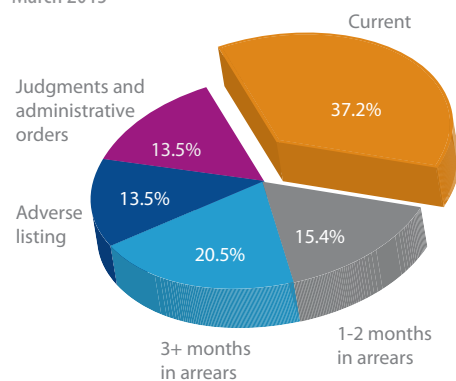


Credit Bureau Monitor

First Quarter | March 2013

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Credit standing of consumers: March 2013



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 March 2009 to March 2013, 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 March 2013:

- Credit bureaus held records for 20.08 million credit-active consumers, an increase of 0.6% when compared to the 19.97 million in the previous quarter. Consumers classified in good standing decreased by 76,000, to 10.55 million consumers. As a percentage of the total number of credit-active consumers, this reflects a decrease of 0.7% quarter-on-quarter and 1.1% year-on-year.
- The number of consumers with impaired records increased by 189,000 to 9.53 million, from 9.34 million in the previous quarter.
- The number of accounts increased from 69.53 million in the previous quarter to 70.73 million. The number of impaired accounts increased from 17.52 million to 18.31 million when compared to the previous quarter, an increase of 790,000 quarter-on-quarter and 1.37 million year-on-year.
- A total of 394.47 million enquiries were made on consumer credit records, an increase of 16.3% quarter-on-quarter and 27.1% year-on-year. Enquiries initiated by consumers accounted for 15.26 million of all enquiries, a decrease of 11.2% quarter-on-quarter and an increase of 13.9% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 83.3%, enquiries from retailers accounted for 3.8% and enquiries from telecommunication providers accounted for 5.1%. Banks and other financial institutions' enquiries increased by 15.2% from the previous quarter, retailers increased by 20.5% and telecommunication providers decreased by 10.7%.
- The number of credit reports issued to consumers increased to 145,720. Of the total credit reports issued, 83.5% (121,659) were issued without charge, and the remaining 16.5% (24,061) were issued with charge.
- There were 16,868 disputes lodged on information held on consumer credit records for the quarter ended March 2013, an increase of 3.1% quarter-on-quarter and 62.9% year-on-year.

Introduction

The information reflected in this Credit Bureau Monitor covers the period from the quarter ended March 2009 to March 2013.

Comparisons in this report: "quarter-on-quarter" refers to a comparison between the March 2013 and December 2012 quarters, and "year-on-year" refers to a comparison between the March 2013 and March 2012 quarters.

Credit-active consumers

There were 20.08 million credit-active consumers as at the end of March 2013

Credit bureaus held records for more than 43.43million individuals on their databases as at the end of March 2013. From these records, 20.08 million (46.2%) were credit-active and the remaining records contained only identification information and no credit activity. The number of credit-active consumers increased by 112,000 quarter-on-quarter and 587,000 year-on-year.

The percentage of consumers in good standing decreased for the quarter

Consumers classified in good standing decreased by 76,000 to 10.55 million consumers. As a percentage of the total number of credit-active consumers, this reflects a decrease of 0.7% quarter-on-quarter and 1.1% year-on-year. Of the total 20.08 million credit-active consumers, 52.5% were in good standing.

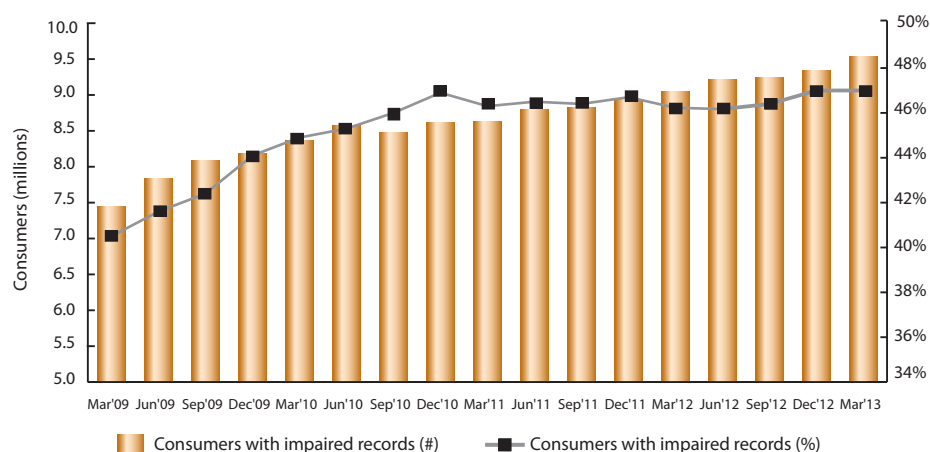
The number of consumers with impaired records (the inverse of those in good standing) increased by 189,000 to 9.53 million. The percentage of credit-active consumers with impaired records increased to 47.5%, comprising of 20.5% of consumers in three months or more in arrears, 13.5% of consumers with adverse listings, and 13.5% 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

	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Good standing (#)	9.73m	9.86m	9.90m	9.97m	10.04m	10.27m	10.41m	10.44m	10.38m	10.45m	10.62m	10.55m
Good standing (%)	53.1%	53.7%	53.5%	53.6%	53.3%	53.8%	53.8%	53.6%	53.0%	53.0%	53.2%	52.5%
Current (%)	39.2%	39.9%	39.2%	39.1%	39.1%	39.6%	39.1%	38.6%	38.6%	38.8%	38.0%	37.2%
1-2 months in arrears (%)	13.9%	13.8%	14.3%	14.5%	14.2%	14.2%	14.7%	15.0%	14.4%	14.3%	15.3%	15.4%
Impaired records (#)	8.59m	8.49m	8.61m	8.63m	8.80m	8.83m	8.93m	9.05m	9.22m	9.25m	9.34m	9.53m
Impaired records (%)	46.9%	46.3%	46.5%	46.4%	46.7%	46.2%	46.2%	46.4%	47.0%	47.0%	46.8%	47.5%
3+ months in arrears (%)	17.3%	17.0%	17.8%	17.7%	18.5%	18.7%	19.0%	19.9%	19.5%	19.7%	20.1%	20.5%
Adverse listings (%)	15.6%	15.4%	14.6%	14.4%	13.9%	13.2%	12.9%	12.3%	13.3%	12.9%	12.7%	13.5%
Judgments and administration orders (%)	13.9%	13.9%	14.1%	14.3%	14.3%	14.3%	14.3%	14.2%	14.2%	14.3%	13.9%	13.5%
Credit-active consumers (#)	18.32m	18.35m	18.51m	18.60m	18.84m	19.10m	19.34m	19.49m	19.60m	19.69m	19.97m	20.08m

Figure 1: Consumers with impaired records



Consumer accounts

There were 70.73 million accounts on record at the bureaus as at the end of March 2013

At the end of the reporting quarter there were 70.73 million accounts recorded at registered credit bureaus. This was an increase of 1.7% quarter-on-quarter and 4.8% year-on-year.

The percentage of accounts in good standing decreased this quarter

Of the 70.73 million accounts, 52.42 million (74.1%) were classified as in good standing, a negative variance of 0.7% quarter-on-quarter and 0.8% year-on-year.

As at the end of March 2013:

- 64.3% of accounts were classified as current (decreased quarter-on-quarter by 1.1% and year-on-year by 1.3%).
- 9.8% had missed one or two instalments (increased quarter-on-quarter by 0.4% and year-on-year by 0.5%).
- 18.0% had missed three or more instalments (increased quarter-on-quarter by 0.2% and decreased year-on-year by 0.1%).
- 5.0% had adverse listings (increased quarter-on-quarter by 0.6% and year-on-year by 1.3%).
- 2.9% 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

	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Good standing (#)	48.22m	47.85m	47.91m	46.80m	48.53m	49.48m	50.62m	50.57m	50.88m	51.02m	52.02m	52.42m
Good standing (%)	73.9%	74.3%	74.5%	74.2%	74.7%	74.9%	75.0%	74.9%	74.5%	74.7%	74.8%	74.1%
Current (%)	65.4%	65.9%	65.9%	65.1%	65.4%	66.3%	66.0%	65.6%	65.7%	66.0%	65.4%	64.3%
1-2 months in arrears (%)	8.5%	8.4%	8.6%	9.1%	9.3%	8.7%	8.9%	9.3%	8.8%	8.7%	9.4%	9.8%
Impaired records (#)	17.06m	16.55m	16.36m	16.26m	16.47m	16.54m	16.91m	16.94m	17.43m	17.26m	17.52m	18.31m
Impaired records (%)	26.1%	25.7%	25.5%	25.8%	25.3%	25.1%	25.0%	25.1%	25.5%	25.3%	25.2%	25.9%
3+ months in arrears (%)	16.2%	16.3%	16.5%	16.9%	17.1%	17.3%	17.5%	18.1%	17.7%	17.7%	17.8%	18.0%
Adverse listings (%)	5.9%	5.4%	5.0%	4.9%	4.4%	4.0%	4.1%	3.7%	4.7%	4.5%	4.4%	5.0%
Judgments and administration orders (%)	4.1%	4.0%	3.9%	4.0%	3.8%	3.7%	3.5%	3.3%	3.1%	3.1%	3.0%	2.9%
Consumer accounts (#)	65.28m	64.40m	64.28m	63.05m	65.00m	66.03m	67.53m	67.51m	68.30m	68.28m	69.53m	70.73m

Figure 2: Accounts with impaired records

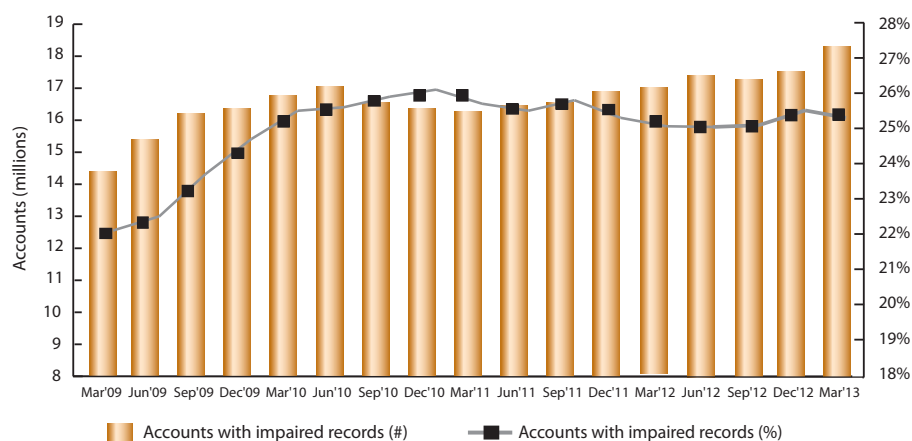
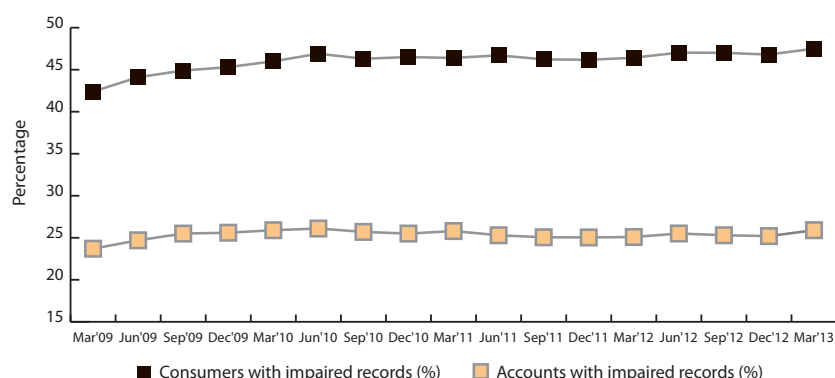


Figure 3: Consumers and accounts with impaired records



Credit market activity

Enquiries made on consumer records increased for the quarter

In the quarter ended March 2013, 394.47 million enquiries were made. This was an increase of 16.3% quarter-on-quarter and 27.1% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 15.26 million enquiries were made due to consumers seeking credit (decreased by 11.2% quarter-on-quarter and increased by 13.9% year-on-year).
- 0.68 million enquiries were related to telecommunication services (decreased by 8.4% quarter-on-quarter and 15.7% year-on-year).
- 15.16 million enquiries were made for tracing/debt collection purposes (increased by 45.6% quarter-on-quarter and decreased by 17.9% year-on-year).
- 363.37 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (increased by 16.9% quarter-on-quarter and 30.8% 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							
	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	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	Dec 12 to Mar 13
Consumers seeking credit	11.07	12.18	13.36	14.88	13.39	14.96	15.92	17.18	15.26	10.0%	9.6%	11.4%	-10.0%	11.7%	6.4%	7.9%	-11.2%
Telecommunication services	0.84	0.84	0.99	1.02	0.81	0.76	0.73	0.74	0.68	0.3%	17.3%	2.9%	-20.7%	-6.4%	-3.5%	1.8%	-8.4%
Tracing/debt collection purposes	20.12	19.62	20.34	20.84	18.46	13.22	14.19	10.41	15.16	-2.5%	3.7%	2.5%	-11.4%	-28.4%	7.3%	-26.6%	45.6%
Other	167.24	217.06	223.64	249.21	277.75	302.91	290.05	310.86	363.37	29.8%	3.0%	11.4%	11.5%	9.1%	-4.2%	7.2%	16.9%
Total	199.26	249.70	258.33	285.95	310.42	331.84	320.89	339.20	394.47	25.3%	3.5%	10.7%	8.6%	6.9%	-3.3%	5.7%	16.3%

Figure 4: Enquiries due to consumers seeking credit

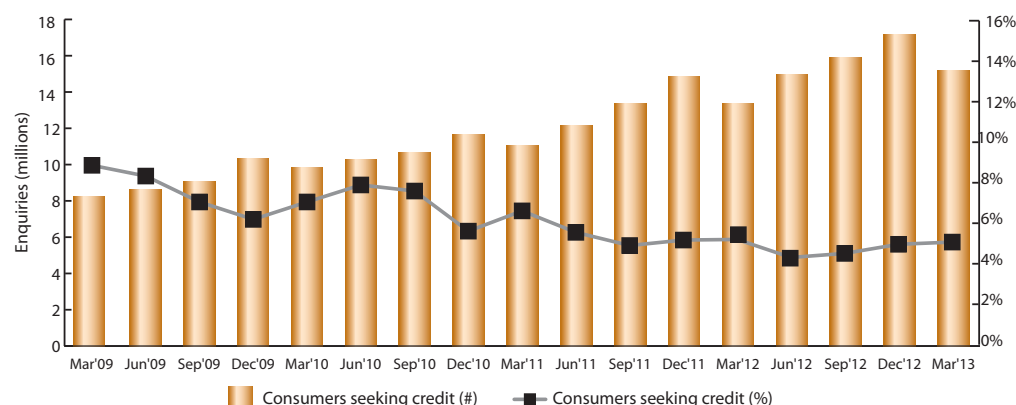
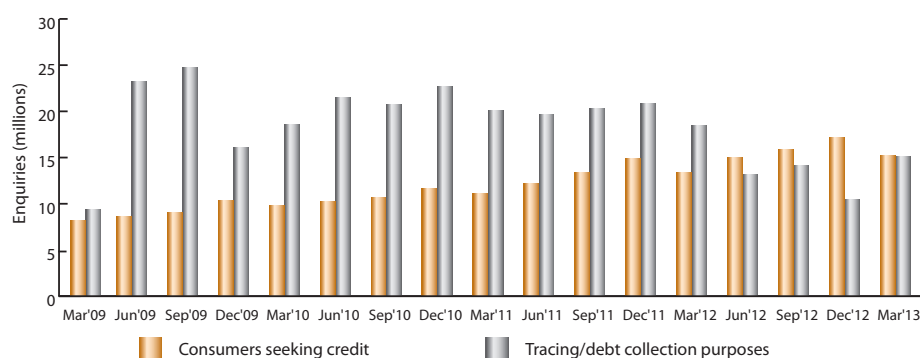


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



Enquiry sectoral analysis

In the quarter ended March 2013, 328.68 million enquiries were made by banks and other financial institutions, an increase of 15.2% quarter-on-quarter and 39.1% year-on-year. Retailers made 15.18 million enquiries on consumer records, which was an increase of 20.5% quarter-on-quarter and 27.7% year-on-year. Enquiries made by telecommunication providers decreased by 10.7% quarter-on-quarter and 38.6% year-on-year, to 20.16 million in March 2013 quarter. Enquiries made by debt collection agencies increased by 122.4% quarter-on-quarter and 12.8% year-on-year, to 8.64 million in March 2013 quarter. Enquiries made by all other entities showed a quarter-on-quarter increase of 46.5% and 0.4% year-on-year, to 21.82 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							
	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	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	Dec 12 to Mar 13
Banks and other financial institutions	130.22	169.64	192.51	220.68	236.31	254.14	262.00	285.27	328.68	30.3%	13.5%	14.6%	7.1%	7.5%	3.1%	8.9%	15.2%
Retailers	19.23	19.65	13.42	14.55	11.89	12.99	14.04	12.60	15.18	2.2%	-31.7%	8.4%	-18.3%	9.2%	8.1%	-10.3%	20.5%
Telecommunication providers	26.04	38.28	24.02	22.69	32.83	37.62	24.45	22.56	20.16	47.0%	-37.3%	-5.5%	44.7%	14.6%	-35.0%	-7.7%	-10.7%
Debt collection agencies	6.81	7.06	10.21	10.95	7.66	5.40	7.07	3.88	8.64	3.7%	44.6%	7.3%	-30.1%	-29.4%	30.9%	-45.1%	122.4%
All other entities	16.96	15.07	18.17	17.08	21.73	21.70	13.32	14.89	21.82	-11.2%	20.6%	-6.0%	27.2%	-0.1%	-38.6%	11.7%	46.5%
Total	199.26	249.70	258.33	285.95	310.42	331.84	320.89	339.20	394.47	25.3%	3.5%	10.7%	8.6%	6.9%	-3.3%	5.7%	16.3%

Figure 6: All enquiries – distribution according to sectors

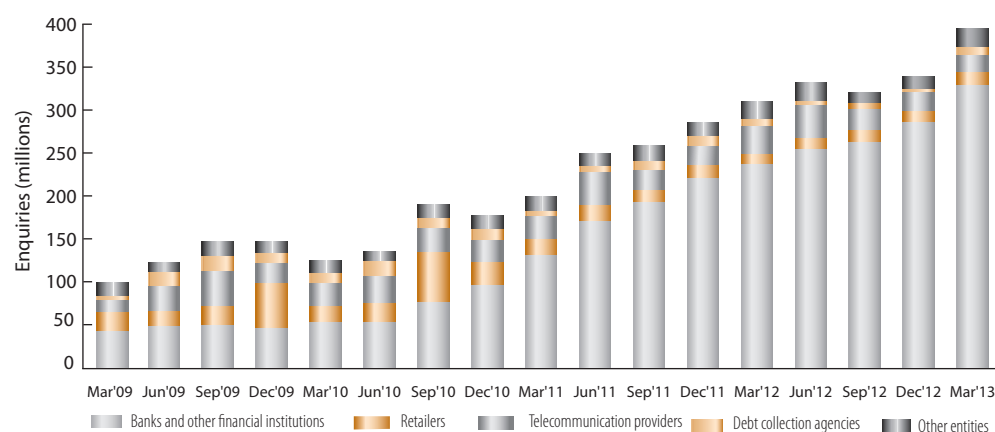


Table 5: Enquiries by banks and other financial institutions

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	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	Dec 12 to Mar 13
Consumers seeking credit	9.37	10.05	11.16	12.22	11.49	12.40	13.26	14.08	12.96	7.3%	11.0%	9.5%	-6.0%	7.9%	7.0%	6.2%	-8.0%
Tracing/debt collection purposes	6.02	1.32	3.47	5.13	7.18	2.68	2.18	2.17	1.45	-78.1%	163.0%	47.8%	40.0%	-62.8%	-18.4%	-0.7%	-33.3%
Other purposes	114.84	158.27	177.88	203.33	217.64	239.06	246.55	269.02	314.27	37.8%	12.4%	14.3%	7.0%	9.8%	3.1%	9.1%	16.8%
Banks and other financial institutions	130.22	169.64	192.51	220.68	236.31	254.14	262.00	285.27	328.68	30.3%	13.5%	14.6%	7.1%	7.5%	3.1%	8.9%	15.2%

Table 6: Enquiries by retailers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	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	Dec 12 to Mar 13
Consumers seeking credit	1.70	2.13	2.20	2.66	1.91	2.56	2.66	3.10	2.30	25.3%	3.1%	21.1%	-28.4%	34.1%	3.9%	16.8%	-25.8%
Tracing/debt collection purposes	0.49	0.41	0.53	0.61	0.54	0.56	0.55	0.72	0.48	-17.2%	28.7%	15.4%	-11.1%	3.1%	-1.1%	31.0%	-32.7%
Other purposes	17.04	17.12	10.70	11.28	9.45	9.87	10.84	8.78	12.40	0.4%	-37.5%	5.4%	-16.3%	4.5%	9.8%	-19.0%	41.2%
Retailers	19.23	19.65	13.42	14.55	11.89	12.99	14.04	12.60	15.18	2.2%	-31.7%	8.4%	-18.3%	9.2%	8.1%	-10.3%	20.5%

Table 7: Enquiries by telecommunication providers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	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	Dec 12 to Mar 13
Telecommunication services	0.84	0.84	0.99	1.02	0.81	0.76	0.73	0.74	0.68	0.3%	17.3%	2.9%	-20.7%	-6.4%	-3.5%	1.8%	-8.4%
Tracing/debt collection purposes	5.20	10.25	5.48	3.65	2.42	3.92	1.68	2.85	3.69	96.9%	-46.5%	-33.4%	-33.8%	62.2%	-57.3%	70.0%	29.5%
Other purposes	20.00	27.19	17.55	18.02	29.61	32.94	22.04	18.97	15.78	36.0%	-35.5%	2.7%	64.3%	11.2%	-33.1%	-13.9%	-16.8%
Telecommunication providers	26.04	38.28	24.02	22.69	32.83	37.62	24.45	22.56	20.16	47.0%	-37.3%	-5.5%	44.7%	14.6%	-35.0%	-7.7%	-10.7%

Credit bureau activity

Demand for credit reports decreased for the quarter

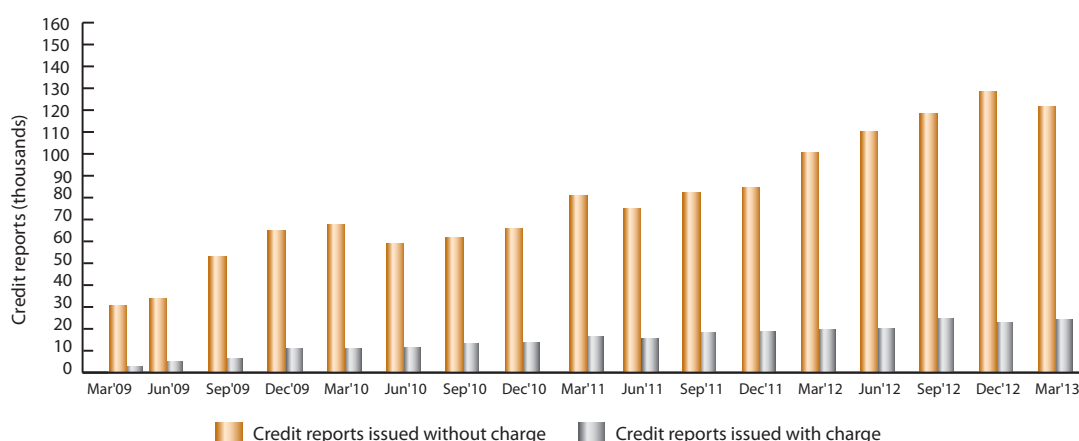
Of the total 145,720 credit reports issued to consumers at their request during the quarter ended March 2013, 83.5% (121,659) were issued without charge, and the remaining 16.5% (24,061) were issued with charge. The total number of credit reports issued decreased by 3.8% quarter-on-quarter and increased by 21.3% year-on-year.

See Table 8 and Figure 7 for details.

Table 8: Credit reports issued

Number of credit reports											Percentage change								
Credit reports:	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Dec 10 to Mar 11	Mar11 to Jun11	Jun 11 to Sep 11	Sep 11 to Dec 11	Dec 11 to Mar12	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12	Dec 12 to Mar 13
Issued without charge	66,034	81,179	74,837	82,348	84,561	100,446	110,137	118,503	128,339	121,659	22.9%	-7.8%	10.0%	2.7%	18.8%	9.6%	7.6%	8.3%	-5.2%
Issued with charge	13,601	16,399	15,694	18,537	18,842	19,648	20,384	24,590	23,077	24,061	20.6%	-4.3%	18.1%	1.6%	4.3%	3.7%	20.6%	-6.2%	4.3%
Total issued	79,635	97,578	90,531	100,885	103,402	120,094	130,521	143,093	151,416	145,720	22.5%	-7.2%	11.4%	2.5%	16.1%	8.7%	9.6%	5.8%	-3.8%

Figure 7: Credit reports issued



Consumer disputes

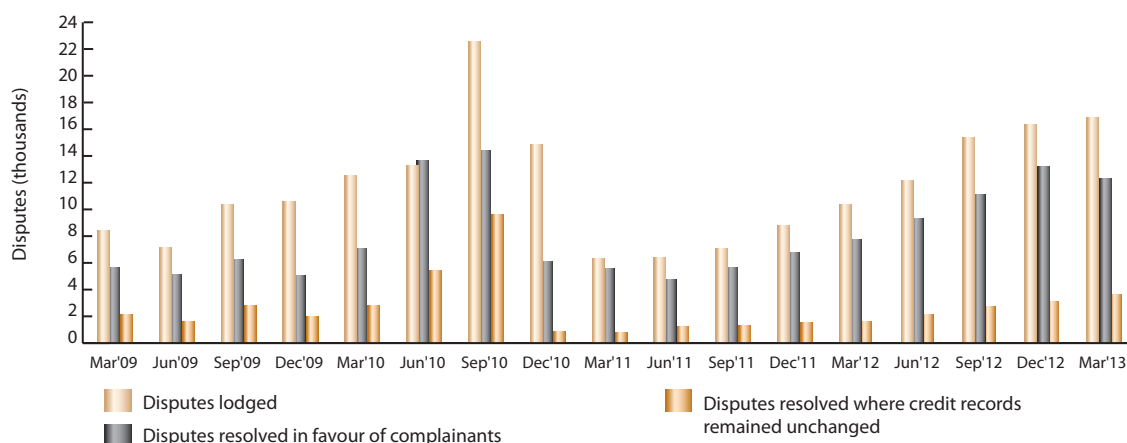
In the quarter ended March 2013, 16,868 disputes were lodged in respect of the accuracy of the information recorded on consumer credit records. This was a quarter-on-quarter increase of 3.1% and a year-on-year increase of 62.9%. More disputes were resolved in favour of complainants (12,313) as compared to disputes where credit records remained unchanged (3,670).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Number of disputes										Percentage change							
Disputes:	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Mar 11 to Jun11	Jun 11 to Sep11	Sep 11 to Dec 11	Dec 11 to Mar 12	Mar 12 to Jun12	Jun 12 to Sep 12	Sep 12 to Dec 12	Dec 12 to Mar 13
Lodged	6,329	6,437	7,070	8,826	10,357	12,149	15,356	16,368	16,868	1.7%	9.8%	24.8%	17.3%	17.3%	26.4%	6.6%	3.1%
Resolved in favour of complainants	5,614	4,715	5,652	6,761	7,722	9,351	11,137	13,198	12,313	-16.0%	19.9%	19.6%	14.2%	21.1%	19.1%	18.5%	-6.7%
Resolved where credit record remained unchanged	806	1,257	1,305	1,562	1,646	2,162	2,759	3,143	3,670	56.0%	3.8%	19.7%	5.4%	31.3%	27.6%	13.9%	16.8%

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-four quarters from June 2007 to March 2013.