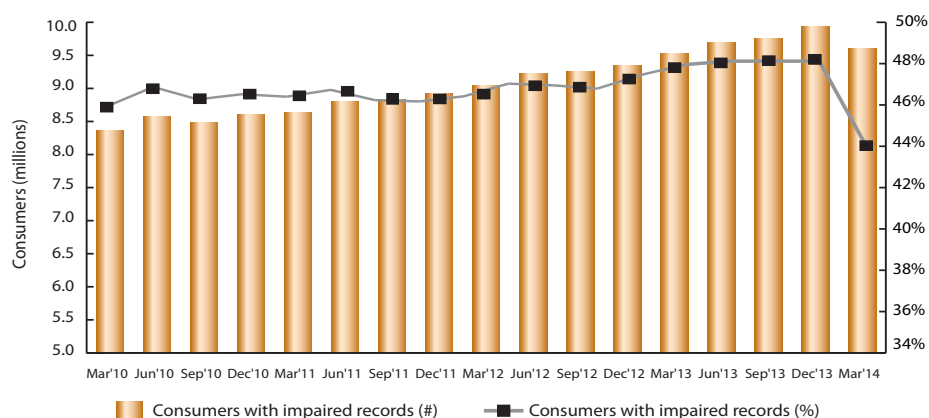
The number of consumers with impaired records (the inverse of those in good standing) decreased by 329,000 to 9.60 million. The percentage of credit-active consumers with impaired records decreased to 44.2%, comprising of 32.4% of consumers in three months or more in arrears, 0.0% of consumers with adverse listings, and 11.8% of consumers with judgments and administration orders.

A detailed breakdown of the nature of impairments is provided in Table 1 and Figure 1.

Table 1: Credit standing of consumers

	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14
Good standing (#)	10.04m	10.27m	10.41m	10.44m	10.38m	10.45m	10.62m	10.55m	10.52m	10.53m	10.71m	12.11m
Good standing (%)	53.3%	53.8%	53.8%	53.6%	53.0%	53.0%	53.2%	52.5%	52.0%	51.9%	51.9%	55.8%
Current (%)	39.1%	39.6%	39.1%	38.6%	38.6%	38.8%	38.0%	37.2%	37.9%	38.2%	38.1%	41.5%
1-2 months in arrears (%)	14.2%	14.2%	14.7%	15.0%	14.4%	14.3%	15.3%	15.4%	14.2%	13.7%	13.8%	14.3%
Impaired records (#)	8.80m	8.83m	8.93m	9.05m	9.22m	9.25m	9.34m	9.53m	9.69m	9.76m	9.93m	9.60m
Impaired records (%)	46.7%	46.2%	46.2%	46.4%	47.0%	47.0%	46.8%	47.5%	48.0%	48.1%	48.1%	44.2%
3+ months in arrears (%)	18.5%	18.7%	19.0%	19.9%	19.5%	19.7%	20.1%	20.5%	21.1%	21.0%	20.1%	32.4%
Adverse listings (%)	13.9%	13.2%	12.9%	12.3%	13.3%	12.9%	12.7%	13.5%	13.5%	14.0%	15.4%	0.0%
Judgments and administration orders (%)	14.3%	14.3%	14.3%	14.2%	14.2%	14.3%	13.9%	13.5%	13.3%	13.1%	12.6%	11.8%
Credit-active consumers (#)	18.84m	19.10m	19.34m	19.49m	19.60m	19.69m	19.97m	20.08m	20.21m	20.29m	20.64m	21.71m

Figure 1: Consumers with impaired records



Consumer accounts

There were 77.18 million accounts on record at the bureaus as at the end of March 2014

At the end of the reporting quarter there were 77.18 million accounts recorded at registered credit bureaus. This was an increase of 5.5% quarter-on-quarter and 9.1% year-on-year.

The percentage of accounts in good standing increased this quarter

Of the 77.18 million accounts, 57.91 million (75.0%) were classified as in good standing, a positive variance of 2.0% quarter-on-quarter and 0.9% year-on-year.

As at the end of March 2014:

- 66.1% of accounts were classified as current (increased quarter-on-quarter by 1.9% and year-on-year by 1.8%).
- 8.9% had missed one or two instalments (increased quarter-on-quarter by 0.1% and decreased year-on-year by 0.9%).
- 22.3% had missed three or more instalments (increased quarter-on-quarter by 4.3% and year-on-year by 4.3%).
- 0.0% had adverse listings (decreased quarter-on-quarter by 6.2% and year-on-year by 5.0%).
- 2.7% had judgments or administration orders (decreased quarter-on-quarter by 0.1% and year-on-year by 0.2%).

See Table 2 and Figures 2 and 3 for detailed breakdown.

Table 2: Credit standing of accounts

	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14
Good standing (#)	48.53m	49.48m	50.62m	50.57m	50.88m	51.02m	52.02m	52.42m	52.33m	51.92m	53.44m	57.91m
Good standing (%)	74.7%	74.9%	75.0%	74.9%	74.5%	74.7%	74.8%	74.1%	73.5%	73.0%	73.0%	75.0%
Current (%)	65.4%	66.3%	66.0%	65.6%	65.7%	66.0%	65.4%	64.3%	64.5%	64.2%	64.2%	66.1%
1-2 months in arrears (%)	9.3%	8.7%	8.9%	9.3%	8.8%	8.7%	9.4%	9.8%	9.0%	8.8%	8.8%	8.9%
Impaired records (#)	16.47m	16.54m	16.91m	16.94m	17.43m	17.26m	17.52m	18.31m	18.87m	19.25m	19.74m	19.27m
Impaired records (%)	25.3%	25.1%	25.0%	25.1%	25.5%	25.3%	25.2%	25.9%	26.5%	27.0%	27.0%	25.0%
3+ months in arrears (%)	17.1%	17.3%	17.5%	18.1%	17.7%	17.7%	17.8%	18.0%	18.5%	18.6%	18.0%	22.3%
Adverse listings (%)	4.4%	4.0%	4.1%	3.7%	4.7%	4.5%	4.4%	5.0%	5.1%	5.5%	6.2%	0.0%
Judgments and administration orders (%)	3.8%	3.7%	3.5%	3.3%	3.1%	3.1%	3.0%	2.9%	2.9%	2.9%	2.8%	2.7%
Consumer accounts (#)	65.00m	66.03m	67.53m	67.51m	68.30m	68.28m	69.53m	70.73m	71.20m	71.17m	73.18m	77.18m

Figure 2: Accounts with impaired records

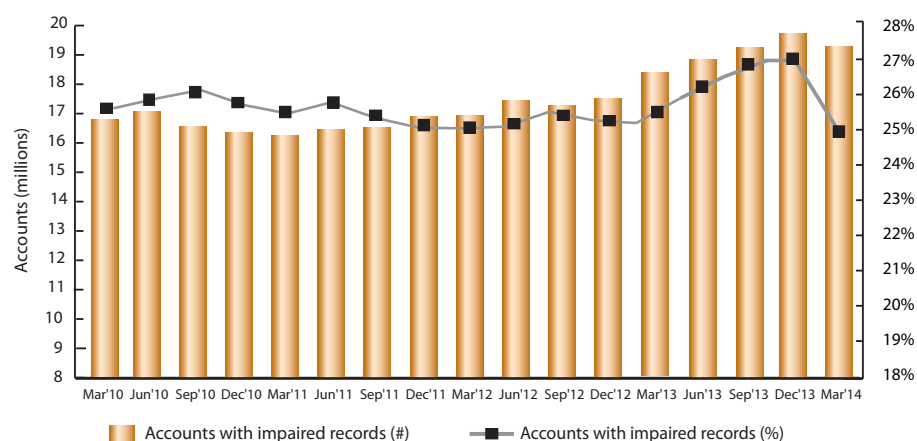
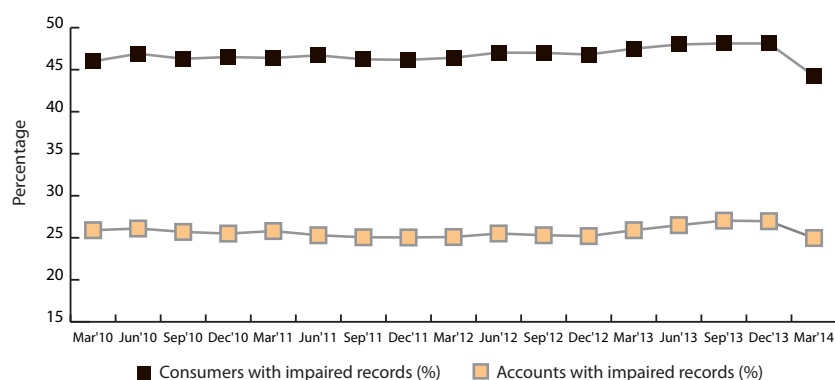


Figure 3: Consumers and accounts with impaired records



Credit market activity

Enquiries made on consumer records decreased for the quarter

In the quarter ended March 2014, 333.66 million enquiries were made. This was a decrease of 4.3% quarter-on-quarter and 15.4% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 14.33 million enquiries were made due to consumers seeking credit (decreased by 7.4% quarter-on-quarter and 6.1% year-on-year).
- 0.72 million enquiries were related to telecommunication services (decreased by 1.5% quarter-on-quarter and increased by 5.8% year-on-year).
- 11.82 million enquiries were made for tracing/debt collection purposes (decreased by 18.1% quarter-on-quarter and 22.0% year-on-year).
- 306.79 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (decreased by 3.5% quarter-on-quarter and 15.6% year-on-year).

Refer to Table 3 and Figures 4 and 5 for detailed breakdown.

Table 3: Enquiries

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12	Dec 12 to Mar 13	Mar 13 to Jun 13	Jun 13 to Sep 13	Sep 13 to Dec 13	Dec 13 to Mar 14
Consumers seeking credit	13.39	14.96	15.92	17.18	15.26	15.91	16.16	15.48	14.33	11.7%	6.4%	7.9%	-11.2%	4.3%	1.6%	-4.2%	-7.4%
Telecommunication services	0.81	0.76	0.73	0.74	0.68	0.70	0.73	0.73	0.72	-6.4%	-3.5%	1.8%	-8.4%	2.3%	5.4%	-0.3%	-1.5%
Tracing/debt collection purposes	18.46	13.22	14.19	10.41	15.16	16.78	20.81	14.42	11.82	-28.4%	7.3%	-26.6%	45.6%	10.7%	24.0%	-30.7%	-18.1%
Other	277.75	302.91	290.05	310.86	363.37	326.61	319.94	318.02	306.79	9.1%	-4.2%	7.2%	16.9%	-10.1%	-2.0%	-0.6%	-3.5%
Total	310.42	331.84	320.89	339.20	394.47	360.01	357.65	348.66	333.66	6.9%	-3.3%	5.7%	16.3%	-8.7%	-0.7%	-2.5%	-4.3%

Figure 4: Enquiries due to consumers seeking credit

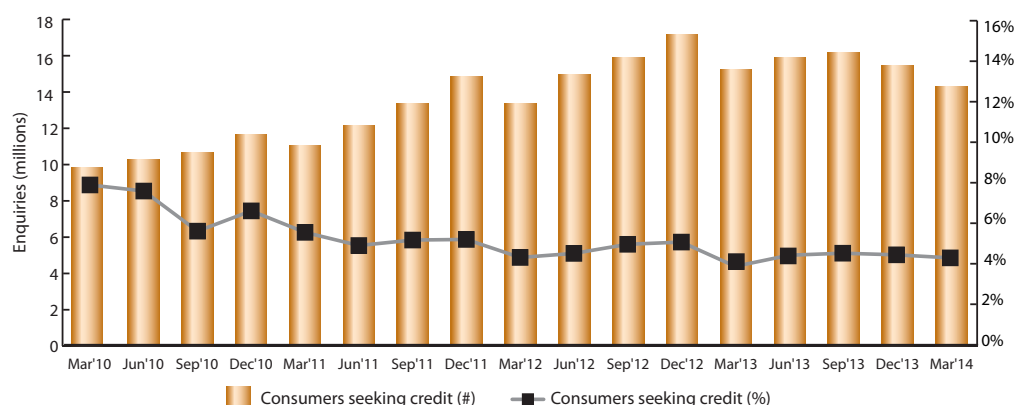
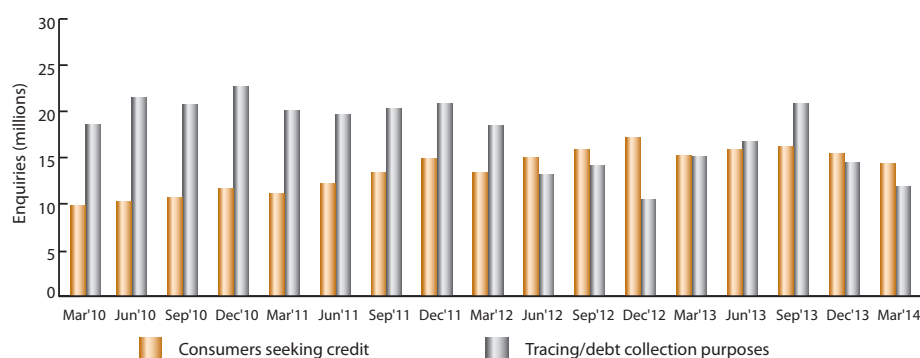


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



Enquiry sectoral analysis

In the quarter ended March 2014, 278.12 million enquiries were made by banks and other financial institutions, a decrease of 6.6% quarter-on-quarter and 15.4% year-on-year. Retailers made 11.88 million enquiries on consumer records, which was an increase of 16.3% quarter-on-quarter and a decrease of 21.7% year-on-year. Enquiries made by telecommunication providers decreased by 15.9% quarter-on-quarter and 55.6% year-on-year, to 8.95 million in March 2014 quarter. Enquiries made by debt collection agencies decreased by 12.4% quarter-on-quarter and 66.9% year-on-year, to 2.86 million in March 2014 quarter. Enquiries made by all other entities showed a quarter-on-quarter increase of 18.8% and 46.0% year-on-year, to 31.85 million.

Refer to Tables 4 to 7 and Figure 6 for a detailed breakdown.

Table 4: All enquiries – distribution according to sectors

Enquiries by:	Number of enquiries (millions)									Percentage change							
	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12	Dec 12 to Mar 13	Mar 13 to Jun 13	Jun 13 to Sep 13	Sep 13 to Dec 13	Dec 13 to Mar 14
Banks and other financial institutions	236.31	254.14	262.00	285.27	328.68	304.81	304.22	297.73	278.12	7.5%	3.1%	8.9%	15.2%	-7.3%	-0.2%	-2.1%	-6.6%
Retailers	11.89	12.99	14.04	12.60	15.18	20.14	11.41	10.22	11.88	9.2%	8.1%	-10.3%	20.5%	32.6%	-43.3%	-10.5%	16.3%
Telecommunication providers	32.83	37.62	24.45	22.56	20.16	14.76	16.55	10.64	8.95	14.6%	-35.0%	-7.7%	-10.7%	-26.7%	12.1%	-35.7%	-15.9%
Debt collection agencies	7.66	5.40	7.07	3.88	8.64	4.53	4.19	3.26	2.86	-29.4%	30.9%	-45.1%	122.4%	-47.5%	-7.5%	-22.1%	-12.4%
All other entities	21.73	21.70	13.32	14.89	21.82	15.76	21.26	26.81	31.85	-0.1%	-38.6%	11.7%	46.5%	-27.8%	34.9%	26.1%	18.8%
Total	310.42	331.84	320.89	339.20	394.47	360.01	357.65	348.66	333.66	6.9%	-3.3%	5.7%	16.3%	-8.7%	-0.7%	-2.5%	-4.3%

Figure 6: All enquiries – distribution according to sectors

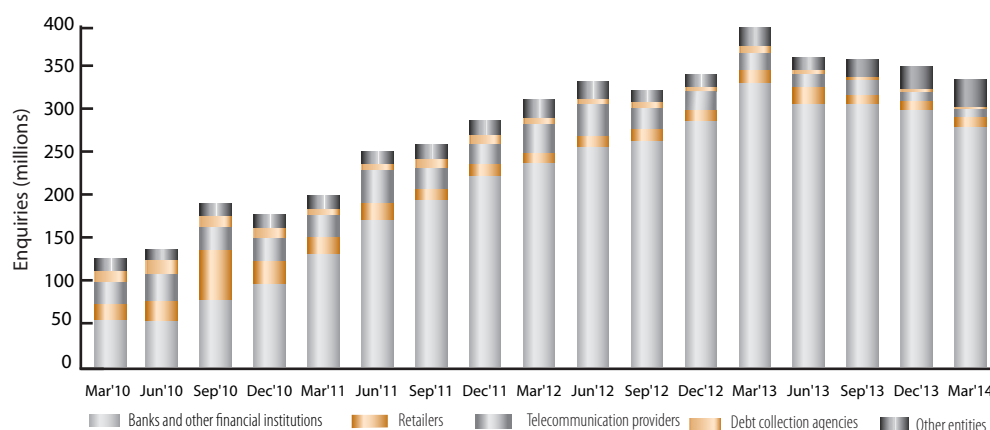


Table 5: Enquiries by banks and other financial institutions

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12	Dec 12 to Mar 13	Mar 13 to Jun 13	Jun 13 to Sep 13	Sep 13 to Dec 13	Dec 13 to Mar 14
Consumers seeking credit	11.49	12.40	13.26	14.08	12.96	13.34	13.20	11.89	11.39	7.9%	7.0%	6.2%	-8.0%	2.9%	-1.1%	-9.9%	-4.3%
Tracing/debt collection purposes	7.18	2.68	2.18	2.17	1.45	2.06	2.55	1.84	2.50	-62.8%	-18.4%	-0.7%	-33.3%	42.3%	23.9%	-27.9%	36.3%
Other purposes	217.64	239.06	246.55	269.02	314.27	289.42	288.48	283.99	264.23	9.8%	3.1%	9.1%	16.8%	-7.9%	-0.3%	-1.6%	-7.0%
Banks and other financial institutions	236.31	254.14	262.00	285.27	328.68	304.81	304.22	297.73	278.12	7.5%	3.1%	8.9%	15.2%	-7.3%	-0.2%	-2.1%	-6.6%

Table 6: Enquiries by retailers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12	Dec 12 to Mar 13	Mar 13 to Jun 13	Jun 13 to Sep 13	Sep 13 to Dec 13	Dec 13 to Mar 14
Consumers seeking credit	1.91	2.56	2.66	3.10	2.30	2.57	2.97	3.59	2.94	34.1%	3.9%	16.8%	-25.8%	11.8%	15.2%	21.0%	-17.9%
Tracing/debt collection purposes	0.54	0.56	0.55	0.72	0.48	0.59	0.66	0.77	0.57	3.1%	-1.1%	31.0%	-32.7%	21.1%	12.2%	17.2%	-25.9%
Other purposes	9.45	9.87	10.84	8.78	12.40	16.97	7.79	5.86	8.37	4.5%	9.8%	-19.0%	41.2%	36.9%	-54.1%	-24.8%	42.8%
Retailers	11.89	12.99	14.04	12.60	15.18	20.14	11.41	10.22	11.88	9.2%	8.1%	-10.3%	20.5%	32.6%	-43.3%	-10.5%	16.3%

Table 7: Enquiries by telecommunication providers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12	Dec 12 to Mar 13	Mar 13 to Jun 13	Jun 13 to Sep 13	Sep 13 to Dec 13	Dec 13 to Mar 14
Telecommunication services	0.81	0.76	0.73	0.74	0.68	0.70	0.73	0.73	0.72	-6.4%	-3.5%	1.8%	-8.4%	2.3%	5.4%	-0.3%	-1.5%
Tracing/debt collection purposes	2.42	3.92	1.68	2.85	3.69	8.49	11.75	7.21	4.22	62.2%	-57.3%	70.0%	29.5%	130.0%	38.4%	-38.7%	-41.4%
Other purposes	29.61	32.94	22.04	18.97	15.78	5.58	4.07	2.71	4.01	11.2%	-33.1%	-13.9%	-16.8%	-64.7%	-27.1%	-33.5%	48.0%
Telecommunication providers	32.83	37.62	24.45	22.56	20.16	14.76	16.55	10.64	8.95	14.6%	-35.0%	-7.7%	-10.7%	-26.7%	12.1%	-35.7%	-15.9%

Credit bureau activity

Demand for credit reports increased for the quarter

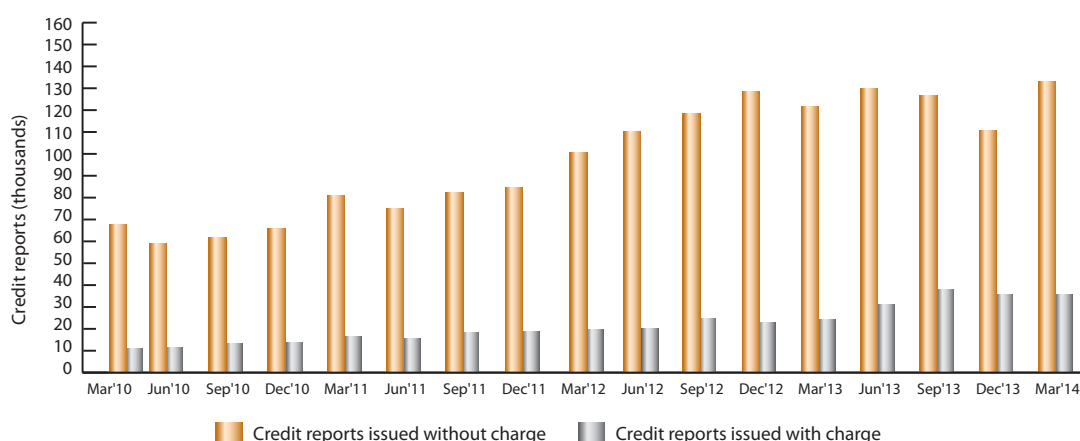
Of the total 168,829 credit reports issued to consumers at their request during the quarter ended March 2014, 78.9% (133,216) were issued without charge, and the remaining 21.1% (35,613) were issued with charge. The total number of credit reports issued increased by 15.1% quarter-on-quarter and 15.9% year-on-year.

See Table 8 and Figure 7 for details.

Table 8: Credit reports issued

Number of credit reports											Percentage change								
Credit reports:	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Dec 11 to Mar 12	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12	Dec 12 to Mar 13	Mar 13 to Jun 13	Jun 13 to Sep 13	Sep 13 to Dec 13	Dec 13 to Mar 14
Issued without charge	84,561	100,446	110,137	118,503	128,339	121,659	129,761	126,591	110,803	133,216	18.8%	9.6%	7.6%	8.3%	-5.2%	6.7%	-2.4%	-12.5%	20.2%
Issued with charge	18,842	19,648	20,384	24,590	23,077	24,061	30,941	37,846	35,854	35,613	4.3%	3.7%	20.6%	-6.2%	4.3%	28.6%	22.3%	-5.3%	-0.7%
Total issued	103,402	120,094	130,521	143,093	151,416	145,720	160,702	164,437	146,657	168,829	16.1%	8.7%	9.6%	5.8%	-3.8%	10.3%	2.3%	-10.8%	15.1%

Figure 7: Credit reports issued



Consumer disputes

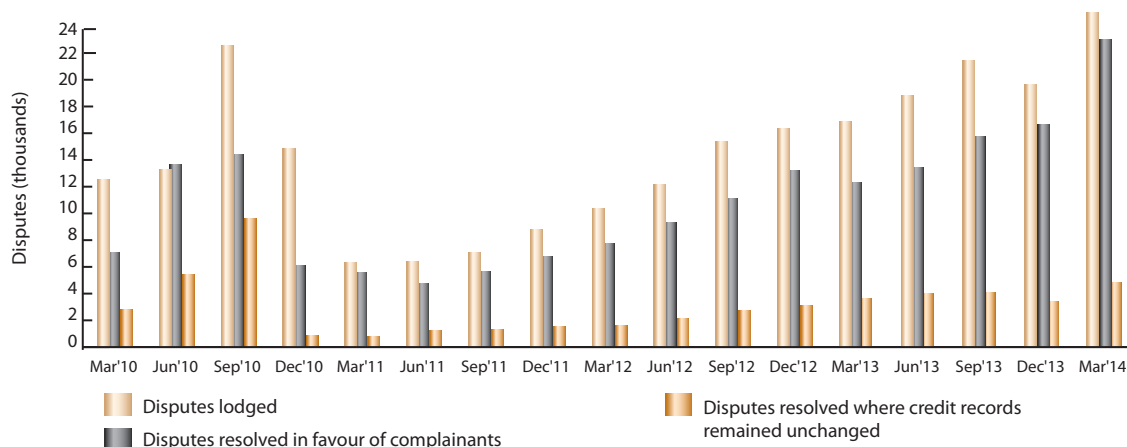
In the quarter ended March 2014, 25,005 disputes were lodged in respect of the accuracy of the information recorded on consumer credit records. This was a quarter-on-quarter increase of 27.2% and a year-on-year increase of 48.2%. More disputes were resolved in favour of complainants (23,016) as compared to disputes where credit records remained unchanged (4,839).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Disputes:	Number of disputes									Percentage change							
	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12	Dec 12 to Mar 13	Mar 13 to Jun 13	Jun 13 to Sep 13	Sep 13 to Dec 13	Dec 13 to Mar 14
Lodged	10,357	12,149	15,356	16,368	16,868	18,792	21,466	19,658	25,005	17.3%	26.4%	6.6%	3.1%	11.4%	14.2%	-8.4%	27.2%
Resolved in favour of complainants	7,722	9,351	11,137	13,198	12,313	13,449	15,731	16,643	23,016	21.1%	19.1%	18.5%	-6.7%	9.2%	17.0%	5.8%	38.3%
Resolved where credit record remained unchanged	1,646	2,162	2,759	3,143	3,670	3,989	4,064	3,391	4,839	31.3%	27.6%	13.9%	16.8%	8.7%	1.9%	-16.6%	42.7%

Figure 8: Disputes



Definitions

Terms used in this report	Definitions
Credit-active consumers	Consumers obligated to pay credit providers and/or service providers, etc. These obligations result in transactional entries on the consumer's credit record at the credit bureaus.
Impaired record	A record on which a consumer and/or any of the accounts, are either classified as three or more payments or months in arrears, or which has an "adverse listing", or that reflects a judgment or administration order.
Good standing	An account or consumer showing as current or on which the client has not missed more than one or two instalments, which has no adverse listings and has no judgments.
Adverse listing	Accounts with adverse classifications such as 'handed over' and/or 'written-off'.
Current	A consumer or account is up-to-date with payments and has not missed any instalment over the period of the credit agreement.

Notes

1. Where values have been rounded off, the percentage calculations and summed totals are calculated off the unrounded values.
2. Refer to the NCR website for complete tables of twenty-eight quarters from June 2007 to March 2014.