

Credit Bureau Monitor

Fourth Quarter | December 2016

Credit-active consumers..... 2

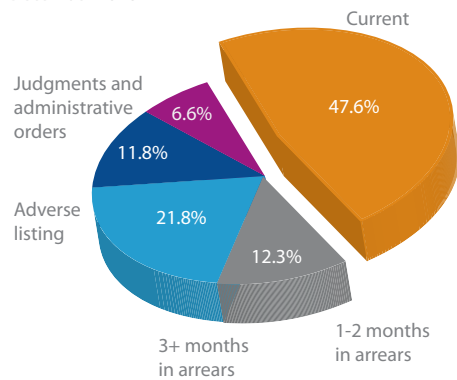
Consumer accounts 3

Credit market activity 4

Credit bureau activity..... 7

Definitions 8

Credit standing of consumers:
December 2016



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 2012 to December 2016, 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 2016:

- Credit bureaus held records for 24.31 million credit-active consumers, an increase of 0.2% when compared to the 24.25 million in the previous quarter. Consumers classified in good standing increased by 147,000 to 14.55 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 0.5% quarter-on-quarter and an increase of 1.4% year-on-year.
- The number of consumers with impaired records decreased by 93,000 to 9.76 million, from 9.85 million in the previous quarter.
- The number of accounts decreased from 83.81 million in the previous quarter to 82.42 million. The number of impaired accounts decreased from 20.37 million to 20.01 million when compared to the previous quarter, a decrease of 363,000 quarter-on-quarter and 20,000 year-on-year.
- A total of 446.44 million enquiries were made on consumer credit records, a decrease of 1.6% quarter-on-quarter and 6.6% year-on-year. Enquiries initiated by consumers accounted for 19.66 million of all enquiries, an increase of 9.8% quarter-on-quarter and 25.7% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 57.5%, enquiries from retailers accounted for 6% and enquiries from telecommunication providers accounted for 9.8%. Banks and other financial institutions' enquiries decreased by 0.3% from the previous quarter, retailers decreased by 9.7% and telecommunication providers decreased by 31.5%.
- The number of credit reports issued to consumers increased from 139,457 in the previous quarter to 157,731. Of the total credit reports issued, 69.6% (109,797) were issued without charge, and the remaining 30.4% (47,934) were issued with charge.
- There were 35,673 disputes lodged on information held on consumer credit records for the quarter ended December 2016, a decrease of 1.2% quarter-on-quarter and an increase of 43.2% year-on-year.

Introduction

The information reflected in this Credit Bureau Monitor covers the period from the quarter ended December 2012 to December 2016.

Comparisons in this report: “quarter-on-quarter” refers to a comparison between the December 2016 and September 2016 quarters, and “year-on-year” refers to a comparison between the December 2016 and December 2015 quarters.

Credit-active consumers

There were 24.31 million credit-active consumers as at the end of December 2016

Credit bureaus held records for more than 49.70 million individuals on their databases as at the end of December 2016. From these records, 24.31 million (48.9%) were credit-active and the remaining records contained only identification information and no credit activity. The number of credit-active consumers increased by 54,600 quarter-on-quarter and 564,767 year-on-year.

The percentage of consumers in good standing increased this quarter

Consumers classified in good standing increased by 47,000 to 14.55 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 0.5% quarter-on-quarter and an increase of 1.4% year-on-year. Of the total 24.31 million credit-active consumers, 59.9% were in good standing.

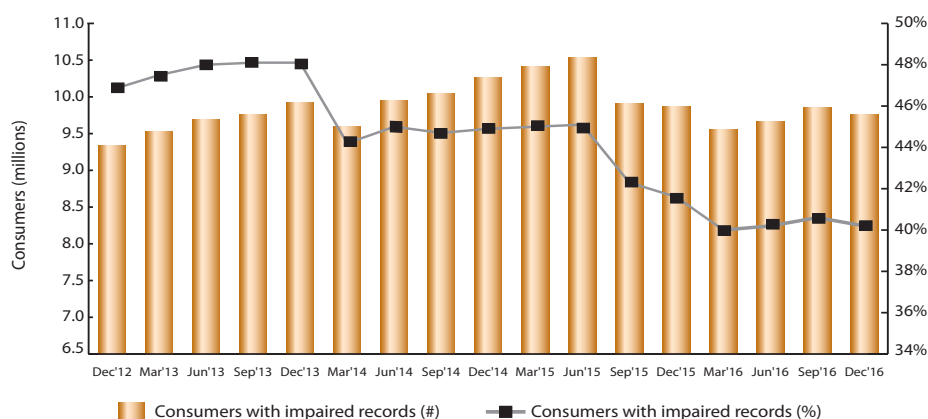
The number of consumers with impaired records (the inverse of those in good standing) decreased by 93,000 to 9.76 million. The percentage of credit-active consumers with impaired records decreased to 40.1%, comprising of 21.8% of consumers in three months or more in arrears, 11.8% of consumers with adverse listings, and 6.6% 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

	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16
Good standing (#)	12.11m	12.17m	12.45m	12.58m	12.70m	12.84m	13.53m	13.87m	14.33m	14.41m	14.40m	14.55m
Good standing (%)	55.8%	55.0%	55.3%	55.1%	55.0%	54.9%	57.7%	58.4%	60.0%	59.8%	59.4%	59.9%
Current (%)	41.5%	42.2%	42.3%	42.6%	42.2%	42.8%	46.1%	46.1%	47.6%	48.3%	47.6%	47.6%
1-2 months in arrears (%)	14.3%	12.8%	13.0%	12.5%	12.7%	12.1%	11.6%	12.4%	12.4%	11.6%	11.8%	12.3%
Impaired records (#)	9.60m	9.95m	10.05m	10.26m	10.41m	10.53m	9.91m	9.87m	9.55m	9.67m	9.85m	9.76m
Impaired records (%)	44.2%	45.0%	44.7%	44.9%	45.0%	45.1%	42.3%	41.6%	40.0%	40.2%	40.6%	40.2%
3+ months in arrears (%)	32.4%	28.3%	26.3%	23.8%	22.4%	21.5%	21.6%	22.1%	22.3%	22.1%	22.3%	21.8%
Adverse listings (%)	0.0%	5.2%	7.3%	10.4%	12.2%	13.5%	11.8%	11.0%	10.1%	10.7%	11.3%	11.8%
Judgments and administration orders (%)	11.8%	11.4%	11.1%	10.7%	10.4%	10.1%	8.8%	8.5%	7.6%	7.3%	6.9%	6.6%
Credit-active consumers (#)	21.71m	22.12m	22.50m	22.84m	23.11m	23.37m	23.45m	23.74m	23.88m	24.08m	24.25m	24.31m

Figure 1: Consumers with impaired records



Consumer accounts

There were 82.42 million accounts on record at the bureaus as at the end of December 2016

At the end of the reporting quarter there were 82.42 million accounts recorded at registered credit bureaus. This was a decrease of 1.7% quarter-on-quarter and a decrease of 1.4% year-on-year.

The percentage of accounts in good standing remained unchanged this quarter

Of the 82.42 million accounts, 62.41 million (75.7%) were classified as in good standing, unchanged variance of 0.0% quarter-on-quarter and a negative variance of 0.4% year-on-year.

As at the end of December 2016:

- 68.4% of accounts were classified as current (decreased quarter-on-quarter by 0.1% and remained unchanged year-on-year).
- 7.3% had missed one or two instalments (increased quarter-on-quarter by 0.1% and decreased year-on-year by 0.4%).
- 17.9% had missed three or more instalments (decreased quarter-on-quarter by 0.2% and increased year-on-year by 0.1%).
- 4.9% had adverse listings (increased quarter-on-quarter by 0.3% and increased year-on-year by 0.5%).
- 1.6% had judgments or administration orders (remained unchanged quarter-on-quarter and decreased year-on-year by 0.2%).

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

Table 2: Credit standing of accounts

	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16
Good standing (#)	57.91m	58.15m	59.55m	59.84m	59.66m	60.47m	60.37m	63.56m	65.03m	64.32m	63.44m	62.41m
Good standing (%)	75.0%	73.2%	73.3%	72.9%	72.7%	73.6%	74.9%	76.1%	76.5%	76.1%	75.7%	75.7%
Current (%)	66.1%	65.4%	65.5%	65.2%	64.7%	66.1%	67.6%	68.4%	69.0%	69.1%	68.5%	68.4%
1-2 months in arrears (%)	8.9%	7.9%	7.8%	7.6%	8.0%	7.5%	7.3%	7.7%	7.5%	7.0%	7.2%	7.3%
Impaired records (#)	19.27m	21.28m	21.64m	22.28m	22.38m	21.71m	20.24m	19.99m	19.92m	20.24m	20.37m	20.01m
Impaired records (%)	25.0%	26.8%	26.7%	27.1%	27.3%	26.4%	25.1%	23.9%	23.5%	23.9%	24.3%	24.28%
3+ months in arrears (%)	22.3%	21.3%	20.7%	20.1%	19.8%	18.9%	18.4%	17.8%	17.7%	17.8%	18.1%	17.9%
Adverse listings (%)	0.0%	2.9%	3.4%	4.6%	5.1%	5.2%	4.8%	4.4%	4.1%	4.5%	4.6%	4.9%
Judgments and administration orders (%)	2.7%	2.6%	2.5%	2.4%	2.3%	2.2%	1.9%	1.8%	1.7%	1.6%	1.6%	1.6%
Consumer accounts (#)	77.18m	79.42m	81.18m	82.13m	82.04m	82.17m	80.60m	83.55m	84.96m	84.56m	83.81m	82.42m

Figure 2: Accounts with impaired records

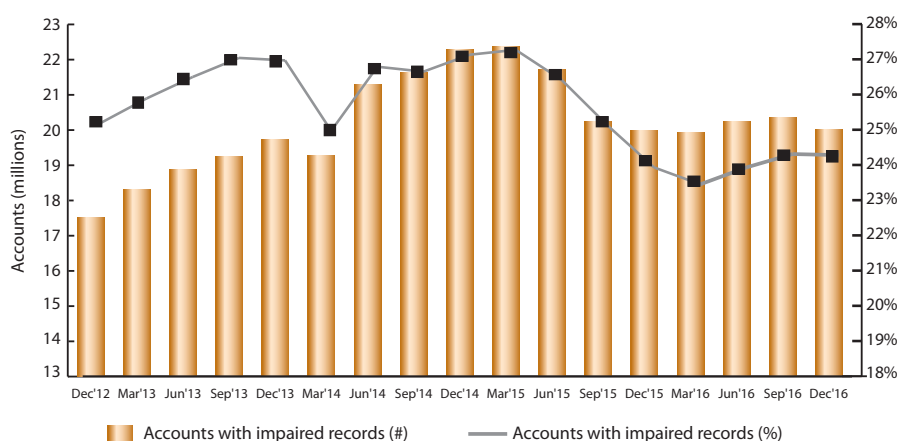
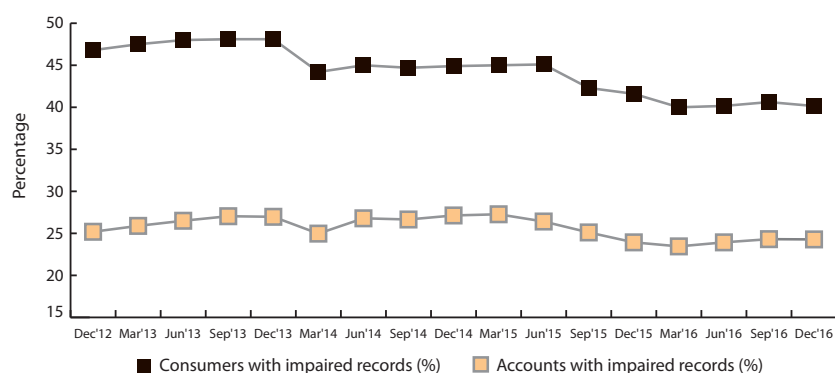


Figure 3: Consumers and accounts with impaired records



Credit market activity

Enquiries made on consumer records decreased for the quarter

There were 446.44 million enquiries made in the quarter ended December 2016. This was a decrease of 1.6% quarter-on-quarter and an increase of 6.6% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 19.66 million enquiries were made due to consumers seeking credit (increased by 9.8% quarter-on-quarter and 25.7% year-on-year).
- 1.16 million enquiries were related to telecommunication services (increased by 37.6% quarter-on-quarter and 80.5% year-on-year).
- 20.83 million enquiries were made for tracing/debt collection purposes (decreased by 41.1% quarter-on-quarter and increased by 43.9% year-on-year).
- 404.79 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (increased by 1.3% quarter-on-quarter and 4.3% 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 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Dec 14 to Mar 15	Mar 15 to Jun 15	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec 15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16
Consumers seeking credit	15.78	12.76	13.23	15.79	15.64	16.99	16.48	17.91	19.66	-19.1%	3.6%	19.4%	-0.9%	8.6%	-3.0%	8.6%	9.8%
Telecommunication services	0.77	0.81	0.91	0.74	0.64	0.70	0.67	0.85	1.16	5.6%	12.2%	-18.4%	-13.5%	8.6%	-3.9%	25.7%	37.6%
Tracing/debt collection purposes	17.83	17.51	22.62	15.77	14.47	19.32	36.54	35.35	20.83	-1.8%	29.2%	-30.3%	-8.3%	33.5%	89.2%	-3.2%	-41.1%
Other	398.33	304.99	376.01	343.74	387.93	354.77	380.68	399.71	404.79	-23.4%	23.3%	-8.6%	12.9%	-8.5%	7.3%	5.0%	1.3%
Total	432.71	336.08	412.77	376.04	418.69	391.78	434.37	453.82	446.44	-22.3%	22.8%	-8.9%	11.3%	-6.4%	10.9%	4.5%	-1.6%

Figure 4: Enquiries due to consumers seeking credit

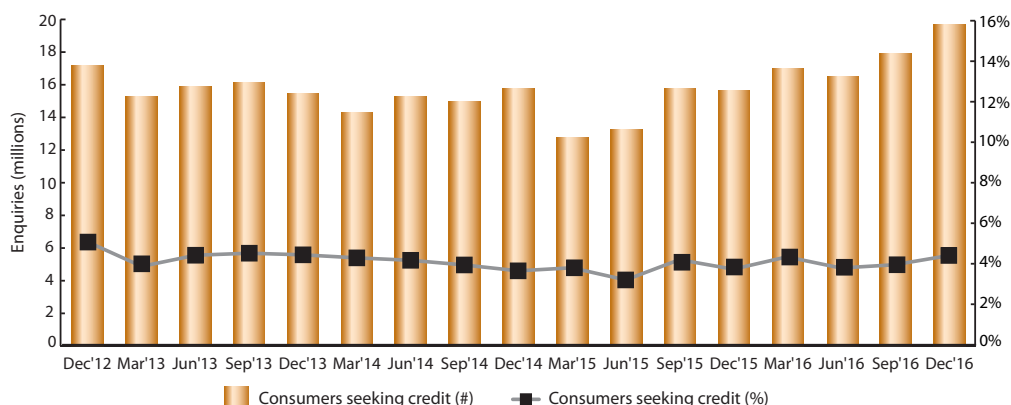
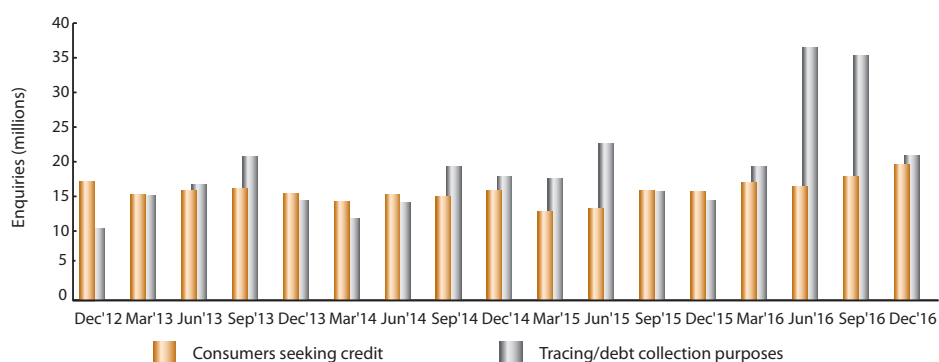


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



Enquiry sectoral analysis

There were 256.56 million enquiries made by banks and other financial institutions in the quarter ended December 2016, a decrease of 0.3% quarter-on-quarter and 8% year-on-year. Retailers made 26.93 million enquiries on consumer records, which was a decrease of 9.7% quarter-on-quarter and an increase of 0.1% year-on-year. Enquiries made by telecommunication providers decreased by 31.5% quarter-on-quarter and increased by 291.3% year-on-year, to 43.6 million in the December 2016 quarter. Enquiries made by debt collection agencies increased by 12.6% quarter-on-quarter and 24% year-on-year, to 3.85 million in December 2016 quarter. Enquiries made by all other entities increased by 15.8% quarter-on-quarter and 17.2% year-on-year, to 115.5 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 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Dec 14 to Mar 15	Mar 15 to Jun 15	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec 15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16
Banks and other financial institutions	338.76	251.74	313.86	262.10	279.00	288.18	293.41	257.26	256.56	-25.7%	24.7%	-16.5%	6.4%	3.3%	1.8%	-12.3%	-0.3%
Retailers	9.73	10.03	10.27	26.19	26.90	26.52	26.24	29.83	26.93	3.1%	2.5%	155.0%	2.7%	-1.4%	-1.0%	13.7%	-9.7%
Telecommunication providers	15.36	13.04	22.08	13.38	11.14	14.59	36.65	63.61	43.60	-15.1%	69.4%	-39.4%	-16.7%	30.9%	151.2%	73.6%	-31.5%
Debt collection agencies	3.02	4.87	3.90	4.01	3.10	2.67	3.71	3.42	3.85	61.7%	-19.9%	2.7%	-22.6%	-13.9%	38.9%	-7.9%	12.6%
All other entities	65.84	56.40	62.65	70.37	98.55	59.82	74.36	99.70	115.50	-14.3%	11.1%	12.3%	40.1%	-39.3%	24.3%	34.1%	15.8%
Total	432.71	336.08	412.77	376.04	418.69	391.78	434.37	453.82	446.43	-22.3%	22.8%	-8.9%	11.3%	-6.4%	10.9%	4.5%	-1.6%

Figure 6: All enquiries – distribution according to sectors

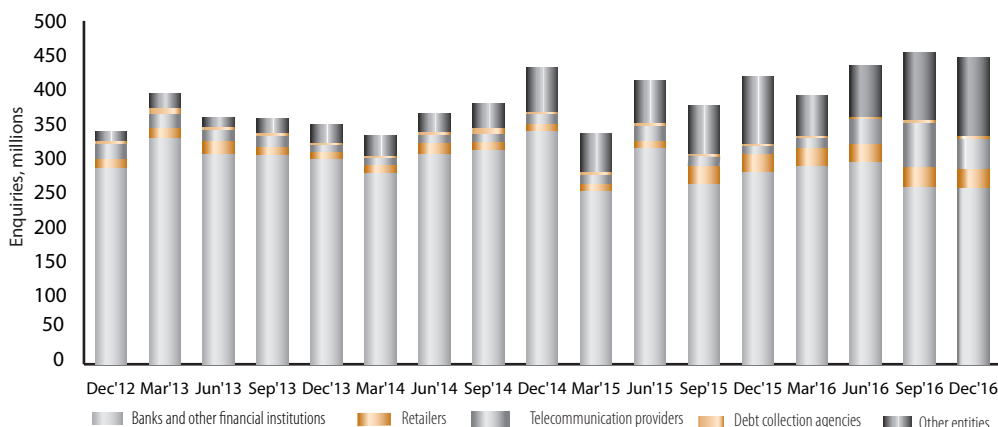


Table 5: Enquiries by banks and other financial institutions

Enquiry purpose:	Number of enquiries (millions)										Percentage change							
	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Dec 14 to Mar 15	Mar 15 to Jun 15	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec 15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16	
Consumers seeking credit	12.44	10.37	10.77	13.11	13.20	14.97	14.14	14.89	16.58	-16.7%	3.9%	21.7%	0.7%	13.4%	-5.5%	5.3%	11.4%	
Tracing/debt collection purposes	2.93	1.57	1.36	1.34	1.77	3.02	5.35	2.44	1.81	-46.3%	-13.7%	-1.2%	31.5%	71.1%	77.2%	-54.4%	-25.7%	
Other purposes	323.39	239.79	301.73	247.65	264.03	270.19	273.92	239.94	238.17	-25.9%	25.8%	-17.9%	6.6%	2.3%	1.4%	-12.4%	-0.7%	
Banks and other financial institutions	338.76	251.74	313.86	262.10	279.00	288.18	293.41	257.26	256.56	-25.7%	24.7%	-16.5%	6.4%	3.3%	1.8%	-12.3%	-0.3%	

Table 6: Enquiries by retailers

Enquiry purpose:	Number of enquiries (millions)										Percentage change							
	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Dec 14 to Mar 15	Mar 15 to Jun 15	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec 15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16	
Consumers seeking credit	3.34	2.39	2.45	2.68	2.43	2.02	2.34	3.02	3.07	-28.3%	2.6%	9.2%	-9.2%	-17.1%	16.1%	29.0%	1.7%	
Tracing/debt collection purposes	1.07	1.00	1.22	1.31	1.27	1.86	1.80	0.81	0.5	-6.5%	21.4%	7.5%	-2.7%	46.1%	-3.1%	-55.2%	-38%	
Other purposes	5.31	6.63	6.60	22.20	23.19	22.64	22.10	26.00	23.35	24.7%	-0.4%	236.4%	4.4%	-2.4%	-2.4%	17.6%	-10.2%	
Retailers	9.73	10.03	10.27	26.19	26.90	26.52	26.24	29.83	26.93	3.1%	2.5%	155.0%	2.7%	-1.4%	-1.0%	13.7%	-9.7%	

Table 7: Enquiries by telecommunication providers

Enquiry purpose:	Number of enquiries (millions)										Percentage change							
	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Dec 14 to Mar 15	Mar 15 to Jun 15	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec 15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16	
Telecommunication services	0.77	0.81	0.91	0.74	0.64	0.70	0.67	0.85	1.16	5.6%	12.2%	-18.4%	-13.5%	8.6%	-3.9%	25.7%	37.6%	
Tracing/debt collection purposes	9.45	8.27	14.64	7.27	6.71	8.52	16.39	26.72	13.22	-12.5%	77.2%	-50.3%	-7.7%	26.9%	92.5%	63.0%	-50.5%	
Other purposes	5.14	3.96	6.53	5.36	3.79	5.37	19.58	36.04	29.22	-23.0%	64.8%	-17.9%	-29.4%	41.8%	264.8%	84.1%	-18.9%	
Telecommunication providers	15.36	13.04	22.08	13.38	11.14	14.59	36.65	63.61	43.60	-15.1%	69.4%	-39.4%	-16.7%	30.9%	151.2%	73.6%	-31.5%	

Credit bureau activity

Demand for credit reports increased for the quarter

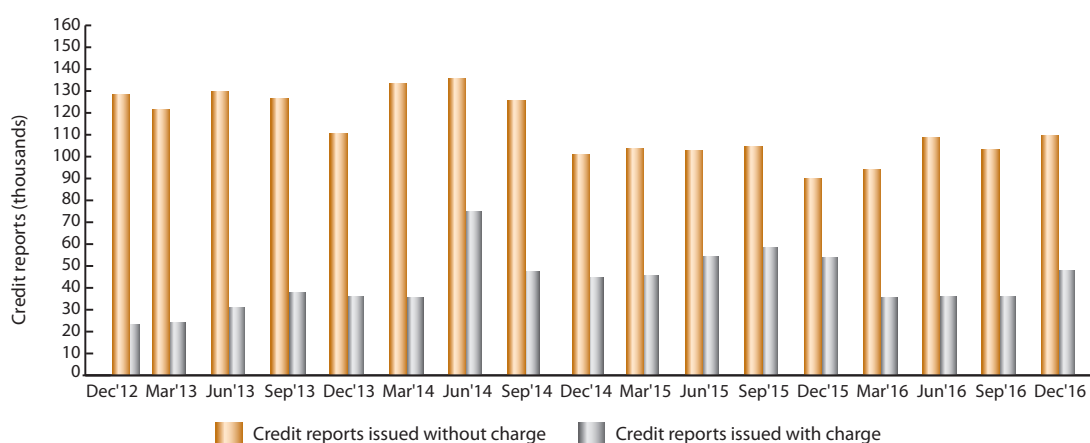
Of the total 157,731 credit reports issued to consumers at their request during the quarter ended December 2016, 69.6% (109,797) were issued without charge, and the remaining 30.4% (47,934) were issued with charge. The total number of credit reports issued increased by 13.1% quarter-on-quarter and 9.4% 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 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Sep 14 to Dec 14	Dec 14 to Mar 15	Mar 15 to Jun 15	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec 15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16	Dec 16 to Sep 16
Issued without charge	125,689	101,119	103,771	102,967	104,688	90,150	93,977	108,818	103,258	109,797	-19.5%	2.6%	-0.8%	1.7%	-13.9%	4.2%	15.8%	-5.1%	6.3%
Issued with charge	47,505	44,804	45,451	54,283	58,435	54,060	35,481	36,195	36,144	47,934	-5.7%	1.4%	19.4%	7.6%	-7.5%	-34.4%	2.0%	-0.1%	32.4%
Total issued	173,194	145,923	149,222	157,250	163,118	144,210	129,458	145,013	139,402	157,731	-15.7%	2.3%	5.4%	3.7%	-11.6%	-10.2%	12.0%	-3.9%	13.1%

Figure 7: Credit reports issued



Consumer disputes

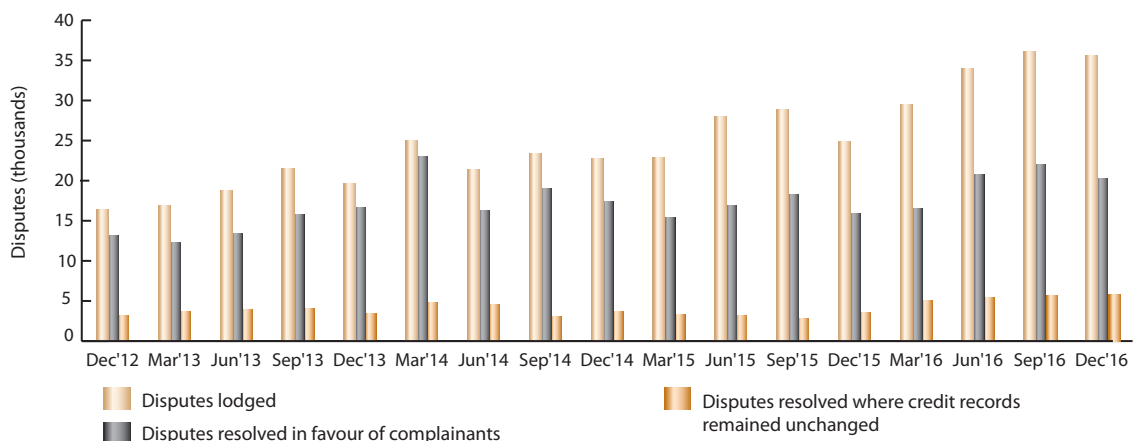
There were 35,673 disputes lodged in respect of the accuracy of the information recorded on consumer credit records in the quarter ended December 2016. This was a decrease of 1.2% quarter-on-quarter and 43.2% year-on-year. More disputes were resolved in favour of complainants (22,333) as compared to disputes where credit records remained unchanged (5,807).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Disputes:	Number of disputes									Percentage change							
	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Dec 14 to Mar 15	Mar 15 to Jun 15	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec 15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16
Lodged	22,822	22,912	27,988	28,856	24,920	29,558	33,989	36,118	35,673	0.4%	22.2%	3.1%	-13.6%	18.6%	15.0%	6.3%	-1.2%
Resolved in favour of complainants	17,397	15,349	16,896	18,275	15,870	16,587	20,825	22,060	20,333	-11.8%	10.1%	8.2%	-13.2%	4.5%	25.6%	5.9%	-7.8%
Resolved where credit record remained unchanged	3,710	3,371	3,187	2,845	4,068	4,246	5,004	5,687	5,807	-9.1%	-5.5%	-10.7%	43.0%	4.4%	17.9%	13.6%	1.4%

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 thirty eight quarters from September 2007 to December 2016.