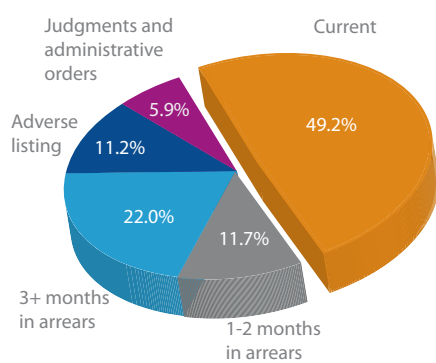


Credit Bureau Monitor

Second Quarter | June 2017

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Credit standing of consumers: March 2017



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 June 2013 to June 2017, 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 June 2017:

- Credit bureaus held records for 24.78 million credit-active consumers, an increase of 0.4% when compared to the 24.68 million in the previous quarter. Consumers classified in good standing increased by 106,000 to 15.10 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 0.2% quarter-on-quarter and 1.1% year-on-year.
- The number of consumers with impaired records increased by 2,000, remaining at 9.69 million, from the previous quarter.
- The number of accounts decreased from 82.43 million in the previous quarter to 80.02 million. The number of impaired accounts increased from 19.70 million to 19.97 million when compared to the previous quarter, a decrease of 271,000 quarter-on-quarter and 263,000 year-on-year.
- A total of 479.97 million enquiries were made on consumer credit records, a increase of 10.0% quarter-on-quarter and an increase of 10.5% year-on-year. Enquiries initiated by consumers accounted for 18.42 million of all enquiries, a decrease of 0.4% quarter-on-quarter and an increase of 11.8% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 56.2%, enquiries from retailers accounted for 5.3% and enquiries from telecommunication providers accounted for 7.4%. Banks and other financial institutions' enquiries decreased by 3.7% from the previous quarter, retailers decreased by 15.3% and telecommunication providers increased by 35.8%.
- The number of credit reports issued to consumers decreased from 148,498 in the previous quarter to 146,989. Of the total credit reports issued, 67.3% (98,964) were issued without charge, and the remaining 32.7% (48,024) were issued with charge.
- There were 31,092 disputes lodged on information held on consumer credit records for the quarter ended June 2017, an decrease of 20.0% quarter-on-quarter and 8.5% year-on-year.

Introduction

The information reflected in this Credit Bureau Monitor covers the period from the quarter ended June 2013 to June 2017.

Comparisons in this report: “quarter-on-quarter” refers to a comparison between the June 2017 and March 2017 quarters, and “year-on-year” refers to a comparison between the June 2017 and June 2016 quarters.

Credit-active consumers

There were 24.78 million credit-active consumers as at the end of June 2017

Credit bureaus held records for more than 49.88 million individuals on their databases as at the end of June 2017. From these records, 24.78 million (49.7%) were credit-active and the remaining records contained only identification information and no credit activity. The number of credit-active consumers increased by 108,000 quarter-on-quarter and 700,000 year-on-year.

The percentage of consumers in good standing increased this quarter

Consumers classified in good standing increased by 106,000 to 15.10 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 0.2% quarter-on-quarter and 1.1% year-on-year. Of the total 24.78 million credit-active consumers, 60.9% were in good standing.

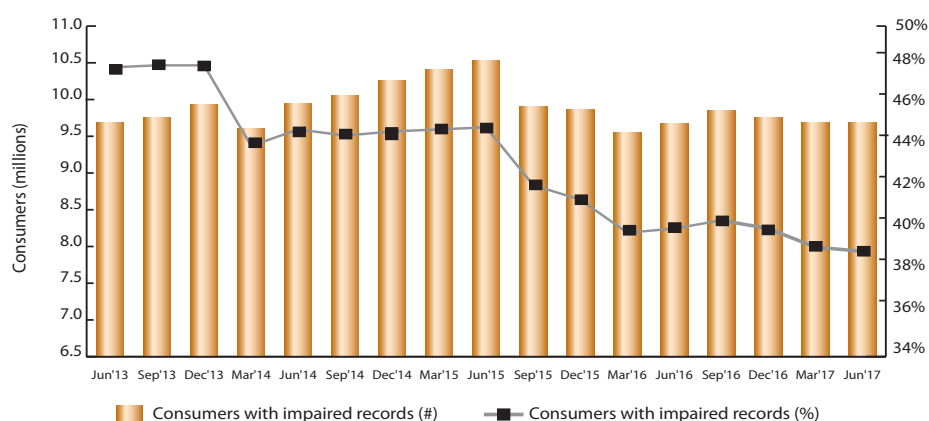
The number of consumers with impaired records (the inverse of those in good standing) increased by 2,000 remaining at 9.69 million. The percentage of credit-active consumers with impaired records decreased to 39.1%, comprising of 22.0% of consumers in three months or more in arrears, 11.2% of consumers with adverse listings, and 5.9% 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

	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17
Good standing (#)	12.45m	12.58m	12.70m	12.84m	13.53m	13.87m	14.33m	14.41m	14.40m	14.55m	14.99m	15.10m
Good standing (%)	55.3%	55.1%	55.0%	54.9%	57.7%	58.4%	60.0%	59.8%	59.4%	59.9%	60.7%	60.9%
Current (%)	42.3%	42.6%	42.2%	42.8%	46.1%	46.1%	47.6%	48.3%	47.6%	47.6%	48.2%	49.2%
1-2 months in arrears (%)	13.0%	12.5%	12.7%	12.1%	11.6%	12.4%	12.4%	11.6%	11.8%	12.3%	12.5%	11.7%
Impaired records (#)	10.05m	10.26m	10.41m	10.53m	9.91m	9.87m	9.55m	9.67m	9.85m	9.76m	9.69m	9.69m
Impaired records (%)	44.7%	44.9%	45.0%	45.1%	42.3%	41.6%	40.0%	40.2%	40.6%	40.2%	39.3%	39.1%
3+ months in arrears (%)	26.3%	23.8%	22.4%	21.5%	21.6%	22.1%	22.3%	22.1%	22.3%	21.8%	21.7%	22.0%
Adverse listings (%)	7.3%	10.4%	12.2%	13.5%	11.8%	11.0%	10.1%	10.7%	11.3%	11.8%	11.4%	11.2%
Judgments and administration orders (%)	11.1%	10.7%	10.4%	10.1%	8.8%	8.5%	7.6%	7.3%	6.9%	6.6%	6.2%	5.9%
Credit-active consumers (#)	22.50m	22.84m	23.11m	23.37m	23.45m	23.74m	23.88m	24.08m	24.25m	24.31m	24.68m	24.78m

Figure 1: Consumers with impaired records



Consumer accounts

There were 80.02 million accounts on record at the bureaus as at the end of June 2017

At the end of the reporting quarter there were 80.02 million accounts recorded at registered credit bureaus. This was a decrease of 2.93% quarter-on-quarter and a decrease of 5.4% year-on-year.

The percentage of accounts in good standing decreased this quarter

Of the 80.02 million accounts, 60.04 million (75.0%) were classified as in good standing, a negative variance of 1.1% quarter-on-quarter and 1.0% year-on-year.

As at the end of June 2017:

- 68.1% of accounts were classified as current (decreased quarter-on-quarter by 0.7% and 1.0% year-on-year).
- 7.0% had missed one or two instalments (decreased quarter-on-quarter by 0.3% and remained unchanged year-on-year).
- 18.3% had missed three or more instalments (increased quarter-on-quarter by 0.5% and year-on-year by 0.5%).
- 5.1% had adverse listings (increased quarter-on-quarter by 0.5% and year-on-year by 0.6%).
- 1.6% had judgments or administration orders (increased quarter-on-quarter by 0.1% and decreased year-on-year by 0.02%).

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

Table 2: Credit standing of accounts

	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17
Good standing (#)	59.55m	59.84m	59.66m	60.47m	60.37m	63.56m	65.03m	64.32m	63.44m	62.41m	62.73m	60.04m
Good standing (%)	73.3%	72.9%	72.7%	73.6%	74.9%	76.1%	76.5%	76.1%	75.7%	75.7%	76.1%	75.0%
Current (%)	65.5%	65.2%	64.7%	66.1%	67.6%	68.4%	69.0%	69.1%	68.5%	68.4%	68.8%	68.1%
1-2 months in arrears (%)	7.8%	7.6%	8.0%	7.5%	7.3%	7.7%	7.5%	7.0%	7.2%	7.3%	7.3%	7.0%
Impaired records (#)	21.64m	22.28m	22.38m	21.71m	20.24m	19.99m	19.92m	20.24m	20.37m	20.01m	19.70m	19.97m
Impaired records (%)	26.7%	27.1%	27.3%	26.4%	25.1%	23.9%	23.5%	23.9%	24.3%	24.3%	23.9%	25.0%
3+ months in arrears (%)	20.7%	20.1%	19.8%	18.9%	18.4%	17.8%	17.7%	17.8%	18.1%	17.9%	17.8%	18.3%
Adverse listings (%)	3.4%	4.6%	5.1%	5.2%	4.8%	4.4%	4.1%	4.5%	4.6%	4.9%	4.6%	5.1%
Judgments and administration orders (%)	2.5%	2.4%	2.3%	2.2%	1.9%	1.8%	1.7%	1.6%	1.6%	1.6%	1.5%	1.6%
Consumer accounts (#)	81.18m	82.13m	82.04m	82.17m	80.60m	83.55m	84.96m	84.56m	83.81m	82.42m	82.43m	80.02m

Figure 2: Accounts with impaired records

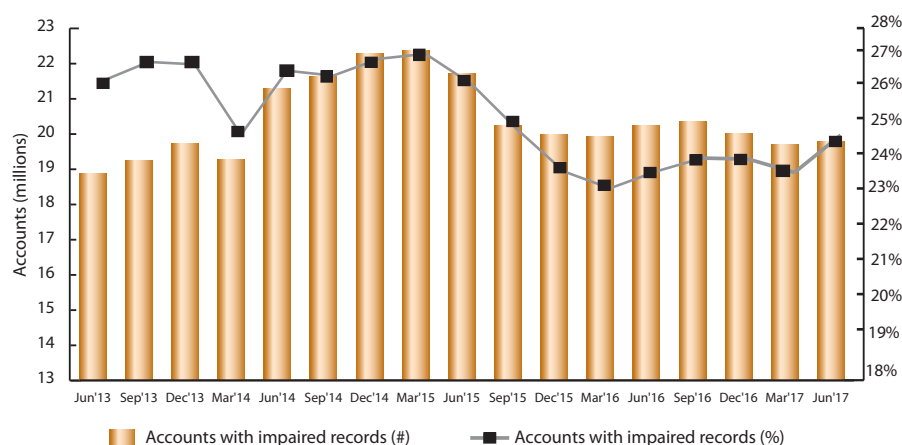
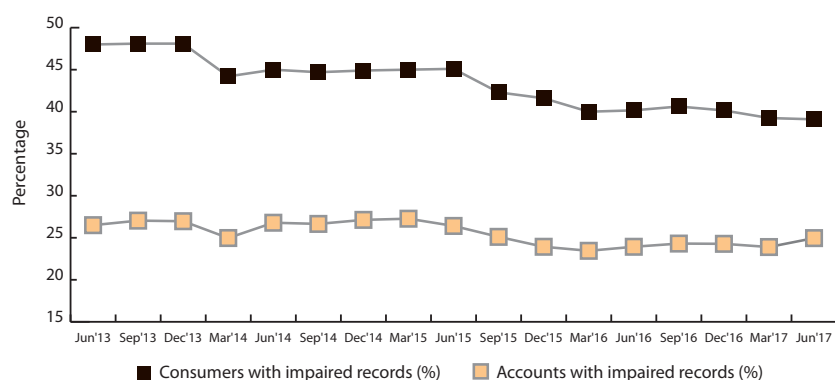


Figure 3: Consumers and accounts with impaired records



Credit market activity

Enquiries made on consumer records increased for the quarter

There were 479.97 million enquiries made in the quarter ended June 2017. This was a increase of 10.0% quarter-on-quarter and 10.5% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 18.42 million enquiries were made due to consumers seeking credit (decreased by 0.4% quarter-on-quarter and increased by 11.8% year-on-year).
- 1.28 million enquiries were related to telecommunication services (increased by 21.5% quarter-on-quarter and by 89.7% year-on-year).
- 24.11 million enquiries were made for tracing/debt collection purposes (increased by 14.8% quarter-on-quarter and decreased by 34.0% year-on-year).
- 436.16 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (increased by 10.2% quarter-on-quarter and by 14.6% 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							
	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec 15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar 17 to Jun 17
Consumers seeking credit	13.23	15.79	15.64	16.99	16.48	17.91	19.66	18.49	18.42	19.4%	-0.9%	8.6%	-3.0%	8.6%	9.8%	-6.0%	-0.4%
Telecommunication services	0.91	0.74	0.64	0.70	0.67	0.85	1.16	1.05	1.28	-18.4%	-13.5%	8.6%	-3.9%	25.7%	37.6%	-9.7%	21.5%
Tracing/debt collection purposes	22.62	15.77	14.47	19.32	36.54	35.35	20.83	21.00	24.11	-30.3%	-8.3%	33.5%	89.2%	-3.2%	-41.1%	0.8%	14.8%
Other	376.01	343.74	387.93	354.77	380.68	399.71	404.79	395.90	436.16	-8.6%	12.9%	-8.5%	7.3%	5.0%	1.3%	-2.2%	10.8%
Total	412.77	376.04	418.69	391.78	434.37	453.82	446.44	436.44	479.97	-8.9%	11.3%	-6.4%	10.9%	4.5%	-1.6%	-2.2%	10.0%

Figure 4: Enquiries due to consumers seeking credit

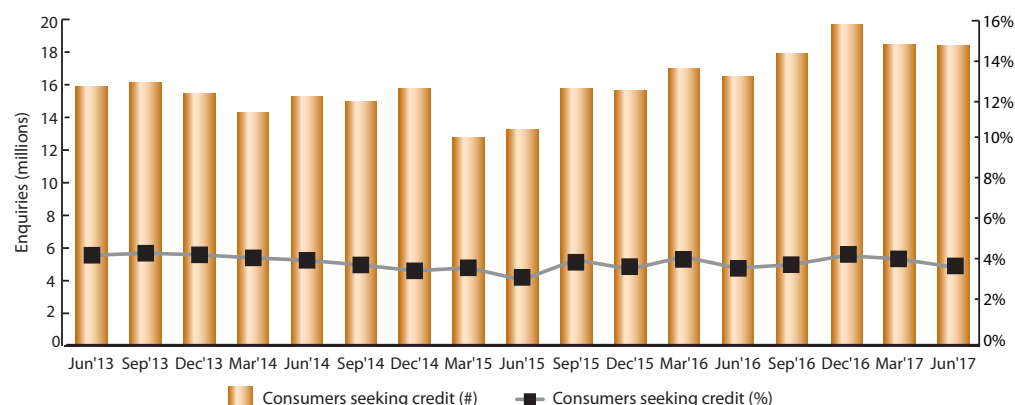
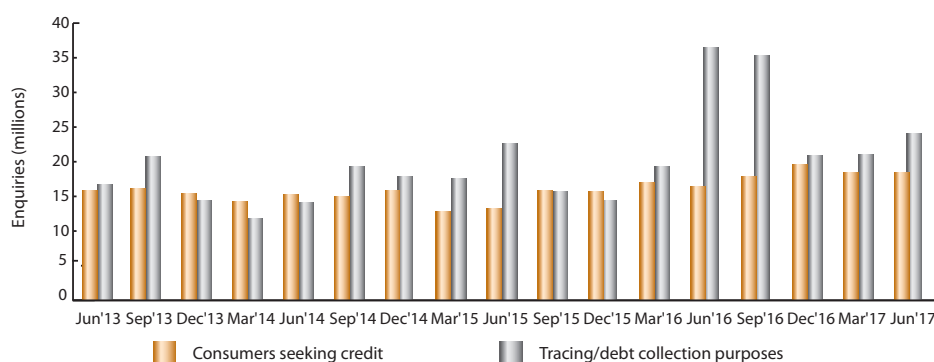


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



Enquiry sectoral analysis

There were 269.75 million enquiries made by banks and other financial institutions in the quarter ended June 2017, an decrease of 3.7% quarter-on-quarter and of 8.1% year-on-year. Retailers made 25.43 million enquiries on consumer records, which was an decrease of 15.3% quarter-on-quarter and by 3.1% year-on-year. Enquiries made by telecommunication providers increased by 35.8% quarter-on-quarter and decreased by 2.8% year-on-year, to 35.62 million in the June 2017 quarter. Enquiries made by debt collection agencies decreased by 43.0% quarter-on-quarter and by 19.1% year-on-year, to 3.00 million in June 2017 quarter. Enquiries made by all other entities increased by 54.1% quarter-on-quarter and increased by 96.6% year-on-year, to 146.17 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							
	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec 15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar 17 to Jun 17
Banks and other financial institutions	313.86	262.10	279.00	288.18	293.41	257.26	256.56	280.10	269.75	-16.5%	6.4%	3.3%	1.8%	-12.3%	-0.3%	9.2%	-3.7%
Retailers	10.27	26.19	26.90	26.52	26.24	29.83	26.93	30.01	25.43	155.0%	2.7%	-1.4%	-1.0%	13.7%	-9.7%	11.5%	-15.3%
Telecommunication providers	22.08	13.38	11.14	14.59	36.65	63.61	43.60	26.23	35.62	-39.4%	-16.7%	30.9%	151.2%	73.6%	-31.5%	-39.8%	35.8%
Debt collection agencies	3.90	4.01	3.10	2.67	3.71	3.42	3.85	5.26	3.00	2.7%	-22.6%	-13.9%	38.9%	-7.9%	12.6%	36.8%	-43.0%
All other entities	62.65	70.37	98.55	59.82	74.36	99.70	115.50	94.84	146.17	12.3%	40.1%	-39.3%	24.3%	34.1%	15.8%	-17.9%	54.1%
Total	412.77	376.04	418.69	391.78	434.37	453.82	446.44	436.44	479.97	-8.9%	11.3%	-6.4%	10.9%	4.5%	-1.6%	-2.2%	10.0%

Figure 6: All enquiries – distribution according to sectors

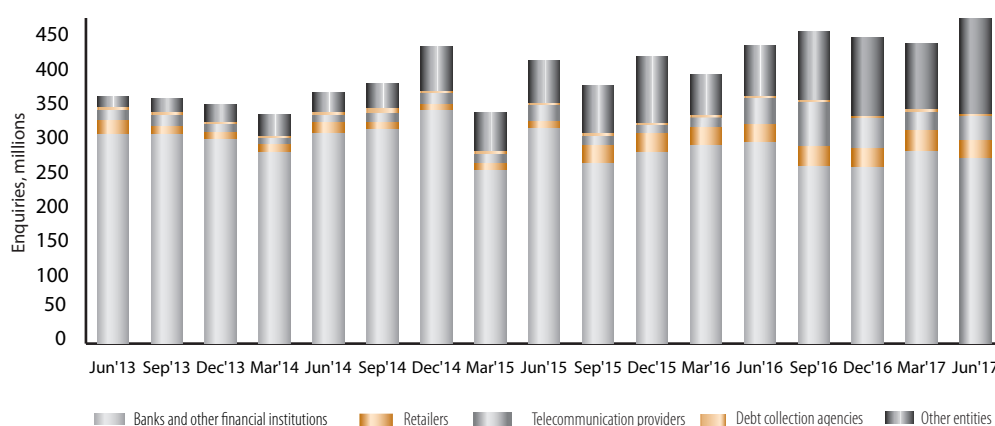


Table 5: Enquiries by banks and other financial institutions

Number of enquiries (millions)										Percentage change							
Enquiry purpose:	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar17	Jun 17	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar 17 to Jun 16
Consumers seeking credit	10.77	13.11	13.20	14.97	14.14	14.89	16.58	16.03	15.89	21.7%	0.7%	13.4%	-5.5%	5.3%	11.4%	-3.3%	-0.9%
Tracing/debt collection purposes	1.36	1.34	1.77	3.02	5.35	2.44	1.81	1.92	2.37	-1.2%	31.5%	71.1%	77.2%	-54.4%	-25.7%	6.2%	22.9%
Other purposes	301.73	247.65	264.03	270.19	273.92	239.94	238.17	262.14	251.49	-17.9%	6.6%	2.3%	1.4%	-12.4%	-0.7%	10.1%	-4.1%
Banks and other financial institutions	313.86	262.10	279.00	288.18	293.41	257.26	256.56	280.10	269.75	-16.5%	6.4%	3.3%	1.8%	-12.3%	-0.3%	9.2%	-3.7%

Table 6: Enquiries by retailers

Number of enquiries (millions)										Percentage change							
Enquiry purpose:	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec 15 to Mar 16	Mar16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar17 to Jun 17
Consumers seeking credit	2.45	2.68	2.43	2.02	2.34	3.02	3.07	2.46	2.53	9.2%	-9.2%	-17.1%	16.1%	29.0%	1.7%	-20.1%	3.1%
Tracing/debt collection purposes	1.22	1.31	1.27	1.86	1.80	0.81	0.5	1.02	0.42	7.5%	-2.7%	46.1%	-3.1%	-55.2%	-38%	103.6%	-58.9%
Other purposes	6.60	22.20	23.19	22.64	22.10	26.00	23.35	26.54	22.48	236.4%	4.4%	-2.4%	-2.4%	17.6%	-10.2%	13.6%	-15.3%
Retailers	10.27	26.19	26.90	26.52	26.24	29.83	26.93	30.01	25.43	155.0%	2.7%	-1.4%	-1.0%	13.7%	-9.7%	11.5%	-15.3%

Table 7: Enquiries by telecommunication providers

Number of enquiries (millions)										Percentage change							
Enquiry purpose:	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec 15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar 17 to Jun 17
Telecommunication services	0.91	0.74	0.64	0.70	0.67	0.85	1.16	1.05	1.28	-18.4%	-13.5%	8.6%	-3.9%	25.7%	37.6%	-9.7%	21.5%
Tracing/debt collection purposes	14.64	7.27	6.71	8.52	16.39	26.72	13.22	10.11	16.72	-50.3%	-7.7%	26.9%	92.5%	63.0%	-50.5%	-23.5%	65.3%
Other purposes	6.53	5.36	3.79	5.37	19.58	36.04	29.22	15.06	17.63	-17.9%	-29.4%	41.8%	264.8%	84.1%	-18.9%	-48.5%	17.1%
Telecommunication providers	22.08	13.38	11.14	14.59	36.65	63.61	43.60	26.23	35.62	-39.4%	-16.7%	30.9%	151.2%	73.6%	-31.5%	-39.8%	35.8%

Credit bureau activity

Demand for credit reports decreased for the quarter

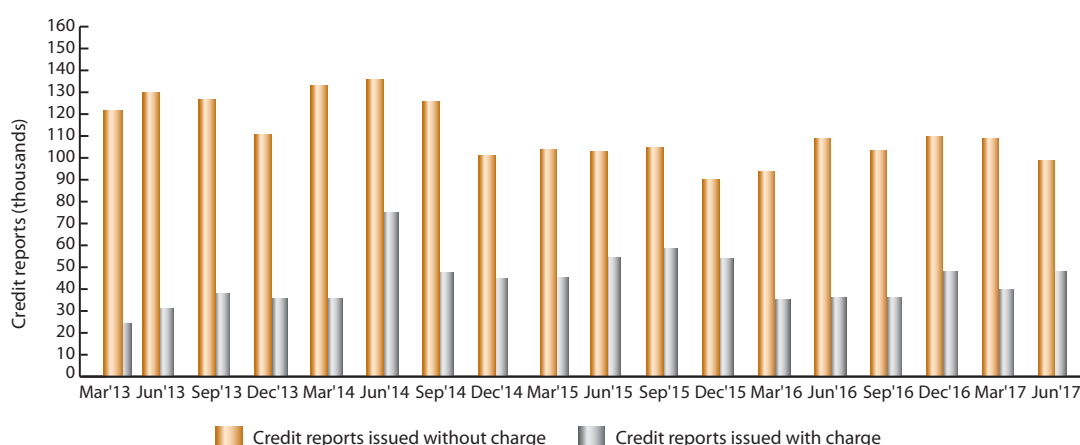
Of the total 146,989 credit reports issued to consumers at their request during the quarter ended June 2017, 67.3% (98,964) were issued without charge, and the remaining 32.7% (48,025) were issued with charge. The total number of credit reports issued decreased by 1.0% quarter-on-quarter and increased by 1.4% year-on-year.

See Table 8 and Figure 7 for details.

Table 8: Credit reports issued

Number of credit reports											Percentage change								
Credit reports:	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Mar 15 to Jun 15	Jun 15 to Sep15	Sep 15 to Dec 15	Dec 15 to Mar16	Mar 16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16	Dec 17 to Mar17	Mar 17 to Jun 17
Issued without charge	103,771	102,967	104,688	90,150	93,977	108,818	103,258	109,797	108,695	98,964	-0.8%	1.7%	-13.9%	4.2%	15.8%	-5.1%	6.3%	-1.0%	-9.0%
Issued with charge	45,451	54,283	58,435	54,060	35,481	36,195	36,144	47,934	39,803	48,025	19.4%	7.6%	-7.5%	-34.4%	2.0%	-0.1%	32.4%	-17.0%	20.7%
Total issued	149,222	157,250	163,118	144,210	129,458	145,013	139,402	157,731	148,498	146,989	5.4%	3.7%	-11.6%	-10.2%	12.0%	-3.9%	13.1%	-5.9%	-1.0%

Figure 7: Credit reports issued



Consumer disputes

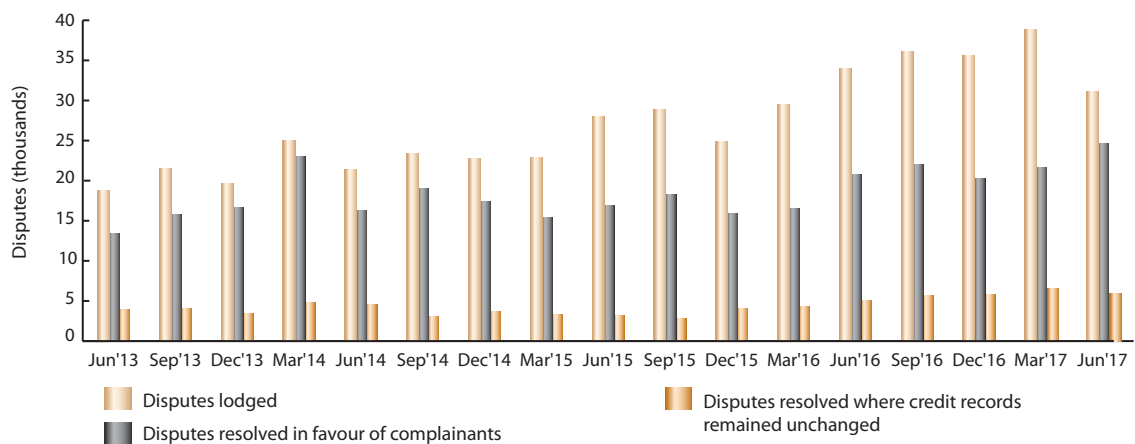
There were 31,092 disputes lodged in respect of the accuracy of the information recorded on consumer credit records in the quarter ended June 2017. This was a decrease of 20.0% quarter-on-quarter and 8.5% year-on-year. More disputes were resolved in favour of complainants (24,621) as compared to disputes where credit records remained unchanged (5,877).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Number of disputes										Percentage change							
Disputes:	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec 15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar 17 to Jun 17
Lodged	27,988	28,856	24,920	29,558	33,989	36,118	35,673	38,882	31,092	3.1%	-13.6%	18.6%	15.0%	6.3%	-1.2%	9.0%	-20.0%
Resolved in favour of complainants	16,896	18,275	15,870	16,587	20,825	22,060	20,333	21,594	24,621	8.2%	-13.2%	4.5%	25.6%	5.9%	-7.8%	6.2%	14.0%
Resolved where credit record remained unchanged	3,187	2,845	4,068	4,246	5,004	5,687	5,807	6,573	5,877	-10.7%	43.0%	4.4%	17.9%	13.6%	1.4%	13.2%	-10.6%

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 forty quarters from december 2007 to June 2017.