

Credit extension slows down

The National Credit Regulator (NCR) released the Consumer Credit Market Report (CCMR) and the Credit Bureau Monitor (CBM). These reports are based on the data submitted to the NCR by registered credit providers and credit bureaus respectively. The latest edition of the reports covers credit market information up to March 2018.

The Chief Executive Officer (CEO) of the NCR Ms Nomsa Motshegare, announced that the latest statistics for the quarter ended March 2018 indicate that new credit granted to consumers decreased by 10.38%. The total value of new credit granted decreased quarter-on-quarter from R135.71 billion to R121.62 billion. The number of applications for credit increased by 0.04% quarter-on-quarter from 10.48 million in December 2017 to 10.49 million in March 2018.

The following were some of the most significant trends observed in terms of credit granted for the quarter ended March 2018:

- The value of new mortgages granted decreased by R5.94 billion (14.36%) quarter-on-quarter, but increased by R1.13 billion (3.29%) year-on-year.
- Secured credit which is dominated by vehicle finance, decreased by R4.89 billion (10.54%) quarter-on-quarter, but increased by R2.66 billion (6.86%) year-on-year.
- Credit facilities decreased by R788.09 million (4.50%) quarter-on-quarter, but increased by R1.40 billion (9.11%) year-on year.
- Unsecured credit decreased by R1.84 billion (7.34%) quarter-on-quarter, but increased by R3.16 billion (15.75%) year-on-year.

The total outstanding consumer credit balances (or gross debtors book) as at March 2018 was R1.78 trillion, representing an increase of 1.26% quarter-on-quarter and 4.04% year-on-year. The trends for outstanding balances for the quarter ended March 2018 were as follows:

- Mortgages debtors book increased by R9.67 billion (1.07%) quarter on quarter and by R29.72 billion (3.36%) year-on-year.
- Secured credit debtors book increased by R6.04 billion (1.48%) quarter on quarter and by R23.17 billion (5.95%) year-on-year.
- Credit facilities debtors book increased by R2.59 billion (1.14%) quarter on quarter and by R6.16 billion (2.75%) year-on-year.
- Unsecured credit debtors book increased by R2.77 billion (1.63%) quarter on quarter and by R6.82 billion (4.11%) year-on-year.

Credit bureaus held records for 25.46 million credit-active consumers, which showed an increase of 0.59% when compared to the 25.31 million in the previous quarter. Consumers classified in good standing increased by 152,320 to 15.77 million consumers. This amounts to 61.93% of the total number of credit-active consumers, an increase of 0.24% quarter-on-quarter and 1.19% year-on-year. The number of credit active accounts decreased from 79.49 million to 79.08 million in the quarter ended March 2018. The number of impaired accounts has decreased from 19.84 million (24.96%) to 19.42 million (24.55%) when compared to December 2017, a decrease of 426,000 quarter-on-quarter and 286,000 year-on-year.

The number of enquiries made on consumer credit records was 439.69 million, this was an decrease of 17.06% quarter-on-quarter but an increase of 0.74% year-on-year. Consumer initiated enquiries accounted for 24.29 million of all enquiries, an increase of 1.28% quarter-on-quarter and 31.40% year-on-year. The number of credit reports issued to consumers increased from 152,690 in the previous quarter to 196,920. A total 117,272 (59.55%) credit reports were issued without charge, and the remaining 79,648 (40.45%) were issued with charge. There were 30,853 disputes lodged on information held on consumer credit records for the quarter ended March 2018, a decrease of 5.09% quarter-on-quarter and 20.65% year-on-year.

Nomsa Motshegare, CEO at the NCR encourages consumers to get a copy of their credit reports and take control of their credit profiles and finances. Consumers must take note that they are entitled to one free credit report from all registered credit bureaus once a year. She advises

advises consumers to lodge complaints with relevant credit bureaus, should there be erroneous information on their credit reports. Inaccurate consumer credit profiles may lead to the decline of consumers' application for credit when it should rightfully be approved, concludes Motshegare.


Comparisons in this release- 'quarter-on-quarter' refers to a comparison between the December 2017 and March 2018 quarters, and 'year-on-year' refers to a comparison between the March 2017 and March 2018 quarters.

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with corrections