

**Increase in credit extension**

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 from March 2019 to June 2019. The total value of new credit granted increased by 5.36% quarter-on-quarter from R127.86 billion to R134.71 billion. The number of credit agreements entered into increased by 11.47% quarter-on-quarter from 4.19 million to 4.67 million.

The following were some of the most significant trends observed in terms of credit granted for the quarter ended June 2019:

- The value of new mortgages granted increased by R4.94 billion (14.03%) quarter-on-quarter and by R9.66 million (0.02%) year-on-year.
- Secured credit which is dominated by vehicle finance, increased by R1.35 billion (3.40%) quarter-on-quarter, but decreased by R337.69 million (0.81%) year-on-year.
- Credit facilities increased by R844.13 million (4.17%) quarter-on-quarter and by R2.49 billion (13.37%) year-on year.
- Unsecured credit increased by R392.17 million (1.39%) quarter-on-quarter and by R2.64 billion (10.14%) year-on-year.

The total outstanding consumer credit balances (or gross debtors book) as at June 2019 was R1.90 trillion, representing an increase of 1.30% quarter-on-quarter and 5.95% year-on-year.

The trends for outstanding balances for the quarter ended June 2019 were as follows:

- Mortgages debtors book increased by R10.06 billion (1.06%) for the quarter ended June 2019 and by R36.26 billion (3.93%) year-on-year.

- Secured credit debtors book increased by R3.47 billion (0.80%) for the quarter ended June 2019 and by R19.82 billion (4.76%) year-on-year.
- Credit facilities debtors book increased by R6.19 billion (2.54%) for the quarter ended June 2019 and by R18.59 billion (8.04%) year-on-year.
- Unsecured credit debtors book increased by R4.79 billion (2.39%) for the quarter ended June 2019 and by R27.08 billion (15.17%) year-on-year.

Credit bureaus held records for 25.10 million credit-active consumers, which showed a decrease of 2.31% when compared to the 25.70 million in the previous quarter. Consumers classified in good standing decreased by 677,026 to 14.87 million consumers. This amounts to 59.25% of the total number of credit-active consumers, a decrease of 1.27% quarter-on-quarter and 1.83% year-on-year. The number of credit active accounts decreased from 80.49 million to 80.12 million in the quarter ended June 2019. The number of impaired accounts has decreased from 21.53 million (26.75%) to 21.16 million (26.42%) in June 2019, a decrease of 366,803 quarter-on-quarter, but an increase of 2,095,842 year-on-year.

The number of credit reports issued to consumers increased from 208,771 to 248,785. A total 188,094 (75.61%) credit reports were issued without charge, and the balance of 60,691 (24.39%) were issued with charge. There were 37,040 disputes lodged on information held on consumer credit records for the quarter ended June 2019, an increase of 12.37% quarter-on-quarter and 13.18% year-on-year.

Nomsa Motshegare, the Chief Executive Officer (CEO) of the NCR has noted the seasonal uptick in credit extension. With the rising cost of living, unfortunately some consumers find it difficult to make ends meet. Consumers who are unable to meet their debts obligations should consider going under debt counselling. Debt counselling is a debt relief mechanism offered by the National Credit Act to ease the burden on over-indebted consumers. It also offers consumers protection from legal action while they are under debt counselling, says Motshegare.

***Comparisons in this release- 'quarter-on-quarter' refers to a comparison between the March 2019 and June 2019 quarters, and 'year-on-year' refers to a comparison between the June 2018 and June 2019 quarters.***

**Ends**

---

**Issued by:**

LEBOGANG SELIBI

National Credit Regulator

Tel: (011) 554 – 2722

E-mail: [lselibi@ncr.org.za](mailto:lselibi@ncr.org.za)

Website: [www.ncr.org.za](http://www.ncr.org.za)