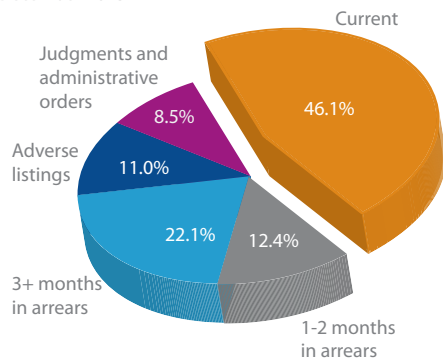


Credit Bureau Monitor

Fourth Quarter | December 2015

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Credit standing of consumers: December 2015



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 2011 to December 2015, 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 2015:

- Credit bureaus held records for 23.74 million credit-active consumers, an increase of 1.3% when compared to the 23.45 million in the previous quarter. Consumers classified in good standing increased by 343,000, to 13.87 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 0.7% quarter-on-quarter and 3.3% year-on-year.
- The number of consumers with impaired records decreased by 47,000 to 9.87 million, from 9.91 million in the previous quarter.
- The number of accounts increased from 80.60 million in the previous quarter to 83.55 million. The number of impaired accounts decreased from 20.24 million to 19.99 million when compared to the previous quarter, a decrease of 245,000 quarter-on-quarter and 2.29 million year-on-year.
- A total of 418.69 million enquiries were made on consumer credit records, an increase of 11.3% quarter-on-quarter and a decrease of 3.2% year-on-year. Enquiries initiated by consumers accounted for 15.64 million of all enquiries, a decrease of 0.9% quarter-on-quarter and 0.9% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 66.6%, enquiries from retailers accounted for 6.4% and enquiries from telecommunication providers accounted for 2.7%. Banks and other financial institutions' enquiries increased by 6.4% from the previous quarter, retailers increased by 2.7% and telecommunication providers decreased by 16.7%.
- The number of credit reports issued to consumers decreased to 144,210. Of the total credit reports issued, 62.5% (90,150) were issued without charge, and the remaining 37.5% (54,060) were issued with charge.
- There were 24,920 disputes lodged on information held on consumer credit records for the quarter ended December 2015, a decrease of 13.6% quarter-on-quarter and an increase of 9.2% year-on-year.

Introduction

The information reflected in this Credit Bureau Monitor covers the period from the quarter ended December 2011 to December 2015.

Comparisons in this report: “quarter-on-quarter” refers to a comparison between the December 2015 and September 2015 quarters, and “year-on-year” refers to a comparison between the December 2015 and December 2014 quarters.

Credit-active consumers

There were 23.74 million credit-active consumers as at the end of December 2015

Credit bureaus held records for more than 48.50 million individuals on their databases as at the end of December 2015. From these records, 23.74 million (49.0%) were credit-active and the remaining records contained only identification information and no credit activity. The number of credit-active consumers increased by 296,000 quarter-on-quarter and 897,000 year-on-year.

The percentage of consumers in good standing increased this quarter

Consumers classified in good standing increased by 343,000 to 13.87 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 0.7% quarter-on-quarter and 3.3% year-on-year. Of the total 23.74 million credit-active consumers, 58.4% were in good standing.

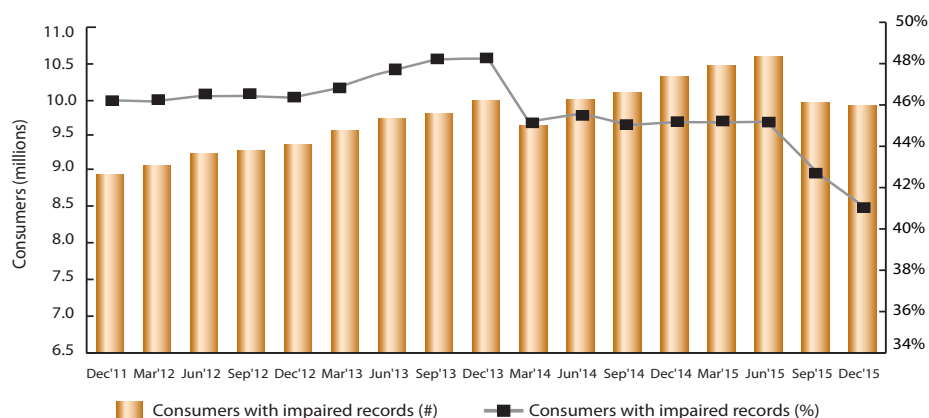
The number of consumers with impaired records (the inverse of those in good standing) decreased by 47,000 to 9.87 million. The percentage of credit-active consumers with impaired records decreased to 41.6%, comprising of 22.1% of consumers in three months or more in arrears, 11.0% of consumers with adverse listings, and 8.5% 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 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15
Good standing (#)	10.55m	10.52m	10.53m	10.71m	12.11m	12.17m	12.45m	12.58m	12.70m	12.84m	13.53m	13.87m
Good standing (%)	52.5%	52.0%	51.9%	51.9%	55.8%	55.0%	55.3%	55.1%	55.0%	54.9%	57.7%	58.4%
Current (%)	37.2%	37.9%	38.2%	38.1%	41.5%	42.2%	42.3%	42.6%	42.2%	42.8%	46.1%	46.1%
1-2 months in arrears (%)	15.4%	14.2%	13.7%	13.8%	14.3%	12.8%	13.0%	12.5%	12.7%	12.1%	11.6%	12.4%
Impaired records (#)	9.53m	9.69m	9.76m	9.93m	9.60m	9.95m	10.05m	10.26m	10.41m	10.53m	9.91m	9.87m
Impaired records (%)	47.5%	48.0%	48.1%	48.1%	44.2%	45.0%	44.7%	44.9%	45.0%	45.1%	42.3%	41.6%
3+ months in arrears (%)	20.5%	21.1%	21.0%	20.1%	32.4%	28.3%	26.3%	23.8%	22.4%	21.5%	21.6%	22.1%
Adverse listings (%)	13.5%	13.5%	14.0%	15.4%	0.0%	5.2%	7.3%	10.4%	12.2%	13.5%	11.8%	11.0%
Judgments and administration orders (%)	13.5%	13.3%	13.1%	12.6%	11.8%	11.4%	11.1%	10.7%	10.4%	10.1%	8.8%	8.5%
Credit-active consumers (#)	20.08m	20.21m	20.29m	20.64m	21.71m	22.12m	22.50m	22.84m	23.11m	23.37m	23.45m	23.74m

Figure 1: Consumers with impaired records



Consumer accounts

There were 83.55 million accounts on record at the bureaus as at the end of December 2015

At the end of the reporting quarter there were 83.55 million accounts recorded at registered credit bureaus. This was an increase of 3.7% quarter-on-quarter and 1.7% year-on-year.

The percentage of accounts in good standing increased this quarter

Of the 83.55 million accounts, 63.56 million (76.1%) were classified as in good standing, a positive variance of 1.2% quarter-on-quarter and 3.2% year-on-year.

As at the end of December 2015:

- 68.4% of accounts were classified as current (increased quarter-on-quarter by 0.8% and year-on-year by 3.2%).
- 7.7% had missed one or two instalments (increased quarter-on-quarter by 0.4% and year-on-year by 0.1%).
- 17.8% had missed three or more instalments (decreased quarter-on-quarter by 0.6% and year-on-year by 2.3%).
- 4.4% had adverse listings (decreased quarter-on-quarter by 0.4% and increased year-on-year by 0.2%).
- 1.8% had judgments or administration orders (decreased quarter-on-quarter by 0.1% and year-on-year by 0.6%).

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

Table 2: Credit standing of accounts

	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15
Good standing (#)	52.42m	52.33m	51.92m	53.44m	57.91m	58.15m	59.55m	59.84m	59.66m	60.47m	60.37m	63.56m
Good standing (%)	74.1%	73.5%	73.0%	73.0%	75.0%	73.2%	73.3%	72.9%	72.7%	73.6%	74.9%	76.1%
Current (%)	64.3%	64.5%	64.2%	64.2%	66.1%	65.4%	65.5%	65.2%	64.7%	66.1%	67.6%	68.4%
1-2 months in arrears (%)	9.8%	9.0%	8.8%	8.8%	8.9%	7.9%	7.8%	7.6%	8.0%	7.5%	7.3%	7.7%
Impaired records (#)	18.31m	18.87m	19.25m	19.74m	19.27m	21.28m	21.64m	22.28m	22.38m	21.71m	20.24m	19.99m
Impaired records (%)	25.9%	26.5%	27.0%	27.0%	25.0%	26.8%	26.7%	27.1%	27.3%	26.4%	25.1%	23.9%
3+ months in arrears (%)	18.0%	18.5%	18.6%	18.0%	22.3%	21.3%	20.7%	20.1%	19.8%	18.9%	18.4%	17.8%
Adverse listings (%)	5.0%	5.1%	5.5%	6.2%	0.0%	2.9%	3.4%	4.6%	5.1%	5.2%	4.8%	4.4%
Judgments and administration orders (%)	2.9%	2.9%	2.9%	2.8%	2.7%	2.6%	2.5%	2.4%	2.3%	2.2%	1.9%	1.8%
Consumer accounts (#)	70.73m	71.20m	71.17m	73.18m	77.18m	79.42m	81.18m	82.13m	82.04m	82.17m	80.60m	83.55m

Figure 2: Accounts with impaired records

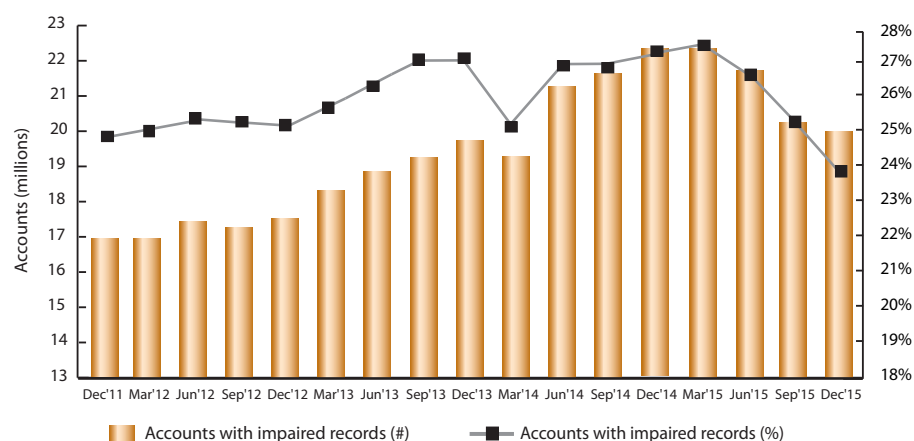
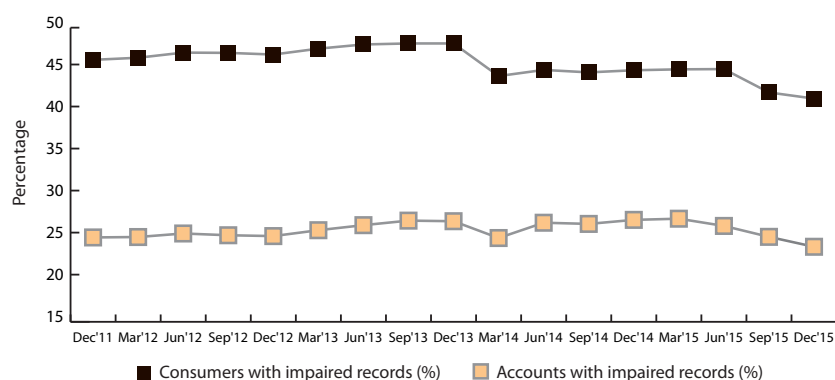


Figure 3: Consumers and accounts with impaired records



Credit market activity

Enquiries made on consumer records increased for the quarter

In the quarter ended December 2015, 418.69 million enquiries were made. This was an increase of 11.3% quarter-on-quarter and a decrease of 3.2% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 15.64 million enquiries were made due to consumers seeking credit (decreased by 0.9% quarter-on-quarter and 0.9% year-on-year).
- 0.64 million enquiries were related to telecommunication services (decreased by 13.5% quarter-on-quarter and 16.4% year-on-year).
- 14.47 million enquiries were made for tracing/debt collection purposes (decreased by 8.3% quarter-on-quarter and 18.8% year-on-year).
- 387.93 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (increased by 12.9% quarter-on-quarter and decreased by 2.6% 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 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Dec 13 to Mar 14	Mar 14 to Jun 14	Jun 14 to Sep 14	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
Consumers seeking credit	15.48	14.33	15.26	14.96	15.78	12.76	13.23	15.79	15.64	7.4%	6.5%	-1.9%	5.5%	-19.1%	3.6%	19.4%	-0.9%
Telecommunication services	0.73	0.72	0.69	0.76	0.77	0.81	0.91	0.74	0.64	-1.5%	-4.7%	10.3%	1.8%	5.6%	12.2%	-18.4%	-13.5%
Tracing/debt collection purposes	14.42	11.82	14.14	19.31	17.83	17.51	22.62	15.77	14.47	-18.1%	19.7%	36.5%	-7.7%	-1.8%	29.2%	-30.3%	-8.3%
Other	318.02	306.79	335.68	344.31	398.33	304.99	376.01	343.74	387.93	-3.5%	9.4%	2.6%	15.7%	-23.4%	23.3%	-8.6%	12.9%
Total	348.66	333.66	365.76	379.35	432.71	336.08	412.77	376.04	418.69	-4.3%	9.6%	3.7%	14.1%	-22.3%	22.8%	-8.9%	11.3%

Figure 4: Enquiries due to consumers seeking credit

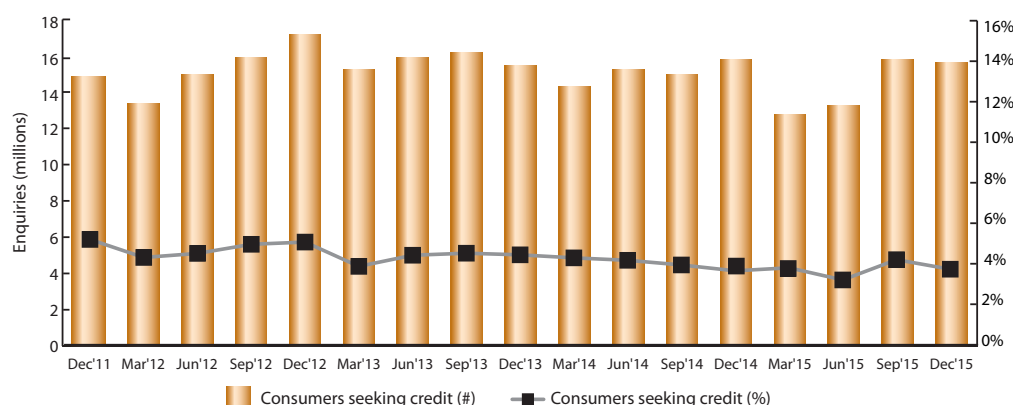
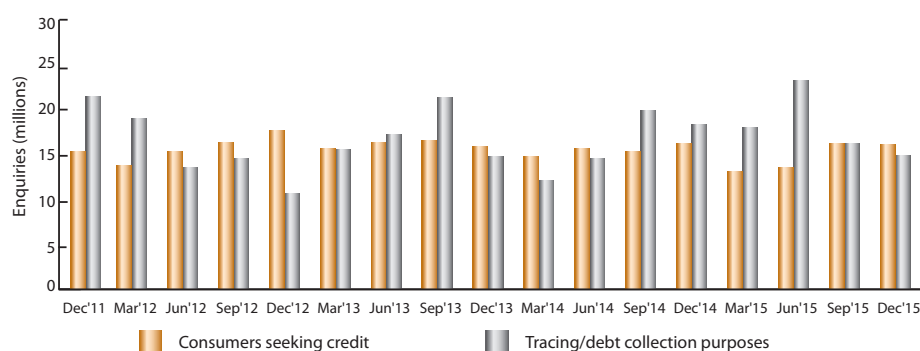


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



Enquiry sectoral analysis

In the quarter ended December 2015, 279.00 million enquiries were made by banks and other financial institutions, an increase of 6.4% quarter-on-quarter and a decrease of 17.6% year-on-year. Retailers made 26.90 million enquiries on consumer records, which was an increase of 2.7% quarter-on-quarter and 176.5% year-on-year. Enquiries made by telecommunication providers decreased by 16.7% quarter-on-quarter and 27.4% year-on-year, to 11.14 million in December 2015 quarter. Enquiries made by debt collection agencies decreased by 22.6% quarter-on-quarter and increased by 2.9% year-on-year, to 3.10 million in December 2015 quarter. Enquiries made by all other entities showed a quarter-on-quarter increase of 40.1% and 49.7% year-on-year, to 98.55 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 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Dec 13 to Mar 14	Mar 14 to Jun 14	Jun 14 to Sep 14	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
Banks and other financial institutions	297.73	278.12	305.52	311.16	338.76	251.74	313.86	262.10	279.00	-6.6%	9.9%	1.8%	8.9%	-25.7%	24.7%	-16.5%	6.4%
Retailers	10.22	11.88	16.43	11.49	9.73	10.03	10.27	26.19	26.90	16.3%	38.2%	-30.1%	-15.3%	3.1%	2.5%	155.0%	2.7%
Telecommunication providers	10.64	8.95	10.76	12.32	15.36	13.04	22.08	13.38	11.14	-15.9%	20.2%	14.6%	24.6%	-15.1%	69.4%	-39.4%	-16.7%
Debt collection agencies	3.26	2.86	4.38	8.13	3.02	4.87	3.90	4.01	3.10	-12.4%	53.3%	85.6%	-62.9%	61.7%	-19.9%	2.7%	-22.6%
All other entities	26.81	31.85	28.68	36.25	65.84	56.40	62.65	70.37	98.55	18.8%	-10.0%	26.4%	81.6%	-14.3%	11.1%	12.3%	40.1%
Total	348.66	333.66	365.76	379.35	432.71	336.08	412.77	376.04	418.69	-4.3%	9.6%	3.7%	14.1%	-22.3%	22.8%	-8.9%	11.3%

Figure 6: All enquiries – distribution according to sectors

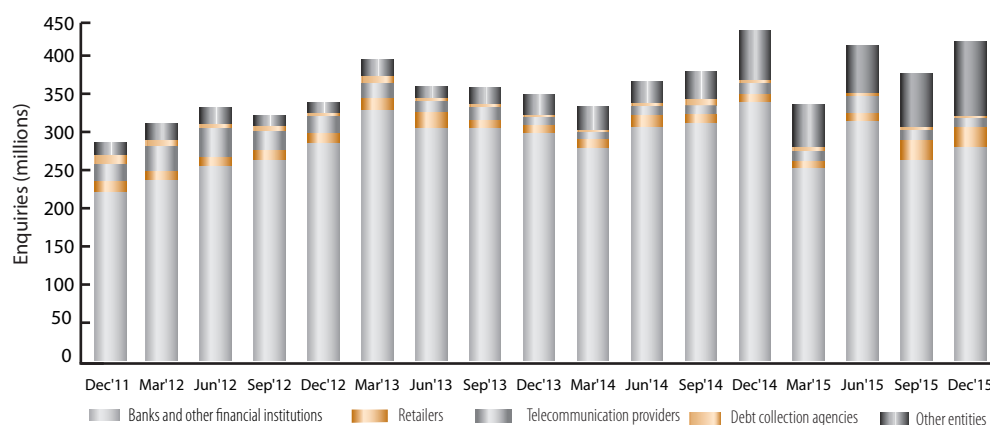


Table 5: Enquiries by banks and other financial institutions

Number of enquiries (millions)										Percentage change							
Enquiry purpose:	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Dec 13 to Mar 14	Mar 14 to Jun 14	Jun 14 to Sep 14	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
Consumers seeking credit	11.89	11.39	12.03	12.13	12.44	10.37	10.77	13.11	13.20	-4.3%	5.7%	0.8%	2.6%	-16.7%	3.9%	21.7%	0.7%
Tracing/debt collection purposes	1.84	2.50	3.29	3.70	2.93	1.57	1.36	1.34	1.77	36.3%	31.4%	12.3%	-20.8%	-46.3%	-13.7%	-1.2%	31.5%
Other purposes	283.99	264.23	290.20	295.33	323.39	239.79	301.73	247.65	264.03	-7.0%	9.8%	1.8%	9.5%	-25.9%	25.8%	-17.9%	6.6%
Banks and other financial institutions	297.73	278.12	305.52	311.16	338.76	251.74	313.86	262.10	279.00	-6.6%	9.9%	1.8%	8.9%	-25.7%	24.7%	-16.5%	6.4%

Table 6: Enquiries by retailers

Number of enquiries (millions)										Percentage change							
Enquiry purpose:	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Dec 13 to Mar 14	Mar14 to Jun 14	Jun 14 to Sep 14	Sep 14 to Dec 14	Dec 14 to Mar 15	Mar15 to Jun 15	Jun 15 to Sep 15	Sep 15 to Dec 15
Consumers seeking credit	3.59	2.94	3.22	2.83	3.34	2.39	2.45	2.68	2.43	-17.9%	9.5%	-12.2%	18.0%	-28.3%	2.6%	9.2%	-9.2%
Tracing/debt collection purposes	0.77	0.57	0.62	0.94	1.07	1.00	1.22	1.31	1.27	-25.9%	7.5%	52.4%	14.5%	-6.5%	21.4%	7.5%	-2.7%
Other purposes	5.86	8.37	12.59	7.72	5.31	6.63	6.60	22.20	23.19	42.8%	50.4%	-38.7%	-31.2%	24.7%	-0.4%	236.4%	4.4%
Retailers	10.22	11.88	16.43	11.49	9.73	10.03	10.27	26.19	26.90	16.3%	38.2%	-30.1%	-15.3%	3.1%	2.5%	155.0%	2.7%

Table 7: Enquiries by telecommunication providers

Number of enquiries (millions)										Percentage change							
Enquiry purpose:	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Dec 13 to Mar 14	Mar 14 to Jun 14	Jun 14 to Sep 14	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
Telecommunication services	0.73	0.72	0.69	0.76	0.77	0.81	0.91	0.74	0.64	-1.5%	-4.7%	10.3%	1.8%	5.6%	12.2%	-18.4%	-13.5%
Tracing/debt collection purposes	7.21	4.22	4.11	4.94	9.45	8.27	14.64	7.27	6.71	-41.4%	-2.6%	20.2%	91.1%	-12.5%	77.2%	-50.3%	-7.7%
Other purposes	2.71	4.01	5.96	6.62	5.14	3.96	6.53	5.36	3.79	48.0%	48.7%	11.2%	-22.4%	-23.0%	64.8%	-17.9%	-29.4%
Telecommunication providers	10.64	8.95	10.76	12.32	15.36	13.04	22.08	13.38	11.14	-15.9%	20.2%	14.6%	24.6%	-15.1%	69.4%	-39.4%	-16.7%

Credit bureau activity

Demand for credit reports increased for the quarter

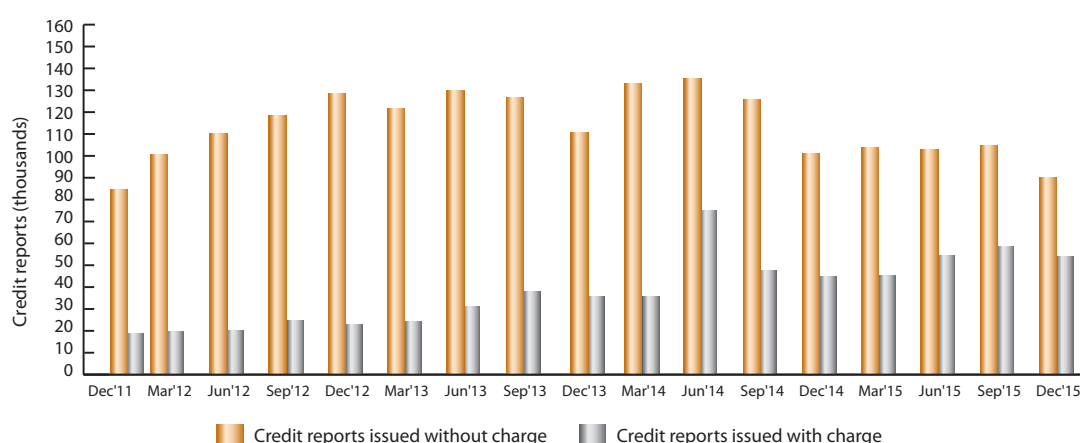
Of the total 144,210 credit reports issued to consumers at their request during the quarter ended December 2015, 62.5% (90,150) were issued without charge, and the remaining 37.5% (54,060) were issued with charge. The total number of credit reports issued decreased by 11.6% quarter-on-quarter and 1.2% 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 13	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Sep 13 to Dec 13	Dec 13 to Mar 14	Mar 14 to Jun 14	Jun 14 to Sep 14	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
Issued without charge	126,591	110,803	133,216	135,650	125,689	101,119	103,771	102,967	104,688	90,150	-12.5%	20.2%	1.8%	-7.3%	-19.5%	2.6%	-0.8%	1.7%	-13.9%
Issued with charge	37,846	35,854	35,613	75,019	47,505	44,804	45,451	54,283	58,435	54,060	-5.3%	-0.7%	110.7%	-36.7%	-5.7%	1.4%	19.4%	7.6%	-7.5%
Total issued	164,437	146,657	168,829	210,669	173,194	145,923	149,222	157,250	163,118	144,210	-10.8%	15.1%	24.8%	-17.8%	-15.7%	2.3%	5.4%	3.7%	-11.6%

Figure 7: Credit reports issued



Consumer disputes

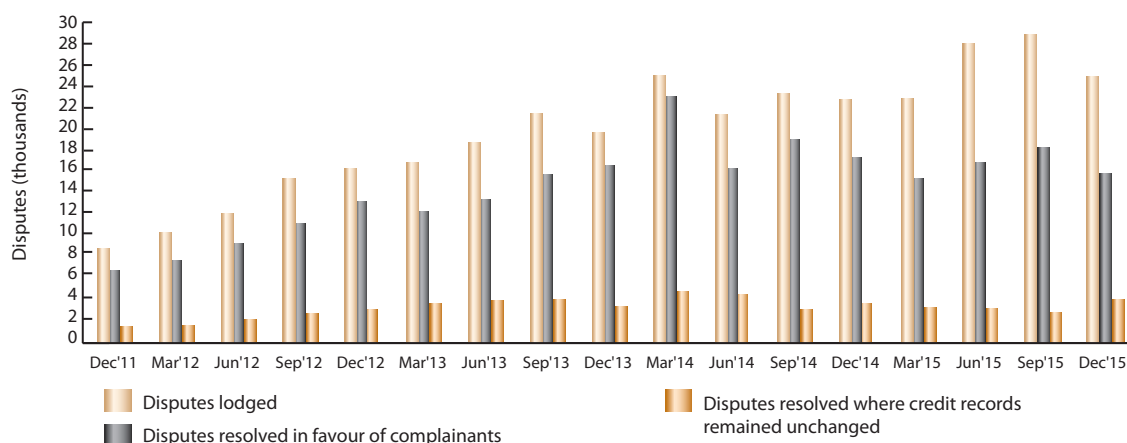
In the quarter ended December 2015, 24,920 disputes were lodged in respect of the accuracy of the information recorded on consumer credit records. This was a decrease of 13.6% quarter-on-quarter and an increase of 9.2% year-on-year. More disputes were resolved in favour of complainants (15,870) as compared to disputes where credit records remained unchanged (4,068).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Number of disputes										Percentage change							
Disputes:	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Dec 13 to Mar 14	Mar 14 to Jun 14	Jun 14 to Sep 14	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
Lodged	19,658	25,005	21,339	23,334	22,822	22,912	27,988	28,856	24,920	27.2%	-14.7%	9.3%	-2.2%	0.4%	22.2%	3.1%	-13.6%
Resolved in favour of complainants	16,643	23,016	16,307	19,003	17,397	15,349	16,896	18,275	15,870	38.3%	-29.1%	16.5%	-8.5%	-11.8%	10.1%	8.2%	-13.2%
Resolved where credit record remained unchanged	3,391	4,839	4,582	3,117	3,710	3,371	3,187	2,845	4,068	42.7%	-5.3%	-32.0%	19.0%	-9.1%	-5.5%	-10.7%	43.0%

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 five quarters from June 2007 to December 2015.