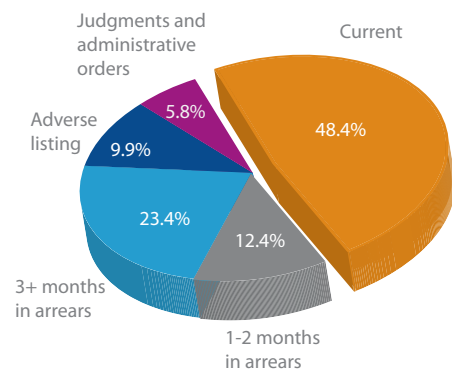


Credit Bureau Monitor

Third Quarter | September 2018

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Credit standing of consumers: September 2018



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 2014 to September 2018, 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 2018:

- Credit bureaus held records for 24.05 million credit-active consumers, a decrease of 2.17% when compared to the 24.59 million in the previous quarter. Consumers classified in good standing increased by 49,743 to 15.07 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 1.56% quarter-on-quarter and 2.01% year-on-year.
- The number of consumers with impaired records decreased by 584,480, to 8.98 million.
- The number of accounts increased from 76.02 million in the previous quarter to 76.17 million. The number of impaired accounts decreased from 19.07 million to 18.66 million when compared to the previous quarter, a decrease of 409,000 quarter-on-quarter and 1,529,000 year-on-year.
- A total of 630.54 million enquiries were made on consumer credit records, an increase of 65.98% quarter-on-quarter and 64.94% year-on-year. Enquiries initiated by consumers accounted for 25.52 million of all enquiries, an increase of 4.09% quarter-on-quarter and 16.39% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 67.27%, enquiries from retailers accounted for 9.22% and enquiries from telecommunication providers accounted for 7.35%. Banks and other financial institutions' enquiries increased by 215.80% from the previous quarter, retailers increased by 271.82% and telecommunication providers increased by 0.42%.
- The number of credit reports issued to consumers increased from 174,378 in the previous quarter to 178,641. Of the total credit reports issued, 62.41% (111,485) were issued without charge, and the remaining 37.59% (67,156) were issued with charge.
- There were 35,155 disputes lodged on information held on consumer credit records for the quarter ended September 2018, an increase of 7.42% quarter-on-quarter and 10.83% year-on-year.

Introduction

The information reflected in this Credit Bureau Monitor covers the period from the quarter ended September 2014 to September 2018.

Comparisons in this report: “quarter-on-quarter” refers to a comparison between the September 2018 and June 2018 quarters, and “year-on-year” refers to a comparison between the September 2018 and September 2017 quarters.

Credit-active consumers

There were 24.05 million credit-active consumers as at the end of September 2018

Credit bureaus held records for more than 52.86 million individuals on their databases as at the end of September 2018. From these records, 24.05 million (45.5%) were credit-active and the remaining records contained only identification information and no credit activity. The number of credit-active consumers decreased by 535,000 quarter-on-quarter and 1,032,000 year-on-year.

The percentage of consumers in good standing increased this quarter

Consumers classified in good standing increased by 50,000 to 15.07 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 1.6% quarter-on-quarter and 2.0% year-on-year. Of the total 24.05 million credit-active consumers, 62.7% were in good standing.

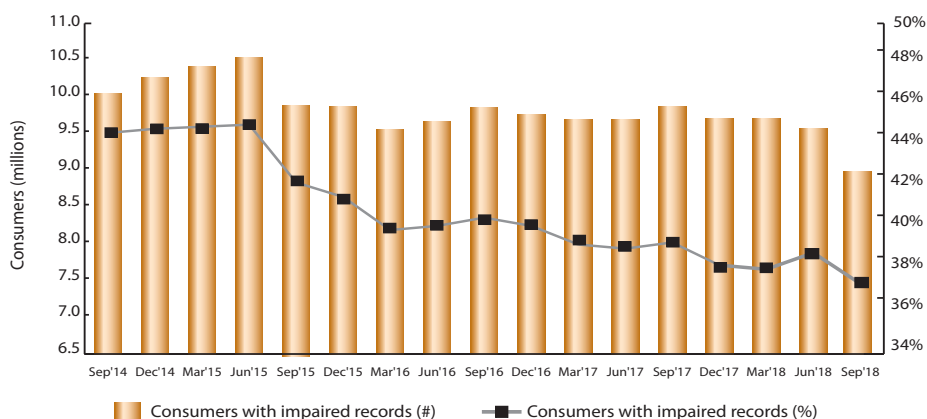
The number of consumers with impaired records (the inverse of those in good standing) decreased by 584,500 to 9.0 million. The percentage of credit-active consumers with impaired records decreased to 37.35%, comprising of 22.3% of consumers in three months or more in arrears, 9.5% of consumers with adverse listings, and 5.6% 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 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18
Good standing (#)	13.87m	14.33m	14.41m	14.40m	14.55m	14.99m	15.10m	15.21m	15.62m	15.77m	15.02m	15.07m
Good standing (%)	58.4%	60.0%	59.8%	59.4%	59.9%	60.7%	60.9%	60.6%	61.7%	61.9%	61.1%	62.7%
Current (%)	46.1%	47.6%	48.3%	47.6%	47.6%	48.2%	49.2%	49.2%	49.9%	49.6%	49.4%	50.9%
1-2 months in arrears (%)	12.4%	12.4%	11.6%	11.8%	12.3%	12.5%	11.7%	11.4%	11.8%	12.4%	11.7%	11.8%
Impaired records (#)	9.87m	9.55m	9.67m	9.85m	9.76m	9.69m	9.69m	9.87m	9.70m	9.69m	9.57m	8.98m
Impaired records (%)	41.6%	40.0%	40.2%	40.6%	40.2%	39.3%	39.1%	39.4%	38.3%	38.1%	38.9%	37.4%
3+ months in arrears (%)	22.1%	22.3%	22.1%	22.3%	21.8%	21.7%	22.0%	22.1%	21.7%	21.9%	22.7%	22.3%
Adverse listings (%)	11.0%	10.1%	10.7%	11.3%	11.8%	11.4%	11.2%	11.4%	11.1%	10.7%	10.6%	9.5%
Judgments and administration orders (%)	8.5%	7.6%	7.3%	6.9%	6.6%	6.2%	5.9%	5.8%	5.5%	5.5%	5.5%	5.6%
Credit-active consumers (#)	23.74m	23.88m	24.08m	24.25m	24.31m	24.68m	24.78m	25.08m	25.31m	25.46m	24.59m	24.05m

Figure 1: Consumers with impaired records



Consumer accounts

There were 76.17 million accounts on record at the bureaus as at the end of September 2018

At the end of the reporting quarter there were 76.17 million accounts recorded at registered credit bureaus. This was an increase of 0.2% quarter-on-quarter and a decrease of 2.9% year-on-year.

The percentage of accounts in good standing increased this quarter

Of the 76.02 million accounts, 57.51 million (75.5%) were classified as in good standing, a positive variance of 0.6% quarter-on-quarter and 1.2% year-on-year.

As at the end of September 2018:

- 68.0% of accounts were classified as current (increased quarter-on-quarter by 0.4% and year-on-year by 0.9%).
- 7.5% had missed one or two instalments (increased quarter-on-quarter by 0.2% and year-on-year by 0.4%).
- 18.4% had missed three or more instalments (decreased quarter-on-quarter by 0.5% and year-on-year by 0.6%).
- 4.7% had adverse listings (remained unchanged quarter-on-quarter and decreased year-on-year by 0.3%).
- 1.4% had judgments or administration orders (decreased quarter-on-quarter by 0.1% and year-on-year by 0.2%).

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

Table 2: Credit standing of accounts

	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18
Good standing (#)	63.56m	65.03m	64.32m	63.44m	62.41m	62.73m	60.04m	58.25m	59.64m	59.66m	56.95m	57.51m
Good standing (%)	76.1%	76.5%	76.1%	75.7%	75.7%	76.1%	75.0%	74.3%	75.0%	75.4%	74.9%	75.5%
Current (%)	68.4%	69.0%	69.1%	68.5%	68.4%	68.8%	68.1%	67.2%	67.8%	67.8%	67.6%	68.0%
1-2 months in arrears (%)	7.7%	7.5%	7.0%	7.2%	7.3%	7.3%	7.0%	7.1%	7.3%	7.6%	7.3%	7.5%
Impaired records (#)	19.99m	19.92m	20.24m	20.37m	20.01m	19.70m	19.97m	20.19m	19.84m	19.42m	19.07m	18.66m
Impaired records (%)	23.9%	23.5%	23.9%	24.3%	24.3%	23.9%	25.0%	25.7%	25.0%	24.6%	25.1%	24.5%
3+ months in arrears (%)	17.8%	17.7%	17.8%	18.1%	17.9%	17.8%	18.3%	18.9%	18.4%	18.4%	18.8%	18.4%
Adverse listings (%)	4.4%	4.1%	4.5%	4.6%	4.9%	4.6%	5.1%	5.2%	5.1%	4.7%	4.8%	4.7%
Judgments and administration orders (%)	1.8%	1.7%	1.6%	1.6%	1.6%	1.5%	1.6%	1.6%	1.5%	1.5%	1.5%	1.4%
Consumer accounts (#)	83.55m	84.96m	84.56m	83.81m	82.42m	82.43m	80.02m	78.43m	79.49m	79.08m	76.02m	76.17m

Figure 2: Accounts with impaired records

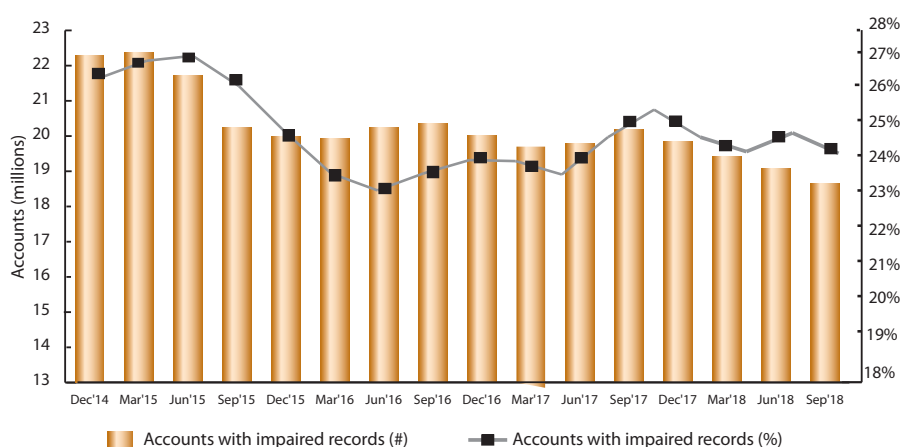
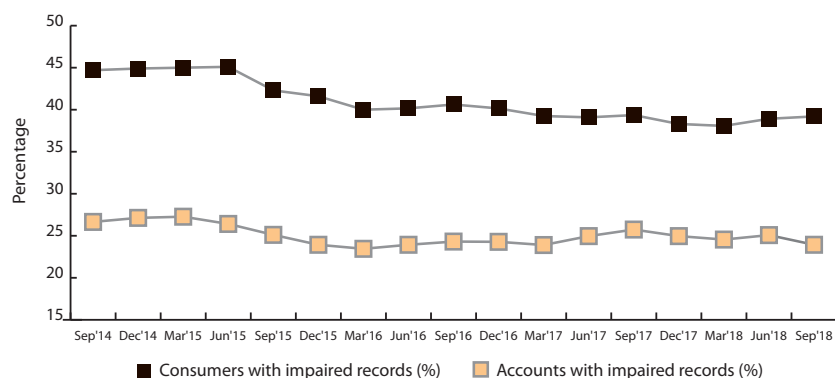


Figure 3: Consumers and accounts with impaired records



Credit market activity

Enquiries made on consumer records increased for the quarter

There were 630.54 million enquiries made in the quarter ended September 2018. This was an increase of 66.0% quarter-on-quarter and 64.9% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 25.52 million enquiries were made due to consumers seeking credit (increased by 4.1% quarter-on-quarter and 16.4% year-on-year).
- 10.78 million enquiries were related to telecommunication services (increased by 129.1% quarter-on-quarter and increased by 659.8% year-on-year).
- 47.57 million enquiries were made for tracing/debt collection purposes (decreased by 10.0% quarter-on-quarter and 51.3% year-on-year).
- 546.67 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (increased by 83.6% quarter-on-quarter and 66.9% 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 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar 17 to Jun 17	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
Consumers seeking credit	17.91	19.66	18.49	18.42	21.93	23.98	24.29	24.52	25.52	9.8%	-6.0%	-0.4%	19.0%	9.4%	1.3%	0.9%	4.1%
Telecommunication services	0.85	1.16	1.05	1.28	1.42	1.58	1.13	4.71	10.78	37.6%	-9.7%	21.5%	11.2%	11.3%	-28.5%	316.7%	129.1%
Tracing/debt collection purposes	35.35	20.83	21.00	24.11	31.46	47.35	49.32	52.89	47.57	-41.1%	0.8%	14.8%	30.5%	50.5%	4.1%	7.2%	-10.0%
Other	399.71	404.79	395.90	436.16	327.49	457.20	364.95	297.78	546.67	1.3%	-2.2%	10.2%	-24.9%	39.6%	-20.2%	-18.4%	83.6%
Total	453.82	446.44	436.44	479.97	382.29	530.11	439.69	379.89	630.54	-1.6%	-2.2%	10.0%	-20.4%	38.67%	-17.1%	-13.60%	66.0%

Figure 4: Enquiries due to consumers seeking credit

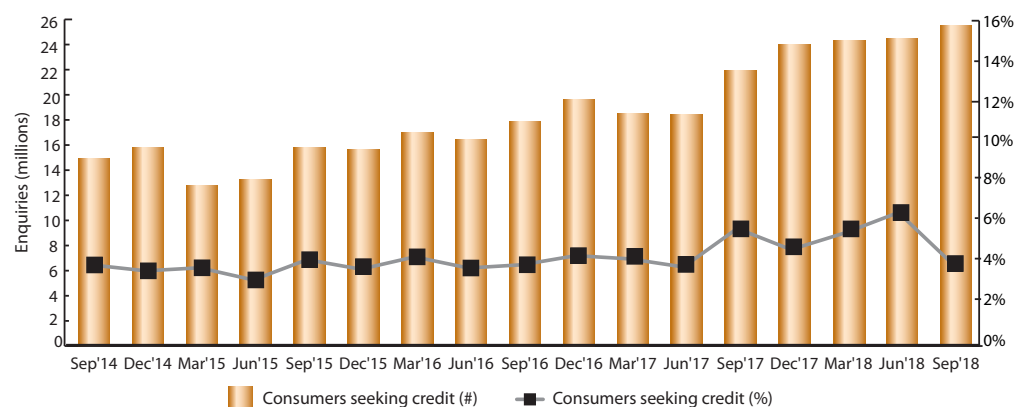
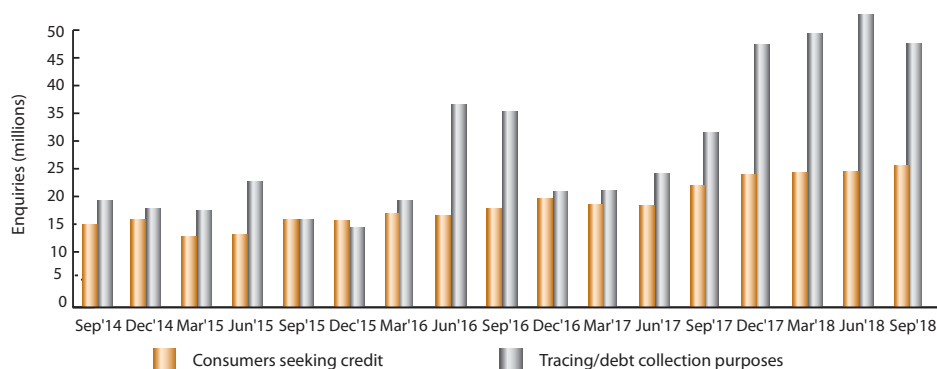


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



Enquiry sectoral analysis

There were 424.18 million enquiries made by banks and other financial institutions in the quarter ended September 2018, an increase of 215.8% quarter-on-quarter and 162.9% year-on-year. Retailers made 58.13 million enquiries on consumer records, which was an increase of 271.8% quarter-on-quarter and 75.8% year-on-year. Enquiries made by telecommunication providers increased by 0.42% quarter-on-quarter and 14.1% year-on-year, to 46.37 million in the September 2018 quarter. Enquiries made by debt collection agencies increased by 87.1% quarter-on-quarter and by 28.3% year-on-year, to 4.76 million in September 2018 quarter. Enquiries made by all other entities decreased by 46.4% quarter-on-quarter and 30.9% year-on-year, to 97.11 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 16	Dec 16	Mar 17	June 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar 17 to June 17	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
Banks and other financial institutions	257.26	256.56	280.10	269.75	161.36	309.95	244.36	134.31	424.18	-0.3%	9.2%	-3.7%	-40.2%	92.1%	-21.2%	-45.0%	215.8%
Retailers	29.83	26.93	30.01	25.43	33.06	35.48	32.36	15.63	58.13	-9.7%	11.5%	-15.3%	30.0%	7.3%	-8.8%	-51.3%	271.8%
Telecommunication providers	63.61	43.60	26.23	35.62	40.65	40.54	44.10	46.17	46.37	-31.5%	-39.8%	35.8%	14.1%	-0.3%	8.8%	4.7%	0.4%
Debt collection agencies	3.42	3.85	5.26	3.00	6.64	3.81	2.76	2.55	4.76	12.6%	36.8%	-43.0%	121.6%	-42.5%	-27.7%	-7.7%	87.1%
All other entities	99.70	115.50	94.84	146.17	140.59	140.33	116.10	176.66	97.11	15.8%	-17.9%	54.1%	-3.8%	-0.2%	1.0%	51.8%	-46.4%
Total	453.82	446.44	436.44	479.97	382.29	530.11	439.69	375.32	630.54	-1.6%	-2.2%	10.0%	-20.4%	38.7%	-17.1%	-14.6%	65.98

Figure 6: All enquiries – distribution according to sectors

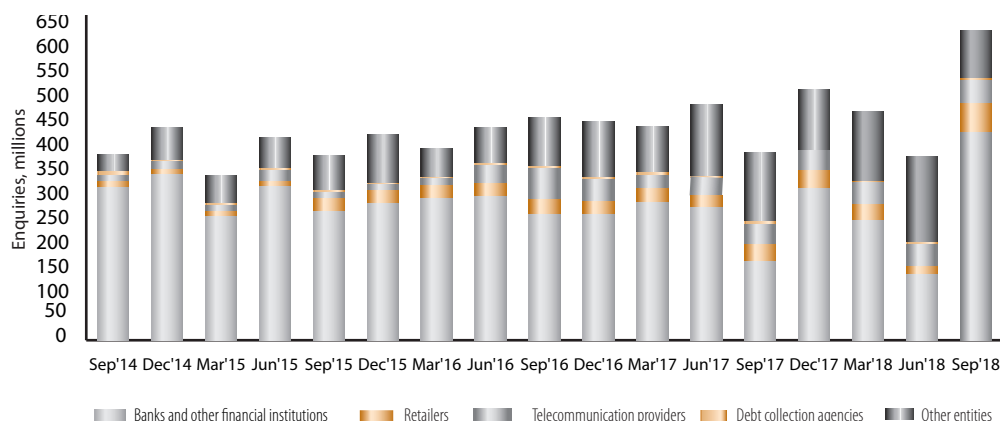


Table 5: Enquiries by banks and other financial institutions

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar 17 to Jun 17	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
Consumers seeking credit	14.89	16.58	16.03	15.89	19.27	20.91	21.79	21.84	22.59	11.4%	-3.3%	-0.9%	21.3%	8.5%	4.2%	0.3%	3.4%
Tracing/debt collection purposes	2.44	1.81	1.92	2.37	2.77	2.77	2.56	3.20	2.13	-25.7%	6.2%	22.9%	16.9%	0.2%	-7.5%	24.5%	-33.5%
Other purposes	239.94	238.17	262.14	251.49	139.32	286.26	220.01	109.27	399.46	-0.7%	10.1%	-4.1%	-44.6%	105.5%	-23.1%	-50.3%	265.6%
Banks and other financial institutions	257.26	256.56	280.10	269.75	161.36	309.95	244.36	134.31	424.18	-0.3%	9.2%	-3.7%	-40.2%	92.1%	-21.2%	-45.0%	215.8%

Table 6: Enquiries by retailers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar 17 to Jun 17	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
Consumers seeking credit	3.02	3.07	2.46	2.53	2.65	3.07	2.51	2.68	2.94	1.7%	-20.1%	3.1%	4.7%	15.7%	-18.4%	6.9%	9.7%
Tracing/debt collection purposes	0.81	0.5	1.02	0.42	0.73	1.85	1.27	2.00	3.21	-38%	103.6%	-58.9%	74.8%	152.8%	-31.6%	58.5%	60.0%
Other purposes	26.00	23.35	26.54	22.48	29.68	30.56	28.32	10.95	51.98	-10.2%	13.6%	-15.3%	32.0%	3.0%	-7.3%	-61.3%	374.8%
Retailers	29.83	26.93	30.01	25.43	33.06	35.48	32.09	15.63	58.13	-9.7%	11.5%	-15.3%	30.0%	7.3%	-9.6%	-51.3%	271.8%

Table 7: Enquiries by telecommunication providers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar 17 to Jun 17	Jun 17 to Sep 17	Sep 16 to Dec 16	Dec 17 to Mar 18	Mar 18 to Jun 18	Jun 18 to Sep 18
Telecommunication services	0.85	1.16	1.05	1.28	1.42	1.58	1.13	4.71	10.78	37.6%	-9.7%	21.5%	11.2%	11.3%	-28.5%	316.7%	129.1%
Tracing/debt collection purposes	26.72	13.22	10.11	16.72	19.13	22.64	36.15	34.52	26.97	-50.5%	-23.5%	65.3%	14.4%	18.3%	59.7%	-4.5%	-21.9%
Other purposes	36.04	29.22	15.06	17.63	20.10	16.33	6.83	6.95	8.62	-18.9%	-48.5%	-17.1%	14.0%	-18.8%	-58.2%	1.8%	24.1%
Telecommunication providers	63.61	43.60	26.23	35.62	40.65	40.54	44.10	46.17	46.38	-31.5%	-39.8%	-35.8%	14.1%	-0.3%	8.8%	4.7%	0.4%

Credit bureau activity

Demand for credit reports decreased for the quarter

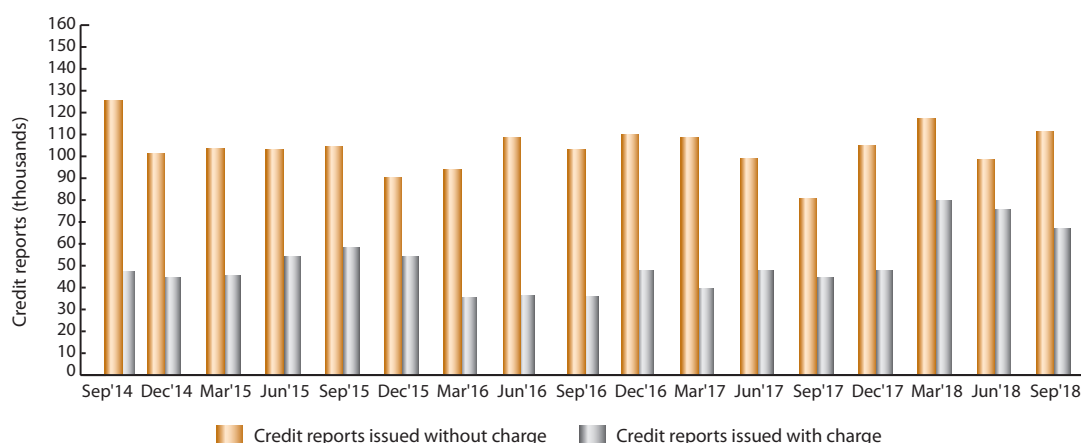
Of the total 178,641 credit reports issued to consumers at their request during the quarter ended September 2018, 62.41% (111,485) were issued without charge, and the remaining 37.59% (67,156) were issued with charge. The total number of credit reports issued decreased by 2.4% quarter-on-quarter and increased by 42.3% 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 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Jun 16 to Sep 16	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar 17 to Jun 17	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
Issued without charge	108,818	103,258	109,797	108,695	98,964	80,735	105,083	117,272	98,523	111,485	-5.1%	6.3%	-1.0%	-9.0%	-18.4%	30.2%	11.6%	-16.0%	13.2%
Issued with charge	36,195	36,144	47,934	39,803	48,025	44,820	47,607	79,648	75,855	67,156	-0.1%	32.4%	-17.0%	20.7%	-6.7%	6.2%	67.3%	-4.8%	11.5%
Total issued	145,013	139,402	157,731	148,498	146,989	125,555	152,690	196,920	174,378	178,641	-3.9%	13.1%	-5.9%	-1.0%	-14.6%	21.6%	29.0%	11.4%	2.4%

Figure 7: Credit reports issued



Consumer disputes

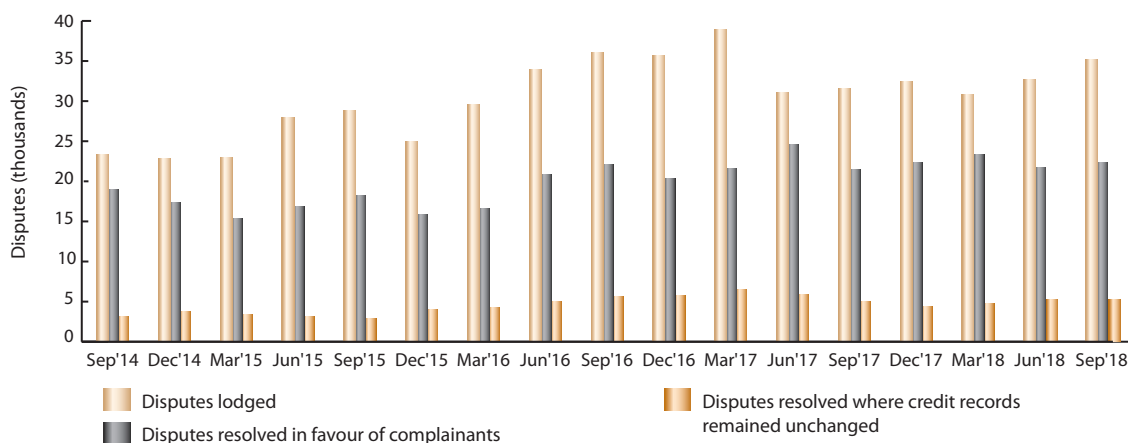
There were 35,155 disputes lodged in respect of the accuracy of the information recorded on consumer credit records in the quarter ended September 2018. This was an increase of 7.4% quarter-on-quarter and a decrease of 10.4% year-on-year. More disputes were resolved in favour of complainants (22,320) as compared to disputes where credit records remained unchanged (5,283).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Disputes:	Number of disputes									Percentage change							
	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar 17 to Jun 17	Jun 17 to Sep 17	Sep 17 to Dec 17	Dec 17 to Mar 18	Mar 17 to Jun 17	Jun 18 to Sep 18
Lodged	36,118	35,673	38,882	31,092	31,631	32,509	30,853	32,727	35.16	-1.2%	9.0%	-20.0%	1.7%	2.8%	-5.1%	6.1%	7.4%
Resolved in favour of complainants	22,060	20,333	21,594	24,621	21,483	22,349	23,342	21,724	22.32	-7.8%	6.2%	14.0%	-12.7%	4.0%	4.4%	-6.9%	2.7%
Resolved where credit record remained unchanged	5,687	5,807	6,573	5,877	5,012	4,352	4,714	5,222	5,283	1.4%	13.2%	-10.6%	-14.7%	-13.2	8.3%	10.8%	1.2%

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 September 2008 to September 2018.