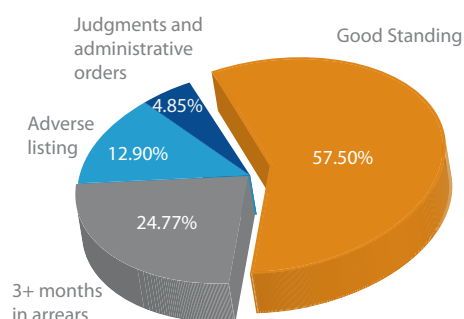


Credit Bureau Monitor

Fourth Quarter | December 2019

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Credit standing of consumers: December 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 December 2015 to December 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 December 2019:

- Credit bureaus held records for 25.20 million credit-active consumers, an increase of 0.23% when compared to the 25.14 million in the previous quarter. Consumers classified in good standing increased by 142,689 to 14.49 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 0.99% quarter-on-quarter and a decrease of 3.21% year-on-year.
- The number of consumers with impaired records decreased by 85,938, to 10.71 million.
- The number of accounts increased from 81.53 million in the previous quarter to 82.04 million. The number of impaired accounts increased from 21.86 million to 21.95 million when compared to the previous quarter, an increase of 88,374 quarter-on-quarter and 1.18 million year-on-year.
- A total of 1.03 billion enquiries were made on consumer credit records, an increase of 4.75% quarter-on-quarter and 84.90% year-on-year. Enquiries initiated by consumers accounted for 27.69 million of all enquiries, an increase of 3.90% quarter-on-quarter and 23.46% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 50.42%, enquiries from retailers accounted for 2.21% and enquiries from telecommunication providers accounted for 6.49%. Banks and other financial institutions' enquiries decreased by 11.50% from the previous quarter, retailers decreased by 41.44% and telecommunication providers increased by 7.33%.
- The number of credit reports issued to consumers decreased from 330,617 in the previous quarter to 237,503, of the total credit reports issued, 87.94% (208,855) were issued without charge, and the remaining 12.06% (28,648) were issued with charge.
- There were 40,343 disputes lodged on information held on consumer credit records for the quarter ended December 2019, a decrease of 11.77% quarter-on-quarter and an increase of 13.45% year-on-year.

Introduction

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

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

Credit-active consumers

There were 25.20 million credit-active consumers as at the end of December 2019

Credit bureaus held records for more than 55.07 million individuals on their databases as at the end of December 2019. From these records, 25.20 million (45.76%) were credit-active and the remaining records contained only identification information and no credit activity. The number of credit-active consumers increased by 56,752 quarter-on-quarter and decreased by 648,226 million year-on-year.

The percentage of consumers in good standing increased during the quarter

Consumers classified in good standing increased by 142,689 to 14.49 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 0.99% quarter-on-quarter and a decrease of 3.21% year-on-year. Of the total 25.20 million credit-active consumers, 57.50% were in good standing.

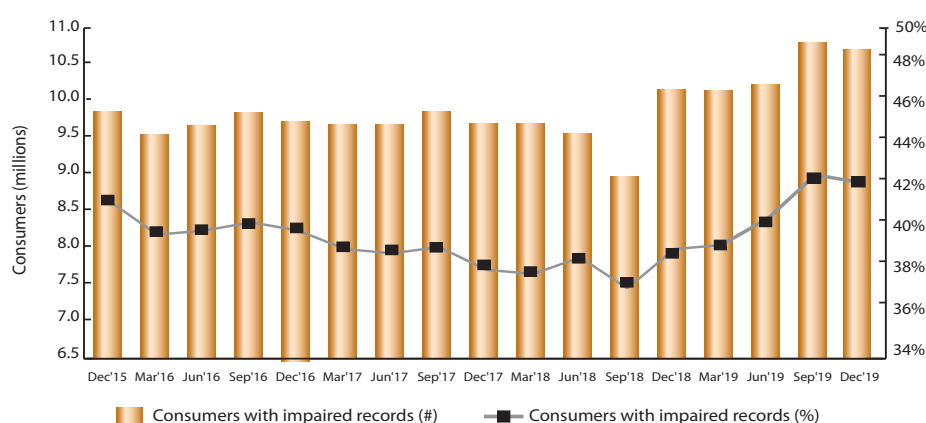
The number of consumers with impaired records (the inverse of those in good standing) decreased by 648,226 to 10.71 million. The percentage of credit-active consumers with impaired records decreased to 42.50%, comprising of 24.77% of consumers in three months or more in arrears, 12.88% of consumers with adverse listings, and 4.85% 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

	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19
Good standing (#)	14.99m	15.10m	15.21m	15.62m	15.77m	15.02m	15.07m	15.69m	15.55m	14.87m	14.35m	14.49m
Good standing (%)	60.75	60.91	60.64	61.70	61.93	61.08	62.65	60.71	60.52	59.25	57.06	57.50
Current (%)	48.25	49.23	49.23	49.90	49.55	49.41	50.87	48.09	48.11	47.89	45.92	45.72
1-2 months in arrears (%)	12.50	11.68	11.41	11.79	12.38	11.67	11.78	12.62	12.41	11.36	11.14	11.78
Impaired records (#)	9.69m	9.69m	9.87m	9.70m	9.69m	9.57m	8.98m	10.16m	10.15m	10.23m	10.80m	10.71m
Impaired records (%)	39.25	39.09	39.36	38.30	38.07	38.92	37.35	39.29	39.48	40.75	42.94	42.50
3+ months in arrears (%)	21.66	22.00	22.13	21.71	21.91	22.75	22.34	24.15	23.55	22.99	23.75	24.77
Adverse listings (%)	11.38	11.22	11.43	11.13	10.70	10.64	9.46	10.06	10.87	12.68	14.20	12.88
Judgments and administration orders (%)	6.22	5.87	5.80	5.46	5.46	5.52	5.56	5.08	5.07	5.08	4.99	4.85
Credit-active consumers (#)	24.68m	24.78m	25.08m	25.31m	25.46m	24.59m	24.05m	25.85m	25.70m	25.10m	25.14m	25.20m

Figure 1: Consumers with impaired records



Consumer accounts

There were 82.04 million accounts on record at the bureaus as at the end of December 2019

At the end of the reporting quarter there were 82.04 million accounts recorded at registered credit bureaus. This was a increase of 0.62% quarter-on-quarter and an increase of 2.16% year-on-year.

The percentage of accounts in good standing increased this quarter

Of the 82.04 million accounts, 60.09 million (73.25%) were classified as in good standing, a positive variance of 0.71% quarter-on-quarter and 0.93% year-on-year.

As at the end of December 2019:

- 63.63% of accounts were classified as current (decreased quarter-on-quarter by 0.32% and year-on-year by 0.71%).
- 9.62% had missed one or two instalments (increased quarter-on-quarter by 0.37% and decreased year-on-year by 0.18%).
- 19.71% had missed three or more instalments (decreased quarter-on-quarter by 0.05% and increased year-on-year by 0.13%).
- 6.03% had adverse listings (increased quarter-on-quarter by 0.05% and year-on-year by 0.99%).
- 1.01% had judgments or administration orders (decreased quarter-on-quarter by 0.06% and year-on-year by 0.22%).

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

Table 2: Credit standing of accounts

	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19
Good standing (#)	62.73m	60.04m	58.25m	59.64m	59.66m	56.95m	57.51m	59.54m	58.95m	58.95m	59.67m	60.09m
Good standing (%)	76.10	75.04	74.26	75.04	75.45	74.92	75.50	74.14	73.25	73.58	73.19	73.25
Current (%)	68.78	68.06	67.16	67.75	67.82	67.62	68.04	64.34	62.79	64.46	63.94	63.63
1-2 months in arrears (%)	7.32	6.98	7.09	7.28	7.62	7.30	7.46	9.80	10.46	9.13	9.25	9.62
Impaired records (#)	19.70m	19.97m	20.19m	19.84m	19.42m	19.07m	18.66m	20.77m	21.53m	21.16m	21.86m	21.95m
Impaired records (%)	23.90	24.96	25.74	24.96	24.55	25.08	24.50	25.86	26.75	26.42	26.81	26.75
3+ months in arrears (%)	17.77	18.30	18.94	18.41	18.38	18.85	18.37	19.58	19.57	19.19	19.76	19.71
Adverse listings (%)	4.60	5.06	5.22	5.06	4.72	4.78	4.75	5.05	6.00	6.10	5.98	6.03
Judgments and administration orders (%)	1.53	1.61	1.58	1.49	1.45	1.46	1.38	1.23	1.18	1.13	1.07	1.01
Consumer accounts (#)	82.43m	80.02m	78.43m	79.49m	79.08m	76.02m	76.17m	80.31m	80.49m	80.12m	81.53m	82.04m

Figure 2: Accounts with impaired records

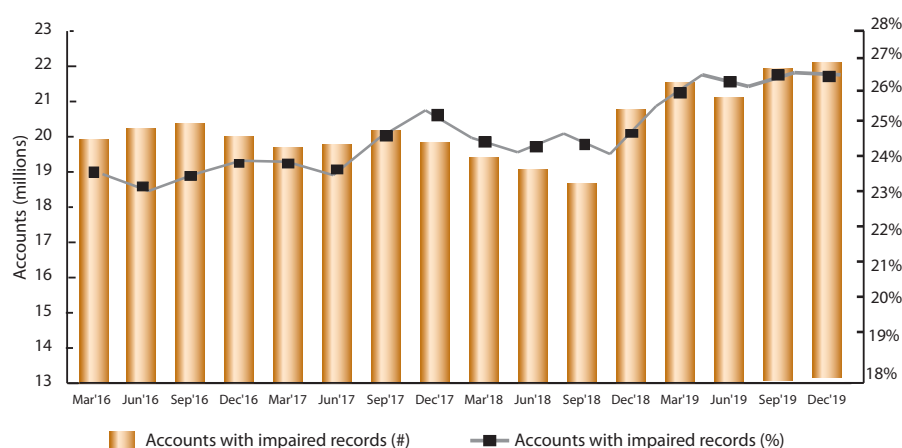
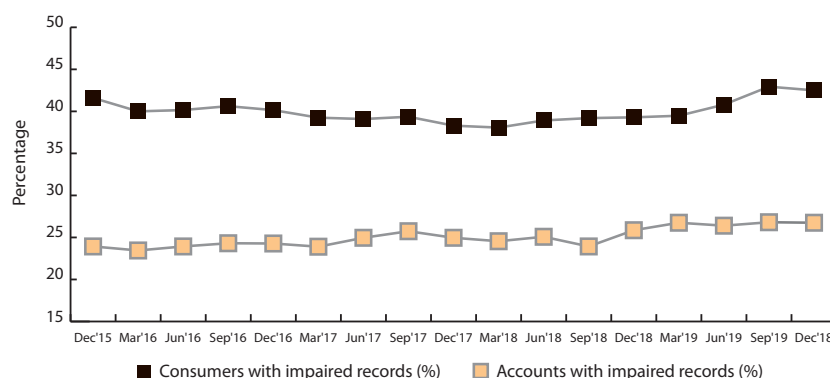


Figure 3: Consumers and accounts with impaired records



Credit market activity

Enquiries made on consumer records increased for the quarter

There were 1.03 billion enquiries made in the quarter ended December 2019. This was an increase of 4.75% quarter-on-quarter and 84.90% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 27.70 million enquiries were made due to consumers seeking credit (increased by 3.90% quarter-on-quarter and 23.46% year-on-year).
- 10.07 million enquiries were related to telecommunication services (increased by 9.12% quarter-on-quarter and decreased by 27.23% year-on-year).
- 69.35 million enquiries were made for tracing/debt collection purposes (increased by 5.35% quarter-on-quarter and 12.73% year-on-year).
- 919.70 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (increased by 4.69% quarter-on-quarter and 101.01% 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 (%)							
	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	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	Sep 19 to Dec 19
Consumers seeking credit	23.98	24.29	24.52	25.52	22.44	20.53	22.74	26.66	27.70	1.28	0.94	4.09	-12.09	-8.51	10.77	17.25	3.90
Telecommunication services	1.58	1.13	4.71	10.78	13.84	2.37	6.38	9.23	10.07	-28.46	316.65	129.06	28.37	-82.86	168.92	44.72	9.12
Tracing/debt collection purposes	47.35	49.32	52.89	47.57	61.52	36.23	50.28	65.83	69.35	4.11	7.24	-10.09	29.38	-41.10	38.76	30.93	5.35
Other	457.20	364.95	297.78	546.67	457.53	548.82	668.79	878.49	919.70	-20.18	-18.4	83.58	-16.31	19.95	21.86	31.36	4.69
Total	530.11	439.69	379.89	630.54	555.32	607.95	748.18	980.21	1 026.82	-17.06	-13.60	65.97	-11.93	9.48	23.07	31.01	4.75

Figure 4: Enquiries due to consumers seeking credit

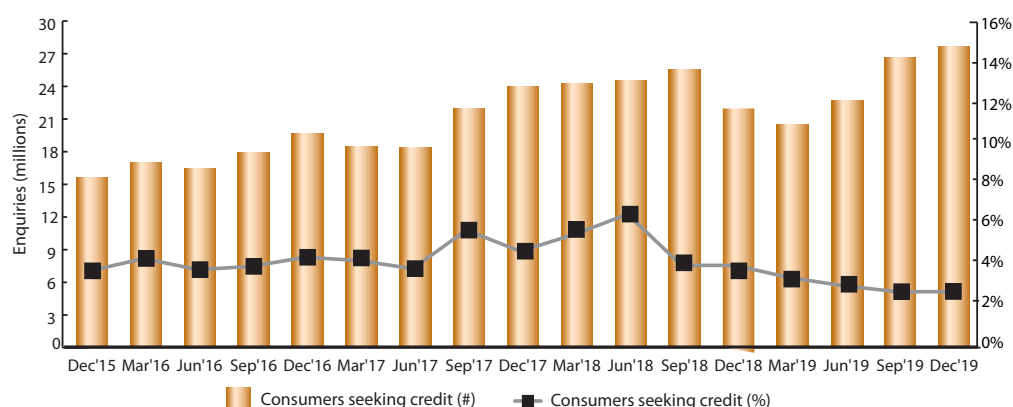
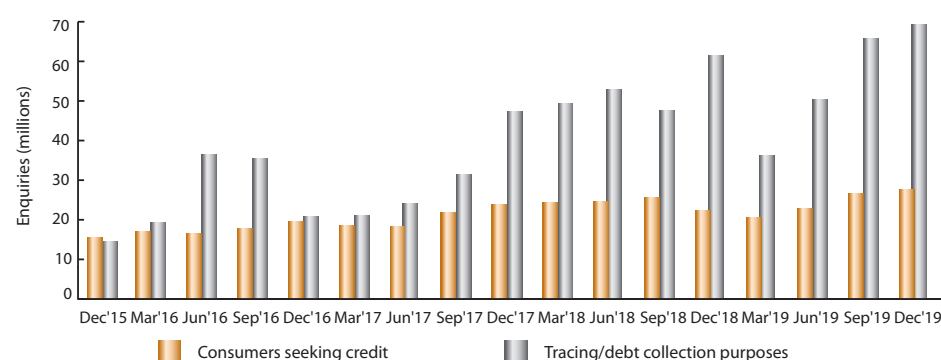


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



Enquiry sectoral analysis

There were 517.68 million enquiries made by banks and other financial institutions in the quarter ended December 2019, a decrease of 11.50% quarter-on-quarter and an increase of 79.70% year-on-year. Retailers made 22.65 million enquiries on consumer records, which was a decrease of 41.44% quarter-on-quarter and 36.33% year-on-year. Enquiries made by telecommunication providers increased by 7.33% quarter-on-quarter and 6.77% year-on-year, to 66.66 million in the December 2019 quarter. Enquiries made by debt collection agencies decreased by 38.70% quarter-on-quarter and 131.83% year-on-year, to 15.98 million in December 2019 quarter. Enquiries made by all other entities increased by 50.46% quarter-on-quarter and 148.77% year-on-year, to 403.84 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 (%)							
	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	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	Sep 19 to Dec 19
Banks and other financial institutions	309.95	244.36	134.31	424.18	288.08	333.76	514.51	584.93	517.68	-21.16	-45.03	215.79	-32.08	15.86	54.16	13.69	-11.50
Retailers	35.48	32.36	15.63	58.13	35.58	22.64	26.83	38.68	22.65	-9.55	-51.29	271.82	-38.79	-36.37	18.52	44.20	-41.44
Telecommunication providers	40.54	44.10	46.17	46.37	62.45	33.85	86.59	62.11	66.66	8.78	4.69	0.42	34.65	-45.78	155.77	-28.27	7.33
Debt collection agencies	3.81	2.76	2.55	4.76	6.89	11.77	4.07	26.08	15.98	-27.71	-7.69	87.06	44.78	70.68	-65.44	541.23	-38.70
All other entities	140.33	116.10	176.66	97.11	162.32	205.93	116.19	268.41	403.84	-17.08	55.72	-46.41	67.16	26.86	-43.58	131.01	50.46
Total	530.11	439.69	375.32	630.54	555.32	607.95	748.18	980.21	1 026.82	-17.06	-13.60	65.97	-11.93	9.48	23.07	31.01	4.75

Figure 6: All enquiries – distribution according to sectors

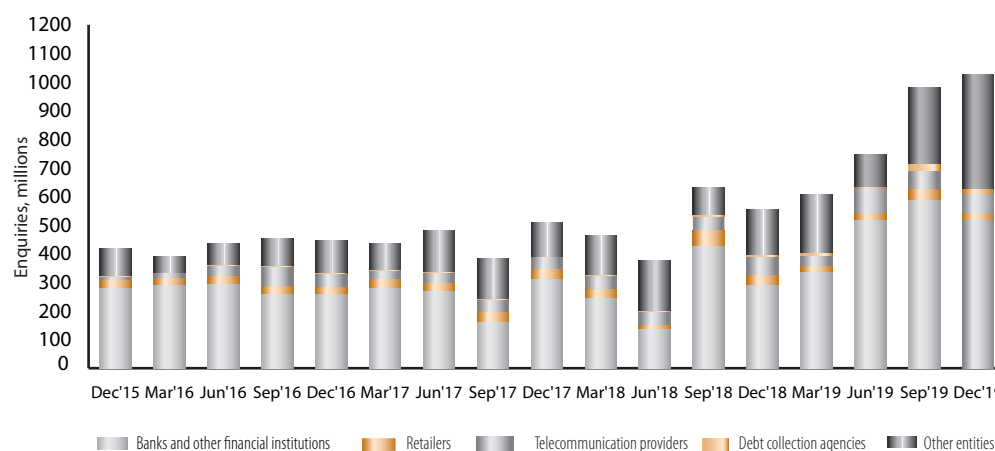


Table 5: Enquiries by banks and other financial institutions

Enquiry purpose:	Number of enquiries (millions)									Percentage change (%)							
	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	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	Sep 19 to Dec 19
Consumers seeking credit	20.91	21.79	21.84	22.59	19.68	18.21	20.14	23.17	24.46	4.17	0.26	3.41	-12.87	-7.44	10.59	15.05	5.56
Tracing/debt collection purposes	2.77	2.56	3.20	2.13	3.24	2.10	2.37	2.34	2.03	-7.38	24.36	-34.10	53.82	-35.13	12.57	-1.24	-13.18
Other purposes	286.26	220.01	109.27	399.46	265.16	313.44	492.00	559.42	491.19	-23.14	-50.33	265.56	86.66	18.21	56.97	13.70	-12.20
Banks and other financial institutions	309.95	244.36	134.31	424.18	288.08	333.76	514.51	584.93	517.68	-21.16	-45.03	215.79	-32.08	15.86	54.16	13.69	-11.50

Table 6: Enquiries by retailers

Enquiry purpose:	Number of enquiries (millions)									Percentage change (%)							
	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	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	Sep 19 to Dec 19
Consumers seeking credit	3.07	2.51	2.68	2.94	2.76	2.31	2.59	3.49	3.24	-18.38	6.92	9.65	-6.15	-16.15	12.21	34.37	-7.17
Tracing/debt collection purposes	1.85	1.27	2.00	3.21	1.99	1.58	1.76	1.59	1.36	-31.58	58.49	60.03	-37.97	-20.62	11.18	-9.47	-14.37
Other purposes	30.56	28.32	10.95	51.98	30.83	18.74	22.48	33.61	18.05	-7.33	-61.34	374.76	-40.69	-39.20	19.91	49.53	-46.28
Retailers	35.48	32.09	15.63	58.13	35.57	22.64	26.83	38.68	22.65	-9.55	-51.29	271.82	-38.79	-36.37	18.52	44.20	-41.44

Table 7: Enquiries by telecommunication providers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	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	Sep 19 to Dec 19
Telecommunication services	1.58	1.13	4.71	10.78	13.84	2.37	6.38	9.23	10.07	-28.46	316.65	129.06	28.37	-82.86	168.92	44.72	9.12
Tracing/debt collection purposes	22.64	36.15	34.52	26.97	29.85	20.66	25.95	36.00	30.92	59.69	-4.51	-21.88	10.62	-30.74	25.59	38.75	-14.13
Other purposes	16.33	6.83	6.95	8.62	18.77	10.82	54.26	16.88	25.67	-58.19	1.80	24.07	117.62	-42.35	401.50	-68.90	52.14
Telecommunication providers	40.54	44.10	46.17	46.38	62.45	33.85	86.59	62.11	66.66	8.78	4.69	0.42	34.65	-45.78	155.77	-28.27	7.33

Credit bureau activity

Demand for credit reports increased for the quarter

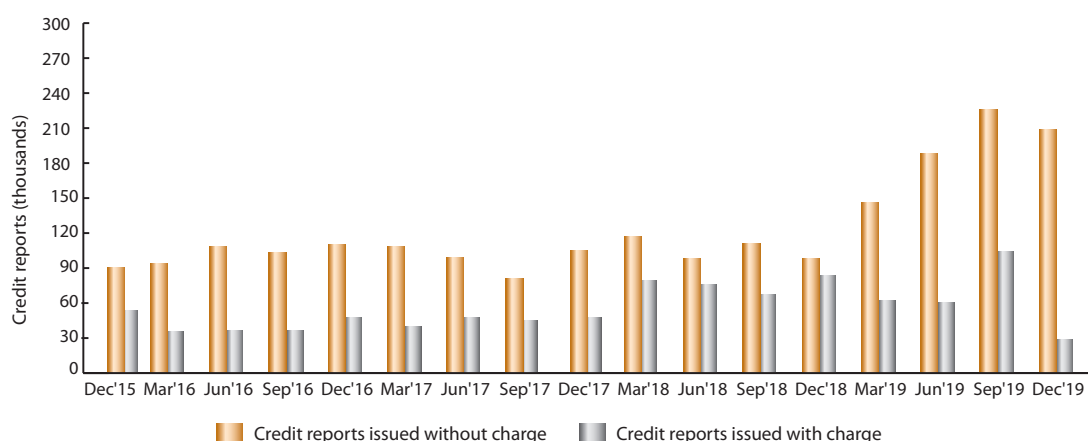
Of the total 237,503 credit reports issued to consumers at their request during the quarter ended December 2019, 87.94% (208,855) were issued without charge, and the remaining 12.06% (28,648) were issued with charge. The total number of credit reports issued decreased by 28.16% quarter-on-quarter and increased by 30.78% year-on-year.

See Table 8 and Figure 7 for details.

Table 8: Credit reports issued

Credit reports:	Number of credit reports										Percentage change (%)								
	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 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	Sep 19 to Dec 19
Issued without charge	80,735	105,083	117,272	98,523	111,485	98,195	146,132	188,094	226,167	208,855	30.16	11.60%	-15.99	13.16	-11.92	48.82	28.72	20.24	-7.65
Issued with charge	44,820	47,607	79,648	75,855	67,156	83,408	62,639	60,691	104,450	28,648	6.22	67.30	-4.76	11.47	24.20	-24.90	-3.11	72.10	-72.57
Total issued	125,555	152,690	196,920	174,378	178,641	181,603	208,771	248,785	330,617	237,503	21.61	28.97	11.45	2.44	1.66	14.96	19.17	32.89	-28.16

Figure 7: Credit reports issued



Consumer disputes

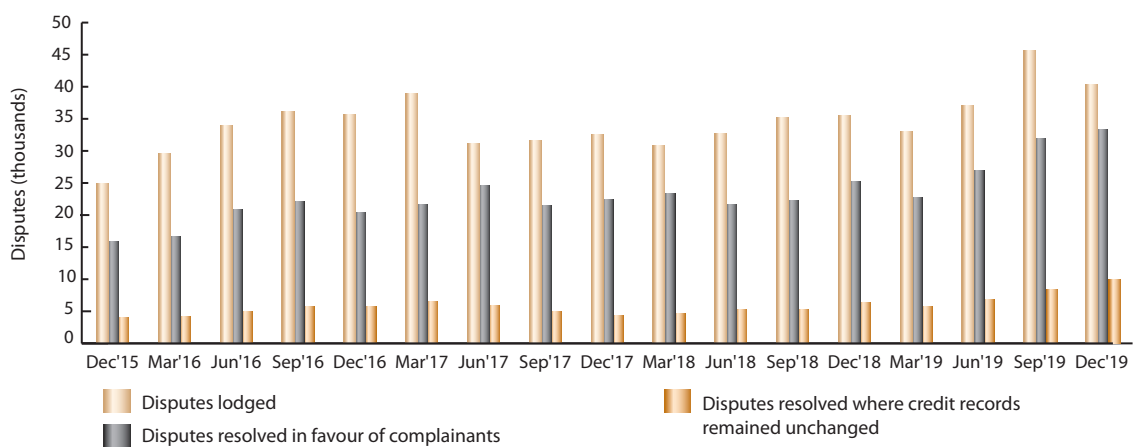
There were 40,343 disputes lodged in respect of the accuracy of the information recorded on consumer credit records in the quarter ended December 2019. This was a decrease of 11.76% quarter-on-quarter and 13.45% year-on-year. More disputes were resolved in favour of complainants (33,275) as compared to disputes where credit records remained unchanged (9,975).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Number of disputes										Percentage change (%)							
Disputes:	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	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	Sep 19 to Dec 19
Lodged	32,509	30,853	32,727	35,155	35,561	32,963	37,040	45,719	40,343	-5.09	6.07	7.42	1.15	7.31	12.37	23.43	-11.77
Resolved in favour of complainants	22,349	23,342	21,724	22,320	25,188	22,814	26,955	31,998	33,275	4.44	-6.93	2.74	12.85	-9.43	18.15%	18.71	3.99
Resolved where credit record remained unchanged	4,352	4,714	5,222	5,283	6,434	5,802	6,767	8,369	9,975	8.32	10.78	1.17	21.79	-9.82	16.63	23.67	19.19

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 2008 to September 2019.