

## **Credit on an up-hill comeback with credit providers**

*For Immediate Release*

*May 2010*

Gabriel Davel, CEO of the National Credit Regulator, said today that nearly half (45.3%) of the 18.07 million credit-active, consumers on record are struggling to meet their debt obligations. Further analysis shows the growth in the number of accounts falling within the three plus months' arrears category has risen by just over half a million accounts to 10.16 million in the quarter ended December 2009. It does appear that the rate at which consumers are falling into the impaired record category is slowing.

The number of consumers with impaired records is still increasing, with an increase of 90,000 over the previous quarter and an increase of 880,000 over the previous year. However, the percentage increase is the lowest that it has been for 2 years, indicating that the level of debt stress may be easing.

The volume of credit enquiries reached 146.88 million, in the quarter ended December 2009 reflecting a higher increase than that of the December 2008 quarter – 1,3 million enquiries versus 430 000. The number of enquiries made on consumer credit records during the quarter was an increase of 0.4% quarter-on-quarter and 44.7% year-on-year. The statistics do indicate a continued increase in overall marketing of credit products. However, a significant percentage of enquiries appear to relate to risk management by banks and retailers.

A pleasing trend is evident in the increasing demand by consumers for access to their personal credit records. There were 65,082 free credit reports issued for the December 2009 quarter and consumers had to pay for 10,935 credit reports. Consumers lodged 10,573 disputes on information held on their credit records, a 1.7% increase quarter-on-quarter and 17.2% increase year-on-year.

The demand for access to personal credit records is likely to be sustained as credit bureaus and the National Credit Regulator continue to implement campaigns encouraging consumers to review and manage their credit information.

Credit bureaus update consumer credit records based on information received from credit providers. The National Credit Regulator (NCR) regulates and monitors registered credit bureaus. The findings reported above are taken from the reports submitted to the NCR for the quarter ended December 2009.

Comparisons in this release - 'quarter-on-quarter' refers to a comparison between the December 2009 and September 2009 quarters, and 'year-on-year' refers to a comparison between the December 2009 and December 2008 quarters.

*Issued by:*  
Bullion PR & Communication  
Lola Lazarus

*On behalf of:*  
National Credit Regulator  
Lebogang Selibi  
Tel: (011) 554-2722