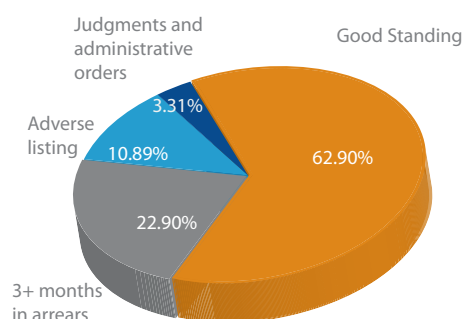


Credit Bureau Monitor

Second Quarter | June 2020

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Credit standing of consumers: June 2020



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 2016 to June 2020, 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 2020:

- Credit bureaus held records for 26.96 million credit-active consumers, a decrease of 3.69% when compared to the 27.99 million in the previous quarter ended March 2020 and an increase of 7.41% year on year.
- Consumers classified in good standing decreased by 559,318 to 16.96 million consumers. As a percentage of the total number of credit-active consumers, this reflects a decrease of 3.19% quarter-on-quarter and an increase of 3.65% year-on-year.
- The number of consumers with impaired records decreased by 473,144, to 10.00 million, this was a decrease of 4.52% quarter on quarter and 2.22% year on year.
- The number of accounts decreased from 85.99 million in the previous quarter to 85.23 million.
- The number of impaired accounts increased from 19.88 million to 20.66 million when compared to the previous quarter, an increase of 779,707 or 3.92% quarter-on-quarter and a decrease of 506,836 or 2.39% year-on-year.
- A total of 768.61 million enquiries were made on consumer credit records. Enquiries initiated by consumers accounted for 12.10 million of all enquiries, an increase of 9.62% quarter-on-quarter and a decrease of 46.77% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 41.59%, enquiries from retailers accounted for 6.72% and enquiries from telecommunication providers accounted for 12.35%.
- The number of credit reports issued to consumers decreased from 240,688 in the previous quarter to 217,743, of the total credit reports issued, 91.84% (199,997) were issued free of charge, and the remaining 8.16% (17,776) were issued at a cost.
- There were 29,017 disputes lodged on information held on consumer credit records for the quarter ended June 2020, a decrease of 26.67% quarter-on-quarter and a decrease of 21.66% year-on-year.

Introduction

The information reflected in this Credit Bureau Monitor covers the period from the quarter ended June 2016 to June 2020.

Comparisons in this report: "quarter-on-quarter" refers to a comparison between the March 2020 and June 2020 quarters, and "year-on-year" refers to a comparison between the June 2019 and June 2020 quarters.

Credit-active consumers

There were 26.96 million credit-active consumers as at the end of June 2020

Credit bureaus held records for more than 54.84 million individuals on their databases as at the end of June 2020. From these records, 26.96 million (49.16%) were credit-active and the remaining records contained only identification information and no credit activity. The number of credit-active consumers decreased by 1,032,462 quarter-on-quarter and increased by 1,859,230 year-on-year.

The percentage of consumers in good standing decreased during the quarter

Consumers classified in good standing decreased by 559,318 to 16.96 million consumers. As a percentage of the total number of consumers in good standing, this reflects a decrease of 3.19% quarter-on-quarter and a increase of 3.65% year-on-year. Of the total 26.96 million credit-active consumers, 62.90% were in good standing.

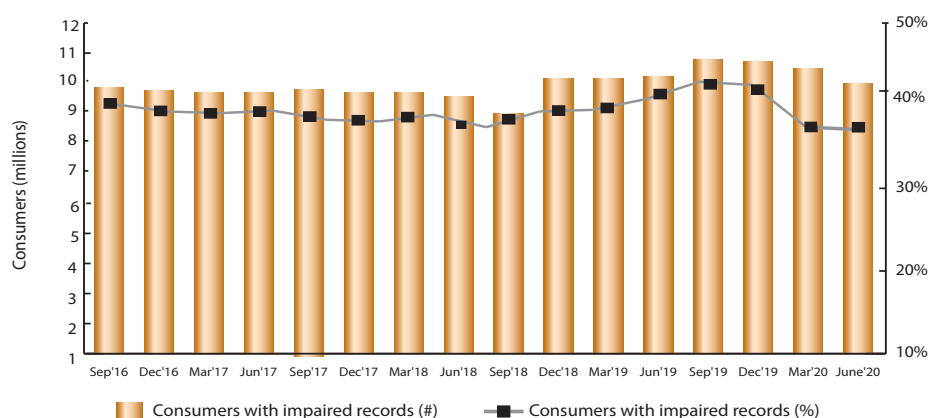
The number of consumers with impaired records (the inverse of those in good standing) decreased by 473,144 to 10.00 million. The percentage of credit-active consumers with impaired records decreased to 37.10%, comprising of 22.90% of consumers in three months or more in arrears, 10.89% of consumers with adverse listings, and 3.31% 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 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20
Good standing (#)	15.21m	15.62m	15.77m	15.02m	15.07m	15.69m	15.55m	14.87m	14.35m	14.49m	17.52m	16.96m
Good standing (%)	60.64	61.70	61.93	61.08	62.65	60.71	60.52	59.25	57.06	57.50	62.58	62.90
Current (%)	49.23	49.90	49.55	49.41	50.87	48.09	48.11	47.89	45.92	45.72	53.44	53.33
1-2 months in arrears (%)	11.41	11.79	12.38	11.67	11.78	12.62	12.41	11.36	11.14	11.78	9.15	9.57
Impaired records (#)	9.87m	9.70m	9.69m	9.57m	8.98m	10.16m	10.15m	10.23m	10.80m	10.71m	10.47m	10.00m
Impaired records (%)	39.36	38.30	38.07	38.92	37.35	39.29	39.48	40.75	42.94	42.50	37.42	37.10
3+ months in arrears (%)	22.13	21.71	21.91	22.75	22.34	24.15	23.55	22.99	23.75	24.77	23.23	22.90
Adverse listings (%)	11.43	11.13	10.70	10.64	9.46	10.06	10.87	12.68	14.20	12.88	10.92	10.89
Judgments and administration orders (%)	5.80	5.46	5.46	5.52	5.56	5.08	5.07	5.08	4.99	4.85	3.27	3.31
Credit-active consumers (#)	25.08m	25.31m	25.46m	24.59m	24.05m	25.85m	25.70m	25.10m	25.14m	25.20m	27.99m	26.96m

Figure 1: Consumers with impaired records



Consumer accounts

There were 85.23 million accounts on record at the bureaus as at the end of June 2020

At the end of the reporting quarter there were 85.23 million accounts recorded at registered credit bureaus. This was a decrease of 5.80% quarter-on-quarter and an increase of 6.38% year-on-year.

The percentage of accounts in good standing decreased this quarter

Of the 85.23 million accounts, 64.57 million (75.76%) were classified as in good standing, a negative variance of 1.12% quarter-on-quarter and a positive variance 2.18% year-on-year.

As at the end of June 2019:

- 67.77% of accounts were classified as current (decreased quarter-on-quarter by 0.96% and increased year-on-year by 3.31%).
- 7.99% had missed one or two instalments (decreased quarter-on-quarter by 0.16% and year-on-year by 1.13%).
- 17.07% had missed three or more instalments (increased quarter-on-quarter by 1.16% and decreased year-on-year by 2.12%).
- 6.28% had adverse listings (decreased quarter-on-quarter by 0.22% and increased year-on-year by 0.19%).
- 0.88% had judgments or administration orders (increased quarter-on-quarter by 0.18% and decreased year-on-year by 0.25%).

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

Table 2: Credit standing of accounts

	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20
Good standing (#)	58.25m	59.64m	59.66m	56.95m	57.51m	59.54m	58.95m	58.95m	59.67m	60.09m	66.12m	64.57m
Good standing (%)	74.26	75.04	75.45	74.92	75.50	74.14	73.25	73.58	73.19	73.25	76.88	75.76
Current (%)	67.16	67.75	67.82	67.62	68.04	64.34	62.79	64.46	63.94	63.63	68.73	67.77
1-2 months in arrears (%)	7.09	7.28	7.62	7.30	7.46	9.80	10.46	9.13	9.25	9.62	8.16	7.99
Impaired records (#)	20.19m	19.84m	19.42m	19.07m	18.66m	20.77m	21.53m	21.16m	21.86m	21.95m	19.88m	20.66m
Impaired records (%)	25.74	24.96	24.55	25.08	24.50	25.86	26.75	26.42	26.81	26.75	23.12	24.24
3+ months in arrears (%)	18.94	18.41	18.38	18.85	18.37	19.58	19.57	19.19	19.76	19.71	15.91	17.07
Adverse listings (%)	5.22	5.06	4.72	4.78	4.75	5.05	6.00	6.10	5.98	6.03	6.50	6.28
Judgments and administration orders (%)	1.58	1.49	1.45	1.46	1.38	1.23	1.18	1.13	1.07	1.01	0.70	0.88
Consumer accounts (#)	78.43m	79.49m	79.08m	76.02m	76.17m	80.31m	80.49m	80.12m	81.53m	82.04m	85.99m	85.23m

Figure 2: Accounts with impaired records

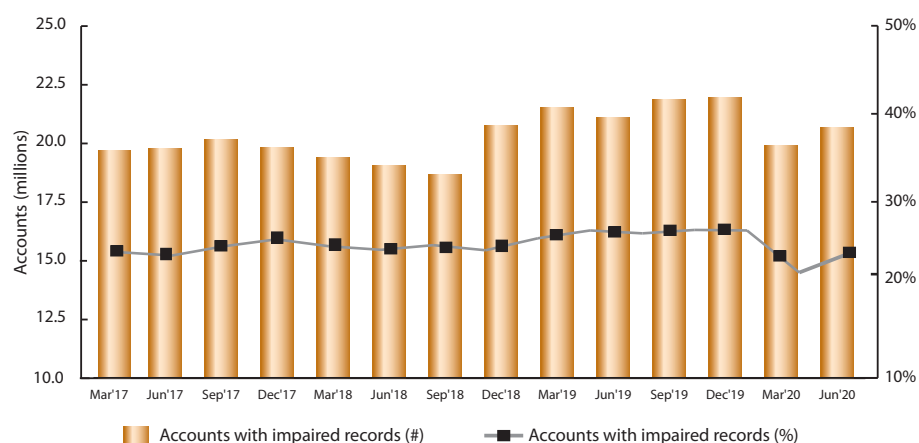
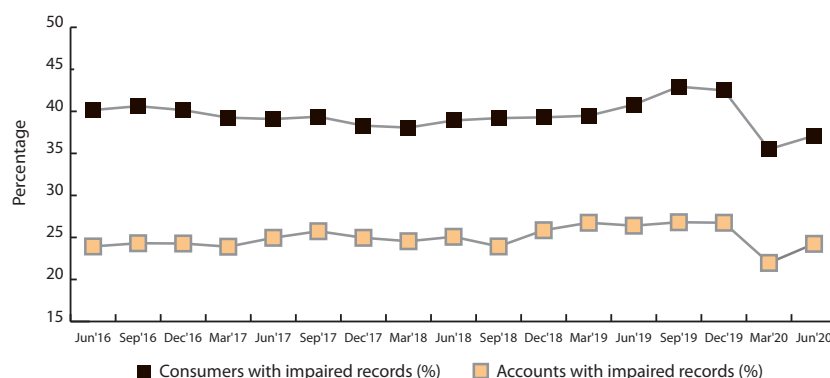


Figure 3: Consumers and accounts with impaired records



Credit market activity

Enquiries made on consumer records decreased for the quarter

There were 768.61 million enquiries made in the quarter ended June 2020. This was a decrease of 5.49% quarter-on-quarter and an increase of 2.73% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 12.10 million enquiries were made due to consumers seeking credit (increased by 9.62% quarter-on-quarter and decreased by 46.77% year-on-year).
- 3.66 million enquiries were related to telecommunication services (decreased by 27.942% quarter-on-quarter and by 42.63% year-on-year).
- 59.14 million enquiries were made for tracing/debt collection purposes (decreased by 27.91% quarter-on-quarter and increased by 17.63% year-on-year).
- 693.71 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (decreased by 2.99% quarter-on-quarter and increased by 3.73% 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 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Jun 18 to Sep 18	Sep 18 to Dec 18	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
Consumers seeking credit	24.52	25.52	22.44	20.53	22.74	26.66	27.70	11.04	12.10	4.09	-12.09	-8.51	10.77	17.25	3.90	-60.14	9.62
Telecommunication services	4.71	10.78	13.84	2.37	6.38	9.23	10.07	5.08	3.66	129.06	28.37	-82.86	168.92	44.72	9.12	-49.58	-27.94
Tracing/debt collection purposes	52.89	47.57	61.52	36.23	50.28	65.83	69.35	82.03	59.14	-10.09	29.38	-41.10	38.76	30.93	5.35	18.29	-27.91
Other	297.78	546.67	457.53	548.82	668.79	878.49	919.70	715.07	693.71	83.58	-16.31	19.95	21.86	31.36	4.69	-22.25	-2.99
Total	379.89	630.54	555.32	607.95	748.18	980.21	1 026.82	813.22	768.61	65.97	-11.93	9.48	23.07	31.01	4.75	-20.80	-5.49

Figure 4: Enquiries due to consumers seeking credit

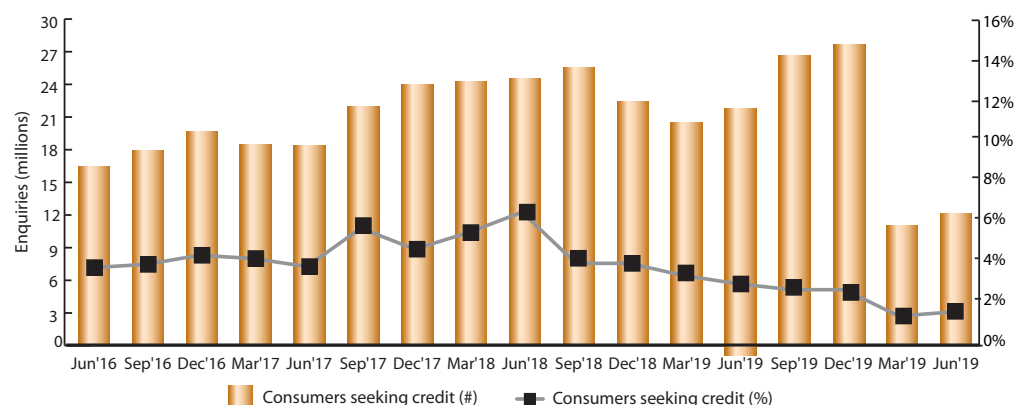
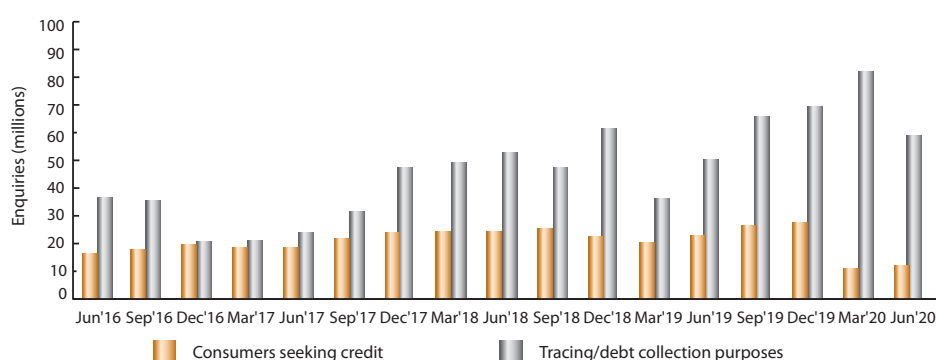


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



Enquiry sectoral analysis

There were 319.65 million enquiries made by banks and other financial institutions in the quarter ended June 2020, a decrease of 44.32% quarter-on-quarter and 37.87% year-on-year. Retailers made 51.63 million enquiries on consumer records, which was an increase of 81.41% quarter-on-quarter and 92.47% year-on-year. Enquiries made by telecommunication providers increased by 41.38% quarter-on-quarter and 9.64% year-on-year, to 94.94 million in the June 2020 quarter. Enquiries made by debt collection agencies decreased by 98.26% quarter-on-quarter and 93.33% year-on-year, to 271,201 in June 2020 quarter. Enquiries made by all other entities increased by 136.03% quarter-on-quarter and 160.02% year-on-year, to 302.12 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 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Jun 18 to Sep 18	Sep 18 to Dec 18	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
Banks and other financial institutions	134.31	424.18	288.08	333.76	514.51	584.93	517.68	574.04	319.65	215.79	-32.08	15.86	54.16	13.69	-11.50	10.89	-44.32
Retailers	15.63	58.13	35.58	22.64	26.83	38.68	22.65	28.46	51.63	271.82	-38.79	-36.37	18.52	44.20	-41.44	25.65	81.41
Telecommunication providers	46.17	46.37	62.45	33.85	86.59	62.11	66.66	67.15	94.94	0.42	34.65	-45.78	155.77	-28.27	7.33	0.74	41.38
Debt collection agencies	2.55	4.76	6.89	11.77	4.07	26.08	15.98	15.56	0.27	87.06	44.78	70.68	-65.44	541.23	-38.70	-2.66	-98.26
All other entities	176.66	97.11	162.32	205.93	116.19	268.41	403.84	128.00	302.12	-46.41	67.16	26.86	-43.58	131.01	50.46	-68.30	136.03
Total	375.32	630.54	555.32	607.95	748.18	980.21	1026.82	813.22	768.61	65.97	-11.93	9.48	23.07	31.01	4.75	-20.80	-5.49

Figure 6: All enquiries – distribution according to sectors

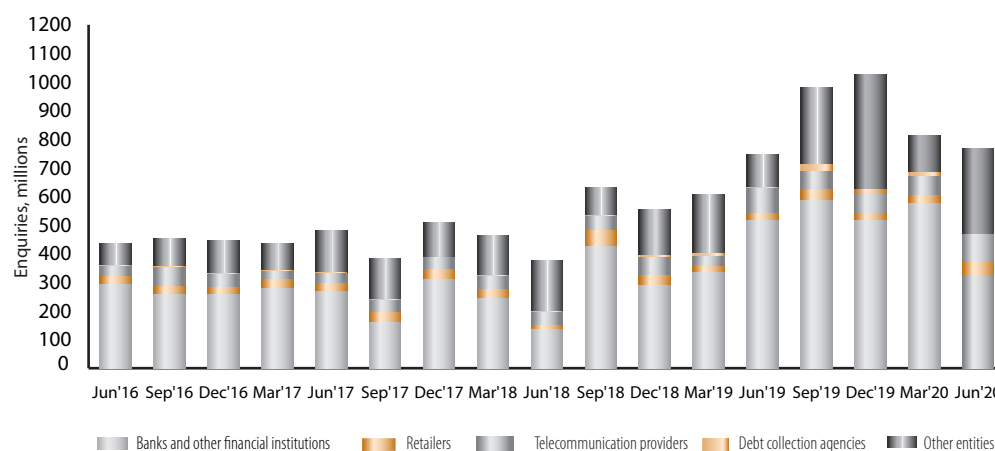


Table 5: Enquiries by banks and other financial institutions

Enquiry purpose:	Number of enquiries (millions)									Percentage change (%)							
	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Jun 18 to Sep 18	Sep 18 to Dec 18	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
Consumers seeking credit	21.84	22.59	19.68	18.21	20.14	23.17	24.46	8.45	10.31	3.41	-12.87	-7.44	10.59	15.05	5.56	-65.44	21.97
Tracing/debt collection purposes	3.20	2.13	3.24	2.10	2.37	2.34	2.03	10.36	0.77	-34.10	53.82	-35.13	12.57	-1.24	-13.18	409.73	-92.52
Other purposes	109.27	399.46	265.16	313.44	492.00	559.42	491.19	555.23	308.56	265.56	86.66	18.21	56.97	13.70	-12.20	13.04	-44.43
Banks and other financial institutions	134.31	424.18	288.08	333.76	514.51	584.93	517.68	574.04	319.65	215.79	-32.08	15.86	54.16	13.69	-11.50	10.89	-44.32

Table 6: Enquiries by retailers

Enquiry purpose:	Number of enquiries (millions)									Percentage change (%)							
	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Jun 18 to Sep 18	Sep 18 to Dec 18	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
Consumers seeking credit	2.68	2.94	2.76	2.31	2.59	3.49	3.24	2.56	1.79	9.65	-6.15	-16.15	12.21	34.37	-7.17	-20.09	-30.75
Tracing/debt collection purposes	2.00	3.21	1.99	1.58	1.76	1.59	1.36	1.16	0.27	60.03	-37.97	-20.62	11.18	-9.47	-14.37	-14.93	-76.89
Other purposes	10.95	51.98	30.83	18.74	22.48	33.61	18.05	24.72	49.58	374.76	-40.69	-39.20	19.91	49.53	-46.28	36.91	100.57
Retailers	15.63	58.13	35.57	22.64	26.83	38.68	22.65	28.46	51.63	271.82	-38.79	-36.37	18.52	44.20	-41.44	25.65	81.41

Table 7: Enquiries by telecommunication providers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Jun 18 to Sep 18	Sep 18 to Dec 18	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
Telecommunication services	4.71	10.78	13.84	2.37	6.38	9.23	10.07	5.08	3.66	129.06	28.37	-82.86	168.92	44.72	9.12	49.58	27.94
Tracing/debt collection purposes	34.52	26.97	29.85	20.66	25.95	36.00	30.92	55.52	45.68	-21.88	10.62	-30.74	25.59	38.75	-14.13	79.58	-17.72
Other purposes	6.95	8.62	18.77	10.82	54.26	16.88	25.67	6.55	45.60	24.07	117.62	-42.35	401.50	-68.90	52.14	-74.47	595.68
Telecommunication providers	46.17	46.38	62.45	33.85	86.59	62.11	66.66	67.15	94.94	0.42	34.65	-45.78	155.77	-28.27	7.33	0.74	41.38

Credit bureau activity

Demand for credit reports decreased for the quarter

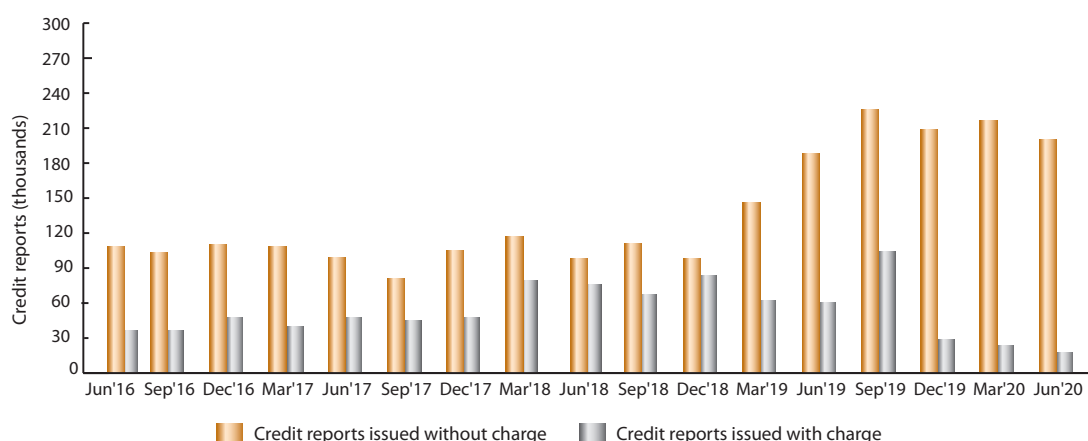
Of the total 217,743 credit reports issued to consumers at their request during the quarter ended June 2020, 91.84% (199,997) were issued without charge, and the remaining 8.16% (17,776) were issued with charge. The total number of credit reports issued decreased by 9.53% quarter-on-quarter and by 12.48% 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 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Mar 18 to Jun 18	Jun 18 to Sep 18	Sep 18 to Dec 18	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	
Issued without charge	117,272	98,523	111,485	98,195	146,132	188,094	226,167	208,855	216,872	199,997	-15.99	13.16	-11.92	48.82	28.72	20.24	-7.65	3.84	-7.79	
Issued with charge	79,648	75,855	67,156	83,408	62,639	60,691	104,450	28,648	23,816	17,776	-4.76	11.47	24.20	-24.90	-3.11	72.10	-72.57	-16.87	-25.40	
Total issued	196,920	174,378	178,641	181,603	208,771	248,785	330,617	237,503	240,688	217,743	11.45	2.44	1.66	14.96	19.17	32.89	-28.16	-1.34	-9.53	

Figure 7: Credit reports issued



Consumer disputes

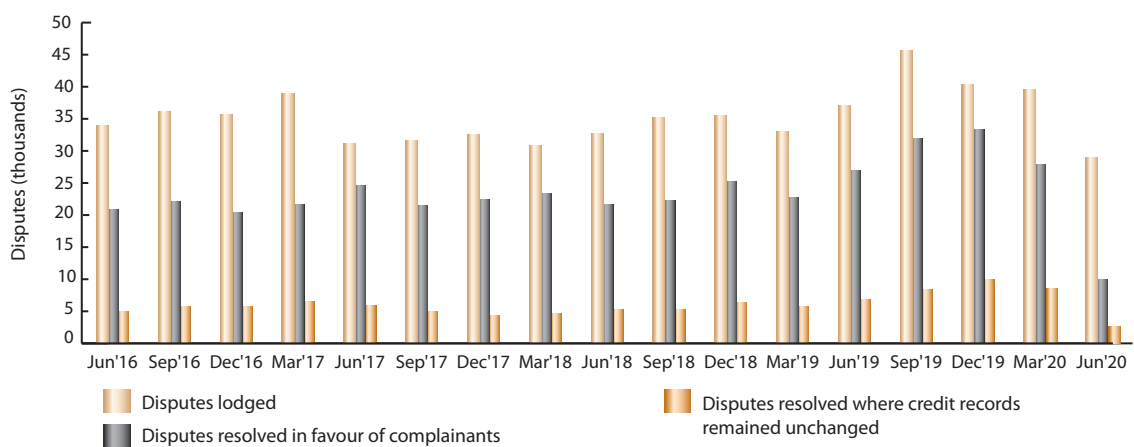
There were 29,017 disputes lodged in respect of the accuracy of the information recorded on consumer credit records in the quarter ended June 2020. This was a decrease of 26.67% quarter-on-quarter and 21.66% year-on-year. More disputes were resolved in favour of complainants (9,978) as compared to disputes where credit records remained unchanged (2,704).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Number of disputes										Percentage change (%)							
Disputes:	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Jun 18 to Sep 18	Sep 18 to Dec 18	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
Lodged	32,727	35,155	35,561	32,963	37,040	45,719	40,343	39,573	29,017	7.42	1.15	7.31	12.37	23.43	-11.77	-1.89	-26.67
Resolved in favour of complainants	21,724	22,320	25,188	22,814	26,955	31,998	33,275	27,910	9,978	2.74	12.85	-9.43	18.15%	18.71	3.99	-16.11	-64.25
Resolved where credit record remained unchanged	5,222	5,283	6,434	5,802	6,767	8,369	9,975	8,526	2,704	1.17	21.79	-9.82	16.63	23.67	19.19	-14.53	-68.29

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 March 2009 to June 2020.