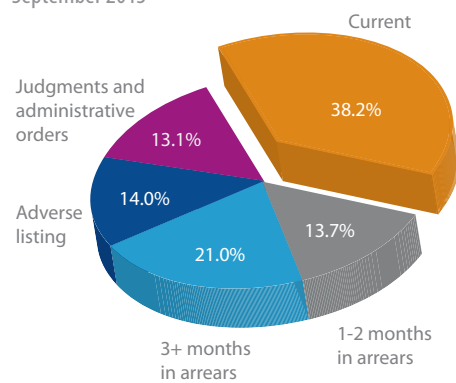


# Credit Bureau Monitor

Third Quarter | September 2013

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Credit standing of consumers:  
September 2013



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 September 2009 to September 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 September 2013:

- Credit bureaus held records for 20.29 million credit-active consumers, an increase of 0.4% when compared to the 20.21 million in the previous quarter. Consumers classified in good standing increased by 9,000, to 10.53 million consumers. As a percentage of the total number of credit-active consumers, this reflects a decrease of 0.1% quarter-on-quarter and 1.1% year-on-year.
- The number of consumers with impaired records increased by 71,000 to 9.76 million, from 9.69 million in the previous quarter.
- The number of accounts decreased from 71.20 million in the previous quarter to 71.17 million. The number of impaired accounts increased from 18.87 million to 19.25 million when compared to the previous quarter, an increase of 375,000 quarter-on-quarter and 1.99 million year-on-year.
- A total of 357.65 million enquiries were made on consumer credit records, a decrease of 0.7% quarter-on-quarter and an increase of 11.5% year-on-year. Enquiries initiated by consumers accounted for 16.16 million of all enquiries, an increase of 1.6% quarter-on-quarter and 1.5% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 85.1%, enquiries from retailers accounted for 3.2% and enquiries from telecommunication providers accounted for 4.6%. Banks and other financial institutions' enquiries decreased by 0.2% from the previous quarter, retailers decreased by 43.3% and telecommunication providers increased by 12.1%.
- The number of credit reports issued to consumers increased to 164,437. Of the total credit reports issued, 77.0% (126,591) were issued without charge, and the remaining 23.0% (37,846) were issued with charge.
- There were 21,466 disputes lodged on information held on consumer credit records for the quarter ended September 2013, an increase of 14.2% quarter-on-quarter and 39.8% year-on-year.

## Introduction

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

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

## Credit-active consumers

**There were 20.29 million credit-active consumers as at the end of September 2013**

Credit bureaus held records for more than 44.07 million individuals on their databases as at the end of September 2013. From these records, 20.29 million (46.0%) were credit-active and the remaining records contained only identification information and no credit activity. The number of credit-active consumers increased by 80,000 quarter-on-quarter and 596,000 year-on-year.

**The percentage of consumers in good standing decreased for the quarter**

Consumers classified in good standing increased by 9,000 to 10.53 million consumers. As a percentage of the total number of credit-active consumers, this reflects a decrease of 0.1% quarter-on-quarter and 1.1% year-on-year. Of the total 20.29 million credit-active consumers, 51.9% were in good standing.

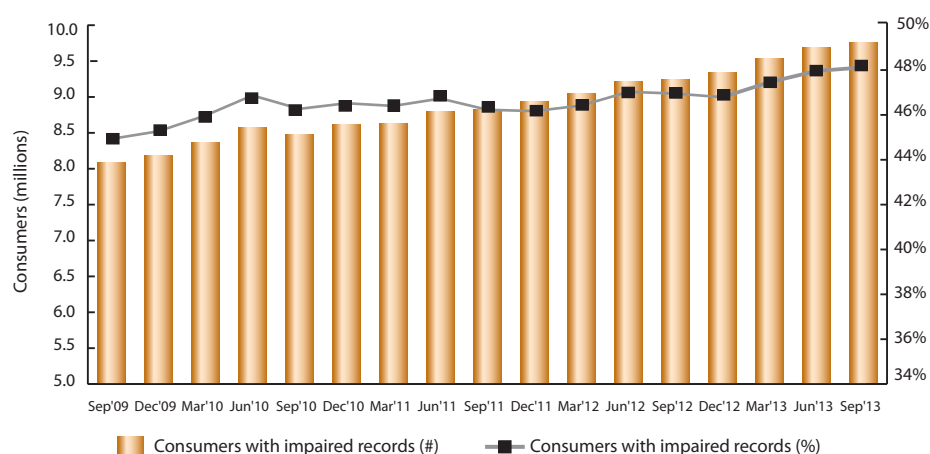
The number of consumers with impaired records (the inverse of those in good standing) increased by 71,000 to 9.76 million. The percentage of credit-active consumers with impaired records increased to 48.1%, comprising of 21.0% of consumers in three months or more in arrears, 14.0% of consumers with adverse listings, and 13.1% 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 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13
Good standing (#)	9.90m	9.97m	10.04m	10.27m	10.41m	10.44m	10.38m	10.45m	10.62m	10.55m	10.52m	10.53m
Good standing (%)	53.5%	53.6%	53.3%	53.8%	53.8%	53.6%	53.0%	53.0%	53.2%	52.5%	52.0%	51.9%
Current (%)	39.2%	39.1%	39.1%	39.6%	39.1%	38.6%	38.6%	38.8%	38.0%	37.2%	37.9%	38.2%
1-2 months in arrears (%)	14.3%	14.5%	14.2%	14.2%	14.7%	15.0%	14.4%	14.3%	15.3%	15.4%	14.2%	13.7%
Impaired records (#)	8.61m	8.63m	8.80m	8.83m	8.93m	9.05m	9.22m	9.25m	9.34m	9.53m	9.69m	9.76m
Impaired records (%)	46.5%	46.4%	46.7%	46.2%	46.2%	46.4%	47.0%	47.0%	46.8%	47.5%	48.0%	48.1%
3+ months in arrears (%)	17.8%	17.7%	18.5%	18.7%	19.0%	19.9%	19.5%	19.7%	20.1%	20.5%	21.1%	21.0%
Adverse listings (%)	14.6%	14.4%	13.9%	13.2%	12.9%	12.3%	13.3%	12.9%	12.7%	13.5%	13.5%	14.0%
Judgments and administration orders (%)	14.1%	14.3%	14.3%	14.3%	14.3%	14.2%	14.2%	14.3%	13.9%	13.5%	13.3%	13.1%
Credit-active consumers (#)	18.51m	18.60m	18.84m	19.10m	19.34m	19.49m	19.60m	19.69m	19.97m	20.08m	20.21m	20.29m

*Figure 1: Consumers with impaired records*



## Consumer accounts

There were 71.17 million accounts on record at the bureaus as at the end of September 2013

At the end of the reporting quarter there were 71.17 million accounts recorded at registered credit bureaus. This was a decrease of 0.04% quarter-on-quarter and an increase of 4.2% year-on-year.

### The percentage of accounts in good standing decreased this quarter

Of the 71.17 million accounts, 51.92 million (73.0%) were classified as in good standing, a negative variance of 0.5% quarter-on-quarter and 1.7% year-on-year.

#### As at the end of September 2013:

- 64.2% of accounts were classified as current (decreased quarter-on-quarter by 0.3% and year-on-year by 1.8%).
- 8.8% had missed one or two instalments (decreased quarter-on-quarter by 0.2% and increased year-on-year by 0.1%).
- 18.6% had missed three or more instalments (increased quarter-on-quarter by 0.1% and year-on-year by 0.9%).
- 5.5% had adverse listings (increased quarter-on-quarter by 0.4% and year-on-year by 1.0%).
- 2.9% had judgments or administration orders (remained unchanged quarter-on-quarter and decreased year-on-year by 0.2%).

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

Table 2: Credit standing of accounts

	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13
Good standing (#)	47.91m	46.80m	48.53m	49.48m	50.62m	50.57m	50.88m	51.02m	52.02m	52.42m	52.33m	51.92m
Good standing (%)	74.5%	74.2%	74.7%	74.9%	75.0%	74.9%	74.5%	74.7%	74.8%	74.1%	73.5%	73.0%
Current (%)	65.9%	65.1%	65.4%	66.3%	66.0%	65.6%	65.7%	66.0%	65.4%	64.3%	64.5%	64.2%
1-2 months in arrears (%)	8.6%	9.1%	9.3%	8.7%	8.9%	9.3%	8.8%	8.7%	9.4%	9.8%	9.0%	8.8%
Impaired records (#)	16.36m	16.26m	16.47m	16.54m	16.91m	16.94m	17.43m	17.26m	17.52m	18.31m	18.87m	19.25m
Impaired records (%)	25.5%	25.8%	25.3%	25.1%	25.0%	25.1%	25.5%	25.3%	25.2%	25.9%	26.5%	27.0%
3+ months in arrears (%)	16.5%	16.9%	17.1%	17.3%	17.5%	18.1%	17.7%	17.7%	17.8%	18.0%	18.5%	18.6%
Adverse listings (%)	5.0%	4.9%	4.4%	4.0%	4.1%	3.7%	4.7%	4.5%	4.4%	5.0%	5.1%	5.5%
Judgments and administration orders (%)	3.9%	4.0%	3.8%	3.7%	3.5%	3.3%	3.1%	3.1%	3.0%	2.9%	2.9%	2.9%
Consumer accounts (#)	64.28m	63.05m	65.00m	66.03m	67.53m	67.51m	68.30m	68.28m	69.53m	70.73m	71.20m	71.17m

Figure 2: Accounts with impaired records

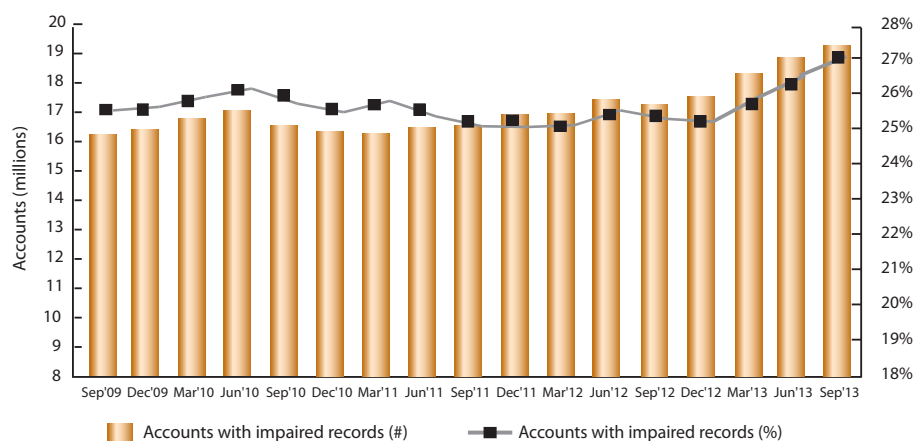
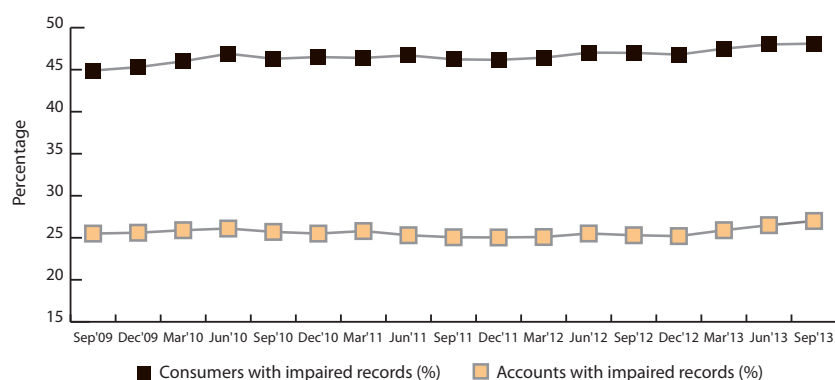


Figure 3: Consumers and accounts with impaired records



## Credit market activity

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

In the quarter ended September 2013, 357.65 million enquiries were made. This was a decrease of 0.7% quarter-on-quarter and an increase of 11.5% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 16.16 million enquiries were made due to consumers seeking credit (increased by 1.6% quarter-on-quarter and 1.5% year-on-year).
- 0.73 million enquiries were related to telecommunication services (increased by 5.4% quarter-on-quarter and by 0.6% year-on-year).
- 20.81 million enquiries were made for tracing/debt collection purposes (increased by 24.0% quarter-on-quarter and 46.6% year-on-year).
- 319.94 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (decreased by 2.0% quarter-on-quarter and increased by 10.3% year-on-year).

Refer to Table 3 and Figures 4 and 5 for detailed breakdown.

Table 3: Enquiries

Number of enquiries (millions)										Percentage change							
Enquiry purpose:	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	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	Mar 13 to Jun 13	Jun 13 to Sep 13
Consumers seeking credit	13.36	14.88	13.39	14.96	15.92	17.18	15.26	15.91	16.16	11.4%	-10.0%	11.7%	6.4%	7.9%	-11.2%	4.3%	1.6%
Telecommunication services	0.99	1.02	0.81	0.76	0.73	0.74	0.68	0.70	0.73	2.9%	-20.7%	-6.4%	-3.5%	1.8%	-8.4%	2.3%	5.4%
Tracing/debt collection purposes	20.34	20.84	18.46	13.22	14.19	10.41	15.16	16.78	20.81	2.5%	-11.4%	-28.4%	7.3%	-26.6%	45.6%	10.7%	24.0%
Other	223.64	249.21	277.75	302.91	290.05	310.86	363.37	326.61	319.94	11.4%	11.5%	9.1%	-4.2%	7.2%	16.9%	-10.1%	-2.0%
Total	258.33	285.95	310.42	331.84	320.89	339.20	394.47	360.01	357.65	10.7%	8.6%	6.9%	-3.3%	5.7%	16.3%	-8.7%	-0.7%

Figure 4: Enquiries due to consumers seeking credit

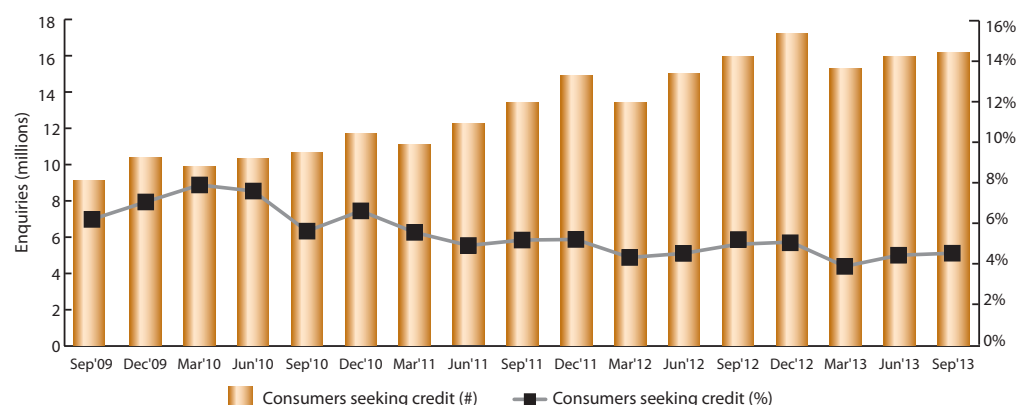
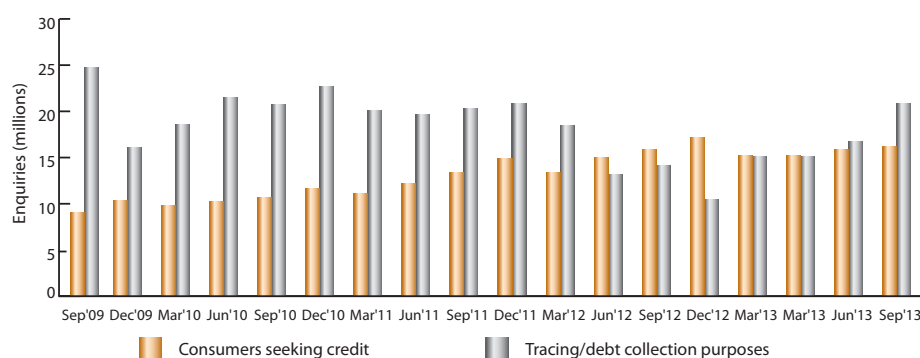


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



### Enquiry sectoral analysis

In the quarter ended September 2013, 304.22 million enquiries were made by banks and other financial institutions, a decrease of 0.2% quarter-on-quarter and an increase of 16.1% year-on-year. Retailers made 11.41 million enquiries on consumer records, which was a decrease of 43.3% quarter-on-quarter and 18.7% year-on-year. Enquiries made by telecommunication providers increased by 12.1% quarter-on-quarter and decreased by 32.3% year-on-year, to 16.55 million in September 2013 quarter. Enquiries made by debt collection agencies decreased by 7.5% quarter-on-quarter and 40.8% year-on-year, to 4.19 million in September 2013 quarter. Enquiries made by all other entities showed a quarter-on-quarter increase of 34.9% and 59.6% year-on-year, to 21.26 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							
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	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	Mar 13 to Jun 13	Jun 13 to Sep 13
Banks and other financial institutions	192.51	220.68	236.31	254.14	262.00	285.27	328.68	304.81	304.22	14.6%	7.1%	7.5%	3.1%	8.9%	15.2%	-7.3%	-0.2%
Retailers	13.42	14.55	11.89	12.99	14.04	12.60	15.18	20.14	11.41	8.4%	-18.3%	9.2%	8.1%	-10.3%	20.5%	32.6%	-43.3%
Telecommunication providers	24.02	22.69	32.83	37.62	24.45	22.56	20.16	14.76	16.55	-5.5%	44.7%	14.6%	-35.0%	-7.7%	-10.7%	-26.7%	12.1%
Debt collection agencies	10.21	10.95	7.66	5.40	7.07	3.88	8.64	4.53	4.19	7.3%	-30.1%	-29.4%	30.9%	-45.1%	122.4%	-47.5%	-7.5%
All other entities	18.17	17.08	21.73	21.70	13.32	14.89	21.82	15.76	21.26	-6.0%	27.2%	-0.1%	-38.6%	11.7%	46.5%	-27.8%	34.9%
<b>Total</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>394.47</b>	<b>360.01</b>	<b>357.65</b>	<b>10.7%</b>	<b>8.6%</b>	<b>6.9%</b>	<b>-3.3%</b>	<b>5.7%</b>	<b>16.3%</b>	<b>-8.7%</b>	<b>-0.7%</b>

Figure 6: All enquiries – distribution according to sectors

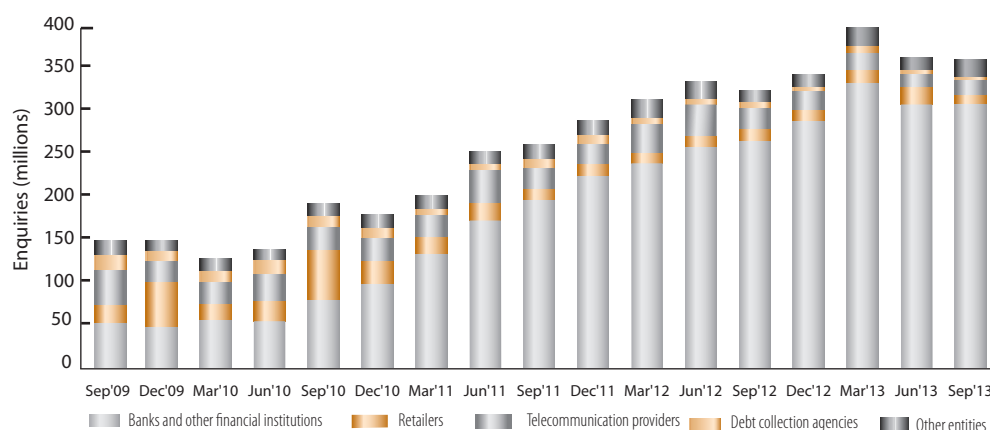


Table 5: Enquiries by banks and other financial institutions

Enquiry purpose:	Number of enquiries (millions)									Percentage change						
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	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	Mar 13 to Jun 13
Consumers seeking credit	11.16	12.22	11.49	12.40	13.26	14.08	12.96	13.34	13.20	9.5%	-6.0%	7.9%	7.0%	6.2%	-8.0%	2.9%
Tracing/debt collection purposes	3.47	5.13	7.18	2.68	2.18	2.17	1.45	2.06	2.55	47.8%	40.0%	-62.8%	-18.4%	-0.7%	-33.3%	42.3%
Other purposes	177.88	203.33	217.64	239.06	246.55	269.02	314.27	289.42	288.48	14.3%	7.0%	9.8%	3.1%	9.1%	16.8%	-7.9%
<b>Banks and other financial institutions</b>	<b>192.51</b>	<b>220.68</b>	<b>236.31</b>	<b>254.14</b>	<b>262.00</b>	<b>285.27</b>	<b>328.68</b>	<b>304.81</b>	<b>304.22</b>	<b>14.6%</b>	<b>7.1%</b>	<b>7.5%</b>	<b>3.1%</b>	<b>8.9%</b>	<b>15.2%</b>	<b>-0.2%</b>

Table 6: Enquiries by retailers

Enquiry purpose:	Number of enquiries (millions)									Percentage change						
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	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	Mar 13 to Jun 13
Consumers seeking credit	2.20	2.66	1.91	2.56	2.66	3.10	2.30	2.57	2.97	21.1%	-28.4%	34.1%	3.9%	16.8%	-25.8%	11.8%
Tracing/debt collection purposes	0.53	0.61	0.54	0.56	0.55	0.72	0.48	0.59	0.66	15.4%	-11.1%	3.1%	-1.1%	31.0%	-32.7%	21.1%
Other purposes	10.70	11.28	9.45	9.87	10.84	8.78	12.40	16.97	7.79	5.4%	-16.3%	4.5%	9.8%	-19.0%	41.2%	36.9%
<b>Retailers</b>	<b>13.42</b>	<b>14.55</b>	<b>11.89</b>	<b>12.99</b>	<b>14.04</b>	<b>12.60</b>	<b>15.18</b>	<b>20.14</b>	<b>11.41</b>	<b>8.4%</b>	<b>-18.3%</b>	<b>9.2%</b>	<b>8.1%</b>	<b>-10.3%</b>	<b>20.5%</b>	<b>-43.3%</b>

Table 7: Enquiries by telecommunication providers

Enquiry purpose:	Number of enquiries (millions)									Percentage change						
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	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	Mar 13 to Jun 13
Telecommunication services	0.99	1.02	0.81	0.76	0.73	0.74	0.68	0.70	0.73	2.9%	-20.7%	-6.4%	-3.5%	1.8%	-8.4%	2.3%
Tracing/debt collection purposes	5.48	3.65	2.42	3.92	1.68	2.85	3.69	8.49	11.75	-33.4%	-33.8%	62.2%	-57.3%	70.0%	29.5%	130.0%
Other purposes	17.55	18.02	29.61	32.94	22.04	18.97	15.78	5.58	4.07	2.7%	64.3%	11.2%	-33.1%	-13.9%	-16.8%	-64.7%
<b>Telecommunication providers</b>	<b>24.02</b>	<b>22.69</b>	<b>32.83</b>	<b>37.62</b>	<b>24.45</b>	<b>22.56</b>	<b>20.16</b>	<b>14.76</b>	<b>16.55</b>	<b>-5.5%</b>	<b>44.7%</b>	<b>14.6%</b>	<b>-35.0%</b>	<b>-7.7%</b>	<b>-10.7%</b>	<b>12.1%</b>

## Credit bureau activity

### Demand for credit reports increased for the quarter

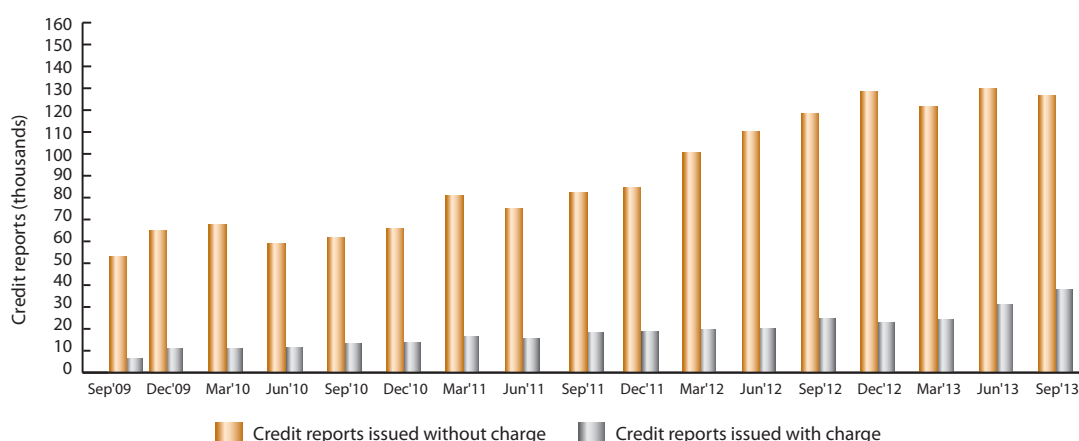
Of the total 164,437 credit reports issued to consumers at their request during the quarter ended September 2013, 77.0% (126,591) were issued without charge, and the remaining 23.0% (37,846) were issued with charge. The total number of credit reports issued increased by 2.3% quarter-on-quarter and 14.9% year-on-year.

See Table 8 and Figure 7 for details.

Table 8: Credit reports issued

Number of credit reports											Percentage change								
Credit reports:	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	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	Mar 13 to Jun 13	Jun 13 to Sep 13
Issued without charge	74,837	82,348	84,561	100,446	110,137	118,503	128,339	121,659	129,761	126,591	10.0%	2.7%	18.8%	9.6%	7.6%	8.3%	-5.2%	6.7%	-2.4%
Issued with charge	15,694	18,537	18,842	19,648	20,384	24,590	23,077	24,061	30,941	37,846	18.1%	1.6%	4.3%	3.7%	20.6%	-6.2%	4.3%	28.6%	22.3%
Total issued	90,531	100,885	103,402	120,094	130,521	143,093	151,416	145,720	160,702	164,437	11.4%	2.5%	16.1%	8.7%	9.6%	5.8%	-3.8%	10.3%	2.3%

Figure 7: Credit reports issued



### Consumer disputes

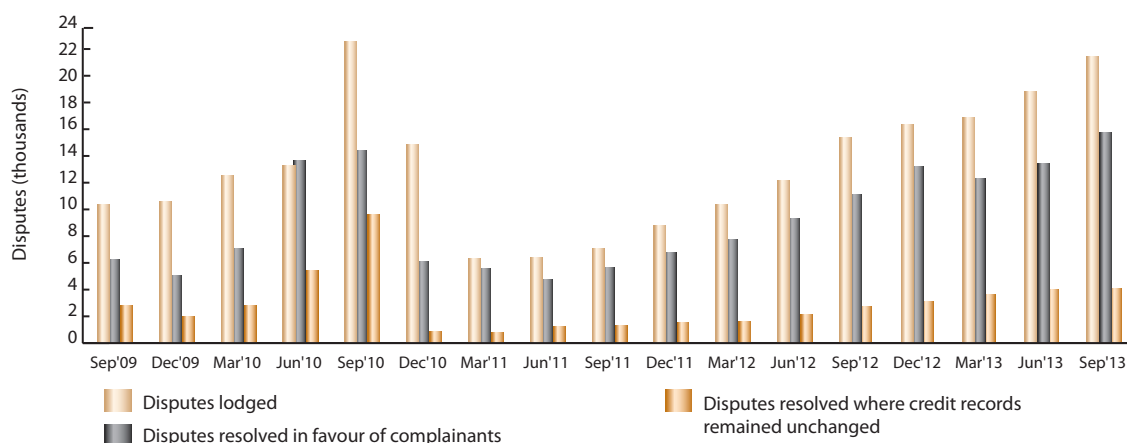
In the quarter ended September 2013, 21,466 disputes were lodged in respect of the accuracy of the information recorded on consumer credit records. This was a quarter-on-quarter increase of 14.2% and a year-on-year increase of 39.8%. More disputes were resolved in favour of complainants (15,731) as compared to disputes where credit records remained unchanged (4,064).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Number of disputes										Percentage change							
Disputes:	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	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	Mar 13 to Jun 13	Jun 13 to Sep 13
Lodged	7,070	8,826	10,357	12,149	15,356	16,368	16,868	18,792	21,466	24.8%	17.3%	17.3%	26.4%	6.6%	3.1%	11.4%	14.2%
Resolved in favour of complainants	5,652	6,761	7,722	9,351	11,137	13,198	12,313	13,449	15,731	19.6%	14.2%	21.1%	19.1%	18.5%	-6.7%	9.2%	17.0%
Resolved where credit record remained unchanged	1,305	1,562	1,646	2,162	2,759	3,143	3,670	3,989	4,064	19.7%	5.4%	31.3%	27.6%	13.9%	16.8%	8.7%	1.9%

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

- Where values have been rounded off, the percentage calculations and summed totals are calculated off the unrounded values.
- Refer to the NCR website for complete tables of twenty-six quarters from June 2007 to September 2013.