

# Credit Bureau Monitor

Second Quarter | June 2012

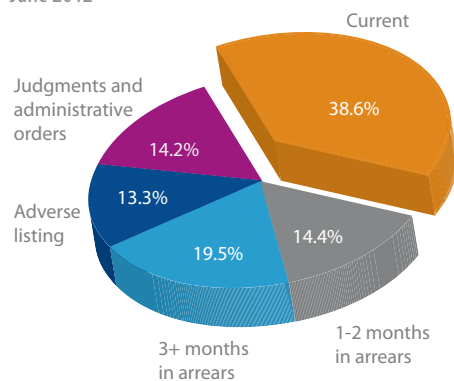
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The information reflected in this edition of the Credit Bureau Monitor covers twenty-one\* quarters, from quarter ended June 2007 to quarter ended June 2012, and is based on data held by registered credit bureaus in terms of the National Credit Act.

## 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.

Credit standing of consumers:  
June 2012



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

As at the end of June 2012:

- Credit bureaus had records for 19.60 million credit-active consumers, an increase of 0.6% over the 19.49 million of the previous quarter. Consumers classified in good standing decreased by 60,000, to 10.38 million consumers. This reflects a percentage decrease of 0.6% quarter-on-quarter and 0.3% year-on-year in proportion to the total number of credit-active consumers in good standing.
- The number of consumers with impaired records increased by 170 000 to 9.22 million, from 9.05 million in the previous quarter.
- The number of accounts increased from 67.51 million in the previous quarter to 68.30 million. The number of impaired accounts increased by 490 000 to 17.43 million, from 16.94 million in the previous quarter.
- A total of 331.84 million enquiries were made on consumer credit records, an increase of 6.9% quarter-on-quarter and 32.9% year-on-year. Enquiries initiated by consumers accounted for 14.96 million of all enquiries, an increase of 11.7% quarter-on-quarter and 22.8% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 76.6%, enquiries from retailers accounted for 3.9% and enquiries from telecommunication providers accounted for 11.3%. Banks and other financial institutions' enquiries increased by 7.5% from the previous quarter, retailers increased by 9.2% and telecommunication providers increased by 14.6%.
- The number of credit reports issued to consumers increased to 130,521. Of the total credit reports issued, 84.4% (110,137) were issued without charge, and the remaining 15.6% (20,384) were issued with charge.
- There were 12,149 disputes lodged on information held on consumer credit records for the quarter ended June 2012, an increase of 17.3% quarter-on-quarter and 88.7% year-on-year.

## Introduction

The information reflected in this Credit Bureau Monitor is for twenty quarters, from quarter ended June 2007 to quarter ended June 2012. (\* See note on the last page)

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

## Credit-active consumers

**There were 19.60 million credit-active consumers as at the end of June 2012**

Credit bureaus held records for more than 42.43 million individuals on their databases, of which 19.60 million (46.2%) were credit-active, as at the end of June 2012. The number of credit-active consumers increased by 110,000 quarter-on-quarter and 762,000 year-on-year. The remaining records contained only identification information and no credit activity.

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

Consumers classified in good standing decreased by 60,000 to 10.38 million consumers. This reflects a decrease of 0.6% quarter-on-quarter and 0.3% year-on-year in proportion to the total number of credit-active consumers. Of the total 19.60 million credit-active consumers, 53.0% were in good standing.

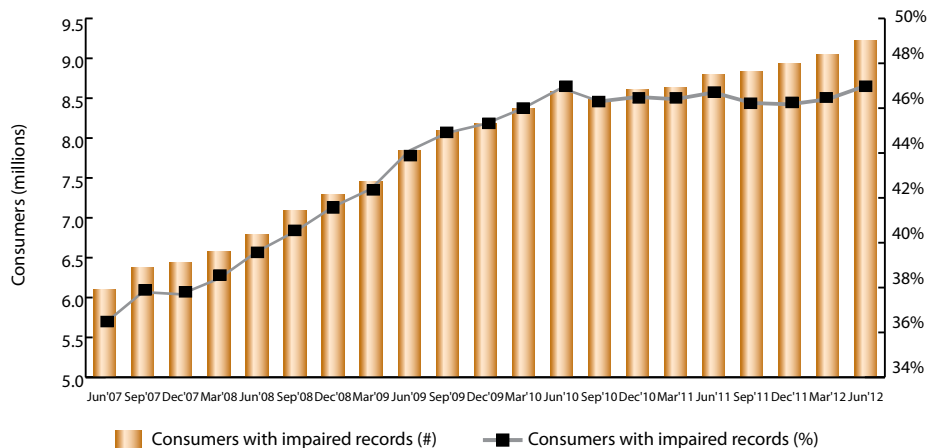
The number of consumers with impaired records (the inverse of those in good standing) increased by 170,000 to 9.22 million. The percentage of credit-active consumers with impaired records increased to 47.0%, comprising of 19.5% of consumers in three months or more in arrears, 13.3% of consumers with adverse listings, and 14.2% 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

	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12
<b>Good standing (#)</b>	9.92m	9.89m	9.84m	9.73m	9.86m	9.90m	9.97m	10.04m	10.27m	10.41m	10.44m	10.38m
<b>Good standing (%)</b>	55.1%	54.7%	54.0%	53.1%	53.7%	53.5%	53.6%	53.3%	53.8%	53.8%	53.6%	53.0%
Current (%)	41.2%	40.5%	39.5%	39.2%	39.9%	39.2%	39.1%	39.1%	39.6%	39.1%	38.6%	38.6%
1-2 months in arrears (%)	13.9%	14.2%	14.5%	13.9%	13.8%	14.3%	14.5%	14.2%	14.2%	14.7%	15.0%	14.4%
<b>Impaired records (#)</b>	8.09m	8.18m	8.37m	8.59m	8.49m	8.61m	8.63m	8.80m	8.83m	8.93m	9.05m	9.22m
<b>Impaired records (%)</b>	44.9%	45.3%	46.0%	46.9%	46.3%	46.5%	46.4%	46.7%	46.2%	46.2%	46.4%	47.0%
3+ months in arrears (%)	17.0%	17.3%	17.2%	17.3%	17.0%	17.8%	17.7%	18.5%	18.7%	19.0%	19.9%	19.5%
Adverse listings (%)	14.7%	14.6%	15.0%	15.6%	15.4%	14.6%	14.4%	13.9%	13.2%	12.9%	12.3%	13.3%
Judgments and administration orders (%)	13.3%	13.3%	13.7%	13.9%	13.9%	14.1%	14.3%	14.3%	14.3%	14.3%	14.2%	14.2%
<b>Credit-active consumers (#)</b>	18.01m	18.07m	18.21m	18.32m	18.35m	18.51m	18.60m	18.84m	19.10m	19.34m	19.49m	19.60m

Figure 1: Consumers with impaired records



## Consumer accounts

There were 68.30 million accounts on record at the bureaus as at the end of June 2012

At the end of the reporting quarter there were 68.30 million accounts recorded at registered credit bureaus. This was an increase of 1.2% quarter-on-quarter and 5.1% year-on-year.

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

Of the 68.30 million accounts, 50.88 million (74.5%) were classified as in good standing, a negative variance of 0.4% quarter-on-quarter and 0.2% year-on-year.

As at the end of June 2012:

- 65.7% of accounts were classified as current (increased quarter-on-quarter by 0.1% and 0.3% year-on-year).
- 8.8% had missed one or two instalments (decreased quarter-on-quarter by 0.5% and year-on-year by 0.5%).
- 17.7% had missed three or more instalments (decreased quarter-on-quarter by 0.4% and increased year-on-year by 0.6%).
- 4.7% had adverse listings (increased quarter-on-quarter by 1.0% and year-on-year by 0.3%).
- 3.1% had judgments or administration orders (decreased quarter-on-quarter by 0.2% and year-on-year by 0.7%).

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

Table 2: Credit standing of accounts

	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12
<b>Good standing (#)</b>	47.33m	47.56m	47.99m	48.22m	47.85m	47.91m	46.80m	48.53m	49.48m	50.62m	50.57m	50.88m
<b>Good standing (%)</b>	74.5%	74.4%	74.1%	73.9%	74.3%	74.5%	74.2%	74.7%	74.9%	75.0%	74.9%	74.5%
Current (%)	65.6%	65.6%	65.1%	65.4%	65.9%	65.9%	65.1%	65.4%	66.3%	66.0%	65.6%	65.7%
1-2 months in arrears (%)	8.9%	8.8%	9.0%	8.5%	8.4%	8.6%	9.1%	9.3%	8.7%	8.9%	9.3%	8.8%
<b>Impaired records (#)</b>	16.21m	16.38m	16.76m	17.06m	16.55m	16.36m	16.26m	16.47m	16.54m	16.91m	16.94m	17.43m
<b>Impaired records (%)</b>	25.5%	25.6%	25.9%	26.1%	25.7%	25.5%	25.8%	25.3%	25.1%	25.0%	25.1%	25.5%
3+ months in arrears (%)	15.1%	15.9%	15.7%	16.2%	16.3%	16.5%	16.9%	17.1%	17.3%	17.5%	18.1%	17.7%
Adverse listings (%)	6.1%	5.7%	6.1%	5.9%	5.4%	5.0%	4.9%	4.4%	4.0%	4.1%	3.7%	4.7%
Judgments and administration orders (%)	4.2%	4.0%	4.1%	4.1%	4.0%	3.9%	4.0%	3.8%	3.7%	3.5%	3.3%	3.1%
<b>Consumer accounts (#)</b>	63.54m	63.94m	64.75m	65.28m	64.40m	64.28m	63.05m	65.00m	66.03m	67.53m	67.51m	68.30m

Figure 2: Accounts with impaired records

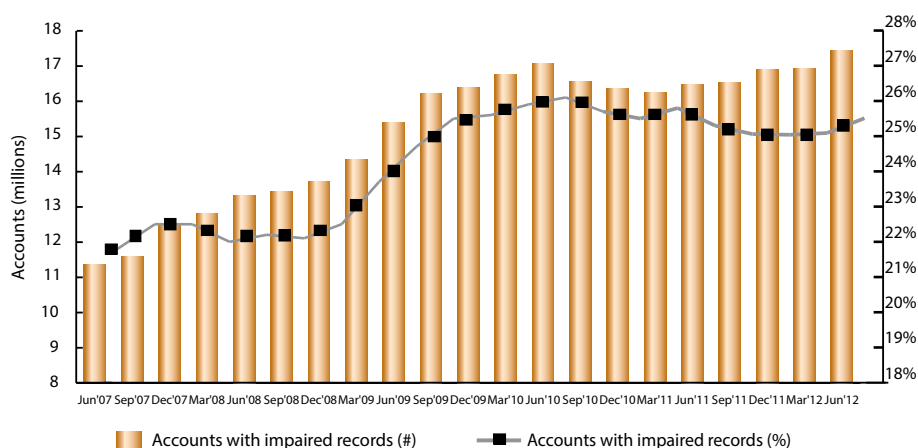
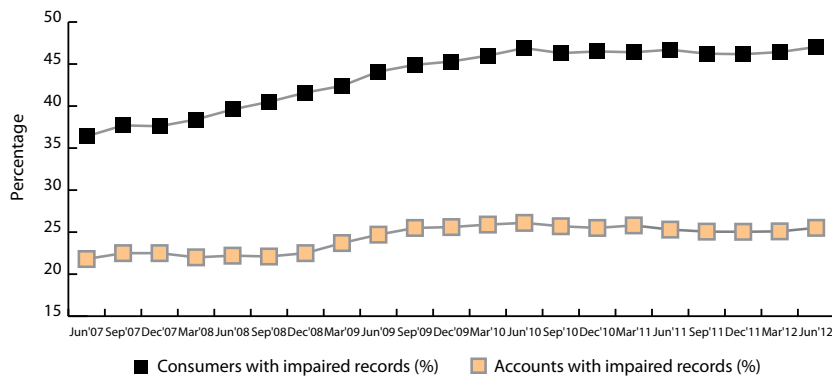


Figure 3: Consumers and accounts with impaired records



## Credit market activity

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

In the quarter ended June 2012, 331.84 million enquiries were made. This was an increase of 6.9% quarter-on-quarter and 32.9% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 14.96 million enquiries were made due to consumers seeking credit (increased by 11.7% quarter-on-quarter and 22.8% year-on-year).
- 0.76 million enquiries were related to telecommunication services (decreased by 6.4% quarter-on-quarter and 10.3% year-on-year).
- 13.22 million enquiries were made for tracing/debt collection purposes (decreased by 28.4% quarter-on-quarter and 32.6% year-on-year).
- 302.91 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (increased by 9.1% quarter-on-quarter and 39.6% 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						
	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Jun 10 to Sep 10	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
Consumers seeking credit	10.28	10.65	11.68	11.07	12.18	13.36	14.88	13.39	14.96	3.7%	9.6%	-5.2%	10.0%	9.6%	11.4%	-10.0%	11.7%
Telecommunication services	0.70	0.84	1.37	0.84	0.84	0.99	1.02	0.81	0.76	19.9%	63.9%	-38.7%	0.3%	17.3%	2.9%	-20.7%	-6.4%
Tracing/debt collection purposes	21.47	20.72	22.68	20.12	19.62	20.34	20.84	18.46	13.22	-3.5%	9.5%	-11.3%	-2.5%	3.7%	2.5%	-11.4%	-28.4%
Other	102.89	157.63	140.92	167.24	217.06	223.64	249.21	277.75	302.91	53.2%	-10.6%	18.7%	29.8%	3.0%	11.4%	11.5%	9.1%
<b>Total</b>	<b>135.34</b>	<b>189.84</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>40.3%</b>	<b>-6.9%</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>

Figure 4: Enquiries due to consumers seeking credit

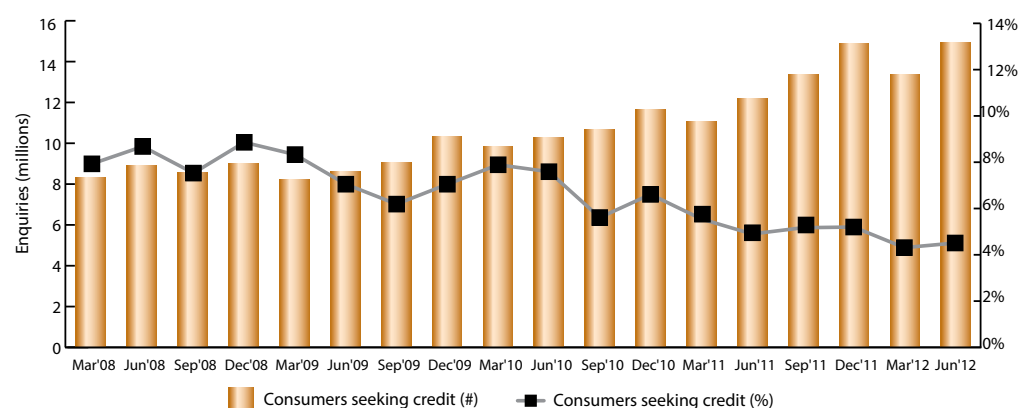
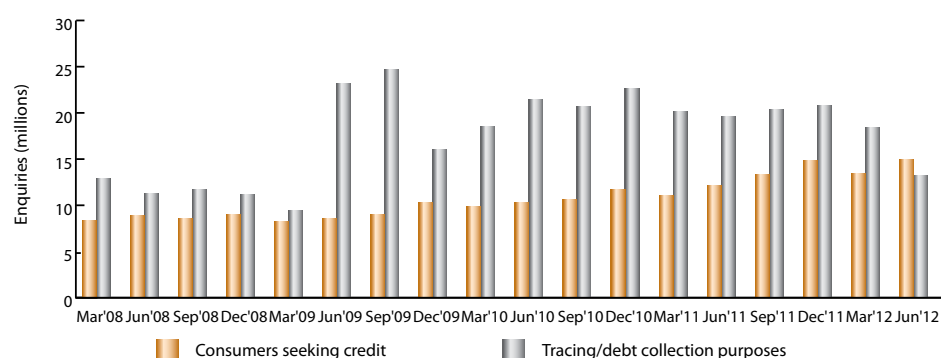


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



### Enquiry sectoral analysis

In the quarter ended June 2012, 254.14 million enquiries were made by banks and other financial institutions, an increase of 7.5% quarter-on-quarter and 49.8% year-on-year. Retailers made 12.99 million enquiries on consumer records, which was an increase of 9.2% quarter-on-quarter and a decrease of 33.9% year-on-year. Enquiries made by telecommunication providers increased by 14.6% quarter-on-quarter and decreased by 1.7% year-on-year, to 37.62 million in June 2012 quarter. Enquiries made by debt collection agencies decreased by 29.4% quarter-on-quarter and 23.5% year-on-year, to 5.40 million in June 2012 quarter. Enquiries made by all other entities showed a quarter-on-quarter decrease of 0.1% and an increase of 44.0% year-on-year, to 21.70 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							
	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Jun 10 to Sep 10	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
Banks and other financial institutions	52.37	76.34	95.69	130.22	169.64	192.51	220.68	236.31	254.14	45.8%	25.3%	36.1%	30.3%	13.5%	14.6%	7.1%	7.5%
Retailers	22.37	57.89	26.25	19.23	19.65	13.42	14.55	11.89	12.99	158.8%	-54.7%	-26.7%	2.2%	-31.7%	8.4%	-18.3%	9.2%
Telecommunication providers	31.48	27.36	26.18	26.04	38.28	24.02	22.69	32.83	37.62	-13.1%	-4.3%	-0.5%	47.0%	-37.3%	-5.5%	44.7%	14.6%
Debt collection agencies	16.97	12.26	12.36	6.81	7.06	10.21	10.95	7.66	5.40	-27.7%	0.8%	-44.9%	3.7%	44.6%	7.3%	-30.1%	-29.4%
All other entities	12.16	16.00	16.17	16.96	15.07	18.17	17.08	21.73	21.70	31.5%	1.1%	4.9%	-11.2%	20.6%	-6.0%	27.2%	-0.1%
<b>Total</b>	<b>135.34</b>	<b>189.84</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>40.3%</b>	<b>-6.9%</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>

Figure 6: All enquiries – distribution according to sectors

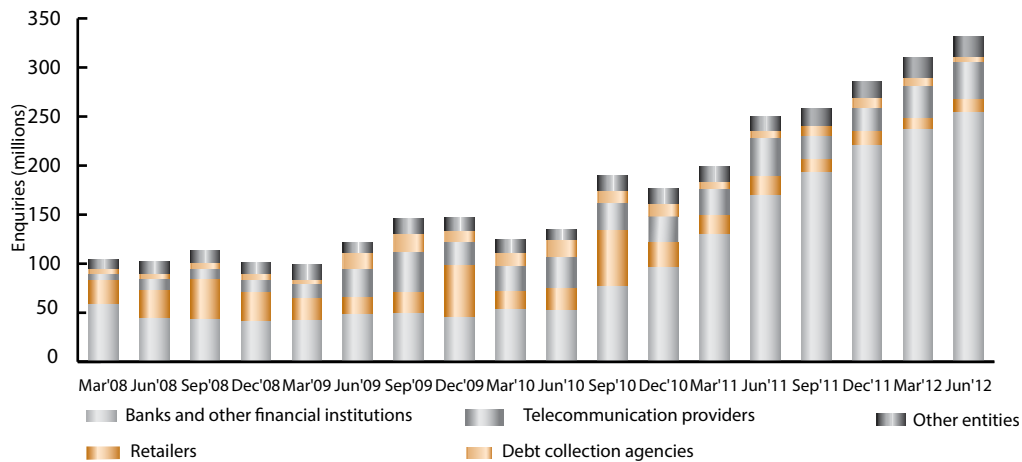


Table 5: Enquiries by banks and other financial institutions

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Jun 10 to Sep 10	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
Consumers seeking credit	8.46	8.82	9.34	9.37	10.05	11.16	12.22	11.49	12.40	4.3%	6.0%	0.2%	7.3%	11.0%	9.5%	-6.0%	7.9%
Tracing/debt collection purposes	2.51	3.12	3.68	6.02	1.32	3.47	5.13	7.18	2.68	24.1%	18.0%	63.4%	-78.1%	163.0%	47.8%	40.0%	-62.8%
Other purposes	41.40	64.4	82.66	114.84	158.27	177.88	203.33	217.64	239.06	55.6%	28.4%	38.9%	37.8%	12.4%	14.3%	7.0%	9.8%
<b>Banks and other financial institutions</b>	<b>52.37</b>	<b>76.34</b>	<b>95.69</b>	<b>130.22</b>	<b>169.64</b>	<b>192.51</b>	<b>220.68</b>	<b>236.31</b>	<b>254.14</b>	<b>45.8%</b>	<b>25.3%</b>	<b>36.1%</b>	<b>30.3%</b>	<b>13.5%</b>	<b>14.6%</b>	<b>7.1%</b>	<b>7.5%</b>

Table 6: Enquiries by retailers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Jun 10 to Sep 10	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
Consumers seeking credit	1.82	1.84	2.33	1.70	2.13	2.20	2.66	1.91	2.56	0.9%	27.1%	-27.1%	25.3%	3.1%	21.1%	-28.4%	34.1%
Tracing/debt collection purposes	0.53	0.59	0.63	0.49	0.41	0.53	0.61	0.54	0.56	10.9%	7.2%	-22.0%	-17.2%	28.7%	15.4%	-11.1%	3.1%
Other purposes	20.02	55.47	23.29	17.04	17.12	10.70	11.28	9.45	9.87	177.1%	-58.0%	-26.8%	0.4%	-37.5%	5.4%	-16.3%	4.5%
<b>Retailers</b>	<b>22.37</b>	<b>57.89</b>	<b>26.25</b>	<b>19.23</b>	<b>19.65</b>	<b>13.42</b>	<b>14.55</b>	<b>11.89</b>	<b>12.99</b>	<b>158.8%</b>	<b>-54.7%</b>	<b>-26.7%</b>	<b>2.2%</b>	<b>-31.7%</b>	<b>8.4%</b>	<b>-18.3%</b>	<b>9.2%</b>

Table 7: Enquiries by telecommunication providers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Jun 10 to Sep 10	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
Telecommunication services	0.70	0.84	1.37	0.84	0.84	0.99	1.02	0.81	0.76	19.9%	63.9%	-38.7%	0.3%	17.3%	2.9%	-20.7%	-6.4%
Tracing/debt collection purposes	0.41	2.42	3.85	5.20	10.25	5.48	3.65	2.42	3.92	487.9%	59.2%	35.2%	96.9%	-46.5%	-33.4%	-33.8%	62.2%
Other purposes	30.37	24.10	20.96	20.00	27.19	17.55	18.02	29.61	32.94	-20.6%	-13.0%	-4.6%	36.0%	-35.5%	2.7%	64.3%	11.2%
<b>Telecommunication providers</b>	<b>31.48</b>	<b>27.36</b>	<b>26.18</b>	<b>26.04</b>	<b>38.28</b>	<b>24.02</b>	<b>22.69</b>	<b>32.83</b>	<b>37.62</b>	<b>-13.1%</b>	<b>-4.3%</b>	<b>-0.5%</b>	<b>47.0%</b>	<b>-37.3%</b>	<b>-5.5%</b>	<b>44.7%</b>	<b>14.6%</b>

## Credit bureau activity

### Demand for credit reports increased for the quarter

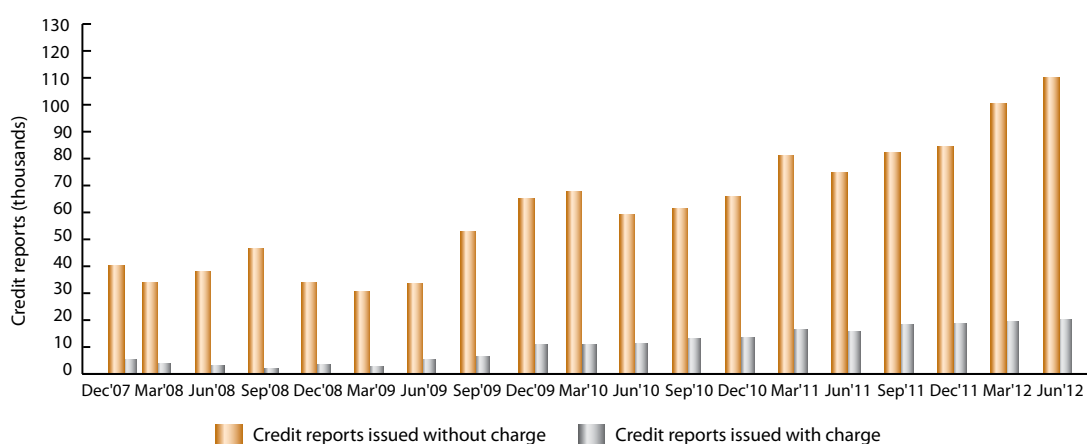
Of the total 130,521 credit reports issued to consumers at their request during the quarter ended June 2012, 84.4% (110,137) were issued without charge, and the remaining 15.6% (20,384) were issued with charge. The total number of credit reports issued increased by 8.7% quarter-on-quarter and 44.2% year-on-year.

See Table 8 and Figure 7 for details.

Table 8: Credit reports issued

Credit reports:	Number of credit reports										Percentage change								
	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Mar 09 to Jun 10	Jun 10 to Sep 10	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
Issued without charge	67,694	59,220	61,592	66,034	81,179	74,837	82,348	84,561	100,446	110,137	-12.5%	4.0%	7.2%	22.9%	-7.8%	10.0%	2.7%	18.8%	9.6%
Issued with charge	10,938	11,486	13,220	13,601	16,399	15,694	18,537	18,842	19,648	20,384	5.0%	15.1%	2.9%	20.6%	-4.3%	18.1%	1.6%	4.3%	3.7%
<b>Total issued</b>	<b>78,632</b>	<b>70,706</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>-10.1%</b>	<b>5.8%</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>

Figure 7: Credit reports issued



### Consumer disputes

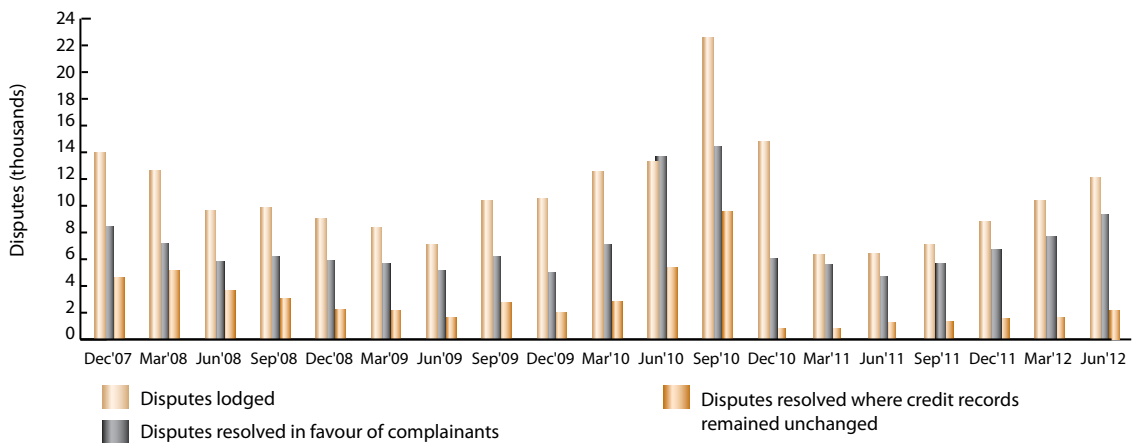
In the quarter ended June 2012, 12,149 disputes were lodged in respect of the accuracy of the information recorded on consumer credit records. This was a quarter-on-quarter increase of 17.3% and a year-on-year increase of 88.7%. More disputes were resolved in favour of complainants (9,351) as compared to disputes where credit records remained unchanged (2,162).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Disputes:	Number of disputes										Percentage change						
	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Jun 10 to Sep 10	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
Lodged	13,300	22,569	14,836	6,329	6,437	7,070	8,826	10,357	12,149	69.7%	-34.3%	-57.3%	1.7%	9.8%	24.8%	17.3%	17.3%
Resolved in favour of complainants	13,652	14,400	6,086	5,614	4,715	5,652	6,761	7,722	9,351	5.5%	-57.7%	-7.8%	-16.0%	19.9%	19.6%	14.2%	21.1%
Resolved where credit record remained unchanged	5,401	9,583	847	806	1,257	1,305	1,562	1,646	2,162	77.4%	-91.2%	-4.8%	56.0%	3.8%	19.7%	5.4%	31.3%

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 table below for omitted quarters and to the NCR website for complete tables of twenty-one quarters from June 2007 to June 2012.

Topic	Reporting Quarter
Consumers	June 2009
Accounts	June 2009
Enquiries	March 2010
Disputes	March 2010
Credit Reports	December 2009