

# Credit Bureau Monitor

First Quarter | March 2016

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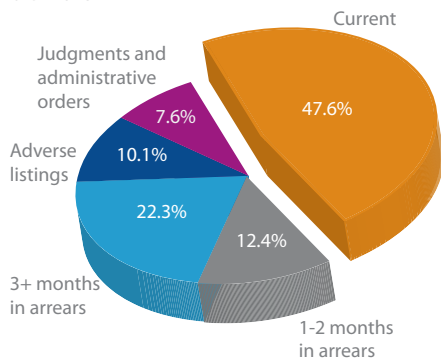
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March 2016



For further information on credit provision, please access the Consumer Credit Market Report on [www.ncr.org.za](http://www.ncr.org.za)

The information reflected in this edition of the Credit Bureau Monitor covers the period from the quarter ended March 2012 to March 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 March 2016:

- Credit bureaus held records for 23.88 million credit-active consumers, an increase of 0.6% when compared to the 23.74 million in the previous quarter. Consumers classified in good standing increased by 460,000, to 14.33 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 1.6% quarter-on-quarter and 5.0% year-on-year.
- The number of consumers with impaired records decreased by 320,000 to 9.55 million, from 9.87 million in the previous quarter.
- The number of accounts increased from 83.55 million in the previous quarter to 84.96 million. The number of impaired accounts decreased from 19.99 million to 19.92 million when compared to the previous quarter, a decrease of 67,000 quarter-on-quarter and 2.45 million year-on-year.
- A total of 391.78 million enquiries were made on consumer credit records, a decrease of 6.4% quarter-on-quarter and an increase of 16.6% year-on-year. Enquiries initiated by consumers accounted for 16.99 million of all enquiries, an increase of 8.6% quarter-on-quarter and 33.1% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 73.6%, enquiries from retailers accounted for 6.8% and enquiries from telecommunication providers accounted for 3.7%. Banks and other financial institutions' enquiries increased by 3.3% from the previous quarter, retailers decreased by 1.4% and telecommunication providers increased by 30.9%.
- The number of credit reports issued to consumers decreased to 129,458. Of the total credit reports issued, 72.6% (93,977) were issued without charge, and the remaining 27.4% (35,481) were issued with charge.
- There were 29,558 disputes lodged on information held on consumer credit records for the quarter ended March 2016, an increase of 18.6% quarter-on-quarter and 29.0% year-on-year.

## Introduction

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

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

## Credit-active consumers

**There were 23.88 million credit-active consumers as at the end of March 2016**

Credit bureaus held records for more than 48.83 million individuals on their databases as at the end of March 2016. From these records, 23.88 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 140,000 quarter-on-quarter and 773,000 year-on-year.

**The percentage of consumers in good standing increased this quarter**

Consumers classified in good standing increased by 460,000 to 14.32 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 1.6% quarter-on-quarter and 5.0% year-on-year. Of the total 23.88 million credit-active consumers, 60.0% were in good standing.

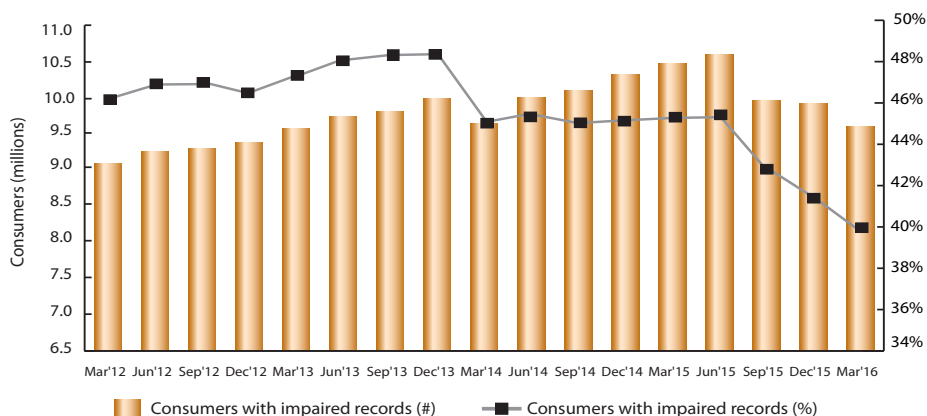
The number of consumers with impaired records (the inverse of those in good standing) decreased by 320,000 to 9.55 million. The percentage of credit-active consumers with impaired records decreased to 40.0%, comprising of 22.3% of consumers in three months or more in arrears, 10.1% of consumers with adverse listings, and 7.6% 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

	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16
Good standing (#)	10.52m	10.53m	10.71m	12.11m	12.17m	12.45m	12.58m	12.70m	12.84m	13.53m	13.87m	14.33m
Good standing (%)	52.0%	51.9%	51.9%	55.8%	55.0%	55.3%	55.1%	55.0%	54.9%	57.7%	58.4%	60.0%
Current (%)	37.9%	38.2%	38.1%	41.5%	42.2%	42.3%	42.6%	42.2%	42.8%	46.1%	46.1%	47.6%
1-2 months in arrears (%)	14.2%	13.7%	13.8%	14.3%	12.8%	13.0%	12.5%	12.7%	12.1%	11.6%	12.4%	12.4%
Impaired records (#)	9.69m	9.76m	9.93m	9.60m	9.95m	10.05m	10.26m	10.41m	10.53m	9.91m	9.87m	9.55m
Impaired records (%)	48.0%	48.1%	48.1%	44.2%	45.0%	44.7%	44.9%	45.0%	45.1%	42.3%	41.6%	40.0%
3+ months in arrears (%)	21.1%	21.0%	20.1%	32.4%	28.3%	26.3%	23.8%	22.4%	21.5%	21.6%	22.1%	22.3%
Adverse listings (%)	13.5%	14.0%	15.4%	0.0%	5.2%	7.3%	10.4%	12.2%	13.5%	11.8%	11.0%	10.1%
Judgments and administration orders (%)	13.3%	13.1%	12.6%	11.8%	11.4%	11.1%	10.7%	10.4%	10.1%	8.8%	8.5%	7.6%
Credit-active consumers (#)	20.21m	20.29m	20.64m	21.71m	22.12m	22.50m	22.84m	23.11m	23.37m	23.45m	23.74m	23.88m

Figure 1: Consumers with impaired records



## Consumer accounts

There were 84.96 million accounts on record at the bureaus as at the end of March 2016

At the end of the reporting quarter there were 84.96 million accounts recorded at registered credit bureaus. This was an increase of 1.7% quarter-on-quarter and 3.6% year-on-year.

### The percentage of accounts in good standing increased this quarter

Of the 84.96 million accounts, 65.03 million (76.5%) were classified as in good standing, a positive variance of 0.4% quarter-on-quarter and 3.8% year-on-year.

#### As at the end of March 2016:

- 69.0% of accounts were classified as current (increased quarter-on-quarter by 0.6% and year-on-year by 4.3%).
- 7.5% had missed one or two instalments (decreased quarter-on-quarter by 0.2% and year-on-year by 0.5%).
- 17.7% had missed three or more instalments (decreased quarter-on-quarter by 0.1% and year-on-year by 2.1%).
- 4.1% had adverse listings (decreased quarter-on-quarter by 0.3% and year-on-year by 1.0%).
- 1.7% 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

	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16
Good standing (#)	52.33m	51.92m	53.44m	57.91m	58.15m	59.55m	59.84m	59.66m	60.47m	60.37m	63.56m	65.03m
Good standing (%)	73.5%	73.0%	73.0%	75.0%	73.2%	73.3%	72.9%	72.7%	73.6%	74.9%	76.1%	76.5%
Current (%)	64.5%	64.2%	64.2%	66.1%	65.4%	65.5%	65.2%	64.7%	66.1%	67.6%	68.4%	69.0%
1-2 months in arrears (%)	9.0%	8.8%	8.8%	8.9%	7.9%	7.8%	7.6%	8.0%	7.5%	7.3%	7.7%	7.5%
Impaired records (#)	18.87m	19.25m	19.74m	19.27m	21.28m	21.64m	22.28m	22.38m	21.71m	20.24m	19.99m	19.92m
Impaired records (%)	26.5%	27.0%	27.0%	25.0%	26.8%	26.7%	27.1%	27.3%	26.4%	25.1%	23.9%	23.5%
3+ months in arrears (%)	18.5%	18.6%	18.0%	22.3%	21.3%	20.7%	20.1%	19.8%	18.9%	18.4%	17.8%	17.7%
Adverse listings (%)	5.1%	5.5%	6.2%	0.0%	2.9%	3.4%	4.6%	5.1%	5.2%	4.8%	4.4%	4.1%
Judgments and administration orders (%)	2.9%	2.9%	2.8%	2.7%	2.6%	2.5%	2.4%	2.3%	2.2%	1.9%	1.8%	1.7%
Consumer accounts (#)	71.20m	71.17m	73.18m	77.18m	79.42m	81.18m	82.13m	82.04m	82.17m	80.60m	83.55m	84.96m

Figure 2: Accounts with impaired records

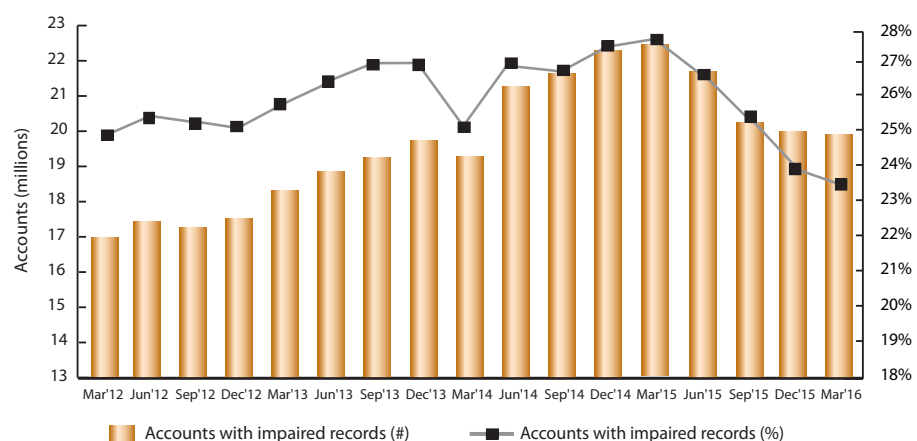
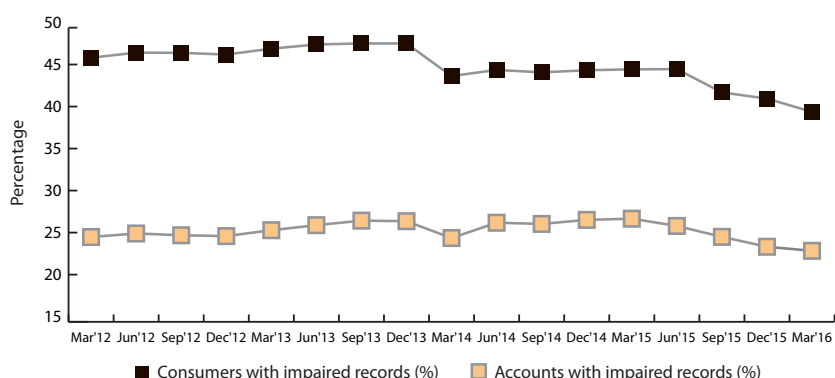


Figure 3: Consumers and accounts with impaired records



## Credit market activity

### Enquiries made on consumer records decreased for the quarter

In the quarter ended March 2016, 391.78 million enquiries were made. This was a decrease of 6.4% quarter-on-quarter and an increase of 16.6% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 16.99 million enquiries were made due to consumers seeking credit (increased by 8.6% quarter-on-quarter and 33.1% year-on-year).
- 0.70 million enquiries were related to telecommunication services (increased by 8.6% quarter-on-quarter and decreased by 14.0% year-on-year).
- 19.32 million enquiries were made for tracing/debt collection purposes (increased by 33.5% quarter-on-quarter and 10.3% year-on-year).
- 354.77 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (decreased by 8.5% quarter-on-quarter and increased by 16.3% 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							
	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	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	Dec 15 to Mar 16
Consumers seeking credit	14.33	15.26	14.96	15.78	12.76	13.23	15.79	15.64	16.99	6.5%	-1.9%	5.5%	-19.1%	3.6%	19.4%	-0.9%	8.6%
Telecommunication services	0.72	0.69	0.76	0.77	0.81	0.91	0.74	0.64	0.70	-4.7%	10.3%	1.8%	5.6%	12.2%	-18.4%	-13.5%	8.6%
Tracing/debt collection purposes	11.82	14.14	19.31	17.83	17.51	22.62	15.77	14.47	19.32	19.7%	36.5%	-7.7%	-1.8%	29.2%	-30.3%	-8.3%	33.5%
Other	306.79	335.68	344.31	398.33	304.99	376.01	343.74	387.93	354.77	9.4%	2.6%	15.7%	-23.4%	23.3%	-8.6%	12.9%	-8.5%
<b>Total</b>	<b>333.66</b>	<b>365.76</b>	<b>379.35</b>	<b>432.71</b>	<b>336.08</b>	<b>412.77</b>	<b>376.04</b>	<b>418.69</b>	<b>391.78</b>	<b>9.6%</b>	<b>3.7%</b>	<b>14.1%</b>	<b>-22.3%</b>	<b>22.8%</b>	<b>-8.9%</b>	<b>11.3%</b>	<b>-6.4%</b>

Figure 4: Enquiries due to consumers seeking credit

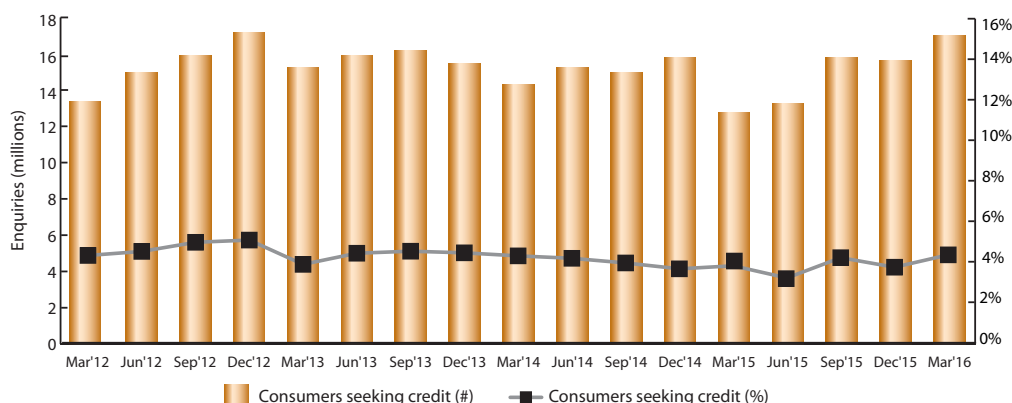
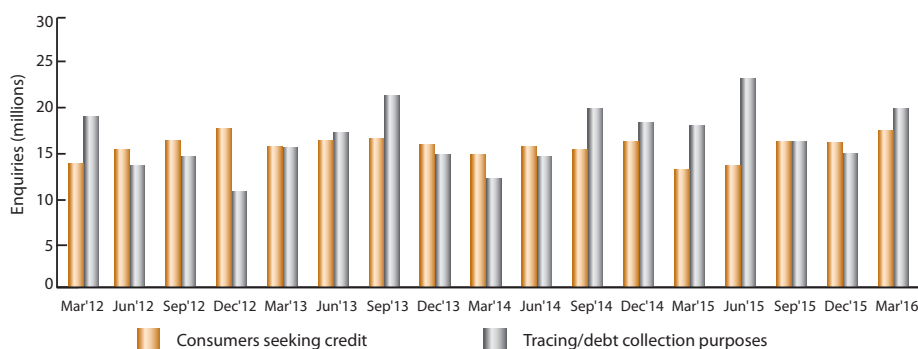


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



### Enquiry sectoral analysis

In the quarter ended March 2016, 288.18 million enquiries were made by banks and other financial institutions, an increase of 3.3% quarter-on-quarter and 14.5% year-on-year. Retailers made 26.52 million enquiries on consumer records, which was a decrease of 1.4% quarter-on-quarter and an increase of 164.5% year-on-year. Enquiries made by telecommunication providers increased by 30.9% quarter-on-quarter and 11.9% year-on-year, to 14.59 million in March 2016 quarter. Enquiries made by debt collection agencies decreased by 13.9% quarter-on-quarter and 45.2% year-on-year, to 2.67 million in March 2016 quarter. Enquiries made by all other entities showed a quarter-on-quarter decrease of 39.3% and a year-on-year increase of 6.1%, to 59.82 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							
	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	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	Dec 15 to Mar 16
Banks and other financial institutions	278.12	305.52	311.16	338.76	251.74	313.86	262.10	279.00	288.18	9.9%	1.8%	8.9%	-25.7%	24.7%	-16.5%	6.4%	3.3%
Retailers	11.88	16.43	11.49	9.73	10.03	10.27	26.19	26.90	26.52	38.2%	-30.1%	-15.3%	3.1%	2.5%	155.0%	2.7%	-1.4%
Telecommunication providers	8.95	10.76	12.32	15.36	13.04	22.08	13.38	11.14	14.59	20.2%	14.6%	24.6%	-15.1%	69.4%	-39.4%	-16.7%	30.9%
Debt collection agencies	2.86	4.38	8.13	3.02	4.87	3.90	4.01	3.10	2.67	53.3%	85.6%	-62.9%	61.7%	-19.9%	2.7%	-22.6%	-13.9%
All other entities	31.85	28.68	36.25	65.84	56.40	62.65	70.37	98.55	59.82	-10.0%	26.4%	81.6%	-14.3%	11.1%	12.3%	40.1%	-39.3%
<b>Total</b>	<b>333.66</b>	<b>365.76</b>	<b>379.35</b>	<b>432.71</b>	<b>336.08</b>	<b>412.77</b>	<b>376.04</b>	<b>418.69</b>	<b>391.78</b>	<b>9.6%</b>	<b>3.7%</b>	<b>14.1%</b>	<b>-22.3%</b>	<b>22.8%</b>	<b>-8.9%</b>	<b>11.3%</b>	<b>-6.4%</b>

Figure 6: All enquiries – distribution according to sectors

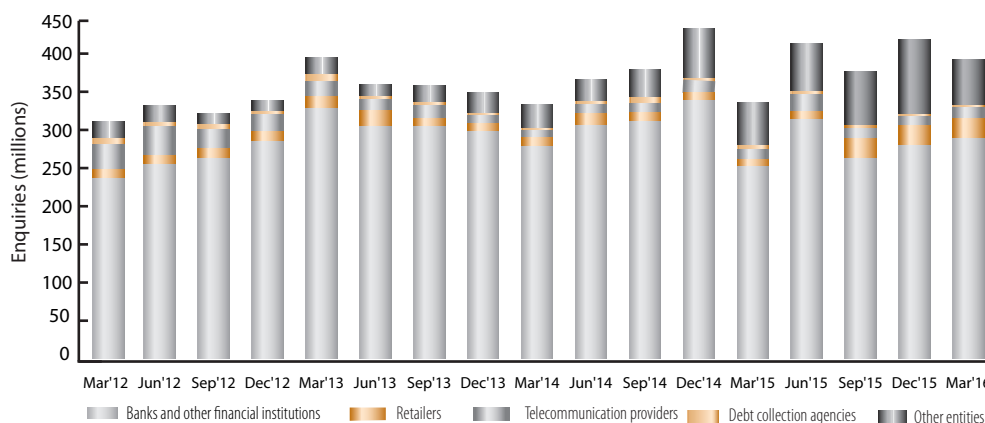


Table 5: Enquiries by banks and other financial institutions

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	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	Dec 15 to Mar 16
Consumers seeking credit	11.39	12.03	12.13	12.44	10.37	10.77	13.11	13.20	14.97	5.7%	0.8%	2.6%	-16.7%	3.9%	21.7%	0.7%	13.4%
Tracing/debt collection purposes	2.50	3.29	3.70	2.93	1.57	1.36	1.34	1.77	3.02	31.4%	12.3%	-20.8%	-46.3%	-13.7%	-1.2%	31.5%	71.1%
Other purposes	264.23	290.20	295.33	323.39	239.79	301.73	247.65	264.03	270.19	9.8%	1.8%	9.5%	-25.9%	25.8%	-17.9%	6.6%	2.3%
<b>Banks and other financial institutions</b>	<b>278.12</b>	<b>305.52</b>	<b>311.16</b>	<b>338.76</b>	<b>251.74</b>	<b>313.86</b>	<b>262.10</b>	<b>279.00</b>	<b>288.18</b>	<b>9.9%</b>	<b>1.8%</b>	<b>8.9%</b>	<b>-25.7%</b>	<b>24.7%</b>	<b>-16.5%</b>	<b>6.4%</b>	<b>3.3%</b>

Table 6: Enquiries by retailers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	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	Dec 15 to Mar 16
Consumers seeking credit	2.94	3.22	2.83	3.34	2.39	2.45	2.68	2.43	2.02	9.5%	-12.2%	18.0%	-28.3%	2.6%	9.2%	-9.2%	-17.1%
Tracing/debt collection purposes	0.57	0.62	0.94	1.07	1.00	1.22	1.31	1.27	1.86	7.5%	52.4%	14.5%	-6.5%	21.4%	7.5%	-2.7%	46.1%
Other purposes	8.37	12.59	7.72	5.31	6.63	6.60	22.20	23.19	22.64	50.4%	-38.7%	-31.2%	24.7%	-0.4%	236.4%	4.4%	-2.4%
<b>Retailers</b>	<b>11.88</b>	<b>16.43</b>	<b>11.49</b>	<b>9.73</b>	<b>10.03</b>	<b>10.27</b>	<b>26.19</b>	<b>26.90</b>	<b>26.52</b>	<b>38.2%</b>	<b>-30.1%</b>	<b>-15.3%</b>	<b>3.1%</b>	<b>2.5%</b>	<b>155.0%</b>	<b>2.7%</b>	<b>-1.4%</b>

Table 7: Enquiries by telecommunication providers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Mar 14 13 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	Dec 15 to Mar 16
Telecommunication services	0.72	0.69	0.76	0.77	0.81	0.91	0.74	0.64	0.70	-4.7%	10.3%	1.8%	5.6%	12.2%	-18.4%	-13.5%	8.6%
Tracing/debt collection purposes	4.22	4.11	4.94	9.45	8.27	14.64	7.27	6.71	8.52	-2.6%	20.2%	91.1%	-12.5%	77.2%	-50.3%	-7.7%	26.9%
Other purposes	4.01	5.96	6.62	5.14	3.96	6.53	5.36	3.79	5.37	48.7%	11.2%	-22.4%	-23.0%	64.8%	-17.9%	-29.4%	41.8%
<b>Telecommunication providers</b>	<b>8.95</b>	<b>10.76</b>	<b>12.32</b>	<b>15.36</b>	<b>13.04</b>	<b>22.08</b>	<b>13.38</b>	<b>11.14</b>	<b>14.59</b>	<b>20.2%</b>	<b>14.6%</b>	<b>24.6%</b>	<b>-15.1%</b>	<b>69.4%</b>	<b>-39.4%</b>	<b>-16.7%</b>	<b>30.9%</b>

## Credit bureau activity

### Demand for credit reports decreased for the quarter

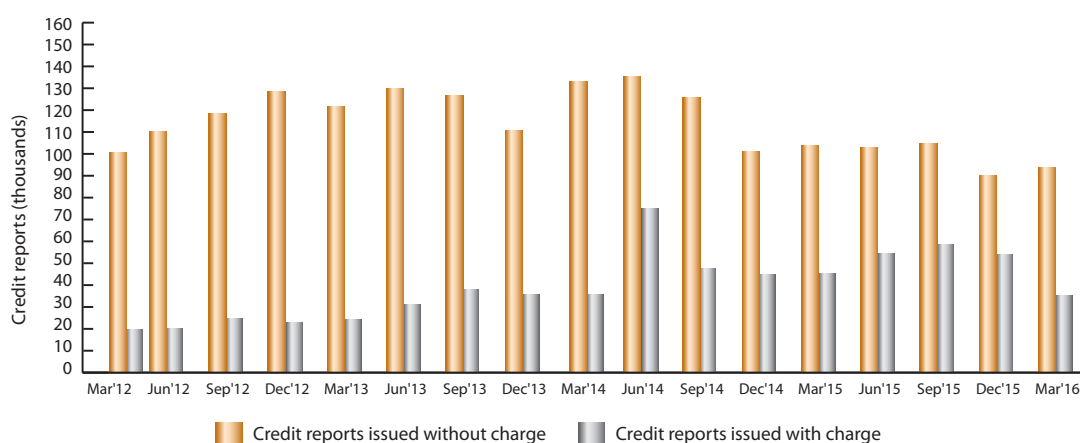
Of the total 129,458 credit reports issued to consumers at their request during the quarter ended March 2016, 72.6% (93,977) were issued without charge, and the remaining 27.4% (35,481) were issued with charge. The total number of credit reports issued decreased by 10.2% quarter-on-quarter and 13.2% year-on-year.

See Table 8 and Figure 7 for details.

Table 8: Credit reports issued

Credit reports:	Number of credit reports										Percentage change								
	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	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	Dec 15 to Mar 16
Issued without charge	110,803	133,216	135,650	125,689	101,119	103,771	102,967	104,688	90,150	93,977	20.2%	1.8%	-7.3%	-19.5%	2.6%	-0.8%	1.7%	-13.9%	4.2%
Issued with charge	35,854	35,613	75,019	47,505	44,804	45,451	54,283	58,435	54,060	35,481	-0.7%	110.7%	-36.7%	-5.7%	1.4%	19.4%	7.6%	-7.5%	-34.4%
<b>Total issued</b>	<b>146,657</b>	<b>168,829</b>	<b>210,669</b>	<b>173,194</b>	<b>145,923</b>	<b>149,222</b>	<b>157,250</b>	<b>163,118</b>	<b>144,210</b>	<b>129,458</b>	<b>15.1%</b>	<b>24.8%</b>	<b>-17.8%</b>	<b>-15.7%</b>	<b>2.3%</b>	<b>5.4%</b>	<b>3.7%</b>	<b>-11.6%</b>	<b>-10.2%</b>

Figure 7: Credit reports issued



### Consumer disputes

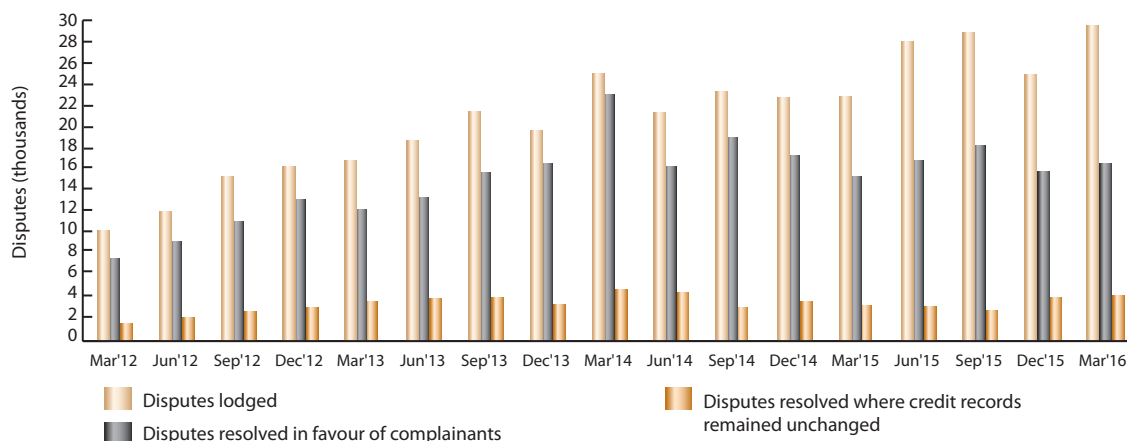
In the quarter ended March 2016, 29,558 disputes were lodged in respect of the accuracy of the information recorded on consumer credit records. This was an increase of 18.6% quarter-on-quarter and 29.0% year-on-year. More disputes were resolved in favour of complainants (16,587) as compared to disputes where credit records remained unchanged (4,246).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Disputes:	Number of disputes									Percentage change							
	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	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	Dec 15 to Mar 16
Lodged	25,005	21,339	23,334	22,822	22,912	27,988	28,856	24,920	29,558	-14.7%	9.3%	-2.2%	0.4%	22.2%	3.1%	-13.6%	18.6%
Resolved in favour of complainants	23,016	16,307	19,003	17,397	15,349	16,896	18,275	15,870	16,587	-29.1%	16.5%	-8.5%	-11.8%	10.1%	8.2%	-13.2%	4.5%
Resolved where credit record remained unchanged	4,839	4,582	3,117	3,710	3,371	3,187	2,845	4,068	4,246	-5.3%	-32.0%	19.0%	-9.1%	-5.5%	-10.7%	43.0%	4.4%

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 six quarters from June 2007 to March 2016.