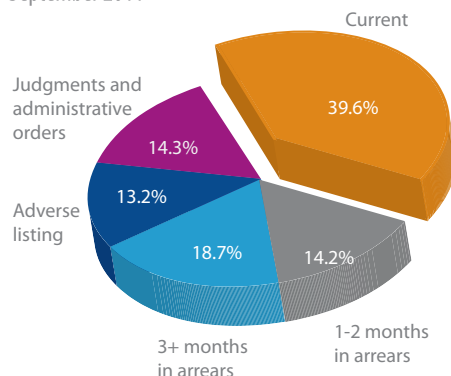


# Credit Bureau Monitor

Third Quarter | September 2011

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Credit standing of consumers:  
September 2011



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 is for eighteen\* quarters, from quarter ended June 2007 to quarter ended September 2011 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.

As at the end of September 2011:

- Credit bureaus had records for 19.10 million credit-active consumers, an increase of 1.4% over the 18.84 million of the previous quarter. Consumers classified in good standing increased by 232,000, to 10.27 million consumers, a 2.3% increase quarter-on-quarter and 4.2% year-on-year.
- The number of consumers with impaired records increased by 24,000 to 8.83 million, a 0.5% decrease quarter-on-quarter and 0.1% year-on-year.
- The number of accounts increased from 65.00 million in the previous quarter to 66.03 million, an increase of 1.6%. The number of impaired accounts increased by 75,000 to 16.54 million, from 16.47 million in the previous quarter.
- A total of 258.33 million enquiries were made on consumer credit records, an increase of 3.5% quarter-on-quarter and 36.1% year-on-year. Enquiries initiated by consumers accounted for 13.36 million of all the enquiries, an increase of 9.6% quarter-on-quarter and 25.4% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 74.5%, enquiries from retailers accounted for 5.2% and enquiries from telecommunication providers accounted for 9.3%. Banks and other financial institutions' enquiries increased by 13.5% from the previous quarter, retailers decreased by 31.7% and telecommunication providers decreased by 37.3%.
- The number of credit reports issued to consumers increased to 100,885. Of the total credit reports issued, 81.6% (82,348) were issued without charge, and the remaining 18.4% (18,537) were issued with charge.
- There were 7,070 disputes lodged on information held on consumer credit records for the quarter ended September 2011, which was an increase of 9.8% quarter-on-quarter and a decrease of 68.7% year-on-year.

## Introduction

The information reflected in this Credit Bureau Monitor is for eighteen quarters, from quarter ended June 2007 to quarter ended September 2011. (\* See note on the last page)

Comparisons in this report: "quarter-on-quarter" refers to a comparison between the September 2011 and June 2011 quarters, and "year-on-year" refers to a comparison between the September 2011 and September 2010 quarters.

## Credit-active consumers

**There were 19.10 million credit-active consumers as at the end of September 2011**

Credit bureaus held records for more than 41.14 million individuals on their databases, of which 19.10 million (46.4%) were credit-active, as at the end of September 2011. This was an increase of 257,000 consumers quarter-on-quarter and 748,000 consumers year-on-year. The remaining records contained only identification information and no credit activity.

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

Consumers classified in good standing increased by 232,000 to 10.27 million consumers, a 0.5% increase in proportion to the total number of credit-active consumers and 0.1% increase year-on-year. Of the total 19.10 million credit-active consumers, 53.8% were in good standing.

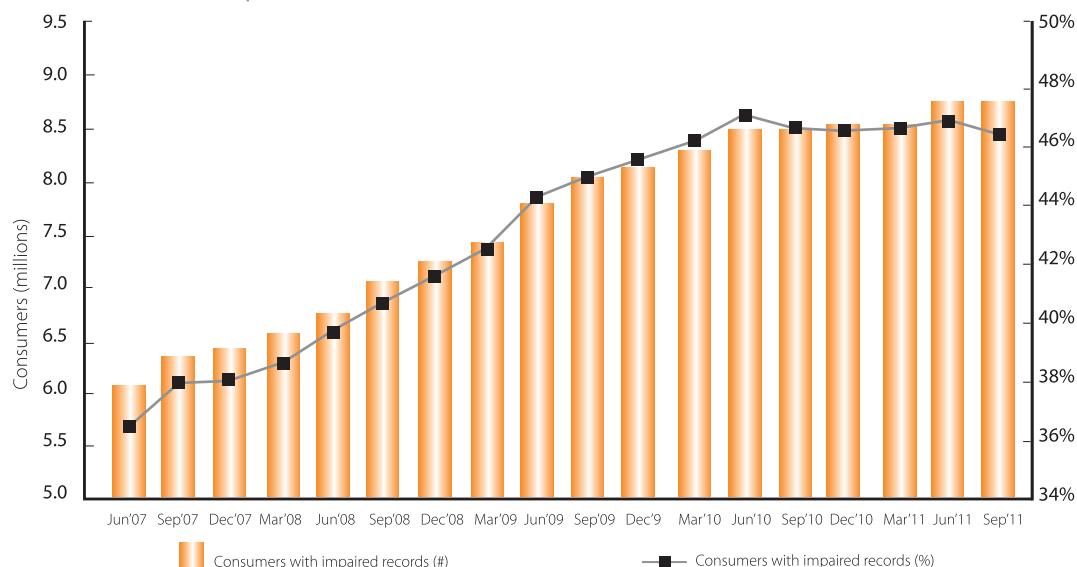
The number of consumers with impaired records (the inverse of those in good standing) increased by 24,000 to 8.83 million, a 0.5% decrease quarter-on-quarter and 0.1% year-on-year. The percentage of consumers with impaired records decreased to 46.2%, comprising of 18.7% of consumers in three months or more in arrears, 13.2% of consumers with adverse listings, and 14.3% 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*

	Dec 08	Mar 09	Jun 09	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11
<b>Good standing (#)</b>	10.26m	10.15m	9.94m	9.92m	9.89m	9.84m	9.73m	9.86m	9.90m	9.97m	10.04m	10.27m
<b>Good standing (%)</b>	58.4%	57.6%	55.9%	55.1%	54.7%	54.0%	53.1%	53.7%	53.5%	53.6%	53.3%	53.8%
<b>Current (%)</b>	43.6%	42.3%	41.7%	41.2%	40.5%	39.5%	39.2%	39.9%	39.2%	39.1%	39.1%	39.6%
<b>1-2 months in arrears (%)</b>	14.8%	15.3%	14.2%	13.9%	14.2%	14.5%	13.9%	13.8%	14.3%	14.5%	14.2%	14.2%
<b>Impaired records (#)</b>	7.30m	7.46m	7.85m	8.09m	8.18m	8.37m	8.59m	8.49m	8.61m	8.63m	8.80m	8.83m
<b>Impaired records (%)</b>	41.6%	42.4%	44.1%	44.9%	45.3%	46.0%	46.9%	46.3%	46.5%	46.4%	46.7%	46.2%
<b>3+ months in arrears (%)</b>	15.1%	15.3%	16.8%	17.0%	17.3%	17.2%	17.3%	17.0%	17.8%	17.7%	18.5%	18.7%
<b>Adverse listings (%)</b>	13.8%	14.2%	14.2%	14.7%	14.6%	15.0%	15.6%	15.4%	14.6%	14.4%	13.9%	13.2%
<b>Judgments and administration orders (%)</b>	12.7%	12.9%	13.1%	13.3%	13.3%	13.7%	13.9%	13.9%	14.1%	14.3%	14.3%	14.3%
<b>Credit-active consumers (#)</b>	17.56m	17.61m	17.79m	18.01m	18.07m	18.21m	18.32m	18.35m	18.51m	18.60m	18.84m	19.10m

*Figure 1: Consumers with impaired records*



## Consumer accounts

There were 66.03 million accounts on record at the bureaus as at the end of September 2011

At the end of the reporting quarter there were 66.03 million accounts recorded at registered credit bureaus. This was an increase of 1.6% quarter-on-quarter and an increase of 2.5% year-on-year.

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

Of the 66.03 million accounts, 49.48 million (74.9%) were classified as in good standing, a positive variance of 0.2% quarter-on-quarter and 0.6% year-on-year.

As at the end of September 2011:

- 66.3% of accounts were classified as current (increased quarter-on-quarter by 0.9% and 0.4% year-on-year).
- 8.7% had missed one or two instalments (decreased quarter-on-quarter by 0.6% and increased year-on-year by 0.3%).
- 17.3% had missed three or more instalments (increased quarter-on-quarter by 0.2% and year-on-year by 1.4%).
- 4.0% had adverse listings (decreased quarter-on-quarter by 0.4% and year-on-year by 1.0%).
- 3.7% had judgments or administration orders (decreased quarter-on-quarter by 0.1% and year-on-year by 0.3%).

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

Table 2: Credit standing of accounts

	Dec 08	Mar 09	Jun 09	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11
<b>Good standing (#)</b>	47.22m	46.16m	46.87m	47.33m	47.56m	47.99m	48.22m	47.85m	47.91m	46.80m	48.53m	49.48m
<b>Good standing (%)</b>	77.5%	76.3%	75.3%	74.5%	74.4%	74.1%	73.9%	74.3%	74.5%	74.2%	74.7%	74.9%
Current (%)	68.3%	66.2%	66.2%	65.6%	65.6%	65.1%	65.4%	65.9%	65.9%	65.1%	65.4%	66.3%
1-2 months in arrears (%)	9.2%	10.1%	9.1%	8.9%	8.8%	9.0%	8.5%	8.4%	8.6%	9.1%	9.3%	8.7%
<b>Impaired records (#)</b>	13.73m	14.36m	15.41m	16.21m	16.38m	16.76m	17.06m	16.55m	16.36m	16.26m	16.47m	16.54m
<b>Impaired records (%)</b>	22.5%	23.7%	24.7%	25.5%	25.6%	25.9%	26.1%	25.7%	25.5%	25.8%	25.3%	25.1%
3+ months in arrears (%)	12.4%	13.3%	14.6%	15.1%	15.9%	15.7%	16.2%	16.3%	16.5%	16.9%	17.1%	17.3%
Adverse listings (%)	5.7%	6.0%	5.9%	6.1%	5.7%	6.1%	5.9%	5.4%	5.0%	4.9%	4.4%	4.0%
Judgments and administration orders (%)	4.4%	4.4%	4.3%	4.2%	4.0%	4.1%	4.1%	4.0%	3.9%	4.0%	3.8%	3.7%
<b>Consumer accounts (#)</b>	60.95m	60.52m	62.29m	63.54m	63.94m	64.75m	65.28m	64.40m	64.28m	63.05m	65.00m	66.03m

Figure 2: Accounts with impaired records

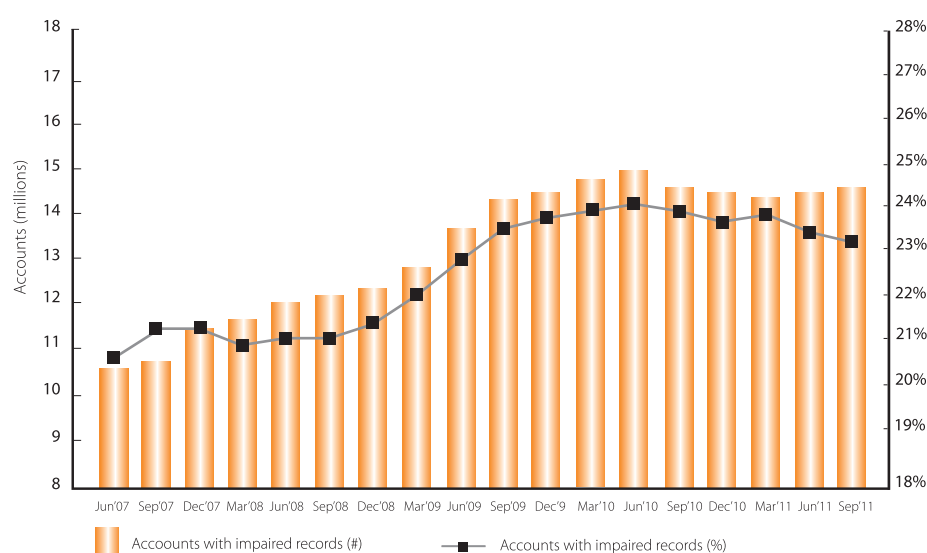
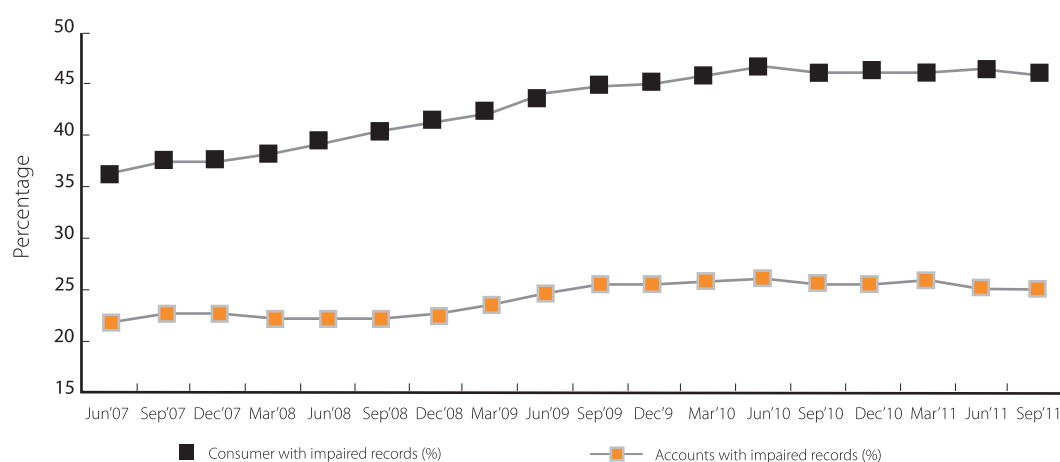


Figure 3: Consumers and accounts with impaired records



## Credit market activity

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

In the quarter ended September 2011 258.33 million enquiries were made. This was an increase of 3.5% quarter-on-quarter and 36.1% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 13.36 million enquiries were made due to consumers seeking credit (increased by 9.6% quarter-on-quarter and 25.4% year-on-year).
- 0.99 million enquiries were related to telecommunication services (increased by 17.3% quarter-on-quarter and 18.2% year-on-year).
- 20.34 million enquiries were made for tracing/debt collection purposes (increased by 3.7% quarter-on-quarter and decreased by 1.9% year-on-year).
- 223.64 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact update (increased by 3.0% quarter-on-quarter and 41.9% 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							
	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Sep 09 to Dec 09	Dec 09 to Mar 10	Mar 10 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
Consumers seeking credit	9.05	10.35	9.85	10.28	10.65	11.68	11.07	12.18	13.36	14.3%	-4.9%	4.4%	3.7%	9.6%	-5.2%	10.0%	9.6%
Telecommunication services	0.81	0.82	0.74	0.70	0.84	1.37	0.84	0.84	0.99	0.7%	-8.8%	-6.2%	19.9%	63.9%	-38.7%	0.3%	17.3%
Tracing/debt collection purposes	24.70	16.06	18.57	21.47	20.72	22.68	20.12	19.62	20.34	-35.0%	15.6%	15.6%	-3.5%	9.5%	-11.3%	-2.5%	3.7%
Other	111.73	119.65	95.68	102.89	157.63	140.92	167.24	217.06	223.64	7.1%	-20.0%	7.5%	53.2%	-10.6%	18.7%	29.8%	3.0%
<b>Total</b>	<b>146.30</b>	<b>146.88</b>	<b>124.84</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>0.4%</b>	<b>-15.0%</b>	<b>8.4%</b>	<b>40.3%</b>	<b>-6.9%</b>	<b>12.8%</b>	<b>25.3%</b>	<b>3.5%</b>

Figure 4: Enquiries due to consumers seeking credit

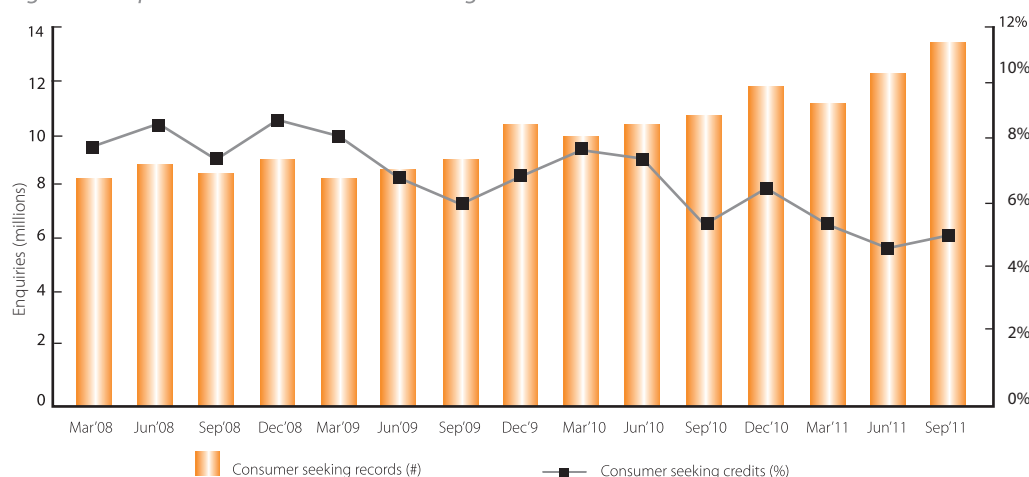
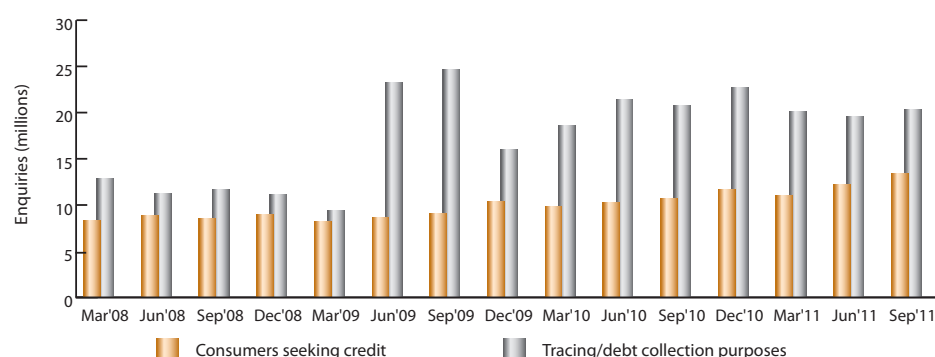


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



### Enquiry sectoral analysis

In the quarter ended September 2011, 192.51 million enquiries were made by banks and other financial institutions, an increase of 13.5% quarter-on-quarter and 152.2% year-on-year. Retailers made 13.42 million enquiries on consumer records, which was a decrease of 31.7% quarter-on-quarter and a decrease of 76.8% year-on-year. Enquiries made by telecommunication providers decreased by 37.3% quarter-on-quarter and 12.2% year-on-year, to 24.02 million in September 2011 quarter. Enquiries made by debt collection agencies increased by 44.6% quarter-on-quarter and decreased by 16.8% year-on-year, to 10.21 million in September 2011 quarter. Enquiries made by all other entities showed a quarter-on-quarter increase of 20.6% and a year-on-year increase of 13.6%, to 18.17 million.

Refer to Tables 4 to 7 and Figure 6 for a detailed breakdown.

Table 4: All enquiries – distribution according to sectors

Number of enquiries (millions)										Percentage change							
Enquiries by:	Sept 09	Dec 09	Mar 10	Jun 10	Sept 10	Dec 10	Mar 11	Jun 11	Sep 11	Sep 09 to Dec 09	Dec 09 to Mar 10	Mar 10 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
Banks and other financial institutions	49.40	45.23	53.04	52.37	76.34	95.69	130.22	169.64	192.51	-8.4%	17.3%	-1.3%	45.8%	25.3%	36.1%	30.3%	13.5%
Retailers	21.46	52.73	18.67	22.37	57.89	26.25	19.23	19.65	13.42	145.7%	-64.6%	19.8%	158.8%	-54.7%	-26.7%	2.2%	-31.7%
Telecommunication providers	40.73	23.79	25.75	31.48	27.36	26.18	26.04	38.28	24.02	-41.6%	8.3%	22.2%	-13.1%	-4.3%	-0.5%	47.0%	-37.3%
Debt collection agencies	17.87	11.33	12.57	16.97	12.26	12.36	6.81	7.06	10.21	-36.6%	11.0%	34.9%	-27.7%	0.8%	-44.9%	3.7%	44.6%
All other entities	16.84	13.79	14.81	12.16	16.00	16.17	16.96	15.07	18.17	-18.1%	7.3%	-17.9%	31.5%	1.1%	4.9%	-11.2%	20.6%
Total	146.30	146.88	124.84	135.34	189.84	176.65	199.26	249.70	258.33	0.4%	-15.0%	8.4%	40.3%	-6.9%	12.8%	25.3%	3.5%

Figure 6: All enquiries - Distribution according to sectors

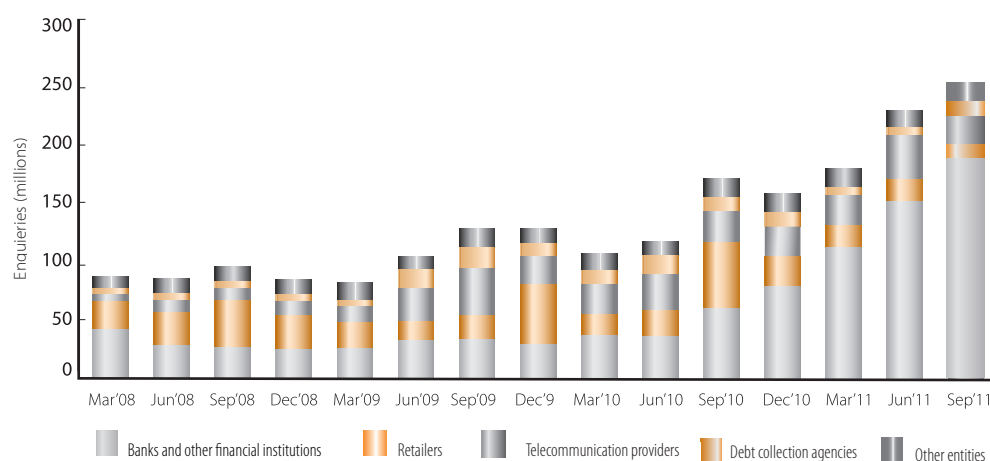


Table 5: Enquiries by banks and other financial institutions

Number of enquiries (millions)										Percentage change							
Enquiry purpose:	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Sep 09 to Dec 09	Dec 09 to Mar 10	Mar 10 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
Consumers seeking credit	7.39	8.29	8.29	8.46	8.82	9.34	9.37	10.05	11.16	12.2%	0.0%	2.0%	4.3%	6.0%	0.2%	7.3%	11.0%
Tracing/debt collection purposes	2.78	2.70	2.33	2.51	3.12	3.68	6.02	1.32	3.47	-3.0%	-13.6%	7.9%	24.1%	18.0%	63.4%	-78.1%	163.0%
Other purposes	39.23	34.25	42.41	41.40	64.4	82.66	114.84	158.27	177.88	-12.7%	23.9%	-2.4%	55.6%	28.4%	38.9%	37.8%	12.4%
Banks and other financial institutions	49.40	45.24	53.04	52.37	76.34	95.69	130.22	169.64	192.51	-8.4%	17.3%	-1.3%	45.8%	25.3%	36.1%	30.3%	13.5%

Table 6: Enquiries by retailers

Number of enquiries (millions)										Percentage change							
Enquiry purpose:	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Sep 09 to Dec 09	Dec 09 to Mar 10	Mar 10 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
Consumers seeking credit	1.66	2.06	1.55	1.82	1.84	2.33	1.70	2.13	2.20	23.9%	-24.7%	17.1%	0.9%	27.1%	-27.1%	25.3%	3.1%
Tracing/debt collection purposes	0.67	0.55	0.57	0.53	0.59	0.63	0.49	0.41	0.53	-18.9%	4.1%	-6.7%	10.9%	7.2%	-22.0%	-17.2%	28.7%
Other purposes	19.12	50.12	16.54	20.02	55.47	23.29	17.04	17.12	10.70	162.1%	-67.0%	21.0%	177.1%	-58.0%	-26.8%	0.4%	-37.5%
Retailers	21.46	52.73	18.67	22.37	57.89	26.25	19.23	19.65	13.42	145.7%	-64.6%	19.8%	158.8%	-54.7%	-26.7%	2.2%	-31.7%

Table 7: Enquiries by telecommunication providers

Number of enquiries (millions)										Percentage change							
Enquiry purpose:	Sep09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Sep 09 to Dec 09	Dec 09 to Mar 10	Mar 10 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
Telecommunication services	0.81	0.82	0.74	0.70	0.84	1.37	0.84	0.84	0.99	0.7%	-8.8%	-6.2%	19.9%	63.9%	-38.7%	0.3%	17.3%
Tracing/debt collection purposes	1.60	0.43	0.24	0.41	2.42	3.85	5.20	10.25	5.48	-73.2%	-45.2%	74.6%	487.9%	59.2%	35.2%	96.9%	-46.5%
Other purposes	38.32	22.54	24.77	30.37	24.10	20.96	20.00	27.19	17.55	-41.2%	9.9%	22.6%	-20.6%	-13.0%	-4.6%	36.0%	-35.5%
Telecommunication providers	40.73	23.79	25.75	31.48	27.36	26.18	26.04	38.28	24.02	-41.6%	8.3%	22.2%	-13.1%	-4.3%	-0.5%	47.0%	-37.3%

## Credit bureau activity

### Demand for credit reports increased for the quarter

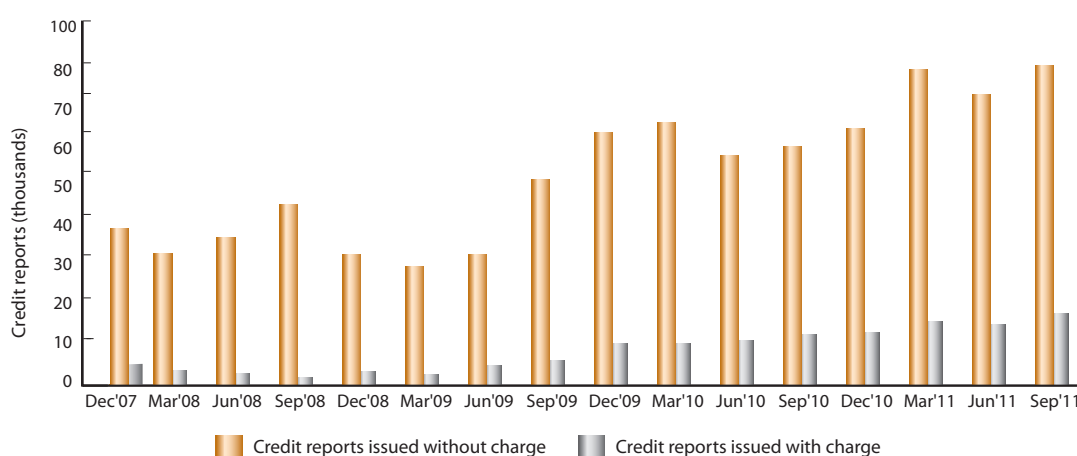
Of the total 100,885 credit reports issued to consumers at their request during the quarter ended September 2011 81.6% (82,348) were issued without charge, and the remaining 18.4% (18,537) were issued with charge. The total number of credit reports issued increased by 11.4% quarter-on-quarter and increased by 34.9% year-on-year.

See Table 8 and Figure 7 for details.

Table 8: Credit reports issued

Credit reports:	Number of credit reports										Percentage change								
	Jun 09	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Jun 09 to Sep 09	Sep 09 to Dec 09	Dec 09 to Mar 10	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
Issued without charge	33,662	52,973	65,082	67,694	59,220	61,592	66,034	81,179	74,837	82,348	57.4%	22.9%	4.0%	-12.5%	4.0%	7.2%	22.9%	-7.8%	10.0%
Issued with charge	5,288	6,559	10,935	10,938	11,486	13,220	13,601	16,399	15,694	18,537	24.0%	66.7%	0.0%	5.0%	15.1%	2.9%	20.6%	-4.3%	18.1%
<b>Total issued</b>	<b>38,950</b>	<b>59,532</b>	<b>76,017</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>52.8%</b>	<b>27.7%</b>	<b>3.4%</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>

Figure 7: Credit reports issued



### Consumer disputes

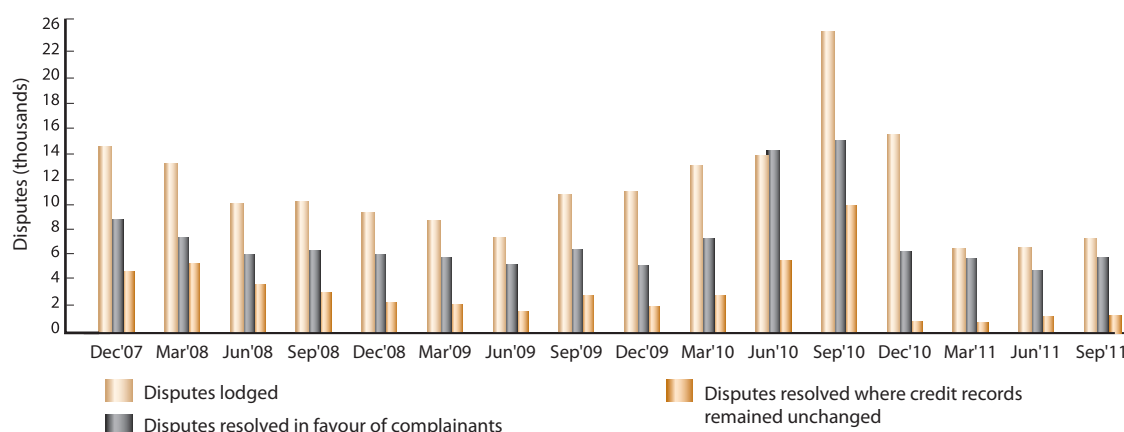
In the quarter ended September 2011, 7,070 disputes were lodged in respect of the accuracy of the information recorded on consumer credit records. This was a quarter-on-quarter increase of 9.8% and a year-on-year decrease of 68.7%. More disputes were resolved in favour of complainants (5,652) as compared to disputes where credit records remained unchanged (1,305).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Number of disputes										Percentage change							
Disputes:	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Sep 09 to Dec 09	Dec 09 to Mar 10	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
Lodged	10,395	10,573	12,530	13,300	22,569	14,836	6,329	6,437	7,070	1.7%	18.5%	6.1%	69.7%	-34.3%	-57.3%	1.7%	9.8%
Resolved in favour of complainants	6,226	5,038	7,112	13,652	14,400	6,086	5,614	4,715	5,652	-19.1%	41.2%	92.0%	5.5%	-57.7%	-7.8%	-16.0%	19.9%
Resolved where credit record remained unchanged	2,784	2,026	2,834	5,401	9,583	847	806	1,257	1,305	-27.2%	39.9%	90.6%	77.4%	-91.2%	-4.8%	56.0%	3.8%

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

- Where values have been rounded off, the percentage calculations and summed totals are calculated off the unrounded values.
- \*Refer to the table below for omitted quarters and to the NCR website for complete tables of eighteen quarters from June 2007 to September 2011.

Topic	Reporting Quarter
Consumers	September 2008
Accounts	September 2008
Enquiries	June 2009
Disputes	June 2009
Credit Reports	March 2009