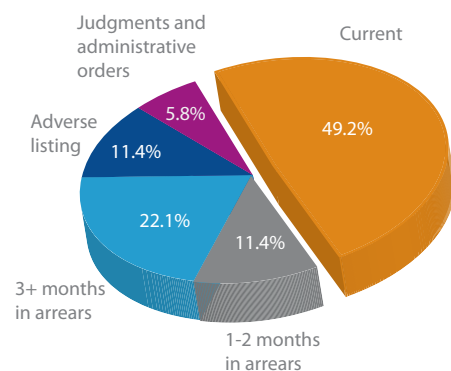


Credit Bureau Monitor

Third Quarter | September 2017

- Credit-active consumers..... 2
- Consumer accounts 3
- Credit market activity 4
- Credit bureau activity..... 7
- Definitions 8

Credit standing of consumers: September 2017



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 2013 to September 2017, 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 2017:

- Credit bureaus held records for 25.08 million credit-active consumers, an increase of 1.2% when compared to the 24.78 million in the previous quarter. Consumers classified in good standing increased by 115,427 to 15.21 million consumers. As a percentage of the total number of credit-active consumers, this reflects a decrease of 0.3% quarter-on-quarter and 1.3% year-on-year.
- The number of consumers with impaired records increased by 185,000, to 9.87 million.
- The number of accounts decreased from 80.02 million in the previous quarter to 78.43 million. The number of impaired accounts increased from 19.97 million to 20.19 million when compared to the previous quarter, an increase of 214,000 quarter-on-quarter and 186,000 year-on-year.
- A total of 382.29 million enquiries were made on consumer credit records, a decrease of 20.4% quarter-on-quarter and 15.8% year-on-year. Enquiries initiated by consumers accounted for 21.93 million of all enquiries, an increase of 19.0% quarter-on-quarter and an increase of 22.4% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 42.2%, enquiries from retailers accounted for 8.6% and enquiries from telecommunication providers accounted for 10.6%. Banks and other financial institutions' enquiries decreased by 40.2% from the previous quarter, retailers increased by 30.0% and telecommunication providers increased by 14.1%.
- The number of credit reports issued to consumers decreased from 146,989 in the previous quarter to 125,555. Of the total credit reports issued, 64.3% (80,735) were issued without charge, and the remaining 35.7% (44,820) were issued with charge.
- There were 31,631 disputes lodged on information held on consumer credit records for the quarter ended September 2017, an increase of 1.7% quarter-on-quarter and a decrease of 12.4% year-on-year.

Introduction

The information reflected in this Credit Bureau Monitor covers the period from the quarter ended September 2013 to September 2017.

Comparisons in this report: “quarter-on-quarter” refers to a comparison between the September 2017 and June 2017 quarters, and “year-on-year” refers to a comparison between the September 2017 and September 2016 quarters.

Credit-active consumers

There were 25.08 million credit-active consumers as at the end of September 2017

Credit bureaus held records for more than 50.79 million individuals on their databases as at the end of September 2017. From these records, 25.08 million (49.4%) were credit-active and the remaining records contained only identification information and no credit activity. The number of credit-active consumers increased by 301,000 quarter-on-quarter and 833,000 year-on-year.

The percentage of consumers in good standing decreased this quarter

Consumers classified in good standing increased by 115,000 to 15.21 million consumers. As a percentage of the total number of credit-active consumers, this reflects a decrease of 0.3% quarter-on-quarter and 1.3% year-on-year. Of the total 25.08 million credit-active consumers, 60.6% were in good standing.

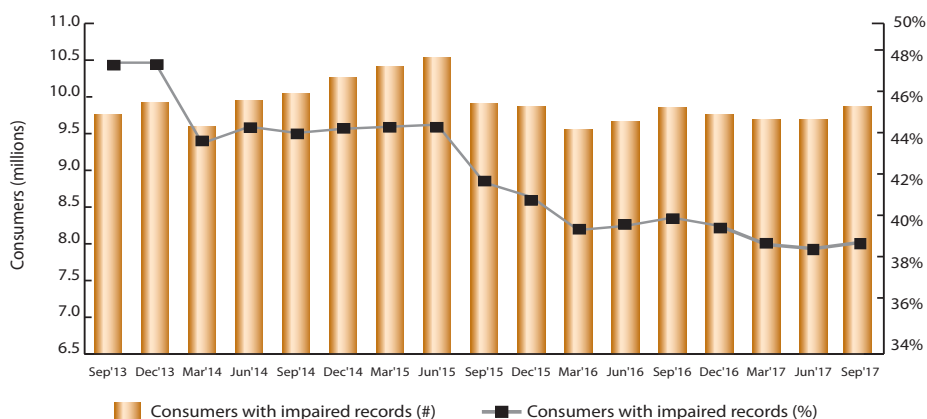
The number of consumers with impaired records (the inverse of those in good standing) increased by 185,000 to 9.87 million. The percentage of credit-active consumers with impaired records increased to 39.36%, comprising of 22.1% of consumers in three months or more in arrears, 11.4% of consumers with adverse listings, and 5.8% 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 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17
Good standing (#)	12.58m	12.70m	12.84m	13.53m	13.87m	14.33m	14.41m	14.40m	14.55m	14.99m	15.10m	15.21m
Good standing (%)	55.1%	55.0%	54.9%	57.7%	58.4%	60.0%	59.8%	59.4%	59.9%	60.7%	60.9%	60.6%
Current (%)	42.6%	42.2%	42.8%	46.1%	46.1%	47.6%	48.3%	47.6%	47.6%	48.2%	49.2%	49.2%
1-2 months in arrears (%)	12.5%	12.7%	12.1%	11.6%	12.4%	12.4%	11.6%	11.8%	12.3%	12.5%	11.7%	11.4%
Impaired records (#)	10.26m	10.41m	10.53m	9.91m	9.87m	9.55m	9.67m	9.85m	9.76m	9.69m	9.69m	9.87m
Impaired records (%)	44.9%	45.0%	45.1%	42.3%	41.6%	40.0%	40.2%	40.6%	40.2%	39.3%	39.1%	39.36%
3+ months in arrears (%)	23.8%	22.4%	21.5%	21.6%	22.1%	22.3%	22.1%	22.3%	21.8%	21.7%	22.0%	22.1%
Adverse listings (%)	10.4%	12.2%	13.5%	11.8%	11.0%	10.1%	10.7%	11.3%	11.8%	11.4%	11.2%	11.4%
Judgments and administration orders (%)	10.7%	10.4%	10.1%	8.8%	8.5%	7.6%	7.3%	6.9%	6.6%	6.2%	5.9%	5.8%
Credit-active consumers (#)	22.84m	23.11m	23.37m	23.45m	23.74m	23.88m	24.08m	24.25m	24.31m	24.68m	24.78m	25.08m

Figure 1: Consumers with impaired records



Consumer accounts

There were 78.43 million accounts on record at the bureaus as at the end of September 2017

At the end of the reporting quarter there were 78.43 million accounts recorded at registered credit bureaus. This was a decrease of 2.0% quarter-on-quarter and 6.4% year-on-year.

The percentage of accounts in good standing decreased this quarter

Of the 78.43 million accounts, 58.25 million (74.3%) were classified as in good standing, a negative variance of 0.8% quarter-on-quarter and 1.4% year-on-year.

As at the end of September 2017:

- 67.2% of accounts were classified as current (decreased quarter-on-quarter by 0.9% and 1.4% year-on-year).
- 7.1% had missed one or two instalments (increased quarter-on-quarter by 0.1% and decreased of 0.1% year-on-year).
- 18.9% had missed three or more instalments (increased quarter-on-quarter by 0.6% and year-on-year by 0.8%).
- 5.2% had adverse listings (increased quarter-on-quarter by 0.1% and year-on-year by 0.6%).
- 1.6% had judgments or administration orders (decreased quarter-on-quarter by 0.03% and decreased year-on-year by 0.02%).

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

Table 2: Credit standing of accounts

	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17
Good standing (#)	59.84m	59.66m	60.47m	60.37m	63.56m	65.03m	64.32m	63.44m	62.41m	62.73m	60.04m	58.25m
Good standing (%)	72.9%	72.7%	73.6%	74.9%	76.1%	76.5%	76.1%	75.7%	75.7%	76.1%	75.0%	74.3%
Current (%)	65.2%	64.7%	66.1%	67.6%	68.4%	69.0%	69.1%	68.5%	68.4%	68.8%	68.1%	67.2%
1-2 months in arrears (%)	7.6%	8.0%	7.5%	7.3%	7.7%	7.5%	7.0%	7.2%	7.3%	7.3%	7.0%	7.1%
Impaired records (#)	22.28m	22.38m	21.71m	20.24m	19.99m	19.92m	20.24m	20.37m	20.01m	19.70m	19.97m	20.19m
Impaired records (%)	27.1%	27.3%	26.4%	25.1%	23.9%	23.5%	23.9%	24.3%	24.3%	23.9%	25.0%	25.7%
3+ months in arrears (%)	20.1%	19.8%	18.9%	18.4%	17.8%	17.7%	17.8%	18.1%	17.9%	17.8%	18.3%	18.9%
Adverse listings (%)	4.6%	5.1%	5.2%	4.8%	4.4%	4.1%	4.5%	4.6%	4.9%	4.6%	5.1%	5.2%
Judgments and administration orders (%)	2.4%	2.3%	2.2%	1.9%	1.8%	1.7%	1.6%	1.6%	1.6%	1.5%	1.6%	1.6%
Consumer accounts (#)	82.13m	82.04m	82.17m	80.60m	83.55m	84.96m	84.56m	83.81m	82.42m	82.43m	80.02m	78.43m

Figure 2: Accounts with impaired records

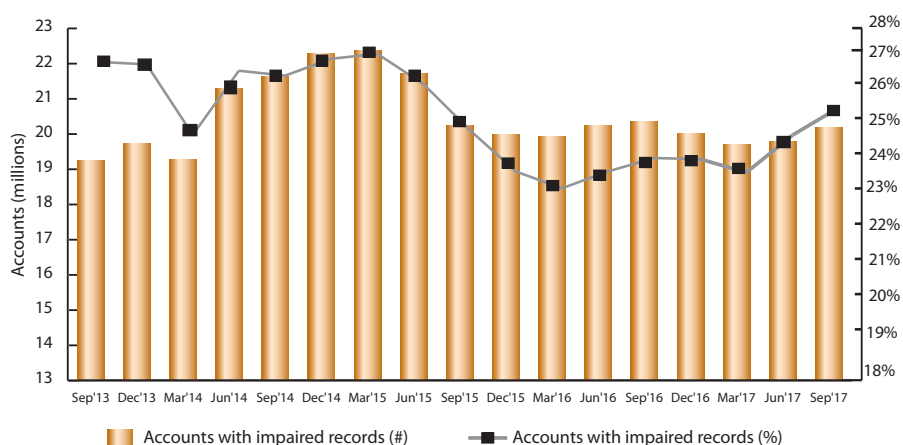
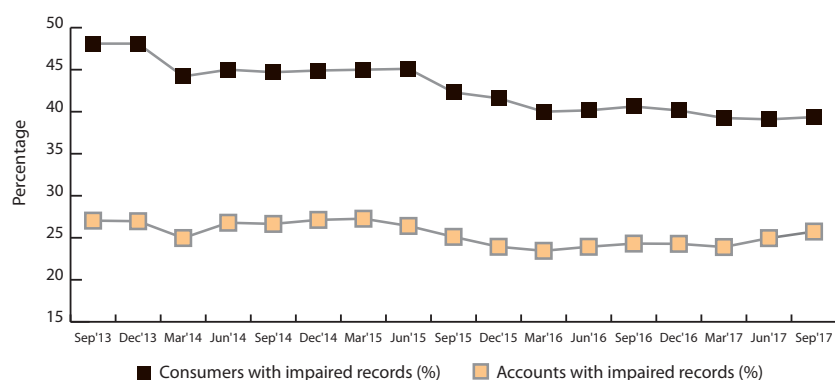


Figure 3: Consumers and accounts with impaired records



Credit market activity

Enquiries made on consumer records decreased for the quarter

There were 382.29 million enquiries made in the quarter ended September 2017. This was a decrease of 20.4% quarter-on-quarter and 15.8% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 21.93 million enquiries were made due to consumers seeking credit (increased by 19.0% quarter-on-quarter and decreased by 22.4% year-on-year).
- 1.42 million enquiries were related to telecommunication services (increased by 11.2% quarter-on-quarter and by 67.9% year-on-year).
- 31.46 million enquiries were made for tracing/debt collection purposes (increased by 30.5% quarter-on-quarter and decreased by 11.0% year-on-year).
- 327.49 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (decreased by 24.9% quarter-on-quarter and decreased 18.1% 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 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	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	Dec 16 to Mar 17	Mar 17 to Jun 17	Jun 17 to Sep 17
Consumers seeking credit	15.79	15.64	16.99	16.48	17.91	19.66	18.49	18.42	21.93	-0.9%	8.6%	-3.0%	8.6%	9.8%	-6.0%	-0.4%	19.0%
Telecommunication services	0.74	0.64	0.70	0.67	0.85	1.16	1.05	1.28	1.42	-13.5%	8.6%	-3.9%	25.7%	37.6%	-9.7%	21.5%	11.2%
Tracing/debt collection purposes	15.77	14.47	19.32	36.54	35.35	20.83	21.00	24.11	31.46	-8.3%	33.5%	89.2%	-3.2%	-41.1%	0.8%	14.8%	30.5%
Other	343.74	387.93	354.77	380.68	399.71	404.79	395.90	436.16	327.49	12.9%	-8.5%	7.3%	5.0%	1.3%	-2.2%	10.2%	-24.9%
Total	376.04	418.69	391.78	434.37	453.82	446.44	436.44	479.97	382.29	11.3%	-6.4%	10.9%	4.5%	-1.6%	-2.2%	10.0%	-20.4%

Figure 4: Enquiries due to consumers seeking credit

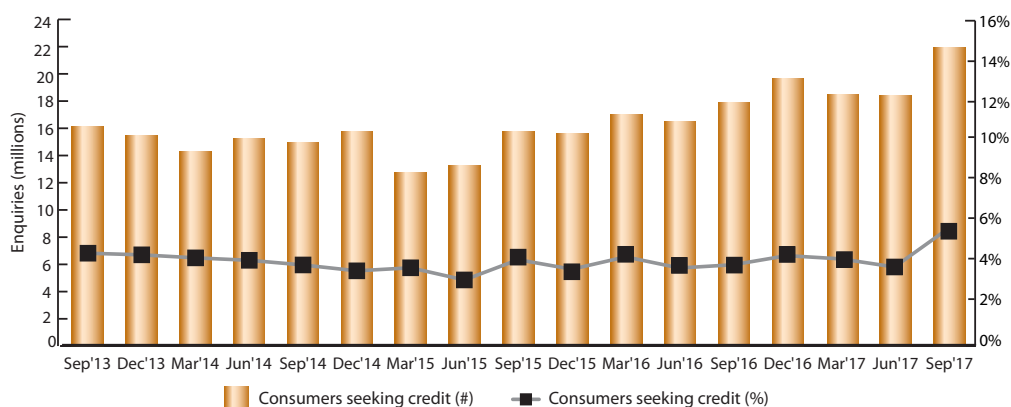
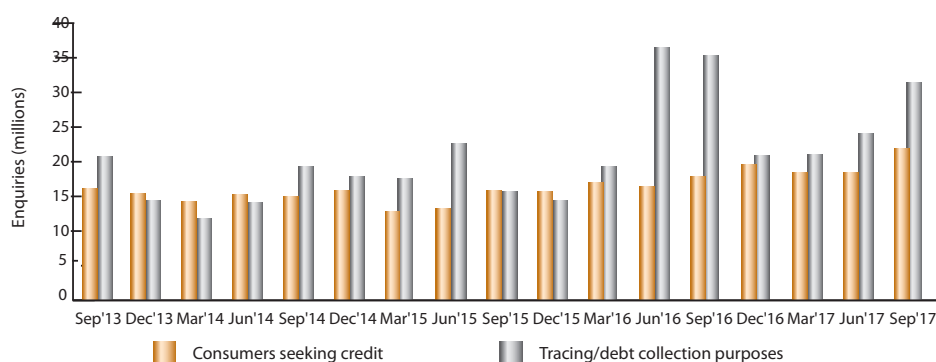


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



Enquiry sectoral analysis

There were 161.36 million enquiries made by banks and other financial institutions in the quarter ended September 2017, a decrease of 40.2% quarter-on-quarter and 37.3% year-on-year. Retailers made 33.06 million enquiries on consumer records, which was an increase of 30.0% quarter-on-quarter and 10.8% year-on-year. Enquiries made by telecommunication providers increased by 14.1% quarter-on-quarter and decreased by 36.1% year-on-year, to 40.65 million in the September 2017 quarter. Enquiries made by debt collection agencies increased by 121.6% quarter-on-quarter and by 94.4% year-on-year, to 6.64 million in September 2017 quarter. Enquiries made by all other entities decreased by 3.8% quarter-on-quarter and increased by 41.0% year-on-year, to 140.59 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 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	June 17	Sep 17	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	Dec 16 to Mar 17	Mar 17 to June 17	Jun 17 to Sep 17
Banks and other financial institutions	262.10	279.00	288.18	293.41	257.26	256.56	280.10	269.75	161.36	6.4%	3.3%	1.8%	-12.3%	-0.3%	9.2%	-3.7%	-40.2%
Retailers	26.19	26.90	26.52	26.24	29.83	26.93	30.01	25.43	33.06	2.7%	-1.4%	-1.0%	13.7%	-9.7%	11.5%	-15.3%	30.0%
Telecommunication providers	13.38	11.14	14.59	36.65	63.61	43.60	26.23	35.62	40.65	-16.7%	30.9%	151.2%	73.6%	-31.5%	-39.8%	35.8%	14.1%
Debt collection agencies	4.01	3.10	2.67	3.71	3.42	3.85	5.26	3.00	6.64	-22.6%	-13.9%	38.9%	-7.9%	12.6%	36.8%	-43.0%	121.6%
All other entities	70.37	98.55	59.82	74.36	99.70	115.50	94.84	146.17	140.59	40.1%	-39.3%	24.3%	34.1%	15.8%	-17.9%	54.1%	-3.8%
Total	376.04	418.69	391.78	434.37	453.82	446.44	436.44	479.97	382.29	11.3%	-6.4%	10.9%	4.5%	-1.6%	-2.2%	10.0%	-20.4%

Figure 6: All enquiries – distribution according to sectors

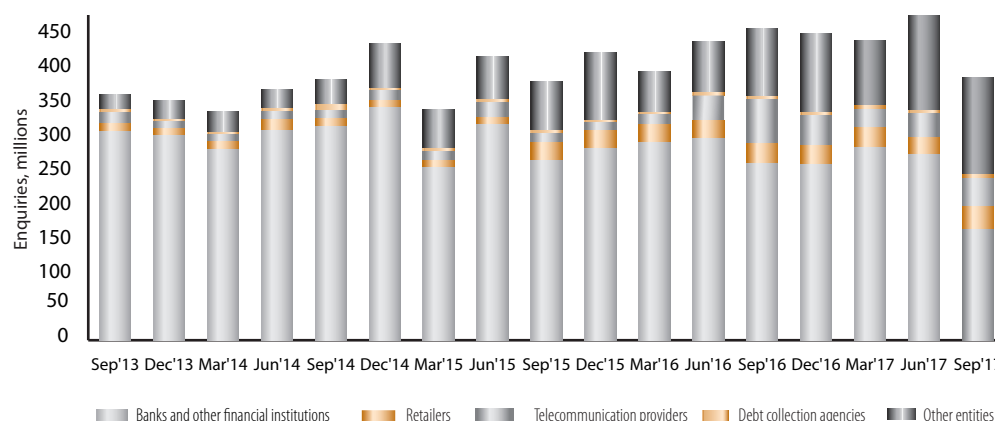


Table 5: Enquiries by banks and other financial institutions

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	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	Dec 16 to Mar 17	Mar 17 to Jun 17	Jun 17 to Sep 17
Consumers seeking credit	13.11	13.20	14.97	14.14	14.89	16.58	16.03	15.89	19.27	0.7%	13.4%	-5.5%	5.3%	11.4%	-3.3%	-0.9%	21.3%
Tracing/debt collection purposes	1.34	1.77	3.02	5.35	2.44	1.81	1.92	2.37	2.77	31.5%	71.1%	77.2%	-54.4%	-25.7%	6.2%	22.9%	16.9%
Other purposes	247.65	264.03	270.19	273.92	239.94	238.17	262.14	251.49	139.32	6.6%	2.3%	1.4%	-12.4%	-0.7%	10.1%	-4.1%	-44.6%
Banks and other financial institutions	262.10	279.00	288.18	293.41	257.26	256.56	280.10	269.75	161.36	6.4%	3.3%	1.8%	-12.3%	-0.3%	9.2%	-3.7%	-40.2%

Table 6: Enquiries by retailers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	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	Dec 16 to Mar 17	Mar 17 to Jun 17	Jun 17 to Sep 17
Consumers seeking credit	2.68	2.43	2.02	2.34	3.02	3.07	2.46	2.53	2.65	-9.2%	-17.1%	16.1%	29.0%	1.7%	-20.1%	3.1%	4.7%
Tracing/debt collection purposes	1.31	1.27	1.86	1.80	0.81	0.5	1.02	0.42	0.73	-2.7%	46.1%	-3.1%	-55.2%	-38%	103.6%	-58.9%	74.8%
Other purposes	22.20	23.19	22.64	22.10	26.00	23.35	26.54	22.48	29.68	4.4%	-2.4%	-2.4%	17.6%	-10.2%	13.6%	-15.3%	32.0%
Retailers	26.19	26.90	26.52	26.24	29.83	26.93	30.01	25.43	33.06	2.7%	-1.4%	-1.0%	13.7%	-9.7%	11.5%	-15.3%	30.0%

Table 7: Enquiries by telecommunication providers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	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	Dec 16 to Mar 17	Mar 17 to Jun 17	Jun 17 to Sep 17
Telecommunication services	0.74	0.64	0.70	0.67	0.85	1.16	1.05	1.28	1.42	-13.5%	8.6%	-3.9%	25.7%	37.6%	-9.7%	21.5%	11.2%
Tracing/debt collection purposes	7.27	6.71	8.52	16.39	26.72	13.22	10.11	16.72	19.13	-7.7%	26.9%	92.5%	63.0%	-50.5%	-23.5%	65.3%	14.4%
Other purposes	5.36	3.79	5.37	19.58	36.04	29.22	15.06	17.63	20.10	-29.4%	41.8%	264.8%	84.1%	-18.9%	-48.5%	-17.1%	14.0%
Telecommunication providers	13.38	11.14	14.59	36.65	63.61	43.60	26.23	35.62	40.65	-16.7%	30.9%	151.2%	73.6%	-31.5%	-39.8%	-35.8%	14.1%

Credit bureau activity

Demand for credit reports decreased for the quarter

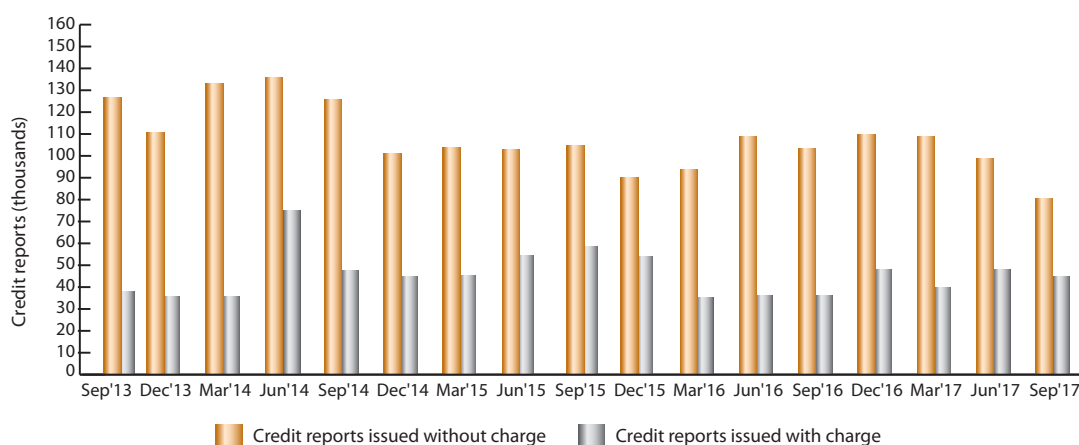
Of the total 125,555 credit reports issued to consumers at their request during the quarter ended September 2017, 64.3% (80,735) were issued without charge, and the remaining 35.7% (44,820) were issued with charge. The total number of credit reports issued decreased by 14.6% quarter-on-quarter and by 10.0% 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 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	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	Dec 16 to Mar 17	Mar 17 to Jun 17	Jun 17 to Sep 17
Issued without charge	102,967	104,688	90,150	93,977	108,818	103,258	109,797	108,695	98,964	80,735	1.7%	-13.9%	4.2%	15.8%	-5.1%	6.3%	-1.0%	-9.0%	-18.4%
Issued with charge	54,283	58,435	54,060	35,481	36,195	36,144	47,934	39,803	48,025	44,820	7.6%	-7.5%	-34.4%	2.0%	-0.1%	32.4%	-17.0%	20.7%	-6.7%
Total issued	157,250	163,118	144,210	129,458	145,013	139,402	157,731	148,498	146,989	125,555	3.7%	-11.6%	-10.2%	12.0%	-3.9%	13.1%	-5.9%	-1.0%	-14.6%

Figure 7: Credit reports issued



Consumer disputes

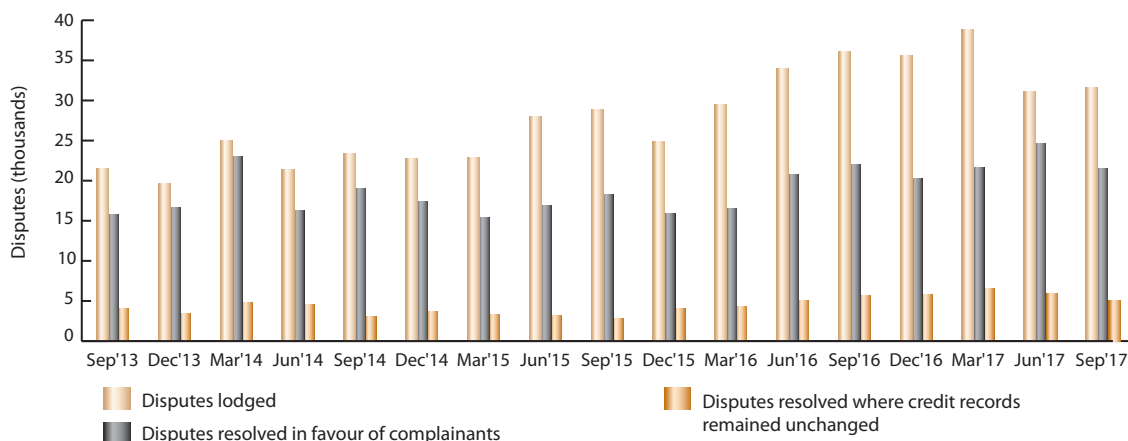
There were 31,631 disputes lodged in respect of the accuracy of the information recorded on consumer credit records in the quarter ended September 2017. This was an increase of 1.7% quarter-on-quarter and 12.4% year-on-year. More disputes were resolved in favour of complainants (21,483) as compared to disputes where credit records remained unchanged (5,012).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Disputes:	Number of disputes									Percentage change							
	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	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	Dec 16 to Mar 17	Mar 17 to Jun 17	Jun 17 to Sep 17
Lodged	28,856	24,920	29,558	33,989	36,118	35,673	38,882	31,092	31,631	-13.6%	18.6%	15.0%	6.3%	-1.2%	9.0%	-20.0%	1.7%
Resolved in favour of complainants	18,275	15,870	16,587	20,825	22,060	20,333	21,594	24,621	21,483	-13.2%	4.5%	25.6%	5.9%	-7.8%	6.2%	14.0%	-12.7%
Resolved where credit record remained unchanged	2,845	4,068	4,246	5,004	5,687	5,807	6,573	5,877	5,012	43.0%	4.4%	17.9%	13.6%	1.4%	13.2%	-10.6%	-14.7%

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 2007 to September 2017.