

# Credit Bureau Monitor

Third Quarter | September 2010

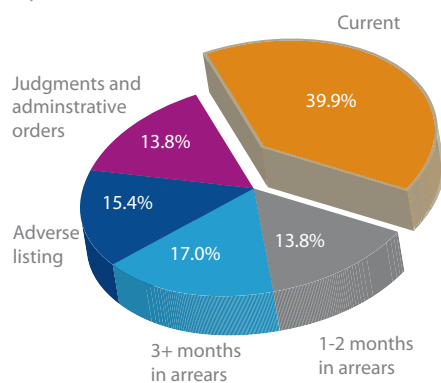
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The information reflected in this edition of the Credit Bureau Monitor is for fourteen\* quarters, from quarter ended June 2007 to quarter ended September 2010, and is based on data held by registered credit bureaus in terms of the National Credit 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:  
September 2010



As at the end of September 2010, credit bureaus had records for 18.35 million credit-active consumers:

- Of the 18.35 million credit-active consumers, 53.7% (9.86m) were classified as in good standing, this improved from the previous quarter.
- The number of consumers with impaired records decreased to 8.49m this reporting quarter. This indicates an improvement in the credit records of 97 000 consumers quarter-on-quarter.
- In terms of accounts, the number of impaired accounts decreased by 505 000, to 16.55 million. This is an improvement of 0.4% over the previous quarter.
- A total of 189.84 million enquiries were made on consumer credit records, an increase of 40.3% quarter-on-quarter and 29.8% year-on-year. Enquiries initiated by consumers accounted for 10.65 million of all enquiries, an increase of 3.7% quarter-on-quarter and 17.7% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 40.2%, enquiries from retailers accounted for 30.5% and enquiries from telecommunications providers accounted for 14.4%. Banks and other financial institutions' enquiries increased by 45.8% from the previous quarter, retailers increased by 158.8% and telecommunication providers decreased by 13.1%, compared to the last quarter.
- The number of credit reports issued to consumers increased to 74,812. Of the total credit reports issued, 82.3% (61,592) were issued without charge, and the remaining 17.6% (13,220) were issued with charge.
- There were 22,569 disputes lodged on information held on consumer credit records for the quarter ended September 2010, which was an increase of 69.7% quarter-on-quarter and 117.1% year-on-year.



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

## Introduction

The information reflected in this Credit Bureau Monitor is for fourteen quarters, from quarter ended June 2007 to quarter ended September 2010.

Comparisons in this report: - 'quarter-on-quarter' refers to a comparison between the September 2010 and June 2010 quarters, and 'year-on-year' refers to a comparison between the September 2010 and September 2009 quarters.

## Credit-active consumers

**There were 18.35 million credit-active consumers as at the end of September 2010**

Credit bureaus held records for more than 39.48 million individuals on their databases, of which 18.35 million (46.5%) were credit-active, as at the end of September 2010. The remaining records contained only identification information and no credit activity.

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

The percentage and number of consumers in good standing increased this reporting quarter. Of the total 18.35 million credit-active consumers, 53.7% were in good standing, an increase of 0.6% quarter-on-quarter and a decline of 1.4% year-on-year.

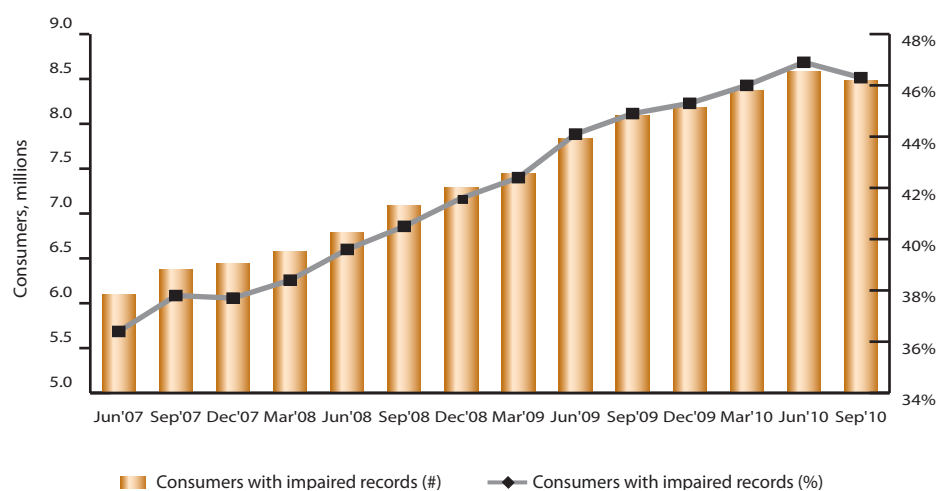
The percentage of consumers with impaired records (the inverse of those in good standing) decreased to 46.3% - comprising 17.0% of consumers in 3 months or more in arrears, 15.4% of consumers with adverse listings, and 13.9% of consumers with judgments and administration orders.

A detailed breakdown of the nature of impairments is provided in Table 1 and Figure 1.

Table 1: Credit standing of consumers

	Dec'07	Mar'08	Jun'08	Sep'08	Dec'08	Mar'09	Jun'09	Sep'09	Dec'09	Mar'10	Jun'10	Sep'10
Good standing (#)	10.67m	10.55m	10.38m	10.43m	10.26m	10.15m	9.94m	9.92m	9.89m	9.84m	9.73m	9.86m
Good standing (%)	62.4%	61.6%	60.4%	59.5%	58.4%	57.6%	55.9%	55.1%	54.7%	54.0%	53.1%	53.7%
Current (%)	47.2%	45.1%	44.9%	44.9%	43.6%	42.3%	41.7%	41.2%	40.5%	39.5%	39.2%	39.9%
1-2 months in arrears (%)	15.2%	16.5%	15.5%	14.6%	14.8%	15.3%	14.2%	13.9%	14.2%	14.5%	13.9%	13.8%
Impaired records (#)	6.45m	6.59m	6.79m	7.10m	7.30m	7.46m	7.85m	8.09m	8.18m	8.37m	8.59m	8.49m
Impaired records (%)	37.6%	38.4%	39.6%	40.5%	41.6%	42.4%	44.1%	44.9%	45.3%	46.0%	46.9%	46.3%
3+ months in arrears (%)	13.5%	14.3%	15.3%	15.7%	15.1%	15.3%	16.8%	17.0%	17.3%	17.2%	17.3%	17.0%
Adverse listings (%)	12.7%	12.8%	13.1%	12.2%	13.8%	14.2%	14.2%	14.7%	14.6%	15.0%	15.6%	15.4%
Judgments and administration orders (%)	11.4%	11.3%	11.2%	12.6%	12.7%	12.9%	13.1%	13.3%	13.3%	13.7%	13.9%	13.9%
Credit-active consumers (#)	17.12m	17.14m	17.17m	17.53m	17.56m	17.61m	17.79m	18.01m	18.07m	18.21m	18.32m	18.35m

Figure 1: Consumers with impaired records



## Consumer accounts

There were 64.40 million accounts on record at the bureaus as at the end of September 2010

At the end of the reporting quarter there were 64.40 million accounts recorded at registered credit bureaus. This was a decrease of 1.3% quarter-on-quarter and an increase of 1.4% year-on-year.

**The percentage of accounts in good standing increased slightly**

Of the 64.40 million accounts, 74.3% were classified as in good standing, a positive variance of 0.4% quarter-on-quarter and a negative variance of 0.2% year-on-year.

As at the end of September 2010:

- 65.9% of accounts were classified as current (increased quarter-on-quarter by 0.5% and year-on-year by 0.3%);
- 8.4% had missed one or two instalments (decreased quarter-on-quarter by 0.1% and year-on-year by 0.5%);
- 16.3% had missed three or more instalments (increased quarter-on-quarter by 0.1% and year-on-year by 1.2%);
- 5.4% had adverse listings (decreased quarter-on-quarter by 0.5% and year-on-year by 0.7%); and
- 4.0% had judgments or administration orders (decreased quarter-on-quarter by 0.1% and year-on-year by 0.2%).

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

Table 2: Credit standing of accounts

	Dec'07	Mar'08	Jun'08	Sep'08	Dec'08	Mar'09	Jun'09	Sep'09	Dec'09	Mar'10	Jun'10	Sep'10
Good standing (#)	43.04m	45.32m	46.81m	47.39m	47.22m	46.16m	46.87m	47.33m	47.56m	47.99m	48.22m	47.85m
Good standing (%)	77.5%	78.0%	77.8%	77.9%	77.5%	76.3%	75.3%	74.5%	74.4%	74.1%	73.9%	74.3%
Current (%)	67.4%	67.3%	68.1%	68.7%	68.3%	66.2%	66.2%	65.6%	65.6%	65.1%	65.4%	65.9%
1-2 months in arrears (%)	10.1%	10.7%	9.7%	9.2%	9.2%	10.1%	9.1%	8.9%	8.8%	9.0%	8.5%	8.4%
Impaired records (#)	12.51m	12.80m	13.32m	13.43m	13.73m	14.36m	15.41m	16.21m	16.38m	16.76m	17.06m	16.55m
Impaired records (%)	22.5%	22.0%	22.2%	22.1%	22.5%	23.7%	24.7%	25.5%	25.6%	25.9%	26.1%	25.7%
3+ months in arrears (%)	10.2%	10.4%	11.4%	12.5%	12.4%	13.3%	14.6%	15.1%	15.9%	15.7%	16.2%	16.3%
Adverse listings (%)	6.8%	6.6%	5.9%	4.9%	5.7%	6.0%	5.9%	6.1%	5.7%	6.1%	5.9%	5.4%
Judgments and administration orders (%)	5.5%	5.0%	4.9%	4.7%	4.4%	4.4%	4.3%	4.2%	4.0%	4.1%	4.1%	4.0%
Consumer accounts (#)	55.55m	58.12m	60.14m	60.82m	60.95m	60.52m	62.29m	63.54m	63.94m	64.75m	65.28m	64.40m

Figure 2: Accounts with impaired records

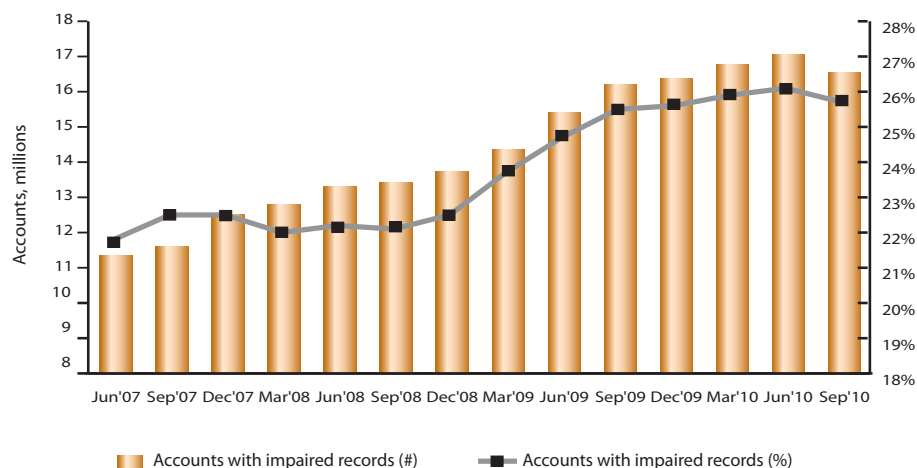
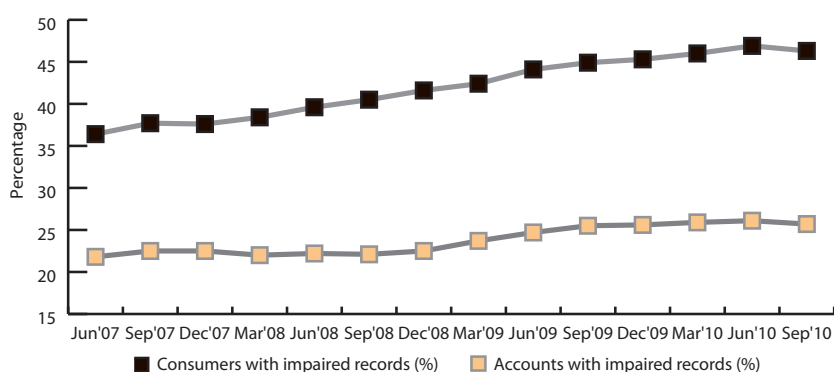


Figure 3: Consumers and accounts with impaired records



## Credit market activity

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

In the quarter ended September 2010, 189.84 million enquiries were made. This was an increase of 40.3% quarter-on-quarter and 29.8% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 10.65 million enquiries were made due to consumers seeking credit (increased by 3.7% quarter-on-quarter and 17.7% year-on-year);
- 0.84 million enquiries were related to telecommunication services (increased by 19.9% quarter-on-quarter and 3.3% year-on-year);
- 20.72 million enquiries were made for tracing / debt collection purposes (decreased by 3.5% quarter-on-quarter and 16.1% year-on-year); and
- 157.63 million enquiries were made for other purposes – excluding those purposes mentioned above (increased by 53.2% quarter-on-quarter and 41.1% 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'08	Dec'08	Mar'09	Jun'09	Sep'09	Dec'09	Mar'10	Jun'10	Sep'10	Sep'08 to Dec'08	Dec'08 to Mar'09	Mar'09 to Jun'09	Jun'09 to Sep'09	Sep'09 to Dec'09	Dec'09 to Mar'10	Mar'10 to Jun'10	Jun'10 to Sep'10
Consumers seeking credit	8.56	8.99	8.24	8.60	9.05	10.35	9.85	10.28	10.65	5.0%	-8.4%	4.4%	5.3%	14.3%	-4.9%	4.4%	3.7%
Telecommunication services	0.61	0.73	0.58	0.69	0.81	0.82	0.74	0.70	0.84	18.6%	-19.7%	19.2%	16.5%	0.7%	-8.8%	-6.2%	19.9%
Tracing/debt collection purposes	11.70	11.15	9.39	23.19	24.70	16.06	18.57	21.47	20.72	-4.7%	-15.8%	147.1%	6.4%	-35.0%	15.6%	15.6%	-3.5%
Other	92.79	80.66	80.68	89.51	111.73	119.65	95.68	102.89	157.63	-13.1%	0.0%	10.9%	24.9%	7.1%	-20.0%	7.5%	53.2%
<b>Total</b>	<b>113.67</b>	<b>101.53</b>	<b>98.89</b>	<b>121.99</b>	<b>146.30</b>	<b>146.88</b>	<b>124.84</b>	<b>135.34</b>	<b>189.84</b>	<b>-10.7%</b>	<b>-2.6%</b>	<b>23.4%</b>	<b>19.9%</b>	<b>0.4%</b>	<b>-15.0%</b>	<b>8.4%</b>	<b>40.3%</b>

Figure 4: Enquiries due to consumers seeking credit

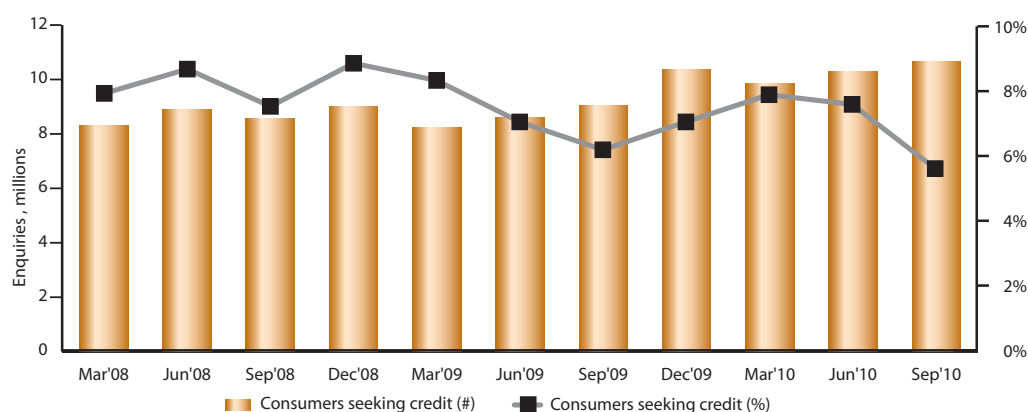
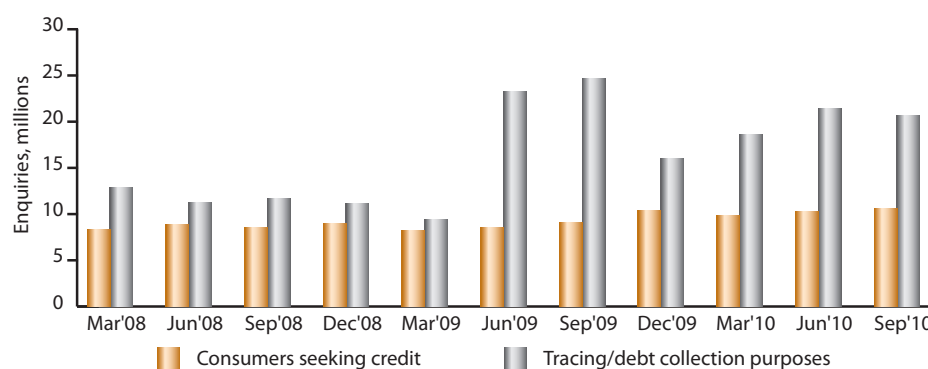


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



### Enquiry sectoral analysis

In the quarter ended September 2010, 76.34 million enquiries were made by banks and other financial institutions, an increase of 45.8% quarter-on-quarter and 54.5% year-on-year. Retailers made 57.89 million enquiries on consumer records, which was an increase of 158.8% quarter-on-quarter and 169.8% year-on-year. Enquiries done by telecommunication providers decreased by 13.1% quarter-on-quarter and 32.8% year-on-year, to 27.36 million in September 2010 quarter. Enquiries done by debt collection agencies decreased by 27.7% quarter-on-quarter and 31.4% year-on-year, to 12.26 million in September 2010 quarter. Enquiries by all other entities showed a quarter-on-quarter increase of 31.5% and a year-on-year decrease of 5.0%, to 16.00 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'08	Dec'08	Mar'09	Jun'09	Sep'09	Dec'09	Mar'10	Jun'10	Sep'10	Sep'08 to Dec'08	Dec'08 to Mar'09	Mar'09 to Jun'09	Jun'09 to Sep'09	Sep'09 to Dec'09	Dec'09 to Mar'10	Mar'10 to Jun'10	Jun'10 to Sep'10
Banks and other financial institutions	42.86	40.82	41.86	48.34	49.40	45.24	53.04	52.37	76.34	-4.8%	2.6%	15.5%	2.2%	-8.4%	17.3%	-1.3%	45.8%
Retailers	40.98	29.83	22.39	17.21	21.46	52.73	18.67	22.37	57.89	-27.2%	-24.9%	-23.1%	24.7%	145.7%	-64.6%	19.8%	158.8%
Telecommunication providers	10.56	12.30	14.13	28.75	40.73	23.79	25.75	31.48	27.36	16.5%	14.9%	103.5%	41.7%	-41.6%	8.3%	22.2%	-13.1%
Debt collection agencies	5.67	5.59	4.77	15.93	17.87	11.33	12.57	16.97	12.26	-1.3%	-14.8%	234.1%	12.1%	-36.6%	11.0%	34.9%	-27.7%
All other entities	13.60	12.99	15.74	11.76	16.84	13.79	14.81	12.16	16.00	-4.5%	21.2%	-25.3%	43.5%	-18.1%	7.3%	-17.9%	31.5%
<b>Total</b>	<b>113.67</b>	<b>101.53</b>	<b>98.89</b>	<b>121.99</b>	<b>146.30</b>	<b>146.88</b>	<b>124.84</b>	<b>135.34</b>	<b>189.84</b>	<b>-10.7%</b>	<b>-2.6%</b>	<b>23.4%</b>	<b>19.9%</b>	<b>0.4%</b>	<b>-15.0%</b>	<b>8.4%</b>	<b>40.3%</b>

Figure 6: All enquiries – distribution according to sectors

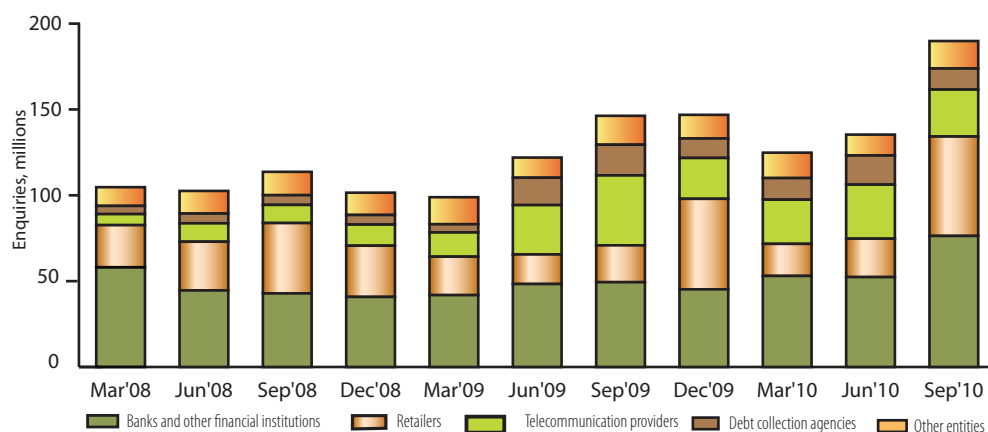


Table 5: Enquiries by banks and other financial institutions

Enquiry Purpose:	Number of enquiries (Millions)									Percentage change							
	Sep'08	Dec'08	Mar'09	Jun'09	Sep'09	Dec'09	Mar'10	Jun'10	Sep'10	Sep'08 to Dec'08	Dec'08 to Mar'09	Mar'09 to Jun'09	Jun'09 to Sep'09	Sep'09 to Dec'09	Dec'09 to Mar'10	Mar'10 to Jun'10	Jun'10 to Sep'10
Consumers seeking credit	6.61	6.61	6.64	6.79	7.39	8.29	8.29	8.46	8.82	0.0%	0.4%	2.3%	8.8%	12.2%	0.0%	2.0%	4.3%
Tracing/debt collection purposes	3.47	2.64	2.42	5.10	2.78	2.70	2.33	2.51	3.12	-24.1%	-8.2%	110.7%	-45.4%	-3.0%	-13.6%	7.9%	24.1%
Other purposes	32.78	31.57	32.80	36.45	39.23	34.25	42.41	41.40	64.4	-3.7%	3.9%	11.1%	7.6%	-12.7%	23.9%	-2.4%	55.6%
<b>Banks and other financial institutions</b>	<b>42.86</b>	<b>40.82</b>	<b>41.86</b>	<b>48.34</b>	<b>49.40</b>	<b>45.24</b>	<b>53.04</b>	<b>52.37</b>	<b>76.34</b>	<b>-4.8%</b>	<b>2.6%</b>	<b>15.5%</b>	<b>2.2%</b>	<b>-8.4%</b>	<b>17.3%</b>	<b>-1.3%</b>	<b>45.8%</b>

Table 6: Enquiries by retailers

Enquiry Purpose:	Number of enquiries (Millions)									Percentage change							
	Sep'08	Dec'08	Mar'09	Jun'09	Sep'09	Dec'09	Mar'10	Jun'10	Sep'10	Sep'08 to Dec'08	Dec'08 to Mar'09	Mar'09 to Jun'09	Jun'09 to Sep'09	Sep'09 to Dec'09	Dec'09 to Mar'10	Mar'10 to Jun'10	Jun'10 to Sep'10
Consumers seeking credit	1.95	2.38	1.60	1.80	1.66	2.06	1.55	1.82	1.84	21.9%	-32.9%	13.0%	-7.6%	23.9%	-24.7%	17.1%	0.9%
Tracing/debt collection purposes	1.16	1.66	0.55	0.57	0.67	0.55	0.57	0.53	0.59	43.4%	-66.6%	2.5%	18.7%	-18.9%	4.1%	-6.7%	10.9%
Other purposes	37.87	25.79	20.24	14.84	19.12	50.12	16.54	20.02	55.47	-31.9%	-21.5%	-26.7%	28.8%	162.1%	-67.0%	21.0%	177.1%
<b>Retailers</b>	<b>40.98</b>	<b>29.83</b>	<b>22.39</b>	<b>17.21</b>	<b>21.46</b>	<b>52.73</b>	<b>18.67</b>	<b>22.37</b>	<b>57.89</b>	<b>-27.2%</b>	<b>-24.9%</b>	<b>-23.1%</b>	<b>24.7%</b>	<b>145.7%</b>	<b>-64.6%</b>	<b>19.8%</b>	<b>158.8%</b>

Table 7: Enquiries by telecommunication providers

Enquiry purpose:	Number of enquiries (Millions)									Percentage change							
	Sep'08	Dec'08	Mar'09	Jun'09	Sep'09	Dec'09	Mar'10	Jun'10	Sep'10	Sep'08 to Dec'08	Dec'08 to Mar'09	Mar'09 to Jun'09	Jun'09 to Sep'09	Sep'09 to Dec'09	Dec'09 to Mar'10	Mar'10 to Jun'10	Jun'10 to Sep'10
Telecommunication services	0.61	0.73	0.58	0.69	0.81	0.82	0.74	0.70	0.84	18.6%	-19.7%	19.2%	16.5%	0.7%	-8.8%	-6.2%	19.9%
Tracing/debt collection purposes	0.33	0.30	0.37	0.58	1.60	0.43	0.24	0.41	2.42	-7.3%	20.7%	56.1%	177.7%	-73.2%	-45.2%	74.6%	487.9%
Other purposes	9.62	11.27	13.17	27.48	38.32	22.54	24.77	30.37	24.10	17.1%	16.9%	108.6%	39.4%	-41.2%	9.9%	22.6%	-20.6%
<b>Telecommunication providers</b>	<b>10.56</b>	<b>12.30</b>	<b>14.13</b>	<b>28.75</b>	<b>40.73</b>	<b>23.79</b>	<b>25.75</b>	<b>31.48</b>	<b>27.36</b>	<b>16.5%</b>	<b>14.9%</b>	<b>103.5%</b>	<b>41.7%</b>	<b>-41.6%</b>	<b>8.3%</b>	<b>22.2%</b>	<b>-13.1%</b>

## Credit bureau activity

### Demand for credit reports increased for the quarter

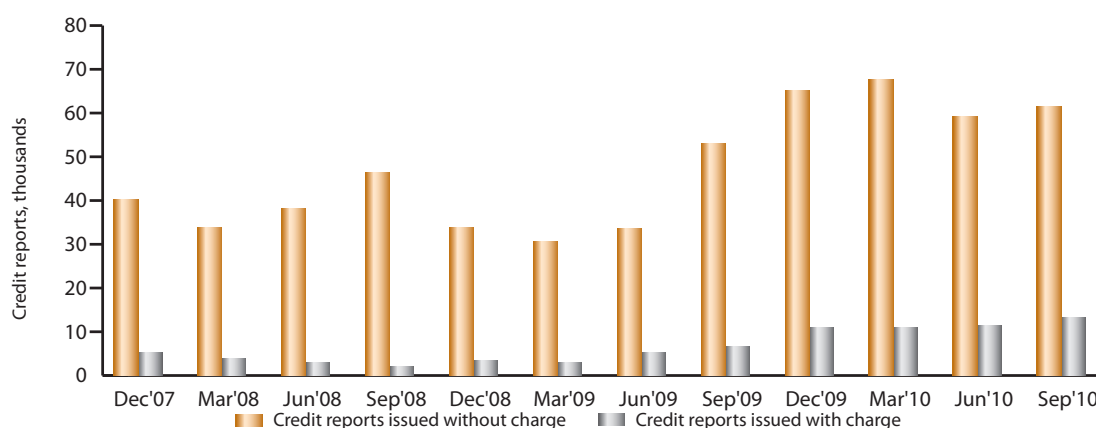
Of the total 74,812 credit reports issued to consumers at their request during the quarter ended September 2010, 82.3% (61,592) were issued without charge, and the remaining 17.6% (13,220) were issued with charge. The total number of credit reports issued increased by 5.8% quarter-on-quarter and 25.7% 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'08	Sep'08	Dec'08	Mar'09	Jun'09	Sep'09	Dec'09	Mar'10	Jun'10	Sep'10	Jun'08 to Sep'08	Sep'08 to Dec'08	Dec'08 to Mar'09	Mar'09 to Jun'09	Jun'09 to Sep'09	Sep'09 to Dec'09	Dec'09 to Mar'10	Mar'10 to Jun'10	Jun'10 to Sep'10
Issued without charge	38,068	46,459	33,827	30,652	33,662	52,973	65,082	67,694	59,220	61,592	22.0%	-27.2%	-9.4%	9.8%	57.4%	22.9%	4.0%	-12.5%	4.0%
Issued with charge	2,989	2,072	3,528	2,889	5,288	6,559	10,935	10,938	11,486	13,220	-30.7%	70.3%	-18.1%	83.0%	24.0%	66.7%	0.0%	5.0%	15.1%
Total issued	41,057	48,531	37,355	33,541	38,950	59,532	76,017	78,632	70,706	74,812	18.2%	-23.0%	-10.2%	16.1%	52.8%	27.7%	3.4%	-10.1%	5.8%

Figure 7: Credit reports issued



### Consumer disputes

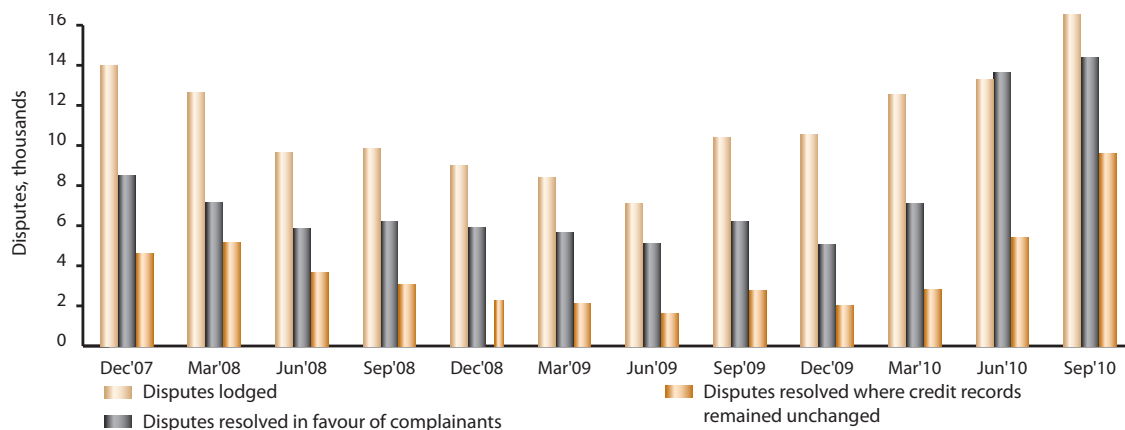
In the quarter ended September 2010, 22,569 disputes were lodged in respect of the accuracy of the information recorded on consumer credit records. This was a quarter-on-quarter increase of 69.7% and a year-on-year increase of 117.1%. For quarterly resolution of disputes, more disputes were resolved in favour of complainants (14,400) as compared to disputes where credit records remained unchanged (9,583).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Disputes:	Number of disputes										Percentage change							
	Sep 2008	Dec 2008	Mar 2009	Jun 2009	Sep 2009	Dec 2009	Mar 2010	Jun 2010	Sep 2010	Sep'08 to Dec'08	Dec'08 to Mar'09	Mar'09 to Jun'09	Jun'09 to Sep'09	Sep'09 to Dec'09	Dec'09 to Mar'10	Mar'10 to Jun'10	Jun'10 to Sep'10	
Lodged	9,867	9,020	8,406	7,122	10,395	10,573	12,530	13,300	22,569	-8.6%	-6.8%	-15.3%	46.0%	1.7%	18.5%	6.1%	69.7%	
Resolved in favour of complainants	6,194	5,892	5,678	5,131	6,226	5,038	7,112	13,652	14,400	-4.9%	-3.6%	-9.6%	21.3%	-19.1%	41.2%	92.0%	5.5%	
Resolved where credit record remained unchanged	3,043	2,275	2,131	1,620	2,784	2,026	2,834	5,401	9,583	-25.2%	-6.3%	-24.0%	71.9%	-27.2%	39.9%	90.6%	77.4%	

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 fourteen quarters - June 2007 to September 2010.

Topic	Reporting Quarter
Consumers	September 2007
Accounts	September 2007
Enquiries	June 2008
Disputes	March 2008
Credit Reports	March 2008