Credit Bureau Monitor

First Quarter | March 2011

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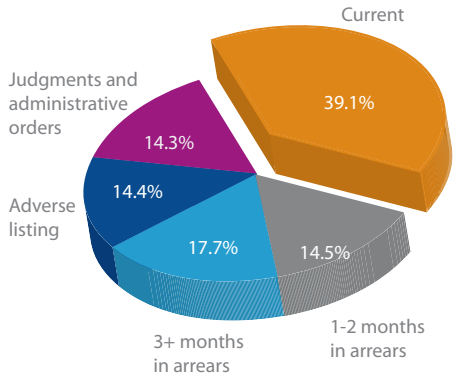


For further information on credit provision, please access the Consumer Credit Market Report on ***www.ncr.org.za***

The information reflected in this edition of the Credit Bureau Monitor is for sixteen* quarters, from quarter ended June 2007 to quarter ended March 2011 and is based on data held by registered credit bureaus in terms of the National Credit Act.

Summary

Credit bureaus create consumer credit profiles based on credit information received from credit providers, courts and utility service providers. The National Credit Regulator regulates and monitors registered credit bureaus and the quality of their data.

As at the end of March 2011:

- Credit bureaus had records for 18.60 million credit-active consumers, an increase of 0.5% over the 18.51 million of the previous quarter. Consumers classified in good standing increased by 0.1% to 9.97 million.
- The number of consumers with impaired records increased by 20,000 to 8.63 million, from 8.61 million in the previous quarter.
- The number of accounts decreased from 64.28 million in the previous quarter to 63.05 million this reporting, a decrease of 1.9%. The number of impaired accounts decreased by 107,000 to 16.26 million, from 16.36 million in the previous quarter.
- A total of 199.26 million enquiries were made on consumer credit records, an increase of 12.8% quarter-on-quarter and 59.6% year-on-year. Enquiries initiated by consumers accounted for 11.07 million of all enquiries, a decrease of 5.2% quarter-on-quarter and an increase of 12.4% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 65.4%, enquiries from retailers accounted for 9.7% and enquiries from telecommunications providers accounted for 13.1%. Banks and other financial institutions' enquiries increased by 36.1% from the previous quarter, retailers decreased by 26.7% and telecommunication providers decreased by 0.5%, compared to the last quarter.
- The number of credit reports issued to consumers increased to 97,578. Of the total credit reports issued, 83.2% (81,179) were issued without charge, and the remaining 16.8% (16,399) were issued with charge.
- There were 6,329 disputes lodged on information held on consumer credit records for the quarter ended March 2011, which was a decrease of 57.3% quarter-on-quarter and 49.5% year-on-year.

NCR
National Credit Regulator

Introduction

The information reflected in this Credit Bureau Monitor is for sixteen quarters, from quarter ended June 2007 to quarter ended March 2011. (See note on the last page)*

Comparisons in this report: "quarter-on-quarter" refers to a comparison between the March 2011 and December 2010 quarters, and "year-on-year" refers to a comparison between the March 2011 and March 2010 quarters.

Credit-active consumers

There were 18.60 million credit-active consumers as at the end of March 2011

Credit bureaus held records for more than 40.01 million individuals on their databases, of which 18.60 million (46.5%) were credit-active, as at the end of March 2011. The remaining records contained only identification information and no credit activity.

The percentage of consumers in good standing increased slightly for the quarter

The percentage of consumers in good standing increased this reporting quarter. Of the total 18.60 million credit-active consumers, 53.6% were in good standing, an increase of 0.1% quarter-on-quarter and a decrease of 0.4% year-on-year.

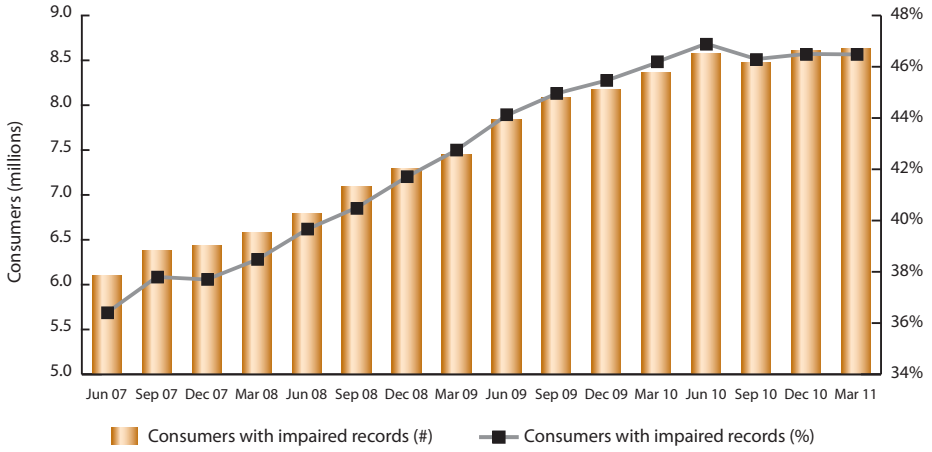
The percentage of consumers with impaired records (the inverse of those in good standing) decreased to 46.4%, comprising of 17.7% of consumers in three months or more in arrears, 14.4% of consumers with adverse listings, and 14.3% of consumers with judgments and administration orders.

A detailed breakdown of the nature of impairments is provided in Table 1 and Figure 1.

Table 1: Credit standing of consumers

	Jun 08	Sep 08	Dec 08	Mar 09	Jun 09	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11
Good standing (#)	**10.38m**	**10.43m**	**10.26m**	**10.15m**	**9.94m**	**9.92m**	**9.89m**	**9.84m**	**9.73m**	**9.86m**	**9.90m**	**9.97m**
Good standing (%)	**60.4%**	**59.5%**	**58.4%**	**57.6%**	**55.9%**	**55.1%**	**54.7%**	**54.0%**	**53.1%**	**53.7%**	**53.5%**	**53.6%**
Current (%)	44.9%	44.9%	43.6%	42.3%	41.7%	41.2%	40.5%	39.5%	39.2%	39.9%	39.2%	39.1%
1-2 months in arrears (%)	15.5%	14.6%	14.8%	15.3%	14.2%	13.9%	14.2%	14.5%	13.9%	13.8%	14.3%	14.5%
Impaired records (#)	**6.79m**	**7.10m**	**7.30m**	**7.46m**	**7.85m**	**8.09m**	**8.18m**	**8.37m**	**8.59m**	**8.49m**	**8.61m**	**8.63m**
Impaired records (%)	**39.6%**	**40.5%**	**41.6%**	**42.4%**	**44.1%**	**44.9%**	**45.3%**	**46.0%**	**46.9%**	**46.3%**	**46.5%**	**46.4%**
3+ months in arrears (%)	15.3%	15.7%	15.1%	15.3%	16.8%	17.0%	17.3%	17.2%	17.3%	17.0%	17.8%	17.7%
Adverse listings (%)	13.1%	12.2%	13.8%	14.2%	14.2%	14.7%	14.6%	15.0%	15.6%	15.4%	14.6%	14.4%
Judgments and administration orders (%)	11.2%	12.6%	12.7%	12.9%	13.1%	13.3%	13.3%	13.7%	13.9%	13.9%	14.1%	14.3%
Credit-active consumers (#)	**17.17m**	**17.53m**	**17.56m**	**17.61m**	**17.79m**	**18.01m**	**18.07m**	**18.21m**	**18.32m**	**18.35m**	**18.51m**	**18.60m**

Figure 1: Consumers with impaired records



Consumer accounts

There were 63.05 million accounts on record at the bureaus as at the end of March 2011

At the end of the reporting quarter there were 63.05 million accounts recorded at registered credit bureaus. This was a decrease of 1.9% quarter-on-quarter and 2.6% year-on-year.

The percentage of accounts in good standing decreased this quarter

Of the 63.05 million accounts, 74.2% were classified as in good standing, a negative variance of 0.3% quarter-on-quarter and a positive variance of 0.1% year-on-year.

As at the end of March 2011:

- 65.1% of accounts were classified as current (decreased quarter-on-quarter by 0.8% and remained unchanged year-on-year).
- 9.1% had missed one or two instalments (increased quarter-on-quarter by 0.5% and year-on-year by 0.1%).
- 16.9% had missed three or more instalments (increased quarter-on-quarter by 0.4% and year-on-year by 1.2%).
- 4.9% had adverse listings (decreased quarter-on-quarter by 0.1% and year-on-year by 1.2%).
- 4.0% had judgments or administration orders (increased quarter-on-quarter by 0.1% and decreased year-on-year by 0.1%).

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

Table 2: Credit standing of accounts

	Jun 08	Sep 08	Dec 08	Mar 09	Jun 09	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11
Good standing (#)	**46.81m**	**47.39m**	**47.22m**	**46.16m**	**46.87m**	**47.33m**	**47.56m**	**47.99m**	**48.22m**	**47.85m**	**47.91m**	**46.80m**
Good standing (%)	**77.8%**	**77.9%**	**77.5%**	**76.3%**	**75.3%**	**74.5%**	**74.4%**	**74.1%**	**73.9%**	**74.3%**	**74.5%**	**74.2%**
Current (%)	68.1%	68.7%	68.3%	66.2%	66.2%	65.6%	65.6%	65.1%	65.4%	65.9%	65.9%	65.1%
1-2 months in arrears (%)	9.7%	9.2%	9.2%	10.1%	9.1%	8.9%	8.8%	9.0%	8.5%	8.4%	8.6%	9.1%
Impaired records (#)	**13.32m**	**13.43m**	**13.73m**	**14.36m**	**15.41m**	**16.21m**	**16.38m**	**16.76m**	**17.06m**	**16.55m**	**16.36m**	**16.26m**
Impaired records (%)	**22.2%**	**22.1%**	**22.5%**	**23.7%**	**24.7%**	**25.5%**	**25.6%**	**25.9%**	**26.1%**	**25.7%**	**25.5%**	**25.8%**
3+ months in arrears (%)	11.4%	12.5%	12.4%	13.3%	14.6%	15.1%	15.9%	15.7%	16.2%	16.3%	16.5%	16.9%
Adverse listings (%)	5.9%	4.9%	5.7%	6.0%	5.9%	6.1%	5.7%	6.1%	5.9%	5.4%	5.0%	4.9%
Judgments and administration orders (%)	4.9%	4.7%	4.4%	4.4%	4.3%	4.2%	4.0%	4.1%	4.1%	4.0%	3.9%	4.0%
Consumer accounts (#)	**60.14m**	**60.82m**	**60.95m**	**60.52m**	**62.29m**	**63.54m**	**63.94m**	**64.75m**	**65.28m**	**64.40m**	**64.28m**	**63.05m**

Note: The decline in number of open accounts is attributed by the reporting bureaus as due both to market trends and data management exercises undertaken in this quarter.

Figure 2: Accounts with impaired records

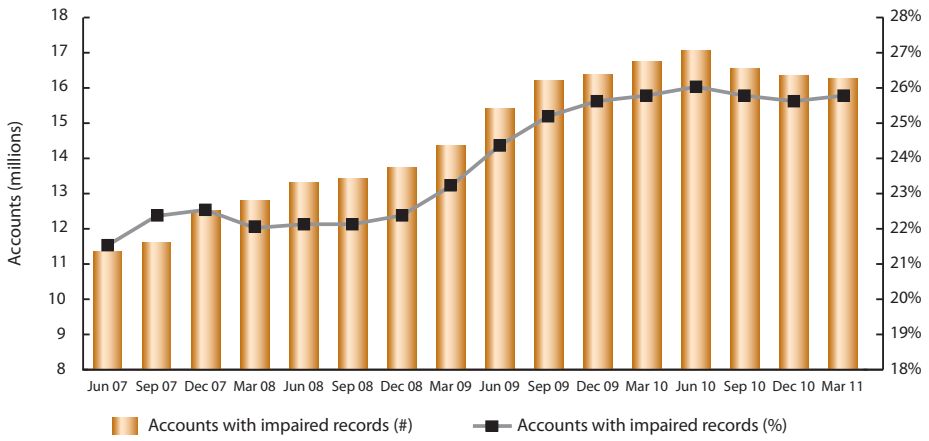
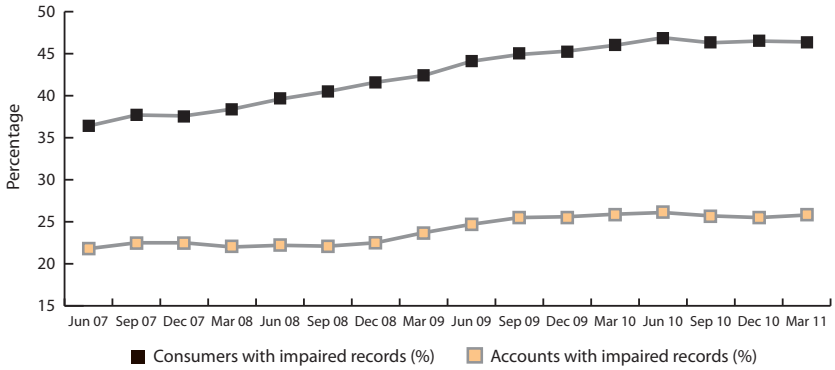


Figure 3: Consumers and accounts with impaired records



Credit market activity

Enquiries made on consumer records increased for the quarter

In the quarter ended March 2011, 199.26 million enquiries were made. This was an increase of 12.8% quarter-on-quarter and 59.6% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 11.07 million enquiries were made due to consumers seeking credit decreased by 5.2% quarter-on-quarter and increased by 12.4% year-on-year).
- 0.84 million enquiries were related to telecommunication services (decreased by 38.7% quarter-on-quarter and increased by 12.9% year-on-year).
- 20.12 million enquiries were made for tracing/debt collection purposes (decreased by 11.3% quarter-on-quarter and increased by 8.3% year-on-year).
- 167.24 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact update (increased by 18.7% quarter-on-quarter and 74.8% year-on-year).

Refer to Table 3 and Figures 4 and 5 for detailed breakdown.

Table 3: Enquiries

	Number of enquiries (millions)									Percentage change							
Enquiry purpose:	**Mar 09**	**Jun 09**	**Sep 09**	**Dec 09**	**Mar 10**	**Jun 10**	**Sep 10**	**Dec 10**	**Mar 11**	**Mar 09 to Jun 09**	**Jun 09 to Sep 09**	**Sep 09 to Dec 09**	**Dec 09 to Mar 10**	**Mar 10 to Jun 10**	**Jun 10 to Sep 10**	**Sep 10 to Dec 10**	**Dec 10 to Mar 11**
Consumers seeking credit	8.24	8.60	9.05	10.35	9.85	10.28	10.65	11.68	11.07	4.4%	5.3%	14.3%	-4.9%	4.4%	3.7%	9.6%	-5.2%
Telecommunication services	0.58	0.69	0.81	0.82	0.74	0.70	0.84	1.37	0.84	19.2%	16.5%	0.7%	-8.8%	-6.2%	19.9%	63.9%	-38.7%
Tracing/debt collection purposes	9.39	23.19	24.70	16.06	18.57	21.47	20.72	22.68	20.12	147.1%	6.4%	-35.0%	15.6%	15.6%	-3.5%	9.5%	-11.3%
Other	80.68	89.51	111.73	119.65	95.68	102.89	157.63	140.92	167.24	10.9%	24.9%	7.1%	-20.0%	7.5%	53.2%	-10.6%	18.7%
Total	**98.89**	**121.99**	**146.30**	**146.88**	**124.84**	**135.34**	**189.84**	**176.65**	**199.26**	**23.4%**	**19.9%**	**0.4%**	**-15.0%**	**8.4%**	**40.3%**	**-6.9%**	**12.8%**

Figure 4: Enquiries due to consumers seeking credit

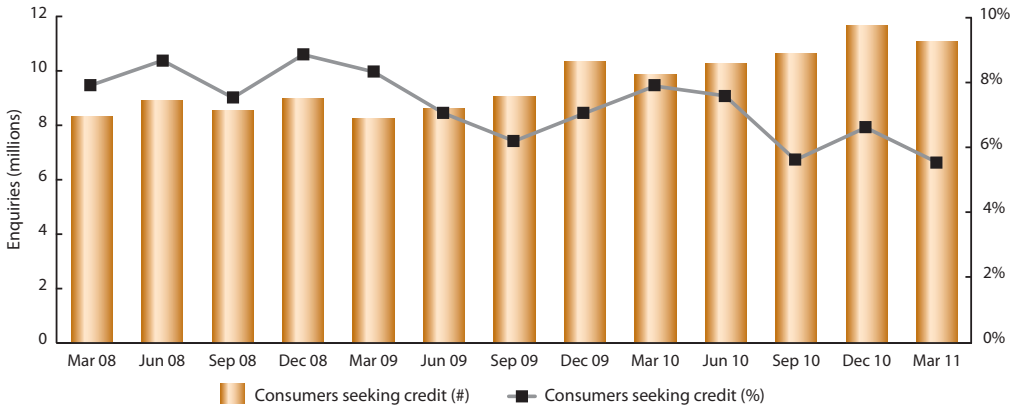
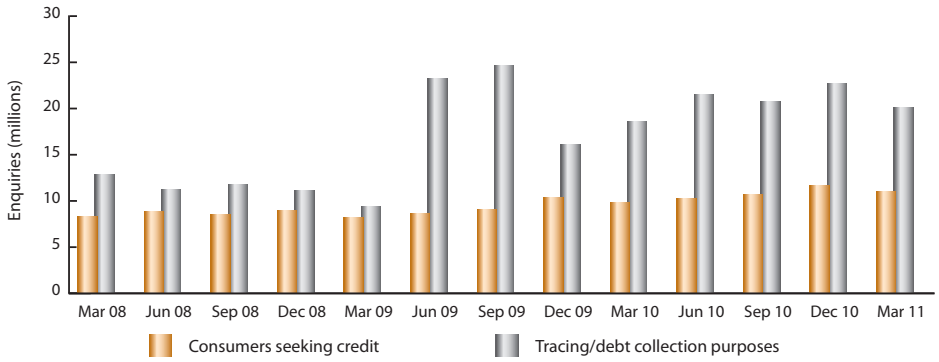


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



Enquiry sectoral analysis

In the quarter ended March 2011, 130.22 million enquiries were made by banks and other financial institutions, an increase of 36.1% quarter-on-quarter and 145.5% year-on-year. Retailers made 19.23 million enquiries on consumer records, which was a decrease of 26.7% quarter-on-quarter and an increase of 3.0% year-on-year. Enquiries made by telecommunication providers decreased by 0.5% quarter-on-quarter and increased by 1.1% year-on-year, to 26.04 million in March 2011 quarter. Enquiries made by debt collection agencies decreased by 44.9% quarter-on-quarter and 45.9% year-on-year, to 6.81 million in March 2011 quarter. Enquiries made by all other entities showed a quarter-on-quarter increase of 4.9% and a year-on-year increase of 14.6%, to 16.96 million.

Refer to Tables 4 to 7 and Figure 6 for a detailed breakdown.

Table 4: All enquiries – distribution according to sectors

	Number of enquiries (millions)									Percentage change							
Enquiries by:	**Mar 09**	**Jun 09**	**Sept 09**	**Dec 09**	**Mar 10**	**Jun 10**	**Sept 10**	**Dec 10**	**Mar 11**	**Mar 09 to June 09**	**Jun 09 to Sep 09**	**Sep 09 to Dec 09**	**Dec 09 to Mar 10**	**Mar 10 to Jun 10**	**Jun 10 to Sep 10**	**Sep 10 to Dec 10**	**Dec 10 to Mar 11**
Banks and other financial institutions	41.86	48.34	49.40	45.23	53.04	52.37	76.34	95.69	130.22	15.5%	2.2%	-8.4%	17.3%	-1.3%	45.8%	25.3%	36.1%
Retailers	22.39	17.21	21.46	52.73	18.67	22.37	57.89	26.25	19.23	-23.1%	24.7%	145.7%	-64.6%	19.8%	158.8%	-54.7%	-26.7%
Telecommunication providers	14.13	28.75	40.73	23.79	25.75	31.48	27.36	26.18	26.04	103.5%	41.7%	-41.6%	8.3%	22.2%	-13.1%	-4.3%	-0.5%
Debt collection agencies	4.77	15.93	17.87	11.33	12.57	16.97	12.26	12.36	6.81	234.0%	12.2%	-36.6%	11.0%	34.9%	-27.7%	0.8%	-44.9%
All other entities	15.74	11.76	16.84	13.79	14.81	12.16	16.00	16.17	16.96	-25.3%	43.2%	-18.1%	7.3%	-17.9%	31.5%	1.1%	4.9%
Total	**98.89**	**121.99**	**146.30**	**146.88**	**124.84**	**135.34**	**189.84**	**176.65**	**199.26**	**23.4%**	**19.9%**	**0.4%**	**-15.0%**	**8.4%**	**40.3%**	**-6.9%**	**12.8%**

Figure 6: All enquiries – distribution according to sectors

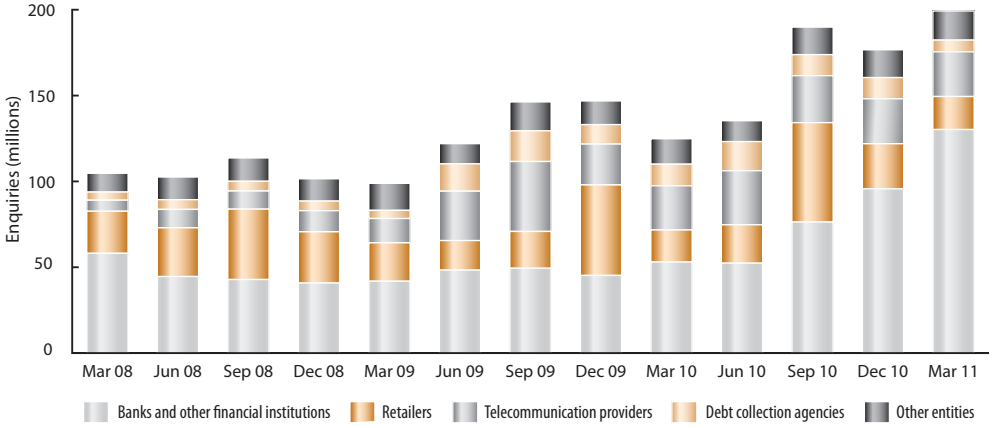


Table 5: Enquiries by banks and other financial institutions

	Number of enquiries (millions)									Percentage change							
Enquiry purpose:	**Mar 09**	**Jun 09**	**Sep 09**	**Dec 09**	**Mar 10**	**Jun 10**	**Sep 10**	**Dec 10**	**Mar 11**	**Mar 09 to Jun 09**	**Jun 09 to Sep 09**	**Sep 09 to Dec 09**	**Dec 09 to Mar 10**	**Mar 10 to Jun 10**	**Jun 10 to Sep 10**	**Sep 10 to Dec 10**	**Dec 10 to Mar 11**
Consumers seeking credit	6.64	6.79	7.39	8.29	8.29	8.46	8.82	9.34	9.37	2.3%	8.8%	12.2%	0.0%	2.0%	4.3%	6.0%	0.2%
Tracing/debt collection purposes	2.42	5.10	2.78	2.70	2.33	2.51	3.12	3.68	6.02	110.7%	-45.4%	-3.0%	-13.6%	7.9%	24.1%	18.0%	63.4%
Other purposes	32.80	36.45	39.23	34.25	42.41	41.40	64.4	82.66	114.84	11.1%	7.6%	-12.7%	23.9%	-2.4%	55.6%	28.4%	38.9%
Banks and other financial institutions	**41.86**	**48.34**	**49.40**	**45.24**	**53.04**	**52.37**	**76.34**	**95.69**	**130.22**	**15.5%**	**2.2%**	**-8.4%**	**17.3%**	**-1.3%**	**45.8%**	**25.3%**	**36.1%**

Table 6: Enquiries by retailers

	Number of enquiries (millions)									Percentage change							
Enquiry purpose:	**Mar 09**	**Jun 09**	**Sep 09**	**Dec 09**	**Mar 10**	**Jun 10**	**Sep 10**	**Dec 10**	**Mar 11**	**Mar 09 to Jun 09**	**Jun 09 to Sep 09**	**Sep 09 to Dec 09**	**Dec 09 to Mar 10**	**Mar 10 to Jun 10**	**Jun 10 to Sep 10**	**Sep 10 to Dec 10**	**Dec 10 to Mar 11**
Consumers seeking credit	1.60	1.80	1.66	2.06	1.55	1.82	1.84	2.33	1.70	13.0%	-7.6%	23.9%	-24.7%	17.1%	0.9%	27.1%	-27.1%
Tracing/debt collection purposes	0.55	0.57	0.67	0.55	0.57	0.53	0.59	0.63	0.49	2.5%	18.7%	-18.9%	4.1%	-6.7%	10.9%	7.2%	-22.0%
Other purposes	20.24	14.84	19.12	50.12	16.54	20.02	55.47	23.29	17.04	-26.7%	28.8%	162.1%	-67.0%	21.0%	177.1%	-58.0%	-26.8%
Retailers	**22.39**	**17.21**	**21.46**	**52.73**	**18.67**	**22.37**	**57.89**	**26.25**	**19.23**	**-23.1%**	**24.7%**	**145.7%**	**-64.6%**	**19.8%**	**158.8%**	**-54.7%**	**-26.7%**

Table 7: Enquiries by telecommunication providers

	Number of enquiries (millions)									Percentage change							
Enquiry purpose:	**Mar 09**	**Jun 09**	**Sep 09**	**Dec 09**	**Mar 10**	**Jun 10**	**Sep 10**	**Dec 10**	**Mar 11**	**Mar 09 to Jun 09**	**Jun 09 to Sep 09**	**Sep 09 to Dec 09**	**Dec 09 to Mar 10**	**Mar 10 to Jun 10**	**Jun 10 to Sep 10**	**Sep 10 to Dec 10**	**Dec 10 to Mar 11**
Telecommunication services	0.58	0.69	0.81	0.82	0.74	0.70	0.84	1.37	0.84	19.2%	16.5%	0.7%	-8.8%	-6.2%	19.9%	63.9%	-38.7%
Tracing/debt collection purposes	0.37	0.58	1.60	0.43	0.24	0.41	2.42	3.85	5.20	56.1%	177.7%	-73.2%	-45.2%	74.6%	487.9%	59.2%	35.2%
Other purposes	13.17	27.48	38.32	22.54	24.77	30.37	24.10	20.96	20.00	108.6%	39.4%	-41.2%	9.9%	22.6%	-20.6%	-13.0%	-4.6%
Telecommunication providers	**14.13**	**28.75**	**40.73**	**23.79**	**25.75**	**31.48**	**27.36**	**26.18**	**26.04**	**103.5%**	**41.7%**	**-41.6%**	**8.3%**	**22.2%**	**-13.1%**	**-4.3%**	**-0.5%**

Credit bureau activity

Demand for credit reports increased for the quarter

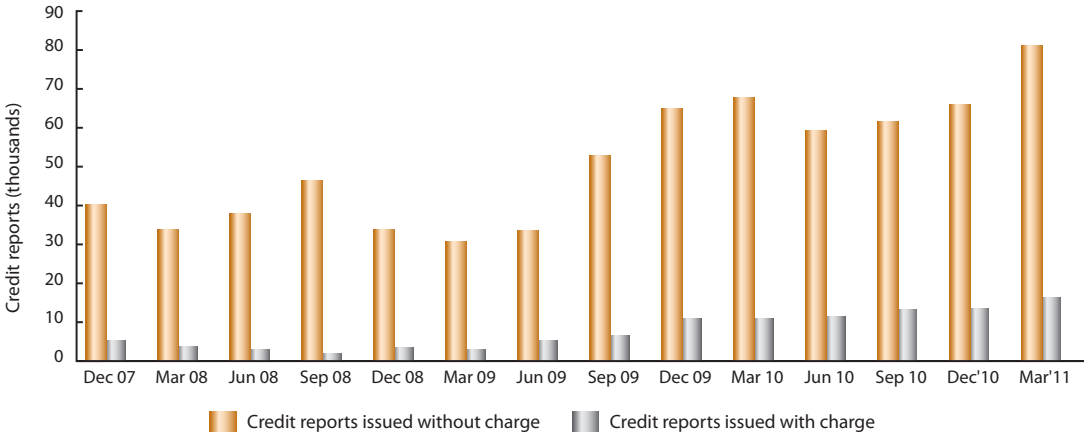
Of the total 97,578 credit reports issued to consumers at their request during the quarter ended March 2011, 83.2% (81,179) were issued without charge, and the remaining 16.8% (16,399) were issued with charge. The total number of credit reports issued increased by 22.5% quarter-on-quarter and 24.1% year-on-year.

See Table 8 and Figure 7 for details.

Table 8: Credit reports issued

	Number of credit reports										Percentage change								
Credit reports:	**Dec 08**	**Mar 09**	**Jun 09**	**Sep 09**	**Dec 09**	**Mar 10**	**Jun 10**	**Sep 10**	**Dec 10**	**Mar 11**	**Dec 08 to Mar 09**	**Mar 09 to Jun 09**	**Jun 09 to Sep 09**	**Sep 09 to Dec 09**	**Dec 09 to Mar 10**	**Mar 09 to Jun 10**	**Jun 10 to Sep 10**	**Sep 10 to Dec 10**	**Dec 10 to Mar 11**
Issued without charge	33,827	30,652	33,662	52,973	65,082	67,694	59,220	61,592	66,034	81,179	-9.4%	9.8%	57.4%	22.9%	4.0%	-12.5%	4.0%	7.2%	22.9%
Issued with charge	3,528	2,889	5,288	6,559	10,935	10,938	11,486	13,220	13,601	16,399	-18.1%	83.0%	24.0%	66.7%	0.0%	5.0%	15.1%	2.9%	20.6%
Total issued	**37,355**	**33,541**	**38,950**	**59,532**	**76,017**	**78,632**	**70,706**	**74,812**	**79,635**	**97,578**	**-10.2%**	**16.1%**	**52.8%**	**27.7%**	**3.4%**	**-10.1%**	**5.8%**	**6.4%**	**22.5%**

Figure 7: Credit reports issued



Consumer disputes

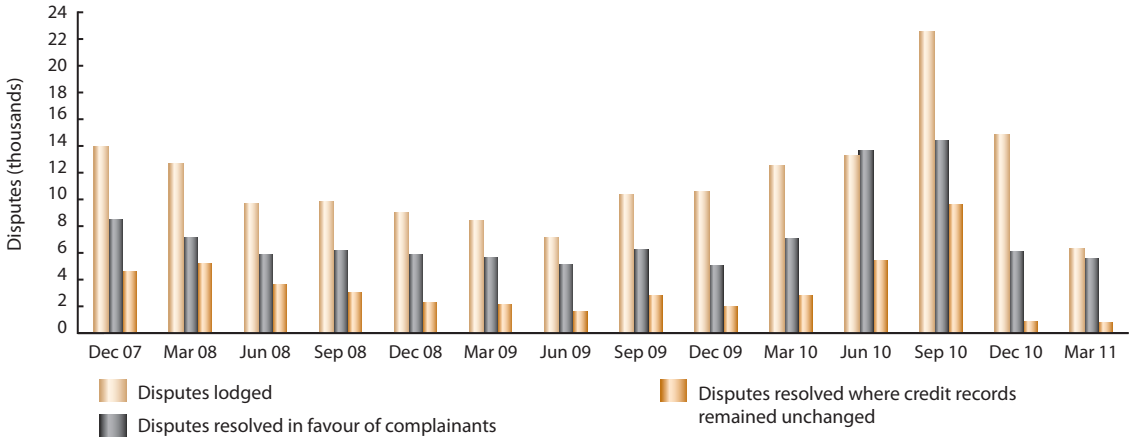
In the quarter ended March 2011, 6,329 disputes were lodged in respect of the accuracy of the information recorded on consumer credit records. This was a quarter-on-quarter decrease of 57.3% and a year-on-year decrease of 49.5%. For quarterly resolution of disputes, more disputes were resolved in favour of complainants (5,614) as compared to disputes where credit records remained unchanged (806).

See Table 9 and Figure 8 for details.

Table 9: Disputes

	Number of disputes									Percentage change							
Disputes:	**Mar 09**	**Jun 09**	**Sep 09**	**Dec 09**	**Mar 10**	**Jun 10**	**Sep 10**	**Dec 10**	**Mar 11**	**Mar 09 to Jun 09**	**Jun 09 to Sep 09**	**Sep 09 to Dec 09**	**Dec 09 to Mar 10**	**Mar 09 to Jun 10**	**Jun 10 to Sep 10**	**Sep 10 to Dec 10**	**Dec 10 to Mar 11**
Lodged	8,406	7,122	10,395	10,573	12,530	13,300	22,569	14,836	6,329	-15.3%	46.0%	1.7%	18.5%	6.1%	69.7%	-34.3%	-57.3%
Resolved in favour of complainants	5,678	5,131	6,226	5,038	7,112	13,652	14,400	6,086	5,614	-9.6%	21.3%	-19.1%	41.2%	92.0%	5.5%	-57.7%	-7.8%
Resolved where credit record remained unchanged	2,131	1,620	2,784	2,026	2,834	5,401	9,583	847	806	-24.0%	71.9%	-27.2%	39.9%	90.6%	77.4%	-91.2%	-4.8%

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 table below for omitted quarters and to the NCR website for complete tables of sixteen quarters from June 2007 to March 2011.

Topic	Reporting Quarter
Consumers	March 2008
Accounts	March 2008
Enquiries	December 2008
Disputes	December 2008
Credit Reports	September 2008