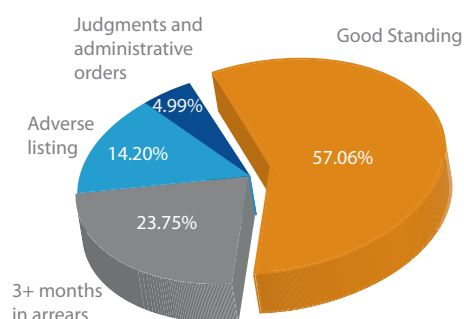


Credit Bureau Monitor

Third Quarter | September 2019

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Credit standing of consumers: September 2019



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 September 2015 to September 2019, 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 September 2019:

- Credit bureaus held records for 25.14 million credit-active consumers, an increase of 0.16% when compared to the 25.10 million in the previous quarter. Consumers classified in good standing decreased by 527,189 to 14.35 million consumers. As a percentage of the total number of credit-active consumers, this reflects a decrease of 3.54% quarter-on-quarter and 5.59% year-on-year.
- The number of consumers with impaired records increased by 567,939, to 10.80 million.
- The number of accounts increased from 80.12 million in the previous quarter to 81.53 million. The number of impaired accounts increased from 21.16 million to 21.86 million when compared to the previous quarter, an increase of 696,480 quarter-on-quarter and 3.20 million year-on-year.
- A total of 980.21 million enquiries were made on consumer credit records, an increase of 31.01% quarter-on-quarter and 55.46% year-on-year. Enquiries initiated by consumers accounted for 26.66 million of all enquiries, an increase of 17.25% quarter-on-quarter and 4.45% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 59.67%, enquiries from retailers accounted for 3.95% and enquiries from telecommunication providers accounted for 6.34%. Banks and other financial institutions' enquiries increased by 13.69% from the previous quarter, retailers increased by 44.20% and telecommunication providers decreased by 28.27%.
- The number of credit reports issued to consumers increased from 248,785 in the previous quarter to 339,518, of the total credit reports issued, 69.00% (234,260) were issued without charge, and the remaining 31.00% (105,258) were issued with charge.
- There were 45,719 disputes lodged on information held on consumer credit records for the quarter ended September 2019, an increase of 23.43% quarter-on-quarter and an increase of 30.05% year-on-year.

Introduction

The information reflected in this Credit Bureau Monitor covers the period from the quarter ended September 2015 to September 2019.

Comparisons in this report: “quarter-on-quarter” refers to a comparison between the June 2019 and September 2019 quarters, and “year-on-year” refers to a comparison between the September 2019 and September 2018 quarters.

Credit-active consumers

There were 25.14 million credit-active consumers as at the end of September 2019

Credit bureaus held records for more than 54.79 million individuals on their databases as at the end of September 2019. From these records, 25.14 million (45.89%) were credit-active and the remaining records contained only identification information and no credit activity. The number of credit-active consumers increased by 40,750 quarter-on-quarter and by 1.09 million year-on-year.

The percentage of consumers in good standing decreased during the quarter

Consumers classified in good standing decreased by 527,189 to 14.35 million consumers. As a percentage of the total number of credit-active consumers, this reflects a decrease of 3.54% quarter-on-quarter and 5.59% year-on-year. Of the total 25.14 million credit-active consumers, 57.06% were in good standing.

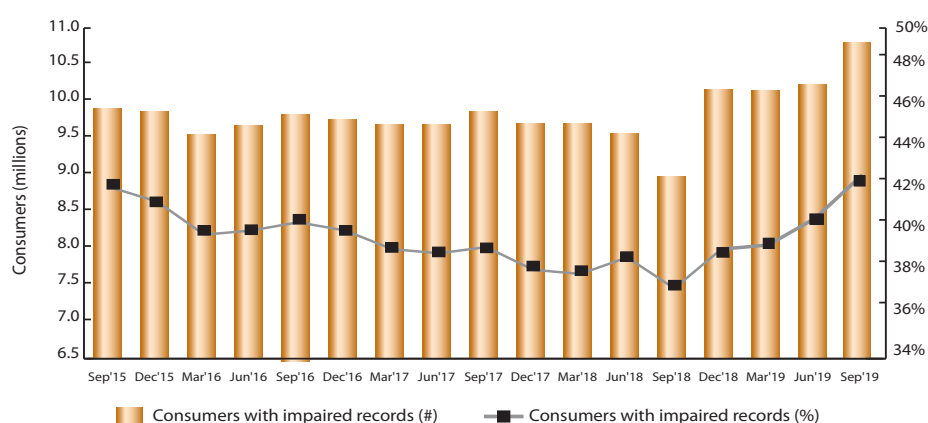
The number of consumers with impaired records (the inverse of those in good standing) increased by 567,939 to 10.80 million. The percentage of credit-active consumers with impaired records increased to 42.94%, comprising of 23.75% of consumers in three months or more in arrears, 14.20% of consumers with adverse listings, and 4.99% 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

	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19
Good standing (#)	14.55m	14.99m	15.10m	15.21m	15.62m	15.77m	15.02m	15.07m	15.69m	15.55m	14.87m	14.35
Good standing (%)	59.85	60.75	60.91	60.64	61.70	61.93	61.08	62.65	60.71	60.52	59.25	57.06
Current (%)	47.56	48.25	49.23	49.23	49.90	49.55	49.41	50.87	48.09	48.11	47.89	45.92
1-2 months in arrears (%)	12.30	12.50	11.68	11.41	11.79	12.38	11.67	11.78	12.62	12.41	11.36	11.14
Impaired records (#)	9.76m	9.69m	9.69m	9.87m	9.70m	9.69m	9.57m	8.98m	10.16m	10.15m	10.23m	10.80m
Impaired records (%)	40.15	39.25	39.09	39.36	38.30	38.07	38.92	37.35	39.29	39.48	40.75	42.94
3+ months in arrears (%)	21.79	21.66	22.00	22.13	21.71	21.91	22.75	22.34	24.15	23.55	22.99	23.75
Adverse listings (%)	11.75	11.38	11.22	11.43	11.13	10.70	10.64	9.46	10.06	10.87	12.68	14.20
Judgments and administration orders (%)	6.60	6.22	5.87	5.80	5.46	5.46	5.52	5.56	5.08	5.07	5.08	4.99
Credit-active consumers (#)	24.31m	24.68m	24.78m	25.08m	25.31m	25.46m	24.59m	24.05m	25.85m	25.70m	25.10m	25.14m

Figure 1: Consumers with impaired records



Consumer accounts

There were 81.53 million accounts on record at the bureaus as at the end of September 2019

At the end of the reporting quarter there were 81.53 million accounts recorded at registered credit bureaus. This was a increase of 1.77% quarter-on-quarter and an increase of 7.00% year-on-year.

The percentage of accounts in good standing increased this quarter

Of the 81.53 million accounts, 59.67 million (73.19%) were classified as in good standing, a positive variance of 1.22% quarter-on-quarter and 3.76% year-on-year.

As at the end of September 2019:

- 63.94% of accounts were classified as current (decreased quarter-on-quarter by 0.51% and year-on-year by 4.10%).
- 9.25% had missed one or two instalments (increased quarter-on-quarter by 0.12% and year-on-year by 1.78%).
- 19.76% had missed three or more instalments (increased quarter-on-quarter by 0.57% and year-on-year by 1.39%).
- 5.98% had adverse listings (decreased quarter-on-quarter by 0.11% and increased year-on-year by 1.24%).
- 1.07% had judgments or administration orders (decreased quarter-on-quarter by 0.06% and year-on-year by 0.31%).

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

Table 2: Credit standing of accounts

	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19
Good standing (#)	62.41m	62.73m	60.04m	58.25m	59.64m	59.66m	56.95m	57.51m	59.54m	58.95m	58.95m	59.67m
Good standing (%)	75.72	76.10	75.04	74.26	75.04	75.45	74.92	75.50	74.14	73.25	73.58	73.19
Current (%)	68.42	68.78	68.06	67.16	67.75	67.82	67.62	68.04	64.34	62.79	64.46	63.94
1-2 months in arrears (%)	7.30	7.32	6.98	7.09	7.28	7.62	7.30	7.46	9.80	10.46	9.13	9.25
Impaired records (#)	20.01m	19.70m	19.97m	20.19m	19.84m	19.42m	19.07m	18.66m	20.77m	21.53m	21.16m	21.86m
Impaired records (%)	24.28	23.90	24.96	25.74	24.96	24.55	25.08	24.50	25.86	26.75	26.42	26.81
3+ months in arrears (%)	17.87	17.77	18.30	18.94	18.41	18.38	18.85	18.37	19.58	19.57	19.19	19.76
Adverse listings (%)	4.85	4.60	5.06	5.22	5.06	4.72	4.78	4.75	5.05	6.00	6.10	5.98
Judgments and administration orders (%)	1.56	1.53	1.61	1.58	1.49	1.45	1.46	1.38	1.23	1.18	1.13	1.07
Consumer accounts (#)	82.42m	82.43m	80.02m	78.43m	79.49m	79.08m	76.02m	76.17m	80.31m	80.49m	80.12m	81.53m

Figure 2: Accounts with impaired records

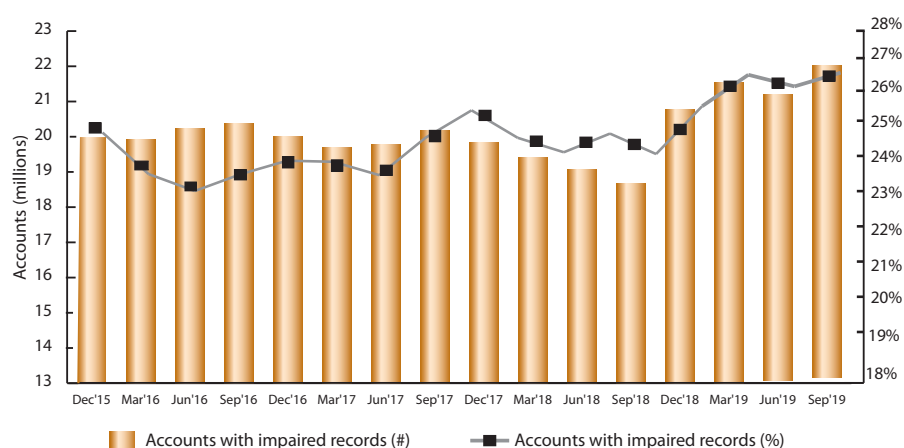
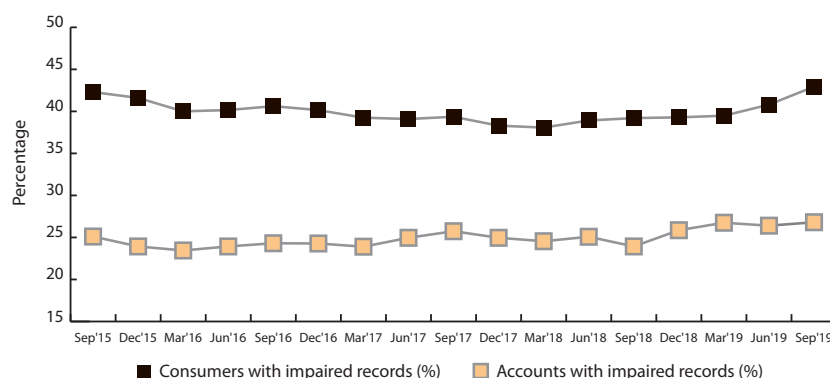


Figure 3: Consumers and accounts with impaired records



Credit market activity

Enquiries made on consumer records increased for the quarter

There were 980.21 million enquiries made in the quarter ended September 2019. This was an increase of 31.01% quarter-on-quarter and 55.46% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 26.66 million enquiries were made due to consumers seeking credit (increased by 17.25% quarter-on-quarter and 4.45% year-on-year).
- 9.23 million enquiries were related to telecommunication services (increased by 44.72% quarter-on-quarter and decreased by 14.39% year-on-year).
- 65.83 million enquiries were made for tracing/debt collection purposes (increased by 30.93% quarter-on-quarter and decreased by 38.43% year-on-year).
- 878.49 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (increased by 31.36% quarter-on-quarter and by 60.70% 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 (%)							
	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Sep 17 to Dec 17	Dec 17 to Mar 18	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
Consumers seeking credit	21.93	23.98	24.29	24.52	25.52	22.44	20.53	22.74	26.66	9.38	1.28	0.94	4.09	-12.09	-8.51	10.77	-17.25
Telecommunication services	1.42	1.58	1.13	4.71	10.78	13.84	2.37	6.38	9.23	11.28	-28.46	316.65	129.06	28.37	-82.86	168.92	44.72
Tracing/debt collection purposes	31.46	47.35	49.32	52.89	47.57	61.52	36.23	50.28	65.83	50.58	4.11	7.24	-10.09	29.38	-41.10	38.76	30.93
Other	327.49	457.20	364.95	297.78	546.67	457.53	548.82	668.79	878.49	39.61	-20.18	-18.4	83.58	-16.31	19.95	21.86	31.36
Total	382.29	530.11	439.69	379.89	630.54	555.32	607.95	748.18	980.21	38.67	-17.06	-13.60	65.97	-11.93	9.48	23.07	31.01

Figure 4: Enquiries due to consumers seeking credit

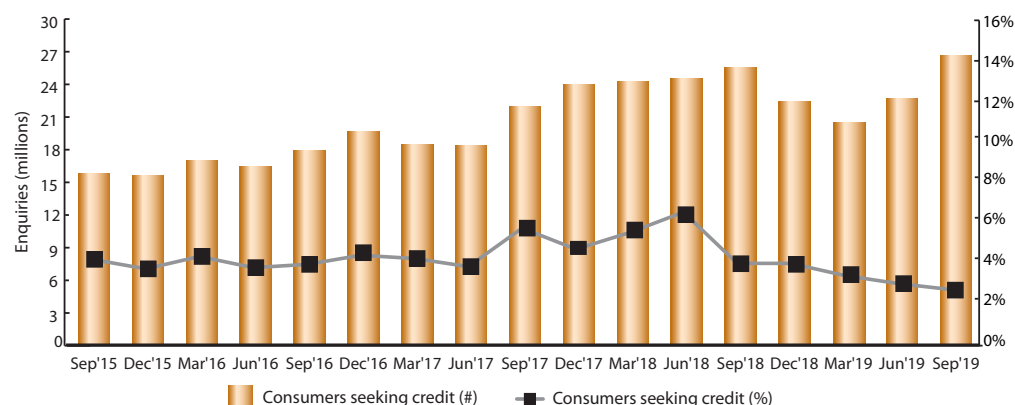
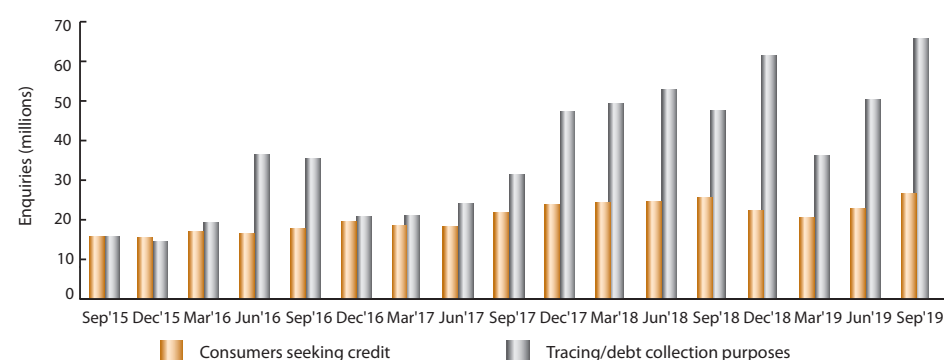


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



Enquiry sectoral analysis

There were 584.93 million enquiries made by banks and other financial institutions in the quarter ended September 2019, an increase of 13.69% quarter-on-quarter and 37.90% year-on-year. Retailers made 38.68 million enquiries on consumer records, which was an increase of 44.20% quarter-on-quarter and a decrease of 33.45% year-on-year. Enquiries made by telecommunication providers decreased by 28.27% quarter-on-quarter and increased by 33.94% year-on-year, to 62.11 million in the September 2019 quarter. Enquiries made by debt collection agencies increased by 541.23% quarter-on-quarter and by 447.57% year-on-year, to 26.08 million in September 2019 quarter. Enquiries made by all other entities increased by 131.01% quarter-on-quarter and 176.40% year-on-year, to 268.41 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 (%)							
	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Sep 17 to Dec 17	Dec 17 to Mar 18	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
Banks and other financial institutions	161.36	309.95	244.36	134.31	424.18	288.08	333.76	514.51	584.93	92.09	-21.16	-45.03	215.79%	-32.08	15.86	54.16	13.69
Retailers	33.06	35.48	32.36	15.63	58.13	35.58	22.64	26.83	38.68	7.32	-9.55	-51.29	271.82	-38.79	-36.37	18.52	44.20
Telecommunication providers	40.65	40.54	44.10	46.17	46.37	62.45	33.85	86.59	62.11	-0.26	8.78	4.69	0.42	34.65	-45.78	155.77	-28.27
Debt collection agencies	6.64	3.81	2.76	2.55	4.76	6.89	11.77	4.07	26.08	-42.53	-27.71	-7.69	87.06	44.78	70.68	-65.44	541.23
All other entities	140.59	140.33	116.10	176.66	97.11	162.32	205.93	116.19	268.41	-0.17	-17.08	55.72	-46.41	67.16	26.86	-43.58	131.01
Total	382.29	530.11	439.69	375.32	630.54	555.32	607.95	748.18	980.21	38.67	-17.06	-13.60	65.97	-11.93	9.48	23.07	31.01

Figure 6: All enquiries – distribution according to sectors

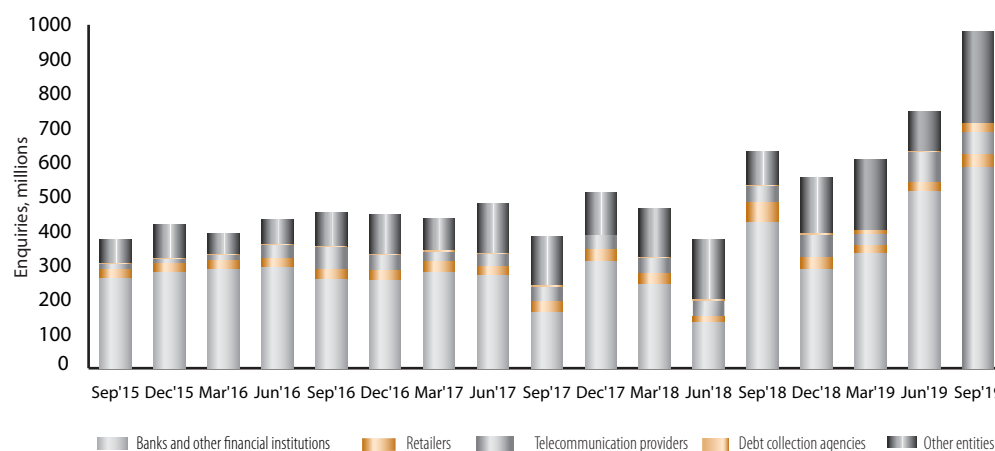


Table 5: Enquiries by banks and other financial institutions

Enquiry purpose:	Number of enquiries (millions)									Percentage change (%)							
	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Sep 17 to Dec 17	Dec 17 to Mar 18	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
Consumers seeking credit	19.27	20.91	21.79	21.84	22.59	19.68	18.21	20.14	23.17	8.51	4.17	0.26	3.41	-12.87	-7.44	10.59	15.05
Tracing/debt collection purposes	2.77	2.77	2.56	3.20	2.13	3.24	2.10	2.37	2.34	0.20	-7.38	24.36	-34.10	53.82	-35.13	12.57	-1.24
Other purposes	139.32	286.26	220.01	109.27	399.46	265.16	313.44	492.00	559.42	105.48	-23.14	-50.33	265.56	86.66	18.21	56.97	13.70
Banks and other financial institutions	161.36	309.95	244.36	134.31	424.18	288.08	333.76	514.51	584.93	92.09	-21.16	-45.03	215.79	-32.08	15.86	54.16	13.69

Table 6: Enquiries by retailers

Enquiry purpose:	Number of enquiries (millions)									Percentage change (%)							
	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Sep 17 to Dec 17	Dec 17 to Mar 18	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
Consumers seeking credit	2.65	3.07	2.51	2.68	2.94	2.76	2.31	2.59	3.49	15.67	-18.38	6.92	9.65	-6.15	-16.15	12.21	34.37
Tracing/debt collection purposes	0.73	1.85	1.27	2.00	3.21	1.99	1.58	1.76	1.59	152.83	-31.58	58.49	60.03	-37.97	-20.62	11.18	-9.47
Other purposes	29.68	30.56	28.32	10.95	51.98	30.83	18.74	22.48	33.61	2.98	-7.33	-61.34	374.76	-40.69	-39.20	19.91	49.53
Retailers	33.06	35.48	32.09	15.63	58.13	35.57	22.64	26.83	38.68	7.32	-9.55	-51.29	271.82	-38.79	-36.37	18.52	44.20

Table 7: Enquiries by telecommunication providers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Sep 16 to Dec 16	Dec 17 to Mar 18	Mar 18 to Jun 18	Jun 18 to Sep 18	Sep 18 to Dec 18	Dec 17 to Mar 19	Mar 19 to Jun 19	Jun 19 to Sep 19
Telecommunication services	1.42	1.58	1.13	4.71	10.78	13.84	2.37	6.38	9.23	11.28	-28.46	316.65	129.06	28.37	-82.86	168.92	44.72
Tracing/debt collection purposes	19.13	22.64	36.15	34.52	26.97	29.85	20.66	25.95	36.00	18.32	59.69	-4.51	-21.88	10.62	-30.74	25.59	38.75
Other purposes	20.10	16.33	6.83	6.95	8.62	18.77	10.82	54.26	16.88	-18.76	-58.19	1.80	24.07	117.62	-42.35	401.50	-68.90
Telecommunication providers	40.65	40.54	44.10	46.17	46.38	62.45	33.85	86.59	62.11	-0.26	8.78	4.69	0.42	34.65	-45.78	155.77	-28.27

Credit bureau activity

Demand for credit reports increased for the quarter

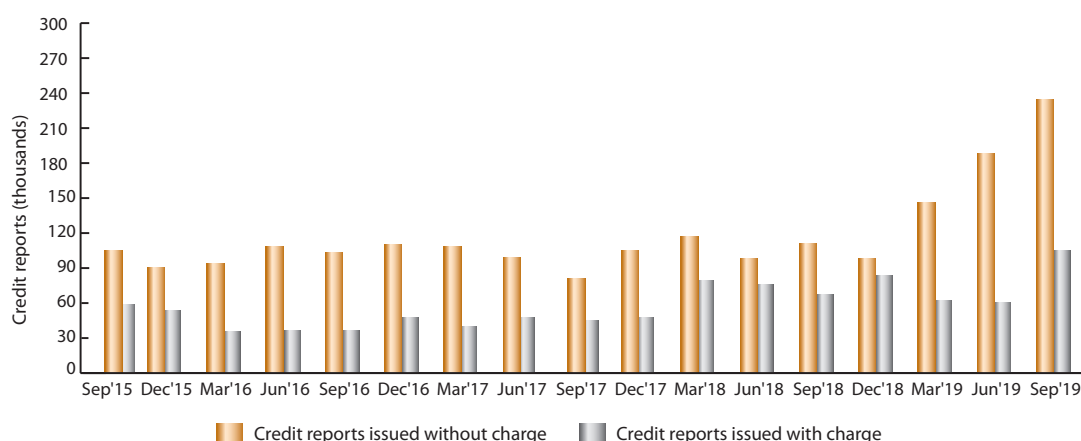
Of the total 330,617 credit reports issued to consumers at their request during the quarter ended September 2019, 68.41% (226,167) were issued without charge, and the remaining 31.59% (104,450) were issued with charge. The total number of credit reports issued increased by 32.89% quarter-on-quarter and 85.07% year-on-year.

See Table 8 and Figure 7 for details.

Table 8: Credit reports issued

Credit reports:	Number of credit reports										Percentage change (%)								
	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Jun 17 to Sep 17	Sep 17 to Dec 17	Dec 17 to Mar 18	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
Issued without charge	98,964	80,735	105,083	117,272	98,523	111,485	98,195	146,132	188,094	226,167	-18.42	30.16	11.60%	-15.99	13.16	-11.92	48.82	28.72	20.24
Issued with charge	48,025	44,820	47,607	79,648	75,855	67,156	83,408	62,639	60,691	104,450	-6.67	6.22	67.30	-4.76	11.47	24.20	-24.90	-3.11	72.10
Total issued	146,989	125,555	152,690	196,920	174,378	178,641	181,603	208,771	248,785	330,617	-14.58	21.61	28.97	11.45	2.44	1.66	14.96	19.17	32.89

Figure 7: Credit reports issued



Consumer disputes

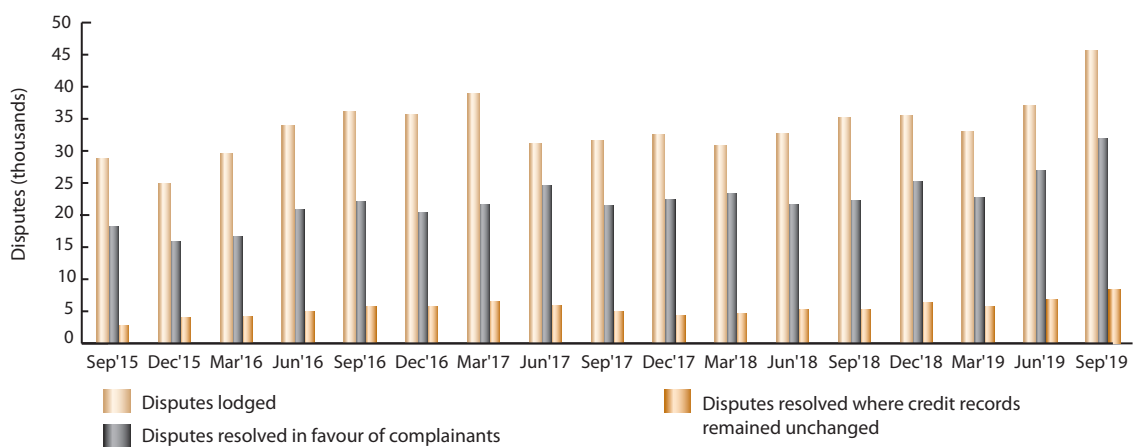
There were 45,719 disputes lodged in respect of the accuracy of the information recorded on consumer credit records in the quarter ended September 2019. This was an increase of 23.43% quarter-on-quarter and 30.05% year-on-year. More disputes were resolved in favour of complainants (31,998) as compared to disputes where credit records remained unchanged (8,369).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Disputes:	Number of disputes									Percentage change (%)							
	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Sep 17 to Dec 17	Dec 17 to Mar 18	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
Lodged	31,719	32,509	30,853	32,727	35,155	35,561	32,963	37,040	45,719	2.49	-5.09	6.07	7.42	1.15	7.31	12.37	23.43
Resolved in favour of complainants	21,483	22,349	23,342	21,724	22,320	25,188	22,814	26,955	31,998	4.03	4.44	-6.93	2.74	12.85	-9.43	18.15%	18.71
Resolved where credit record remained unchanged	5,012	4,352	4,714	5,222	5,283	6,434	5,802	6,767	8,369	-13.17	8.32	10.78	1.17	21.79	-9.82	16.63	23.67

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 December 2008 to September 2019.