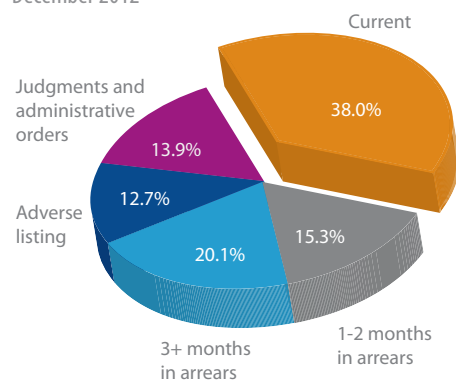


# Credit Bureau Monitor

Fourth Quarter | December 2012

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## Credit standing of consumers: December 2012



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 December 2008 to December 2012, 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 regulates and monitors registered credit bureaus and the quality of their data.

### As at the end of December 2012:

- Credit bureaus held records for 19.97 million credit-active consumers, an increase of 1.4% when compared to the 19.69 million of the previous quarter. Consumers classified in good standing increased by 179,000, to 10.62 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 0.2% quarter-on-quarter and a decrease of 0.6% year-on-year.
- The number of consumers with impaired records increased by 95,000 to 9.34 million, from 9.25 million in the previous quarter.
- The number of accounts increased from 68.28 million in the previous quarter to 69.53 million. The number of impaired accounts increased by 260,000 to 17.52 million, from 17.26 million in the previous quarter.
- A total of 339.20 million enquiries were made on consumer credit records, an increase of 5.7% quarter-on-quarter and 18.6% year-on-year. Enquiries initiated by consumers accounted for 17.18 million of all enquiries, an increase of 7.9% quarter-on-quarter and 15.5% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 84.1%, enquiries from retailers accounted for 3.7% and enquiries from telecommunication providers accounted for 6.7%. Banks and other financial institutions' enquiries increased by 8.9% from the previous quarter, retailers decreased by 10.3% and telecommunication providers decreased by 7.7%.
- The number of credit reports issued to consumers increased to 151,416. Of the total credit reports issued, 84.8% (128,339) were issued without charge, and the remaining 15.2% (23,077) were issued with charge.
- There were 16,368 disputes lodged on information held on consumer credit records for the quarter ended December 2012, an increase of 6.6% quarter-on-quarter and 85.5% year-on-year.

## Introduction

The information reflected in this Credit Bureau Monitor covers the period from the quarter ended December 2008 to December 2012.

Comparisons in this report: "quarter-on-quarter" refers to a comparison between the December 2012 and September 2012 quarters, and "year-on-year" refers to a comparison between the December 2012 and December 2011 quarters.

## Credit-active consumers

### There were 19.97 million credit-active consumers as at the end of December 2012

Credit bureaus held records for more than 43.09 million individuals on their databases as at the end of December 2012. From these records, 19.97 million (46.3%) were credit-active and the remaining records contained only identification information and no credit activity. The number of credit-active consumers increased by 274,000 quarter-on-quarter and 627,000 year-on-year.

### The number of consumers in good standing increased for the quarter

Consumers classified in good standing increased by 179,000 to 10.62 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 0.2% quarter-on-quarter and a decrease of 0.6% year-on-year. Of the total 19.97 million credit-active consumers, 53.2% were in good standing.

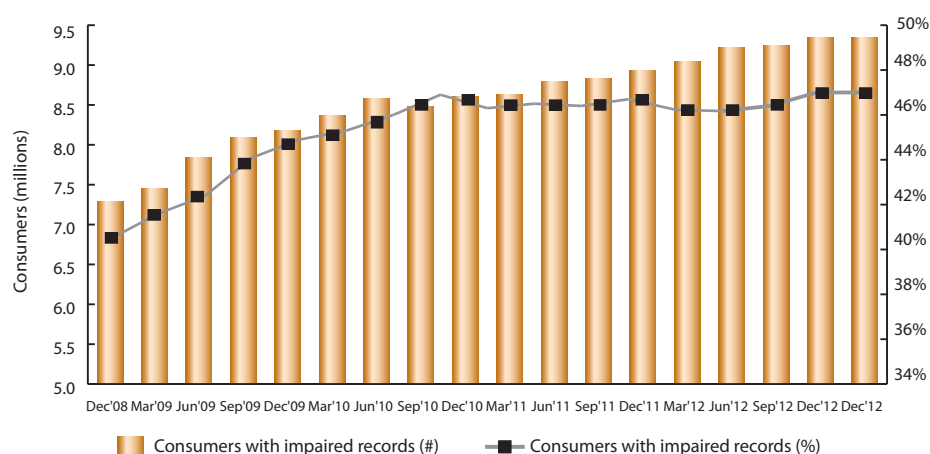
The number of consumers with impaired records (the inverse of those in good standing) increased by 95,000 to 9.34 million. The percentage of credit-active consumers with impaired records decreased to 46.8%, comprising of 20.1% of consumers in three months or more in arrears, 12.7% of consumers with adverse listings, and 13.9% 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 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12
Good standing (#)	9.84m	9.73m	9.86m	9.90m	9.97m	10.04m	10.27m	10.41m	10.44m	10.38m	10.45m	10.62m
Good standing (%)	54.0%	53.1%	53.7%	53.5%	53.6%	53.3%	53.8%	53.8%	53.6%	53.0%	53.0%	53.2%
Current (%)	39.5%	39.2%	39.9%	39.2%	39.1%	39.1%	39.6%	39.1%	38.6%	38.6%	38.8%	38.0%
1-2 months in arrears (%)	14.5%	13.9%	13.8%	14.3%	14.5%	14.2%	14.2%	14.7%	15.0%	14.4%	14.3%	15.3%
Impaired records (#)	8.37m	8.59m	8.49m	8.61m	8.63m	8.80m	8.83m	8.93m	9.05m	9.22m	9.25m	9.34m
Impaired records (%)	46.0%	46.9%	46.3%	46.5%	46.4%	46.7%	46.2%	46.2%	46.4%	47.0%	47.0%	46.8%
3+ months in arrears (%)	17.2%	17.3%	17.0%	17.8%	17.7%	18.5%	18.7%	19.0%	19.9%	19.5%	19.7%	20.1%
Adverse listings (%)	15.0%	15.6%	15.4%	14.6%	14.4%	13.9%	13.2%	12.9%	12.3%	13.3%	12.9%	12.7%
Judgments and administration orders (%)	13.7%	13.9%	13.9%	14.1%	14.3%	14.3%	14.3%	14.3%	14.2%	14.2%	14.3%	13.9%
Credit-active consumers (#)	18.21m	18.32m	18.35m	18.51m	18.60m	18.84m	19.10m	19.34m	19.49m	19.60m	19.69m	19.97m

Figure 1: Consumers with impaired records



## Consumer accounts

There were 69.53 million accounts on record at the bureaus as at the end of December 2012

At the end of the reporting quarter there were 69.53 million accounts recorded at registered credit bureaus. This was an increase of 1.8% quarter-on-quarter and 3.0% year-on-year.

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

Of the 69.53 million accounts, 52.02 million (74.8%) were classified as in good standing, a positive variance of 0.1% quarter-on-quarter and a negative variance 0.2% year-on-year.

#### As at the end of December 2012:

- 65.4% of accounts were classified as current (decreased quarter-on-quarter by 0.6% and year-on-year by 0.6%).
- 9.4% had missed one or two instalments (increased quarter-on-quarter by 0.7% and year-on-year by 0.5%).
- 17.8% had missed three or more instalments (increased quarter-on-quarter by 0.1% and year-on-year by 0.3%).
- 4.4% had adverse listings (decreased quarter-on-quarter by 0.1% and increased year-on-year by 0.3%).
- 3.0% had judgments or administration orders (decreased quarter-on-quarter by 0.1% and year-on-year by 0.5%).

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

Table 2: Credit standing of accounts

	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12
Good standing (#)	47.99m	48.22m	47.85m	47.91m	46.80m	48.53m	49.48m	50.62m	50.57m	50.88m	51.02m	52.02m
Good standing (%)	74.1%	73.9%	74.3%	74.5%	74.2%	74.7%	74.9%	75.0%	74.9%	74.5%	74.7%	74.8%
Current (%)	65.1%	65.4%	65.9%	65.9%	65.1%	65.4%	66.3%	66.0%	65.6%	65.7%	66.0%	65.4%
1-2 months in arrears (%)	9.0%	8.5%	8.4%	8.6%	9.1%	9.3%	8.7%	8.9%	9.3%	8.8%	8.7%	9.4%
Impaired records (#)	16.76m	17.06m	16.55m	16.36m	16.26m	16.47m	16.54m	16.91m	16.94m	17.43m	17.26m	17.52m
Impaired records (%)	25.9%	26.1%	25.7%	25.5%	25.8%	25.3%	25.1%	25.0%	25.1%	25.5%	25.3%	25.2%
3+ months in arrears (%)	15.7%	16.2%	16.3%	16.5%	16.9%	17.1%	17.3%	17.5%	18.1%	17.7%	17.7%	17.8%
Adverse listings (%)	6.1%	5.9%	5.4%	5.0%	4.9%	4.4%	4.0%	4.1%	3.7%	4.7%	4.5%	4.4%
Judgments and administration orders (%)	4.1%	4.1%	4.0%	3.9%	4.0%	3.8%	3.7%	3.5%	3.3%	3.1%	3.1%	3.0%
Consumer accounts (#)	64.75m	65.28m	64.40m	64.28m	63.05m	65.00m	66.03m	67.53m	67.51m	68.30m	68.28m	69.53m

Figure 2: Accounts with impaired records

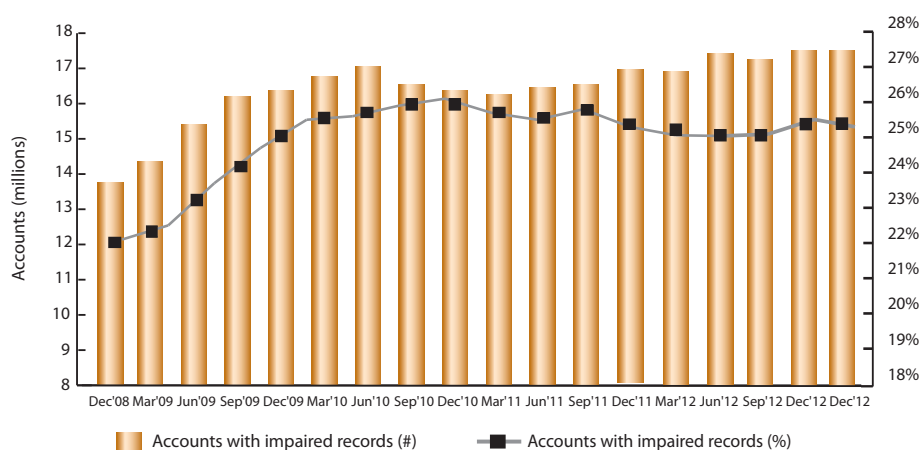
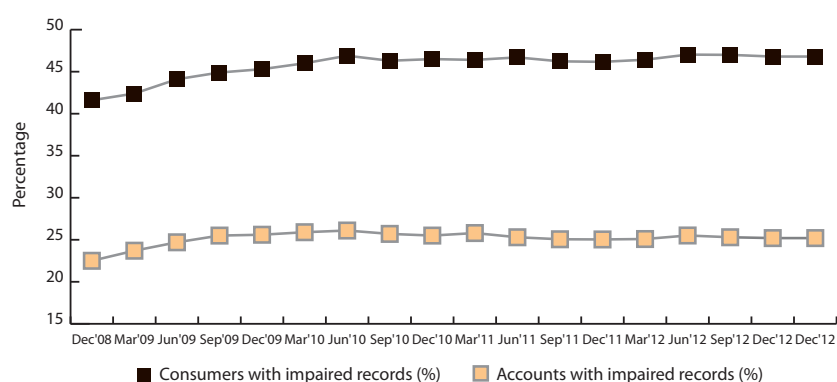


Figure 3: Consumers and accounts with impaired records



## Credit market activity

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

In the quarter ended December 2012, 339.20 million enquiries were made. This was a increase of 5.7% quarter-on-quarter and 18.6% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 17.18 million enquiries were made due to consumers seeking credit (increased by 7.9% quarter-on-quarter and 15.5% year-on-year).
- 0.74 million enquiries were related to telecommunication services (increased by 1.8% quarter-on-quarter and decreased by 27.1% year-on-year).
- 10.41 million enquiries were made for tracing/debt collection purposes (decreased by 26.6% quarter-on-quarter and 50.0% year-on-year).
- 310.86 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (increased by 7.2% quarter-on-quarter and 24.7% 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 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Dec 10 to Mar 11	Mar 11 to Jun 11	Jun 11 to Sep 11	Sep 11 to Dec 11	Dec 11 to Mar 12	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12
Consumers seeking credit	11.68	11.07	12.18	13.36	14.88	13.39	14.96	15.92	17.18	-5.2%	10.0%	9.6%	11.4%	-10.0%	11.7%	6.4%	7.9%
Telecommunication services	1.37	0.84	0.84	0.99	1.02	0.81	0.76	0.73	0.74	-38.7%	0.3%	17.3%	2.9%	-20.7%	-6.4%	-3.5%	1.8%
Tracing/debt collection purposes	22.68	20.12	19.62	20.34	20.84	18.46	13.22	14.19	10.41	-11.3	-2.5%	3.7%	2.5%	-11.4%	-28.4%	7.3%	-26.6%
Other	140.92	167.24	217.06	223.64	249.21	277.75	302.91	290.05	310.86	18.7%	29.8%	3.0%	11.4%	11.5%	9.1%	-4.2%	7.2%
<b>Total</b>	<b>176.65</b>	<b>199.26</b>	<b>249.70</b>	<b>258.33</b>	<b>285.95</b>	<b>310.42</b>	<b>331.84</b>	<b>320.89</b>	<b>339.20</b>	<b>12.8%</b>	<b>25.3%</b>	<b>3.5%</b>	<b>10.7%</b>	<b>8.6%</b>	<b>6.9%</b>	<b>-3.3%</b>	<b>5.7%</b>

Figure 4: Enquiries due to consumers seeking credit

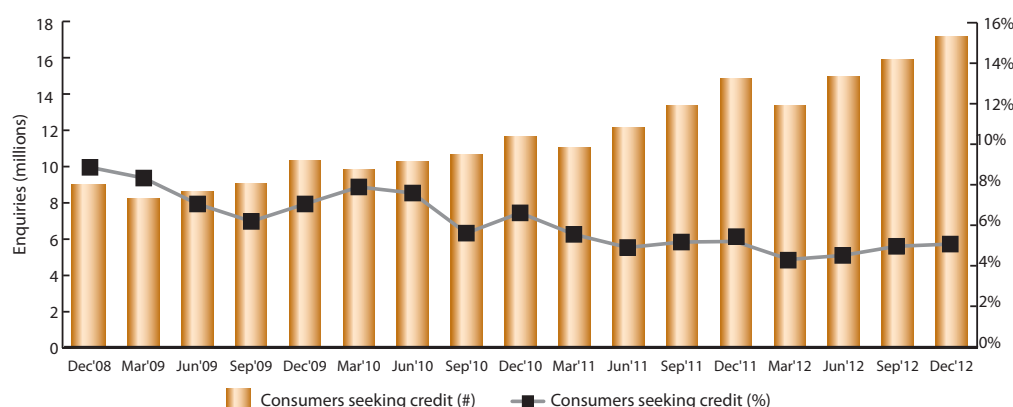
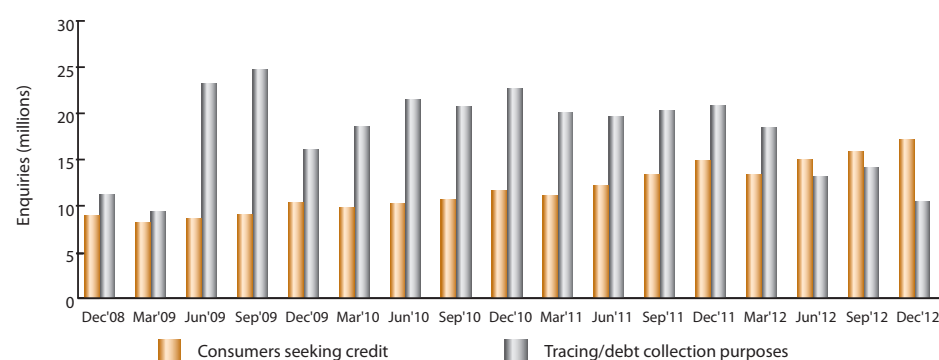


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



### Enquiry sectoral analysis

In the quarter ended December 2012, 285.27 million enquiries were made by banks and other financial institutions, an increase of 8.9% quarter-on-quarter and 29.3% year-on-year. Retailers made 12.60 million enquiries on consumer records, which was a decrease of 10.3% quarter-on-quarter and 13.4% year-on-year. Enquiries made by telecommunication providers decreased by 7.7% quarter-on-quarter and 0.6% year-on-year, to 22.56 million in December 2012 quarter. Enquiries made by debt collection agencies decreased by 45.1% quarter-on-quarter and 64.5% year-on-year, to 3.88 million in December 2012 quarter. Enquiries made by all other entities showed a quarter-on-quarter increase of 11.7% and a decrease of 12.9% year-on-year, to 14.89 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 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Dec 10 to Mar 11	Mar 11 to Jun 11	Jun 11 to Sep 11	Sep 11 to Dec 11	Dec 11 to Mar 12	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12
Banks and other financial institutions	95.69	130.22	169.64	192.51	220.68	236.31	254.14	262.00	285.27	36.1%	30.3%	13.5%	14.6%	7.1%	7.5%	3.1%	8.9%
Retailers	26.25	19.23	19.65	13.42	14.55	11.89	12.99	14.04	12.60	-26.7%	2.2%	-31.7%	8.4%	-18.3%	9.2%	8.1%	-10.3%
Telecommunication providers	26.18	26.04	38.28	24.02	22.69	32.83	37.62	24.45	22.56	-0.5%	47.0%	-37.3%	-5.5%	44.7%	14.6%	-35.0%	-7.7%
Debt collection agencies	12.36	6.81	7.06	10.21	10.95	7.66	5.40	7.07	3.88	-44.9%	3.7%	44.6%	7.3%	-30.1%	-29.4%	30.9%	-45.1%
All other entities	16.17	16.96	15.07	18.17	17.08	21.73	21.70	13.32	14.89	4.9%	-11.2%	20.6%	-6.0%	27.2%	-0.1%	-38.6%	11.7%
<b>Total</b>	<b>176.65</b>	<b>199.26</b>	<b>249.70</b>	<b>258.33</b>	<b>285.95</b>	<b>310.42</b>	<b>331.84</b>	<b>320.89</b>	<b>339.20</b>	<b>12.8%</b>	<b>25.3%</b>	<b>3.5%</b>	<b>10.7%</b>	<b>8.6%</b>	<b>6.9%</b>	<b>-3.3%</b>	<b>5.7%</b>

Figure 6: All enquiries – distribution according to sectors

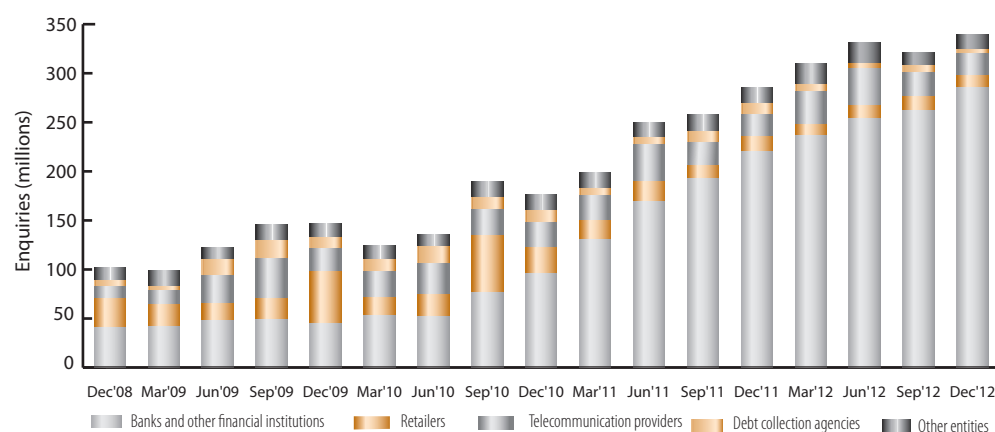


Table 5: Enquiries by banks and other financial institutions

Number of enquiries (millions)										Percentage change							
Enquiry purpose:	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Dec 10 to Mar 11	Mar 11 to Jun 11	Jun 11 to Sep 11	Sep 11 to Dec 11	Dec 11 to Mar 12	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12
Consumers seeking credit	9.34	9.37	10.05	11.16	12.22	11.49	12.40	13.26	14.08	0.2%	7.3%	11.0%	9.5%	-6.0%	7.9%	7.0%	6.2%
Tracing/debt collection purposes	3.68	6.02	1.32	3.47	5.13	7.18	2.68	2.18	2.17	63.4%	-78.1%	163.0%	47.8%	40.0%	-62.8%	-18.4%	-0.7%
Other purposes	82.66	114.84	158.27	177.88	203.33	217.64	239.06	246.55	269.02	38.9%	37.8%	12.4%	14.3%	7.0%	9.8%	3.1%	9.1%
Banks and other financial institutions	95.69	130.22	169.64	192.51	220.68	236.31	254.14	262.00	285.27	36.1%	30.3%	13.5%	14.6%	7.1%	7.5%	3.1%	8.9%

Table 6: Enquiries by retailers

Number of enquiries (millions)										Percentage change							
Enquiry purpose:	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Dec 10 to Mar 11	Mar11 to Jun11	Jun 11 to Sep11	Sep 11 to Dec 11	Dec 11 to Mar 12	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12
Consumers seeking credit	2.33	1.70	2.13	2.20	2.66	1.91	2.56	2.66	3.10	-27.1%	25.3%	3.1%	21.1%	-28.4%	34.1%	3.9%	16.8%
Tracing/debt collection purposes	0.63	0.49	0.41	0.53	0.61	0.54	0.56	0.55	0.72	-22.0%	-17.2%	28.7%	15.4%	-11.1%	3.1%	-1.1%	31.0%
Other purposes	23.29	17.04	17.12	10.70	11.28	9.45	9.87	10.84	8.78	-26.8%	0.4%	-37.5%	5.4%	-16.3%	4.5%	9.8%	-19.0%
Retailers	26.25	19.23	19.65	13.42	14.55	11.89	12.99	14.04	12.60	-26.7%	2.2%	-31.7%	8.4%	-18.3%	9.2%	8.1%	-10.3%

Table 7: Enquiries by telecommunication providers

Number of enquiries (millions)										Percentage change							
Enquiry purpose:	Dec 10	Mar11	Jun 11	Sep 11	Dec 11	Mar12	Jun 12	Sep 12	Dec 12	Dec 10 to Mar 11	Mar 11 to Jun 11	Jun 11 to Sep 11	Sep 11 to Dec 11	Dec 11 to Mar 12	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12
Telecommunication services	1.37	0.84	0.84	0.99	1.02	0.81	0.76	0.73	0.74	-38.7%	0.3%	17.3%	2.9%	-20.7%	-6.4%	-3.5%	1.8%
Tracing/debt collection purposes	3.85	5.20	10.25	5.48	3.65	2.42	3.92	1.68	2.85	35.2%	96.9%	-46.5%	-33.4%	-33.8%	62.2%	-57.3%	70.0%
Other purposes	20.96	20.00	27.19	17.55	18.02	29.61	32.94	22.04	18.97	-4.6%	36.0%	-35.5%	2.7%	64.3%	11.2%	-33.1%	-13.9%
Telecommunication providers	26.18	26.04	38.28	24.02	22.69	32.83	37.62	24.45	22.56	-0.5%	47.0%	-37.3%	-5.5%	44.7%	14.6%	-35.0%	-7.7%

## Credit bureau activity

### Demand for credit reports increased for the quarter

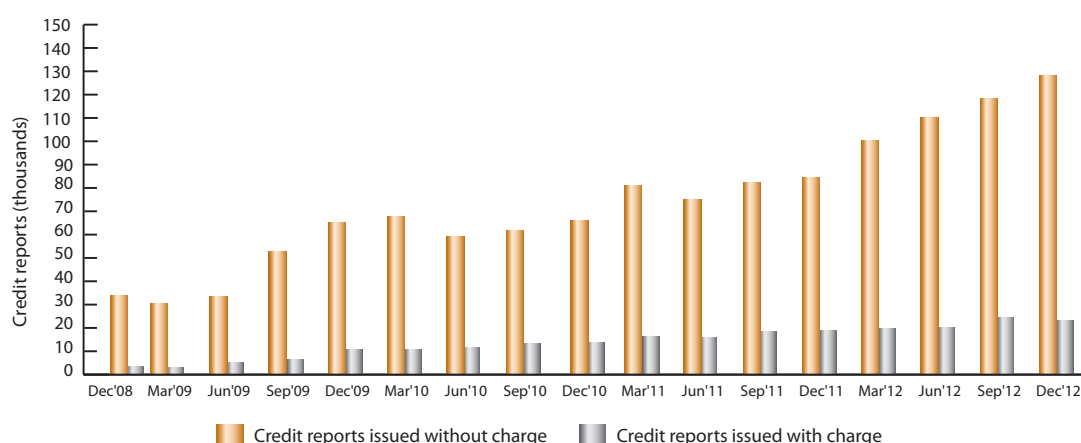
Of the total 151,416 credit reports issued to consumers at their request during the quarter ended December 2012, 84.8% (128,339) were issued without charge, and the remaining 15.2% (23,077) were issued with charge. The total number of credit reports issued increased by 5.8% quarter-on-quarter and 46.4% 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 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Sep 10 to Dec 10	Dec 10 to Mar 11	Mar 11 to Jun 11	Jun 11 to Sep 11	Sep 11 to Dec 11	Dec 11 to Mar 12	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12
Issued without charge	61,592	66,034	81,179	74,837	82,348	84,561	100,446	110,137	118,503	128,339	7.2%	22.9%	-7.8%	10.0%	2.7%	18.8%	9.6%	7.6%	8.3%
Issued with charge	13,220	13,601	16,399	15,694	18,537	18,842	19,648	20,384	24,590	23,077	2.9%	20.6%	-4.3%	18.1%	1.6%	4.3%	3.7%	20.6%	-6.2%
<b>Total issued</b>	<b>74,812</b>	<b>79,635</b>	<b>97,578</b>	<b>90,531</b>	<b>100,885</b>	<b>103,402</b>	<b>120,094</b>	<b>130,521</b>	<b>143,093</b>	<b>151,416</b>	<b>6.4%</b>	<b>22.5%</b>	<b>-7.2%</b>	<b>11.4%</b>	<b>2.5%</b>	<b>16.1%</b>	<b>8.7%</b>	<b>9.6%</b>	<b>5.8%</b>

Figure 7: Credit reports issued



### Consumer disputes

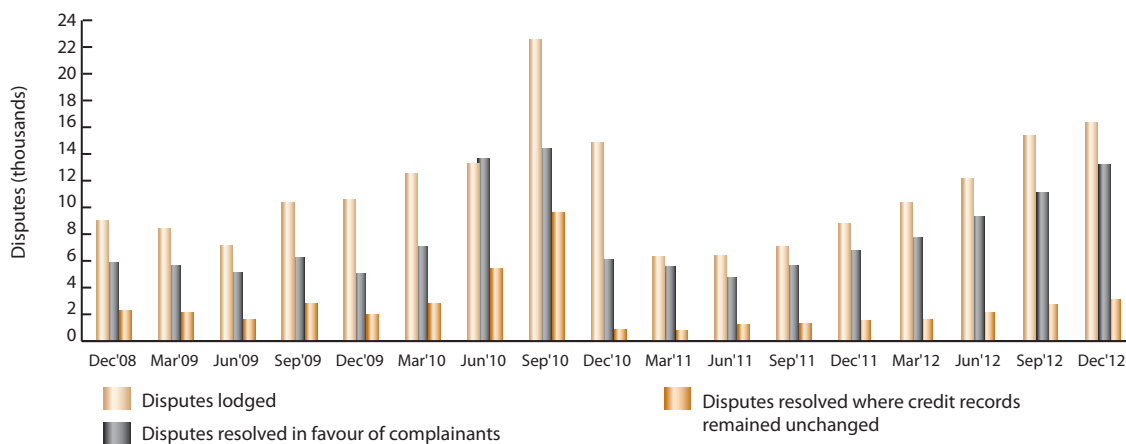
In the quarter ended December 2012, 16,368 disputes were lodged in respect of the accuracy of the information recorded on consumer credit records. This was a quarter-on-quarter increase of 6.6% and a year-on-year increase of 85.5%. More disputes were resolved in favour of complainants (13,198) as compared to disputes where credit records remained unchanged (3,143).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Number of disputes										Percentage change							
Disputes:	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Dec 10 to Mar 11	Mar 11 to Jun 11	Jun 11 to Sep 11	Sep 11 to Dec 11	Dec 11 to Mar 12	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12
Lodged	14,836	6,329	6,437	7,070	8,826	10,357	12,149	15,356	16,368	-57.3%	1.7%	9.8%	24.8%	17.3%	17.3%	26.4%	6.6%
Resolved in favour of complainants	6,086	5,614	4,715	5,652	6,761	7,722	9,351	11,137	13,198	-7.8%	-16.0%	19.9%	19.6%	14.2%	21.1%	19.1%	18.5%
Resolved where credit record remained unchanged	847	806	1,257	1,305	1,562	1,646	2,162	2,759	3,143	-4.8%	56.0%	3.8%	19.7%	5.4%	31.3%	27.6%	13.9%

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 twenty-three quarters from June 2007 to December 2012.