

60% of consumers are in good standing

For Immediate Release

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The NCR's Credit Bureau Monitor reported 17.17 million credit active consumers for the quarter ending June 2008. The Credit Bureau Monitor contains consolidated credit bureau statistics. The NCR compiles the Credit Bureau Monitor from data submitted by registered credit bureaux in terms of the National Credit Act.

From the 17.17 million consumers, 10.38 million consumers were in good standing, while 6.79 million consumers had 'impaired records'. Consumers are considered to be "in good standing" if none of their accounts are more than two months in arrears. Consumers have impaired records when at least one of their accounts is more than two months in arrears, or if they have judgments or other negative information on their credit records.

This implies that 60.4% of all consumers have good credit records; this is slightly down from 61.6% of consumers that had good records in the March 2008 quarter. There was thus a 1.2% increase in the percentage of consumers with impaired records since the last quarter, with a cumulative increase of 3.2% since the June 2007 quarter.

In the quarter to June 2008, 110.24 million enquiries were made against consumer credit records, compared to 108.88 million enquiries for the March 2008 quarter. About 39.4% of all enquiries for credit bureau reports during the June 2008 quarter were made by banks, 25.7% by retailers and 34.9% by all other categories together. Enquiries by banks declined by 18% since the last quarter, while enquiries by retailers increased by 14%.

A total of 41,057 credit bureau reports were issued to consumers during the course of this quarter, while more than 120,000 consumers reviewed their reports over the course of the last nine months.

Leading economics firm, Econometrix, commented as follows on the Credit Bureau Monitor: "There are no indications from the figures in the report that the levels of debt stress are abnormal or excessive. However, the global and domestic economic environments suggest that the past interest rate increases will result in a further deterioration in terms of consumer and business stress before the situation improves".

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