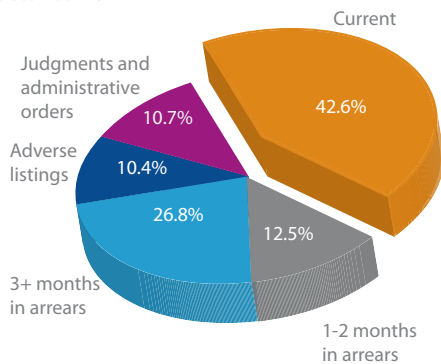


Credit Bureau Monitor

Fourth Quarter | December 2014

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Credit standing of consumers: December 2014



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 December 2010 to December 2014, 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 December 2014:

- Credit bureaus held records for 22.84 million credit-active consumers, an increase of 1.5% when compared to the 22.50 million in the previous quarter. Consumers classified in good standing increased by 133,000, to 12.58 million consumers. As a percentage of the total number of credit-active consumers, this reflects a decrease of 0.2% quarter-on-quarter and an increase of 3.2% year-on-year.
- The number of consumers with impaired records increased by 211,000 to 10.26 million, from 10.05 million in the previous quarter.
- The number of accounts increased from 81.18 million in the previous quarter to 82.13 million. The number of impaired accounts increased from 21.64 million to 22.28 million when compared to the previous quarter, an increase of 648,000 quarter-on-quarter and 2.54 million year-on-year.
- A total of 432.71 million enquiries were made on consumer credit records, an increase of 14.1% quarter-on-quarter and 24.1% year-on-year. Enquiries initiated by consumers accounted for 15.78 million of all enquiries, an increase of 5.5% quarter-on-quarter and 1.9% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 78.3%, enquiries from retailers accounted for 2.2% and enquiries from telecommunication providers accounted for 3.5%. Banks and other financial institutions' enquiries increased by 8.9% from the previous quarter, retailers decreased by 15.3% and telecommunication providers increased by 24.6%.
- The number of credit reports issued to consumers decreased to 145,923. Of the total credit reports issued, 69.3% (101,119) were issued without charge, and the remaining 30.7% (44,804) were issued with charge.
- There were 22,822 disputes lodged on information held on consumer credit records for the quarter ended December 2014, a decrease of 2.2% quarter-on-quarter and an increase of 16.1% year-on-year.

Introduction

The information reflected in this Credit Bureau Monitor covers the period from the quarter ended December 2010 to December 2014.

Comparisons in this report: “quarter-on-quarter” refers to a comparison between the December 2014 and September 2014 quarters, and “year-on-year” refers to a comparison between the December 2014 and December 2013 quarters.

Credit-active consumers

There were 22.84 million credit-active consumers as at the end of December 2014

Credit bureaus held records for more than 46.64 million individuals on their databases as at the end of December 2014. From these records, 22.84 million (49.0%) were credit-active and the remaining records contained only identification information and no credit activity. The number of credit-active consumers increased by 344,000 quarter-on-quarter and 2.20 million year-on-year.

The percentage of consumers in good standing decreased this quarter

Consumers classified in good standing increased by 133,000 to 12.58 million consumers. As a percentage of the total number of credit-active consumers, this reflects a decrease of 0.2% quarter-on-quarter and an increase of 3.2% year-on-year. Of the total 22.84 million credit-active consumers, 55.1% were in good standing.

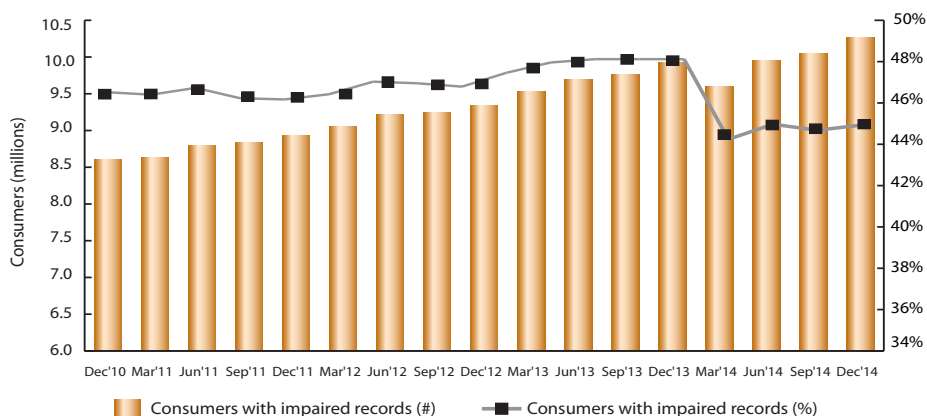
The number of consumers with impaired records (the inverse of those in good standing) increased by 211,000 to 10.26 million. The percentage of credit-active consumers with impaired records increased to 44.9%, comprising of 23.8% of consumers in three months or more in arrears, 10.4% of consumers with adverse listings, and 10.7% 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 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14
Good standing (#)	10.44m	10.38m	10.45m	10.62m	10.55m	10.52m	10.53m	10.71m	12.11m	12.17m	12.45m	12.58m
Good standing (%)	53.6%	53.0%	53.0%	53.2%	52.5%	52.0%	51.9%	51.9%	55.8%	55.0%	55.3%	55.1%
Current (%)	38.6%	38.6%	38.8%	38.0%	37.2%	37.9%	38.2%	38.1%	41.5%	42.2%	42.3%	42.6%
1-2 months in arrears (%)	15.0%	14.4%	14.3%	15.3%	15.4%	14.2%	13.7%	13.8%	14.3%	12.8%	13.0%	12.5%
Impaired records (#)	9.05m	9.22m	9.25m	9.34m	9.53m	9.69m	9.76m	9.93m	9.60m	9.95m	10.05m	10.26m
Impaired records (%)	46.4%	47.0%	47.0%	46.8%	47.5%	48.0%	48.1%	48.1%	44.2%	45.0%	44.7%	44.9%
3+ months in arrears (%)	19.9%	19.5%	19.7%	20.1%	20.5%	21.1%	21.0%	20.1%	32.4%	28.3%	26.3%	23.8%
Adverse listings (%)	12.3%	13.3%	12.9%	12.7%	13.5%	13.5%	14.0%	15.4%	0.0%	5.2%	7.3%	10.4%
Judgments and administration orders (%)	14.2%	14.2%	14.3%	13.9%	13.5%	13.3%	13.1%	12.6%	11.8%	11.4%	11.1%	10.7%
Credit-active consumers (#)	19.49m	19.60m	19.69m	19.97m	20.08m	20.21m	20.29m	20.64m	21.71m	22.12m	22.50m	22.84m

Figure 1: Consumers with impaired records



Consumer accounts

There were 82.13 million accounts on record at the bureaus as at the end of December 2014

At the end of the reporting quarter there were 82.13 million accounts recorded at registered credit bureaus. This was an increase of 1.2% quarter-on-quarter and 12.2% year-on-year.

The percentage of accounts in good standing decreased this quarter

Of the 82.13 million accounts, 59.84 million (72.9%) were classified as in good standing, a negative variance of 0.4% quarter-on-quarter and 0.1% year-on-year.

As at the end of December 2014:

- 65.2% of accounts were classified as current (decreased quarter-on-quarter by 0.3% and increased year-on-year by 1.0%).
- 7.6% had missed one or two instalments (decreased quarter-on-quarter by 0.2% and year-on-year by 1.2%).
- 20.1% had missed three or more instalments (decreased quarter-on-quarter by 0.6% and increased year-on-year by 2.1%).
- 4.6% had adverse listings (increased quarter-on-quarter by 1.2% and decreased year-on-year by 1.6%).
- 2.4% had judgments or administration orders (decreased quarter-on-quarter by 0.1% and year-on-year by 0.4%).

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

Table 2: Credit standing of accounts

	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14
Good standing (#)	50.57m	50.88m	51.02m	52.02m	52.42m	52.33m	51.92m	53.44m	57.91m	58.15m	59.55m	59.84m
Good standing (%)	74.9%	74.5%	74.7%	74.8%	74.1%	73.5%	73.0%	73.0%	75.0%	73.2%	73.3%	72.9%
Current (%)	65.6%	65.7%	66.0%	65.4%	64.3%	64.5%	64.2%	64.2%	66.1%	65.4%	65.5%	65.2%
1-2 months in arrears (%)	9.3%	8.8%	8.7%	9.4%	9.8%	9.0%	8.8%	8.8%	8.9%	7.9%	7.8%	7.6%
Impaired records (#)	16.94m	17.43m	17.26m	17.52m	18.31m	18.87m	19.25m	19.74m	19.27m	21.28m	21.64m	22.28m
Impaired records (%)	25.1%	25.5%	25.3%	25.2%	25.9%	26.5%	27.0%	27.0%	25.0%	26.8%	26.7%	27.1%
3+ months in arrears (%)	18.1%	17.7%	17.7%	17.8%	18.0%	18.5%	18.6%	18.0%	22.3%	21.3%	20.7%	20.1%
Adverse listings (%)	3.7%	4.7%	4.5%	4.4%	5.0%	5.1%	5.5%	6.2%	0.0%	2.9%	3.4%	4.6%
Judgments and administration orders (%)	3.3%	3.1%	3.1%	3.0%	2.9%	2.9%	2.9%	2.8%	2.7%	2.6%	2.5%	2.4%
Consumer accounts (#)	67.51m	68.30m	68.28m	69.53m	70.73m	71.20m	71.17m	73.18m	77.18m	79.42m	81.18m	82.13m

Figure 2: Accounts with impaired records

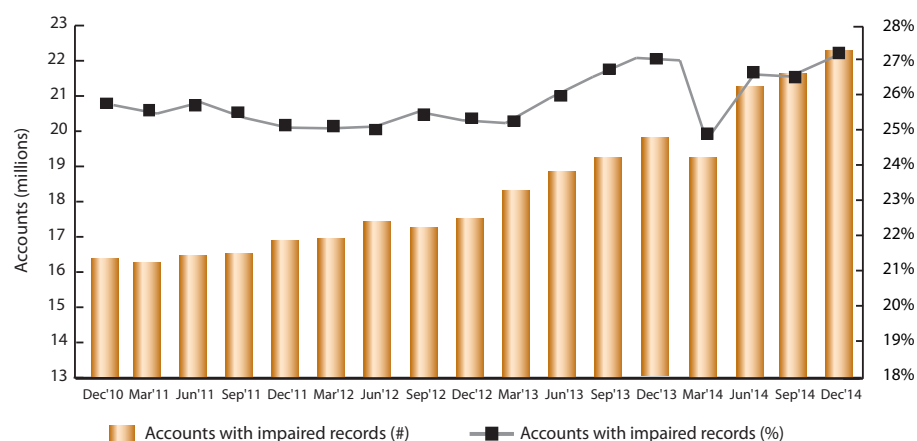
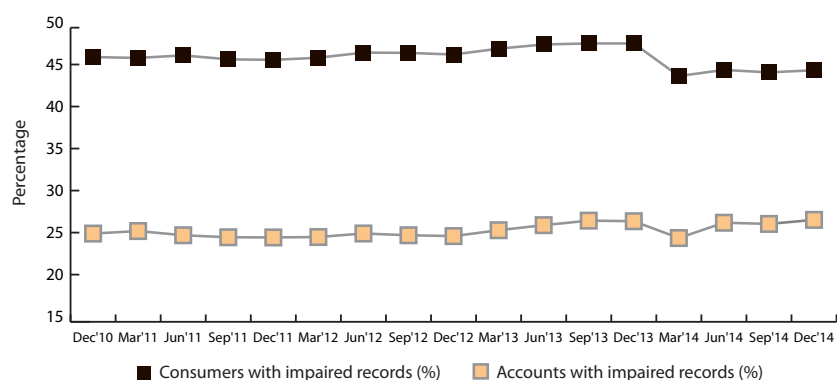


Figure 3: Consumers and accounts with impaired records



Credit market activity

Enquiries made on consumer records increased for the quarter

In the quarter ended December 2014, 432.71 million enquiries were made. This was an increase of 14.1% quarter-on-quarter and 24.1% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 15.78 million enquiries were made due to consumers seeking credit (increased by 5.5% quarter-on-quarter and 1.9% year-on-year).
- 0.77 million enquiries were related to telecommunication services (increased by 1.8% quarter-on-quarter and 5.4% year-on-year).
- 17.83 million enquiries were made for tracing/debt collection purposes (decreased by 7.7% quarter-on-quarter and increased by 23.6% year-on-year).
- 398.33 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (increased by 15.7% quarter-on-quarter and 25.3% 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							
	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Dec 12 to Mar 13	Mar 13 to Jun 13	Jun 13 to Sep 13	Sep 13 to Dec 13	Dec 13 to Mar 14	Mar 14 to Jun 14	Jun 14 to Sep 14	Sep 14 to Dec 14
Consumers seeking credit	17.18	15.26	15.91	16.16	15.48	14.33	15.26	14.96	15.78	-11.2%	4.3%	1.6%	-4.2%	-7.4%	6.5%	-1.9%	5.5%
Telecommunication services	0.74	0.68	0.70	0.73	0.73	0.72	0.69	0.76	0.77	-8.4%	2.3%	5.4%	-0.3%	-1.5%	-4.7%	10.3%	1.8%
Tracing/debt collection purposes	10.41	15.16	16.78	20.81	14.42	11.82	14.14	19.31	17.83	45.6%	10.7%	24.0%	-30.7%	-18.1%	19.7%	36.5%	-7.7%
Other	310.86	363.37	326.61	319.94	318.02	306.79	335.68	344.31	398.33	16.9%	-10.1%	-2.0%	-0.6%	-3.5%	9.4%	2.6%	15.7%
Total	339.20	394.47	360.01	357.65	348.66	333.66	365.76	379.35	432.71	16.3%	-8.7%	-0.7%	-2.5%	-4.3%	9.6%	3.7%	14.1%

Figure 4: Enquiries due to consumers seeking credit

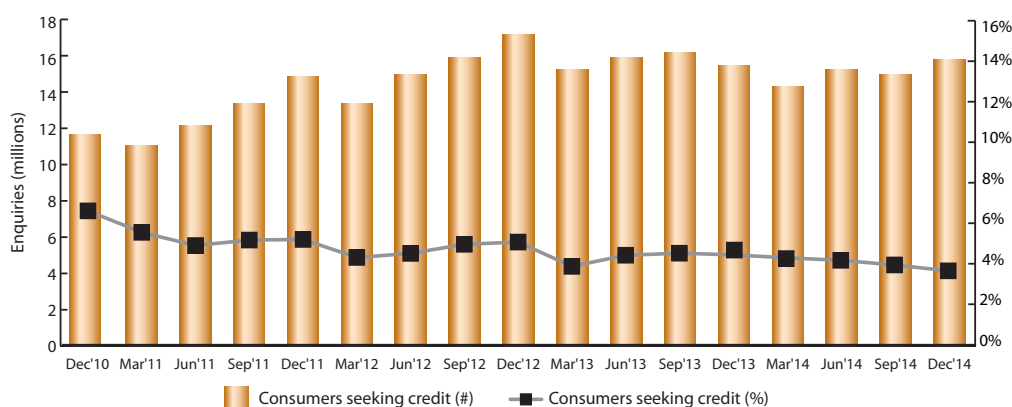
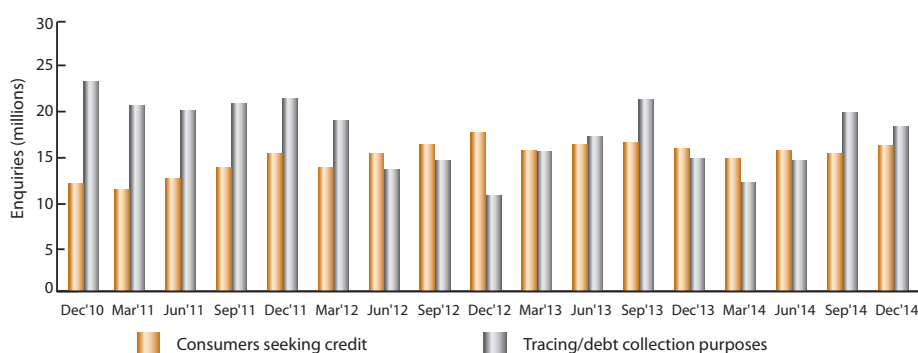


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



Enquiry sectoral analysis

In the quarter ended December 2014, 338.76 million enquiries were made by banks and other financial institutions, an increase of 8.9% quarter-on-quarter and 13.8% year-on-year. Retailers made 9.73 million enquiries on consumer records, which was a decrease of 15.3% quarter-on-quarter and 4.8% year-on-year. Enquiries made by telecommunication providers increased by 24.6% quarter-on-quarter and 44.3% year-on-year, to 15.36 million in December 2014 quarter. Enquiries made by debt collection agencies decreased by 62.9% quarter-on-quarter and 7.6% year-on-year, to 3.02 million in December 2014 quarter. Enquiries made by all other entities showed a quarter-on-quarter increase of 81.6% and 145.6% year-on-year, to 65.84 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 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Dec 12 to Mar 13	Mar 13 to Jun 13	Jun 13 to Sep 13	Sep 13 to Dec 13	Dec 13 to Mar 14	Mar 14 to Jun 14	Jun 14 to Sep 14	Sep 14 to Dec 14
Banks and other financial institutions	285.27	328.68	304.81	304.22	297.73	278.12	305.52	311.16	338.76	15.2%	-7.3%	-0.2%	-2.1%	-6.6%	9.9%	1.8%	8.9%
Retailers	12.60	15.18	20.14	11.41	10.22	11.88	16.43	11.49	9.73	20.5%	32.6%	-43.3%	-10.5%	16.3%	38.2%	-30.1%	-15.3%
Telecommunication providers	22.56	20.16	14.76	16.55	10.64	8.95	10.76	12.32	15.36	-10.7%	-26.7%	12.1%	-35.7%	-15.9%	20.2%	14.6%	24.6%
Debt collection agencies	3.88	8.64	4.53	4.19	3.26	2.86	4.38	8.13	3.02	122.4%	-47.5%	-7.5%	-22.1%	-12.4%	53.3%	85.6%	-62.9%
All other entities	14.89	21.82	15.76	21.26	26.81	31.85	28.68	36.25	65.84	46.5%	-27.8%	34.9%	26.1%	18.8%	-10.0%	26.4%	81.6%
Total	339.20	394.47	360.01	357.65	348.66	333.66	365.76	379.35	432.71	16.3%	-8.7%	-0.7%	-2.5%	-4.3%	9.6%	3.7%	14.1%

Figure 6: All enquiries – distribution according to sectors

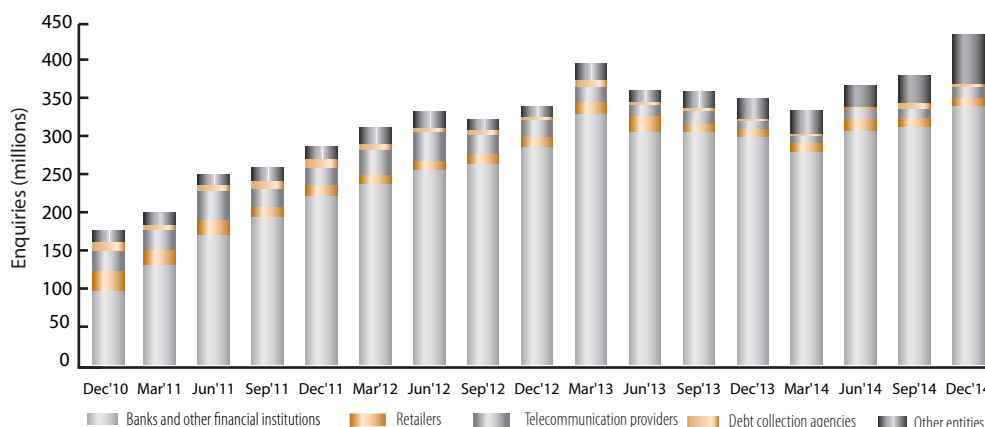


Table 5: Enquiries by banks and other financial institutions

Enquiry purpose:	Number of enquiries (millions)										Percentage change						
	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Dec 12 to Mar 13	Mar 13 to Jun 13	Jun 13 to Sep 13	Sep 13 to Dec 13	Dec 13 to Mar 14	Mar 14 to Jun 14	Jun 14 to Sep 14	Sep 14 to Dec 14
Consumers seeking credit	14.08	12.96	13.34	13.20	11.89	11.39	12.03	12.13	12.44	-8.0%	2.9%	-1.1%	-9.9%	-4.3%	5.7%	0.8%	2.6%
Tracing/debt collection purposes	2.17	1.45	2.06	2.55	1.84	2.50	3.29	3.70	2.93	-33.3%	42.3%	23.9%	-27.9%	36.3%	31.4%	12.3%	-20.8%
Other purposes	269.02	314.27	289.42	288.48	283.99	264.23	290.20	295.33	323.39	16.8%	-7.9%	-0.3%	-1.6%	-7.0%	9.8%	1.8%	9.5%
Banks and other financial institutions	285.27	328.68	304.81	304.22	297.73	278.12	305.52	311.16	338.76	15.2%	-7.3%	-0.2%	-2.1%	-6.6%	9.9%	1.8%	8.9%

Table 6: Enquiries by retailers

Enquiry purpose:	Number of enquiries (millions)										Percentage change						
	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Dec 12 to Mar 13	Mar 13 to Jun 13	Jun 13 to Sep 13	Sep 13 to Dec 13	Dec 13 to Mar 14	Mar 14 to Jun 14	Jun 14 to Sep 14	Sep 14 to Dec 14
Consumers seeking credit	3.10	2.30	2.57	2.97	3.59	2.94	3.22	2.83	3.34	-25.8%	11.8%	15.2%	21.0%	-17.9%	9.5%	-12.2%	18.0%
Tracing/debt collection purposes	0.72	0.48	0.59	0.66	0.77	0.57	0.62	0.94	1.07	-32.7%	21.1%	12.2%	17.2%	-25.9%	7.5%	52.4%	14.5%
Other purposes	8.78	12.40	16.97	7.79	5.86	8.37	12.59	7.72	5.31	41.2%	36.9%	-54.1%	-24.8%	42.8%	50.4%	-38.7%	-31.2%
Retailers	12.60	15.18	20.14	11.41	10.22	11.88	16.43	11.49	9.73	20.5%	32.6%	-43.3%	-10.5%	16.3%	38.2%	-30.1%	-15.3%

Table 7: Enquiries by telecommunication providers

Enquiry purpose:	Number of enquiries (millions)										Percentage change						
	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Dec 12 to Mar 13	Mar 13 to Jun 13	Jun 13 to Sep 13	Sep 13 to Dec 13	Dec 13 to Mar 14	Mar 14 to Jun 14	Jun 14 to Sep 14	Sep 14 to Dec 14
Telecommunication services	0.74	0.68	0.70	0.73	0.73	0.72	0.69	0.76	0.77	-8.4%	2.3%	5.4%	-0.3%	-1.5%	-4.7%	10.3%	1.8%
Tracing/debt collection purposes	2.85	3.69	8.49	11.75	7.21	4.22	4.11	4.94	9.45	29.5%	130.0%	38.4%	-38.7%	-41.4%	-2.6%	20.2%	91.1%
Other purposes	18.97	15.78	5.58	4.07	2.71	4.01	5.96	6.62	5.14	-16.8%	-64.7%	-27.1%	-33.5%	48.0%	48.7%	11.2%	-22.4%
Telecommunication providers	22.56	20.16	14.76	16.55	10.64	8.95	10.76	12.32	15.36	-10.7%	-26.7%	12.1%	-35.7%	-15.9%	20.2%	14.6%	24.6%

Credit bureau activity

Demand for credit reports decreased for the quarter

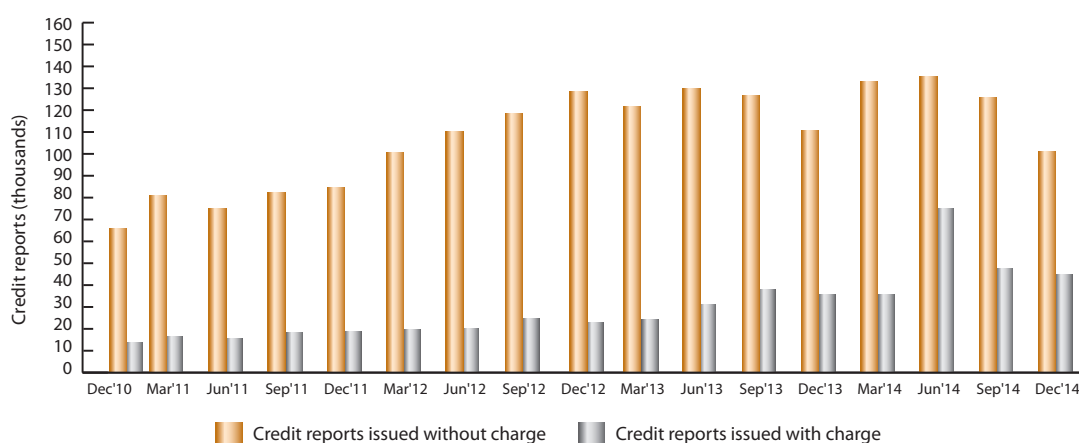
Of the total 145,923 credit reports issued to consumers at their request during the quarter ended December 2014, 69.3% (101,119) were issued without charge, and the remaining 30.7% (44,804) were issued with charge. The total number of credit reports issued decreased by 15.7% quarter-on-quarter and 0.5% 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 12	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Sep 12 to Dec 12	Dec 12 to Mar 13	Mar 13 to Jun 13	Jun 13 to Sep 13	Sep 13 to Dec 13	Dec 13 to Mar 14	Mar 14 to Jun 14	Jun 14 to Sep 14	Sep 14 to Dec 14
Issued without charge	118,503	128,339	121,659	129,761	126,591	110,803	133,216	135,650	125,689	101,119	8.3%	-5.2%	6.7%	-2.4%	-12.5%	20.2%	1.8%	-7.3%	-19.5%
Issued with charge	24,590	23,077	24,061	30,941	37,846	35,854	35,613	75,019	47,505	44,804	-6.2%	4.3%	28.6%	22.3%	-5.3%	-0.7%	110.7%	-36.7%	-5.7%
Total issued	143,093	151,416	145,720	160,702	164,437	146,657	168,829	210,669	173,194	145,923	5.8%	-3.8%	10.3%	2.3%	-10.8%	15.1%	24.8%	-17.8%	-15.7%

Figure 7: Credit reports issued



Consumer disputes

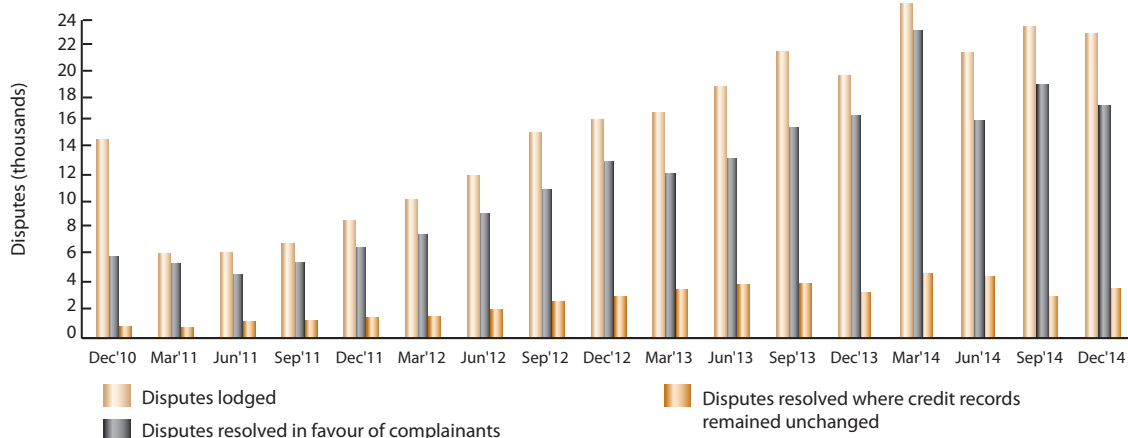
In the quarter ended December 2014, 22,822 disputes were lodged in respect of the accuracy of the information recorded on consumer credit records. This was a decrease of 2.2% quarter-on-quarter and an increase of 16.1% year-on-year. More disputes were resolved in favour of complainants (17,397) as compared to disputes where credit records remained unchanged (3,710).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Disputes:	Number of disputes									Percentage change							
	Dec 12	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Dec 12 to Mar 13	Mar 13 to Jun 13	Jun 13 to Sep 13	Sep 13 to Dec 13	Dec 13 to Mar 14	Mar 14 to Jun 14	Jun 14 to Sep 14	Sep 14 to Dec 14
Lodged	16,368	16,868	18,792	21,466	19,658	25,005	21,339	23,334	22,822	3.1%	11.4%	14.2%	-8.4%	27.2%	-14.7%	9.3%	-2.2%
Resolved in favour of complainants	13,198	12,313	13,449	15,731	16,643	23,016	16,307	19,003	17,397	-6.7%	9.2%	17.0%	5.8%	38.3%	-29.1%	16.5%	-8.5%
Resolved where credit record remained unchanged	3,143	3,670	3,989	4,064	3,391	4,839	4,582	3,117	3,710	16.8%	8.7%	1.9%	-16.6%	42.7%	-5.3%	-32.0%	-19.0%

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 one quarters from June 2007 to December 2014.