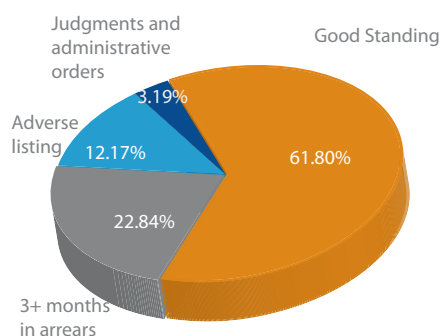


Credit Bureau Monitor

First Quarter | March 2021

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Credit standing of consumers: March 2021



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 2017 to March 2021, 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 2021:

- Credit bureaus held records for 27.53 million credit-active consumers, an increase of 0.44% when compared to the 27.41 million in the previous quarter ended December 2020 and a decrease of 1.66% year on year.
- Consumers classified in good standing increased by 216,007 to 17.01 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 1.29% quarter-on-quarter and a decrease of 2.89% year-on-year.
- The number of consumers with impaired records decreased by 96,028, to 10.52 million, this was a decrease of 0.90% quarter on quarter and an increase of 0.38% year on year.
- The number of accounts decreased from 90.47 million in the previous quarter to 85.09 million.
- The number of impaired accounts decreased from 23.83 million to 20.18 million when compared to the previous quarter, a decrease of 3.65 million or 15.32% quarter-on-quarter and an increase of 0.30 million or 1.49% year-on-year.
- A total of 678.27 million enquiries were made on consumer credit records. Enquiries initiated by consumers accounted for 11.05 million of all enquiries, a decrease of 14.52% quarter-on-quarter and an increase of 0.07% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 54.19%, enquiries from retailers accounted for 9.29% and enquiries from telecommunication providers accounted for 7.28%.
- The number of credit reports issued to consumers increased from 394,458, in the previous quarter to 584,437, of the total credit reports issued, 84.45% (493,538) were issued free of charge, and the remaining 15.55% (90,899) were issued at a cost.
- There were 25,404 disputes lodged on information held on consumer credit records for the quarter ended March 2021, a decrease of 4.50% quarter-on-quarter and 35.80% year-on-year.

Introduction

The information reflected in this Credit Bureau Monitor covers the period from the quarter ended March 2017 to March 2021.

Comparisons in this report: “quarter-on-quarter” refers to a comparison between the December 2020 and March 2021 quarters, and “year-on-year” refers to a comparison between the March 2020 and March 2021 quarters.

Credit-active consumers

There were 27.53 million credit-active consumers as at the end of March 2021

Credit bureaus held records for more than 55.66 million individuals on their databases as at the end of March 2021. From these records, 27.53 million (49.46%) were credit-active and the remaining records contained only identification information and no credit activity. The number of credit-active consumers decreased by 119,979 quarter-on-quarter and decreased by 456,507 year-on-year.

The percentage of consumers in good standing increased during the quarter

Consumers classified in good standing increased by 216,007 to 17.01 million consumers. As a percentage of the total number of consumers in good standing, this reflects an increase of 1.29 quarter-on-quarter and a decrease of 2.89% year-on-year. Of the total 27.53 million credit-active consumers, 61.80% were in good standing.

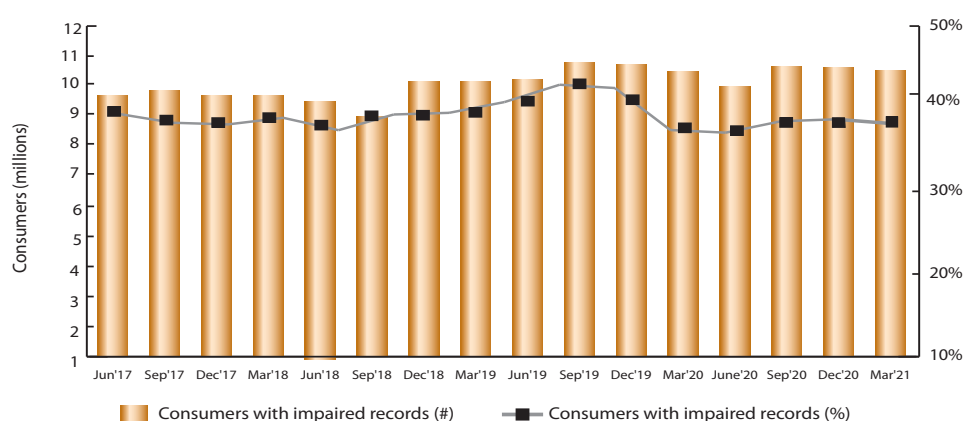
The number of consumers with impaired records (the inverse of those in good standing) decreased by 96,028 to 10.53 million. The percentage of credit-active consumers with impaired records decreased to 38.20%, comprising of 22.84% of consumers in three months or more in arrears, 12.17% of consumers with adverse listings, and 3.19% 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 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21
Good standing (#)	15.02m	15.07m	15.69m	15.55m	14.87m	14.35m	14.49m	17.52m	16.96m	17.02m	16.80m	17.01m
Good standing (%)	61.08	62.65	60.71	60.52	59.25	57.06	57.50	62.58	62.90	61.52	61.28	61.80
Current (%)	49.41	50.87	48.09	48.11	47.89	45.92	45.72	53.44	53.33	52.41	52.12	53.08
1-2 months in arrears (%)	11.67	11.78	12.62	12.41	11.36	11.14	11.78	9.15	9.57	9.11	9.17	8.72
Impaired records (#)	9.57m	8.98m	10.16m	10.15m	10.23m	10.80m	10.71m	10.47m	10.00m	10.64m	10.61m	10.53m
Impaired records (%)	38.92	37.35	39.29	39.48	40.75	42.94	42.50	37.42	37.10	38.48	38.72	38.20
3+ months in arrears (%)	22.75	22.34	24.15	23.55	22.99	23.75	24.77	23.23	22.90	23.75	23.41	22.84
Adverse listings (%)	10.64	9.46	10.06	10.87	12.68	14.20	12.88	10.92	10.89	11.47	12.07	12.17
Judgments and administration orders (%)	5.52	5.56	5.08	5.07	5.08	4.99	4.85	3.27	3.31	3.26	3.24	3.19
Credit-active consumers (#)	24.59m	24.05m	25.85m	25.70m	25.10m	25.14m	25.20m	27.99m	26.96m	27.66m	27.41m	27.53m

Figure 1: Consumers with impaired records



Consumer accounts

There were 85.09 million accounts on record at the bureaus as at the end of March 2021

At the end of the reporting quarter there were 85.09 million accounts recorded at registered credit bureaus. This was an decrease of 5.94% quarter-on-quarter and 1.05% year-on-year.

The percentage of accounts in good standing increased this quarter

Of the 85.09 million accounts, 64.91 million (76.29%) were classified as in good standing, a positive variance of 2.63% quarter-on-quarter and a negative variance of 0.59% year-on-year.

As at the end of March 2021:

- 69.65% of accounts were classified as current (increased quarter-on-quarter by 2.95% and year-on-year by 0.92%).
- 6.64% had missed one or two instalments (decreased quarter-on-quarter by 0.32% and year-on-year by 1.51%).
- 17.16% had missed three or more instalments (increased quarter-on-quarter by 0.69% and year-on-year by 1.25%).
- 5.55% had adverse listings (decreased quarter-on-quarter by 3.51% and year-on-year by 0.95%).
- 1.00% had judgments or administration orders (increased quarter-on-quarter by 0.20% and year-on-year by 0.29%).

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

Table 2: Credit standing of accounts

	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21
Good standing (#)	56.95m	57.51m	59.54m	58.95m	58.95m	59.67m	60.09m	66.12m	64.57m	63.68m	66.64m	64.91m
Good standing (%)	74.92	75.50	74.14	73.25	73.58	73.19	73.25	76.88	75.76	73.09	73.66	76.29
Current (%)	67.62	68.04	64.34	62.79	64.46	63.94	63.63	68.73	67.77	65.96	66.70	69.95
1-2 months in arrears (%)	7.30	7.46	9.80	10.46	9.13	9.25	9.62	8.16	7.99	7.13	6.96	6.64
Impaired records (#)	19.07m	18.66m	20.77m	21.53m	21.16m	21.86m	21.95m	19.88m	20.66m	23.44m	23.83m	20.18m
Impaired records (%)	25.08	24.50	25.86	26.75	26.42	26.81	26.75	23.12	24.24	26.91	26.34	23.71
3+ months in arrears (%)	18.85	18.37	19.58	19.57	19.19	19.76	19.71	15.91	17.07	17.05	16.47	17.16
Adverse listings (%)	4.78	4.75	5.05	6.00	6.10	5.98	6.03	6.50	6.28	9.01	9.06	5.55
Judgments and administration orders (%)	1.46	1.38	1.23	1.18	1.13	1.07	1.01	0.70	0.88	0.84	0.80	1.00
Consumer accounts (#)	76.02m	76.17m	80.31m	80.49m	80.12m	81.53m	82.04m	85.99m	85.23m	87.12m	90.47m	85.09m

Figure 2: Accounts with impaired records

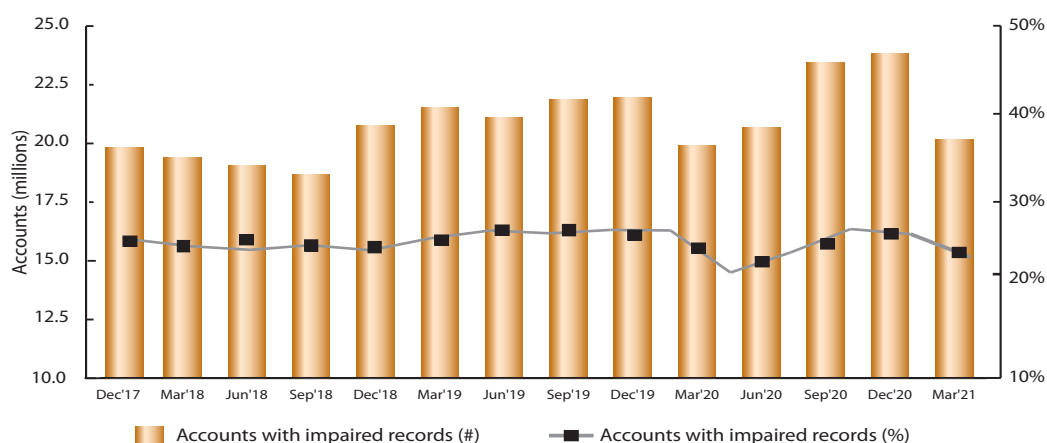
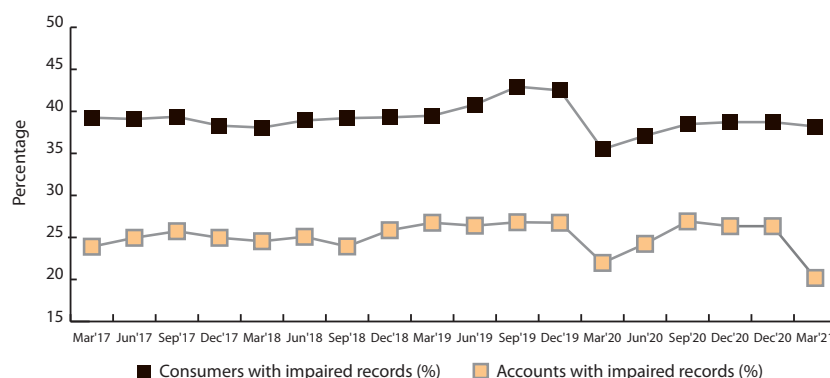


Figure 3: Consumers and accounts with impaired records



Credit market activity

Enquiries made on consumer records decreased for the quarter

There were 678.27 million enquiries made in the quarter ended March 2021. This was a decrease of 7.11% quarter-on-quarter and 16.59% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 11.05 million enquiries were made due to consumers seeking credit (decreased by 14.52% quarter-on-quarter and increased by 0.07% year-on-year).
- 3.64 million enquiries were related to telecommunication services (decreased by 0.42% quarter-on-quarter and by 28.32% year-on-year).
- 62.16 million enquiries were made for tracing/debt collection purposes (decreased by 1.45% quarter-on-quarter and by 24.22% year-on-year).
- 601.42 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (decreased by 7.54% quarter-on-quarter and 15.89% 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 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Mar 19 to Jun 19	Jun 19 to Sep 19	Sep 19 to Dec 19	Dec 19 to Mar 20	Mar 20 to Jun 20	Jun 20 to Sep 20	Sep 20 to Dec 20	Dec 20 to Mar 21
Consumers seeking credit	20.53	22.74	26.66	27.70	11.04	12.10	9.08	12.92	11.05	10.77	17.25	3.90	-60.14	9.62	-25.01	42.40	-14.52
Telecommunication services	2.37	6.38	9.23	10.07	5.08	3.66	2.60	3.65	3.64	168.92	44.72	9.12	-49.58	-27.94	-28.88	40.45	-0.42
Tracing/debt collection purposes	36.23	50.28	65.83	69.35	82.03	59.14	57.18	63.08	62.16	38.76	30.93	5.35	18.29	-27.91	-3.32	10.33	-1.45
Other	548.82	668.79	878.49	919.70	715.07	693.71	1021.87	650.49	601.42	21.86	31.36	4.69	-22.25	-2.99	47.31	36.34	-7.54
Total	607.95	748.18	980.21	1026.82	813.22	768.61	1090.73	730.15	678.27	23.07	31.01	4.75	-20.80	-5.49	41.91	-33.06	-7.11

Figure 4: Enquiries due to consumers seeking credit

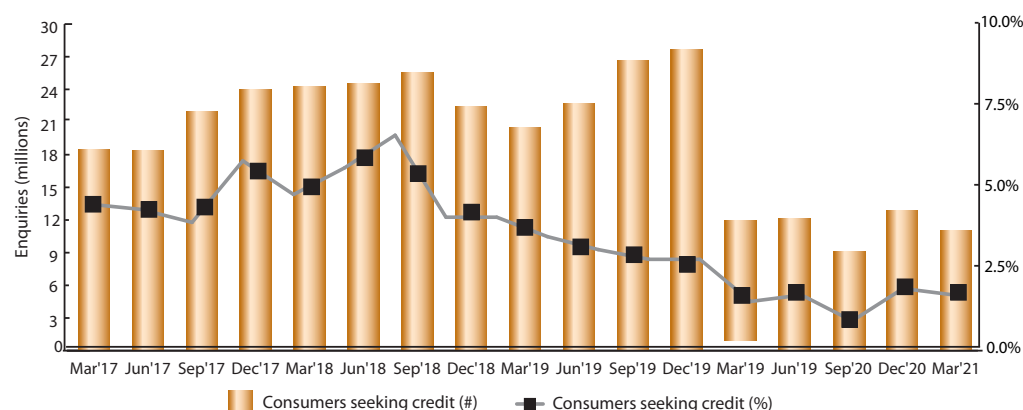
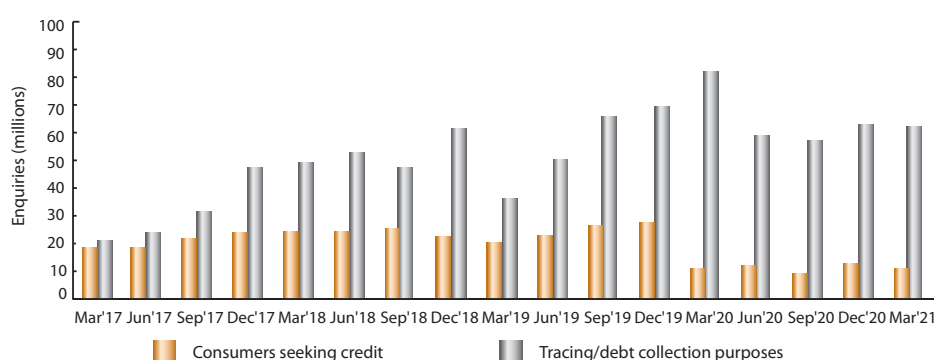


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



Enquiry sectoral analysis

There were 367.54 million enquiries made by banks and other financial institutions in the quarter ended March 2021, a decrease of 11.81% quarter-on-quarter and 35.97% year-on-year. Retailers made 62.99 million enquiries on consumer records, which was a decrease of 10.72% quarter-on-quarter and an increase of 121.33% year-on-year. Enquiries made by telecommunication providers decreased by 0.14% quarter-on-quarter and 26.44% year-on-year, to 49.39 million in the March 2021 quarter. Enquiries made by debt collection agencies decreased by 11.52% quarter-on-quarter and by 81.50% year-on-year, to 2.88 million in the March 2021 quarter. Enquiries made by all other entities increased by 2.81% quarter-on-quarter and by 52.71% year-on-year, to 195.46 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 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Mar 19 to Jun 19	Jun 19 to Sep 19	Sep 19 to Dec 19	Dec 19 to Mar 20	Mar 20 to Jun 20	Jun 20 to Sep 20	Sep 20 to Dec 20	Dec 20 to Mar 21
Banks and other financial institutions	333.76	514.51	584.93	517.68	574.04	319.65	600.30	416.76	367.54	54.16	13.69	-11.50	10.89	-44.32	87.80	-30.58	-11.81
Retailers	22.64	26.83	38.68	22.65	28.46	51.63	27.05	70.59	62.99	18.52	44.20	-41.44	25.65	81.41	-47.62	160.89	-10.72
Telecommunication providers	33.85	86.59	62.11	66.66	67.15	94.94	50.15	49.46	49.39	155.77	-28.27	7.33	0.74	41.38	-47.18	-1.37	-0.14
Debt collection agencies	11.77	4.07	26.08	15.98	15.56	0.27	2.38	3.25	2.88	-65.44	541.23	-38.70	-2.66	-98.26	778.43	36.52	-11.25
All other entities	205.93	116.19	268.41	403.84	128.00	302.12	410.85	190.13	195.46	-43.58	131.01	50.46	-68.30	136.03	35.99	-53.72	2.81
Total	607.95	748.18	980.21	1 026.82	813.22	768.61	1 090.73	730.15	678.27	23.07	31.01	4.75	-20.80	-5.49	41.91	-33.06	-7.11

Figure 6: All enquiries – distribution according to sectors

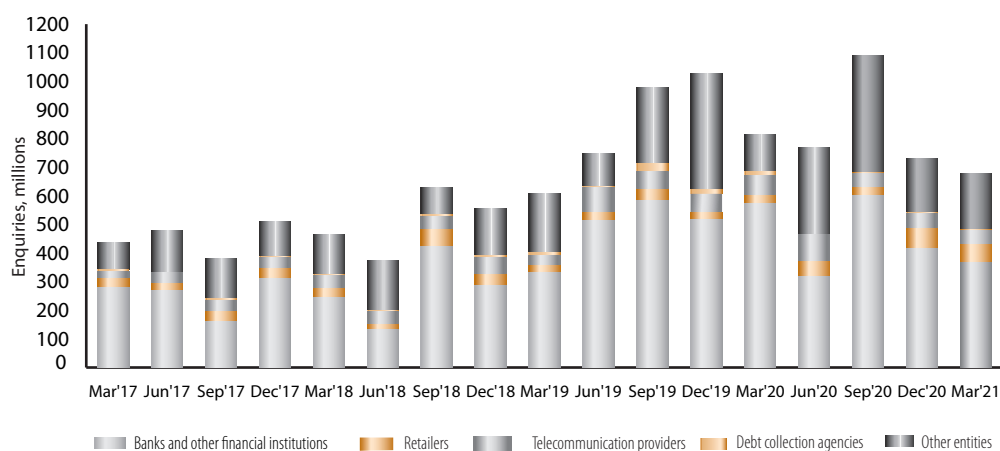


Table 5: Enquiries by banks and other financial institutions

Enquiry purpose:	Number of enquiries (millions)									Percentage change (%)							
	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Mar 19 to Jun 19	Jun 19 to Sep 19	Sep 19 to Dec 19	Dec 19 to Mar 20	Mar 20 to Jun 20	Jun 20 to Sep 20	Sep 20 to Dec 20	Dec 20 to Mar 21
Consumers seeking credit	18.21	20.14	23.17	24.46	8.45	10.31	6.66	10.23	8.69	10.59	15.05	5.56	-65.44	21.97	-35.42	53.62	-15.05
Tracing/debt collection purposes	2.10	2.37	2.34	2.03	10.36	0.77	0.95	4.47	5.57	12.57	-1.24	-13.18	409.73	-92.52	22.27	327.29	24.71
Other purposes	313.44	492.00	559.42	491.19	555.23	308.56	592.69	402.06	353.28	56.97	13.70	-12.20	13.04	-44.43	92.08	-32.16	26.78
Banks and other financial institutions	333.76	514.51	584.93	517.68	574.04	319.65	600.30	416.76	367.54	54.16	13.69	-11.50	10.89	-44.32	87.80	-30.58	-11.81

Table 6: Enquiries by retailers

Enquiry purpose:	Number of enquiries (millions)									Percentage change (%)							
	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Mar 19 to Jun 19	Jun 19 to Sep 19	Sep 19 to Dec 19	Dec 19 to Mar 20	Mar 20 to Jun 20	Jun 20 to Sep 20	Sep 20 to Dec 20	Dec 20 to Mar 21
Consumers seeking credit	2.31	2.59	3.49	3.24	2.56	1.79	2.42	2.69	2.36	12.21	34.37	-7.17	-20.09	-30.75	34.94	11.49	-12.51
Tracing/debt collection purposes	1.58	1.76	1.59	1.36	1.16	0.27	0.76	0.71	0.65	11.18	-9.47	-14.37	-14.93	-76.89	182.65	5.03	-10.23
Other purposes	18.74	22.48	33.61	18.05	24.72	49.58	23.87	67.15	59.99	19.91	49.53	-46.28	36.91	100.57	51.85	181.28	-10.66
Retailers	22.64	26.83	38.68	22.65	28.46	51.63	27.05	70.56	62.99	18.52	44.20	-41.44	25.65	81.41	-47.62	160.89	-10.72

Table 7: Enquiries by telecommunication providers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Mar 19 to Jun 19	Jun 19 to Sep 19	Sep 19 to Dec 19	Dec 19 to Mar 20	Mar 20 to Jun 20	Jun 20 to Sep 20	Sep 19 to Dec 19	Dec 20 to Mar 21
Telecommunication services	2.37	6.38	9.23	10.07	5.08	3.66	2.60	3.65	3.64	168.92	44.72	9.12	49.58	27.94	-28.88	40.45	-0.42
Tracing/debt collection purposes	20.66	25.95	36.00	30.92	55.52	45.68	43.98	42.13	40.94	25.59	38.75	-14.13	79.58	-17.72	-3.27	-4.20	-2.82
Other purposes	10.82	54.26	16.88	25.67	6.55	45.60	3.57	3.68	4.81	401.50	-68.90	52.14	-74.47	595.68	-92.17	3.00	30.87
Telecommunication providers	33.85	86.59	62.11	66.66	67.15	94.94	50.15	49.46	49.39	155.77	-28.27	7.33	0.74	41.38	-47.18	-1.37	-0.14

Credit bureau activity

Demand for credit reports increased for the quarter

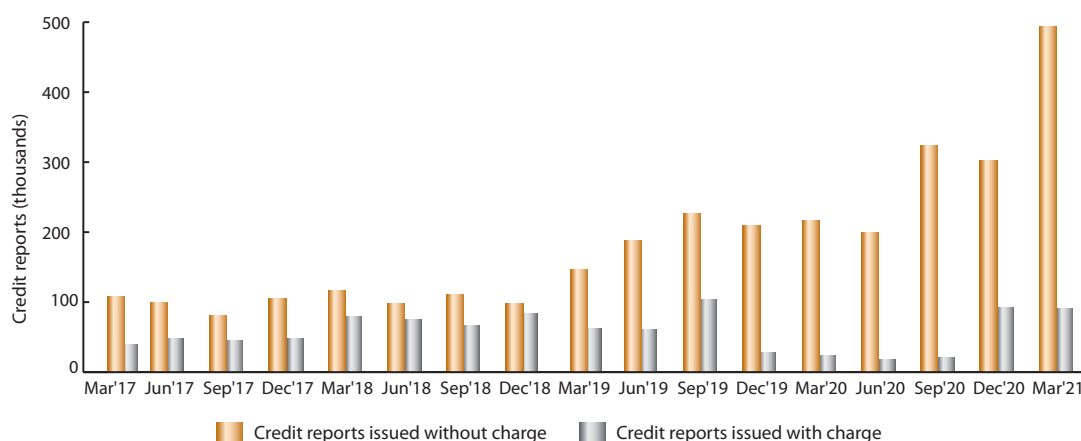
Of the total 584,437 credit reports issued to consumers at their request during the quarter ended March 2021, 84.45% (493,538) were issued without charge, and the remaining 15.55% (90,899) were issued with charge. The total number of credit reports issued increased by 48.16% quarter-on-quarter and by 142.82% 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 18	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Dec 18 to Mar 19	Mar 19 to Jun 19	Jun 19 to Sep 19	Sep 19 to Dec 19	Dec 19 to Mar 20	Mar 20 to Jun 20	Jun 20 to Sep 20	Sep 20 to Dec 20	Dec 20 to Mar 21
Issued without charge	98,195	146,132	188,094	226,167	208,855	216,872	199,997	324,256	301,992	493,538	48.82	28.72	20.24	-7.65	3.84	-7.79	62.15	-6.87	63.43
Issued with charge	83,408	62,639	60,691	104,450	28,648	23,816	17,776	21,380	92,466	90,899	-24.90	-3.11	72.10	-72.57	-16.87	-25.40	20.34	322.49	-1.69
Total issued	181,603	208,771	248,785	330,617	237,503	240,688	217,743	345,636	394,458	584,437	14.96	19.17	32.89	-28.16	-1.34	-9.53	58.74	14.13	48.16

Figure 7: Credit reports issued



Consumer disputes

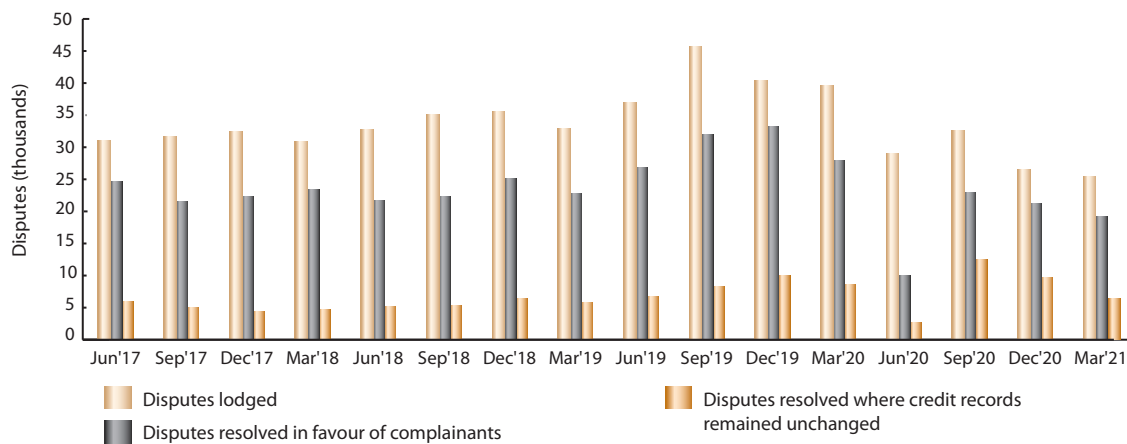
There were 25,404 disputes lodged in respect of the accuracy of the information recorded on consumer credit records in the quarter ended March 2021. This was a decrease of 4.50% quarter-on-quarter and 35.80% year-on-year. More disputes were resolved in favour of complainants (19,165) as compared to disputes where credit records remained unchanged (6,496).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Number of disputes										Percentage change (%)							
Disputes:	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Mar 19 to Jun 19	Jun 19 to Sep 19	Sep 19 to Dec 19	Dec 19 to Mar 20	Mar 20 to Jun 20	Jun 20 to Sep 20	Sep 20 to Dec 20	Dec 20 to Mar 21
Lodged	32,963	37,040	45,719	40,343	39,573	29,017	32,629	26,600	25,404	12.37	23.43	-11.77	-1.89	-26.67	12.45	-18.48	-4.50
Resolved in favour of complainants	22,814	26,955	31,998	33,275	27,910	9,978	22,912	21,257	19,165	18.15%	18.71	3.99	-16.11	-64.25	129.63	-7.22	-9.85
Resolved where credit record remained unchanged	5,802	6,767	8,369	9,975	8,526	2,704	12,513	9,688	6,496	16.63	23.67	19.19	-14.53	-68.29	362.76	-22.58	-32.95

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

- Where values have been rounded off, the percentage calculations and summed totals are calculated off the unrounded values.
- Refer to the NCR website for complete tables of forty quarters from March 2009 to December 2021.