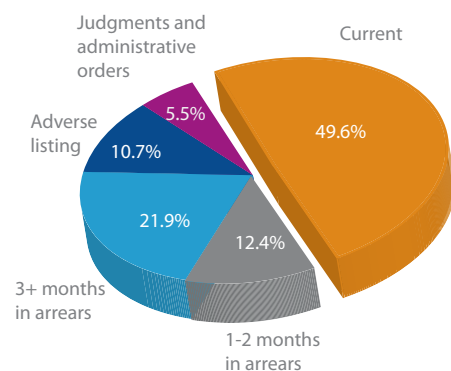


Credit Bureau Monitor

First Quarter | March 2018

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Credit standing of consumers: March 2018



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 2014 to March 2018, 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 2018:

- Credit bureaus held records for 25.46 million credit-active consumers, an increase of 0.59% when compared to the 25.31 million in the previous quarter. Consumers classified in good standing increased by 152,320 to 15.77 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 0.24% quarter-on-quarter and 1.19% year-on-year.
- The number of consumers with impaired records decreased by 2,500, to 9.7 million.
- The number of accounts decreased from 79.49 million in the previous quarter to 79.08 million. The number of impaired accounts decreased from 19.84 million to 19.42 million when compared to the previous quarter, a decrease of 426,000 quarter-on-quarter and 286,000 year-on-year.
- A total of 439.69 million enquiries were made on consumer credit records, a decrease of 17.06% quarter-on-quarter and an increase of 0.74% year-on-year. Enquiries initiated by consumers accounted for 24.29 million of all enquiries, an increase of 1.28% quarter-on-quarter and 31.40% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 55.58%, enquiries from retailers accounted for 7.36% and enquiries from telecommunication providers accounted for 10.03%. Banks and other financial institutions' enquiries decreased by 21.16% from the previous quarter, retailers decreased by 8.78% and telecommunication providers increased by 8.78%.
- The number of credit reports issued to consumers increased from 152,690 in the previous quarter to 196,920. Of the total credit reports issued, 59.55% (117,272) were issued without charge, and the remaining 40.45% (79,648) were issued with charge.
- There were 30,853 disputes lodged on information held on consumer credit records for the quarter ended March 2018, a decrease of 5.09% quarter-on-quarter and 20.65% year-on-year.

Introduction

The information reflected in this Credit Bureau Monitor covers the period from the quarter ended March 2014 to March 2018.

Comparisons in this report: “quarter-on-quarter” refers to a comparison between the March 2018 and December 2017 quarters, and “year-on-year” refers to a comparison between the March 2018 and March 2017 quarters.

Credit-active consumers

There were 25.46 million credit-active consumers as at the end of March 2018

Credit bureaus held records for more than 52.15 million individuals on their databases as at the end of March 2018. From these records, 25.46 million (48.8%) were credit-active and the remaining records contained only identification information and no credit activity. The number of credit-active consumers increased by 150,000 quarter-on-quarter and 788,000 year-on-year.

The percentage of consumers in good standing increased this quarter

Consumers classified in good standing increased by 152,000 to 15.77 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 0.2% quarter-on-quarter and 1.2% year-on-year. Of the total 25.46 million credit-active consumers, 61.9% were in good standing.

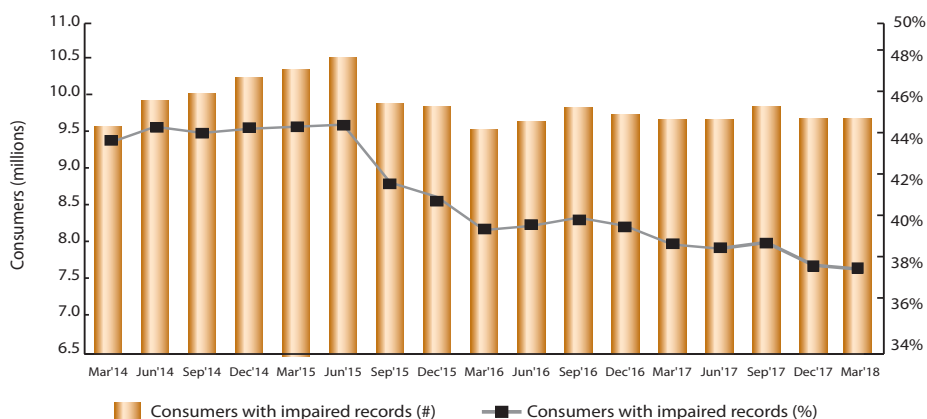
The number of consumers with impaired records (the inverse of those in good standing) decreased by 2,500 to 9.7 million. The percentage of credit-active consumers with impaired records decreased to 38.1%, comprising of 21.9% of consumers in three months or more in arrears, 10.7% of consumers with adverse listings, and 5.5% 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 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18
Good standing (#)	12.84m	13.53m	13.87m	14.33m	14.41m	14.40m	14.55m	14.99m	15.10m	15.21m	15.62m	15.77m
Good standing (%)	54.9%	57.7%	58.4%	60.0%	59.8%	59.4%	59.9%	60.7%	60.9%	60.6%	61.7%	61.9%
Current (%)	42.8%	46.1%	46.1%	47.6%	48.3%	47.6%	47.6%	48.2%	49.2%	49.2%	49.9%	49.6%
1-2 months in arrears (%)	12.1%	11.6%	12.4%	12.4%	11.6%	11.8%	12.3%	12.5%	11.7%	11.4%	11.8%	12.4%
Impaired records (#)	10.53m	9.91m	9.87m	9.55m	9.67m	9.85m	9.76m	9.69m	9.69m	9.87m	9.70m	9.69m
Impaired records (%)	45.1%	42.3%	41.6%	40.0%	40.2%	40.6%	40.2%	39.3%	39.1%	39.4%	38.3%	38.1%
3+ months in arrears (%)	21.5%	21.6%	22.1%	22.3%	22.1%	22.3%	21.8%	21.7%	22.0%	22.1%	21.7%	21.9%
Adverse listings (%)	13.5%	11.8%	11.0%	10.1%	10.7%	11.3%	11.8%	11.4%	11.2%	11.4%	11.1%	10.7%
Judgments and administration orders (%)	10.1%	8.8%	8.5%	7.6%	7.3%	6.9%	6.6%	6.2%	5.9%	5.8%	5.5%	5.5%
Credit-active consumers (#)	23.37m	23.45m	23.74m	23.88m	24.08m	24.25m	24.31m	24.68m	24.78m	25.08m	25.31m	25.46m

Figure 1: Consumers with impaired records



Consumer accounts

There were 79.08 million accounts on record at the bureaus as at the end of March 2018

At the end of the reporting quarter there were 79.08 million accounts recorded at registered credit bureaus. This was a decrease of 0.5% quarter-on-quarter and 4.1% year-on-year.

The percentage of accounts in good standing increased this quarter

Of the 79.08 million accounts, 59.66 million (75.4%) were classified as in good standing, a positive variance of 0.4% quarter-on-quarter and negative variance of 0.7% year-on-year.

As at the end of March 2018:

- 67.8% of accounts were classified as current (increased quarter-on-quarter by 0.1% and decreased 1% year-on-year).
- 7.6% had missed one or two instalments (increased quarter-on-quarter by 0.3% and 0.3% year-on-year).
- 18.4% had missed three or more instalments (remained unchanged quarter-on-quarter and increased year-on-year by 0.6%).
- 4.7% had adverse listings (decreased quarter-on-quarter by 0.3% and increased year-on-year by 0.1%).
- 1.5% had judgments or administration orders (decreased quarter-on-quarter by 0.04% and year-on-year by 0.1%).

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

Table 2: Credit standing of accounts

	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18
Good standing (#)	60.47m	60.37m	63.56m	65.03m	64.32m	63.44m	62.41m	62.73m	60.04m	58.25m	59.64m	59.66m
Good standing (%)	73.6%	74.9%	76.1%	76.5%	76.1%	75.7%	75.7%	76.1%	75.0%	74.3%	75.0%	75.4%
Current (%)	66.1%	67.6%	68.4%	69.0%	69.1%	68.5%	68.4%	68.8%	68.1%	67.2%	67.8%	67.8%
1-2 months in arrears (%)	7.5%	7.3%	7.7%	7.5%	7.0%	7.2%	7.3%	7.3%	7.0%	7.1%	7.3%	7.6%
Impaired records (#)	21.71m	20.24m	19.99m	19.92m	20.24m	20.37m	20.01m	19.70m	19.97m	20.19m	19.84m	19.42m
Impaired records (%)	26.4%	25.1%	23.9%	23.5%	23.9%	24.3%	24.3%	23.9%	25.0%	25.7%	25.0%	24.6%
3+ months in arrears (%)	18.9%	18.4%	17.8%	17.7%	17.8%	18.1%	17.9%	17.8%	18.3%	18.9%	18.4%	18.4%
Adverse listings (%)	5.2%	4.8%	4.4%	4.1%	4.5%	4.6%	4.9%	4.6%	5.1%	5.2%	5.1%	4.7%
Judgments and administration orders (%)	2.2%	1.9%	1.8%	1.7%	1.6%	1.6%	1.6%	1.5%	1.6%	1.6%	1.5%	1.5%
Consumer accounts (#)	82.17m	80.60m	83.55m	84.96m	84.56m	83.81m	82.42m	82.43m	80.02m	78.43m	79.49m	79.08m

Figure 2: Accounts with impaired records

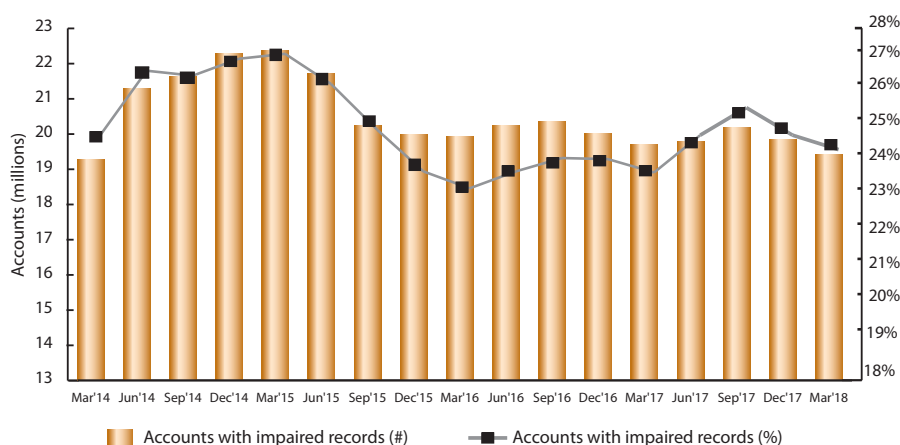
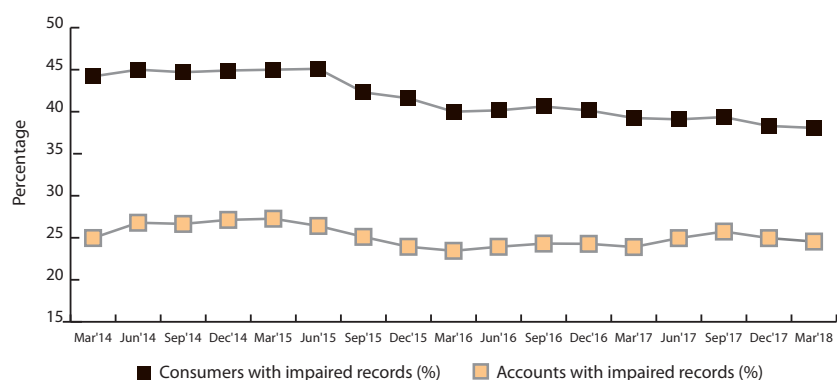


Figure 3: Consumers and accounts with impaired records



Credit market activity

Enquiries made on consumer records decreased for the quarter

There were 439.69 million enquiries made in the quarter ended March 2018. This was a decrease of 17.06% quarter-on-quarter and an increase of 0.7% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 24.29 million enquiries were made due to consumers seeking credit (increased by 1.3% quarter-on-quarter and 31.4% year-on-year).
- 1.13 million enquiries were related to telecommunication services (decreased by 28.5% quarter-on-quarter and increased by 7.5% year-on-year).
- 49.32 million enquiries were made for tracing/debt collection purposes (increased by 4.1% quarter-on-quarter and 134.8% year-on-year).
- 364.95 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (decreased by 20.2% quarter-on-quarter and 7.8% 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 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Mar 16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar 17 to Jun 17	Jun 17 to Sep 17	Sep 17 to Dec 17	Dec 17 to Mar 18
Consumers seeking credit	16.99	16.48	17.91	19.66	18.49	18.42	21.93	23.98	24.29	-3.0%	8.6%	9.8%	-6.0%	-0.4%	19.0%	9.4%	1.3%
Telecommunication services	0.70	0.67	0.85	1.16	1.05	1.28	1.42	1.58	1.13	-3.9%	25.7%	37.6%	-9.7%	21.5%	11.2%	11.3%	-28.5%
Tracing/debt collection purposes	19.32	36.54	35.35	20.83	21.00	24.11	31.46	47.35	49.32	89.2%	-3.2%	-41.1%	0.8%	14.8%	30.5%	50.5%	4.1%
Other	354.77	380.68	399.71	404.79	395.90	436.16	327.49	457.20	364.95	7.3%	5.0%	1.3%	-2.2%	10.2%	-24.9%	39.6%	-20.2%
Total	391.78	434.37	453.82	446.44	436.44	479.97	382.29	530.11	439.69	10.9%	4.5%	-1.6%	-2.2%	10.0%	-20.4%	38.67%	-17.1%

Figure 4: Enquiries due to consumers seeking credit

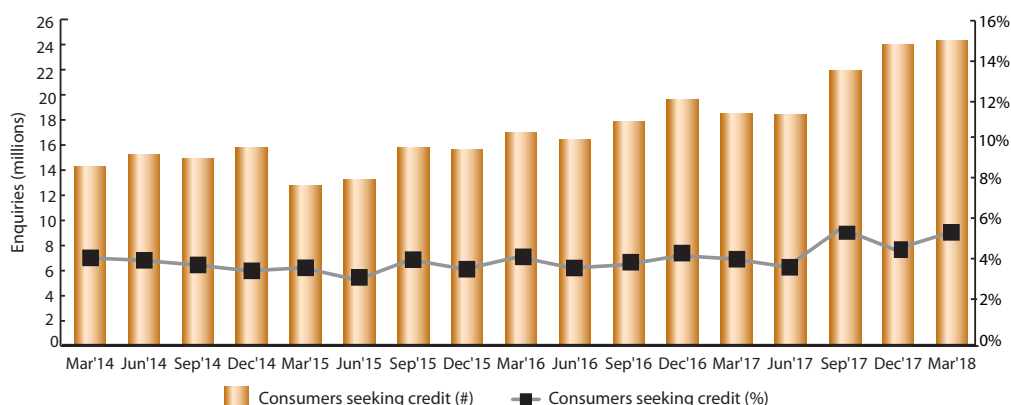
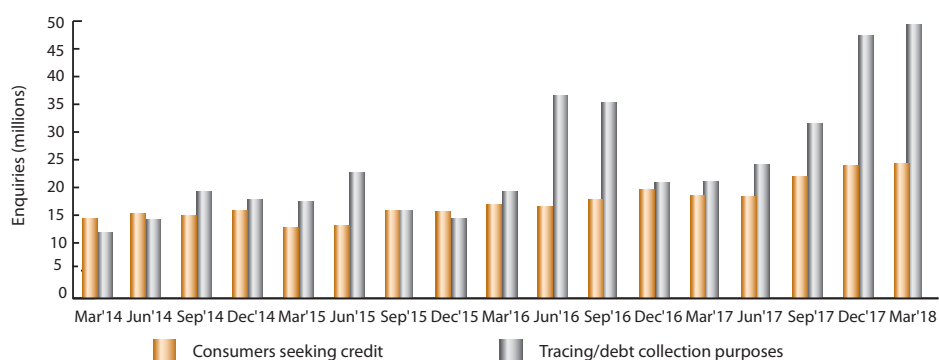


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



Enquiry sectoral analysis

There were 244.36 million enquiries made by banks and other financial institutions in the quarter ended March 2018, a decrease of 21.2% quarter-on-quarter and 12.8% year-on-year. Retailers made 6.67 million enquiries on consumer records, which was a decrease of 81.2% quarter-on-quarter and 77.8% year-on-year. Enquiries made by telecommunication providers increased by 8.8% quarter-on-quarter and 68.2% year-on-year, to 44.10 million in the March 2018 quarter. Enquiries made by debt collection agencies decreased by 27.7% quarter-on-quarter and by 47.6% year-on-year, to 2.76 million in March 2018 quarter. Enquiries made by all other entities increased by 1% quarter-on-quarter and 49.5% year-on-year, to 141.79 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 16	Jun 16	Sep 16	Dec 16	Mar 17	June 17	Sep 17	Dec 17	Mar 18	Mar 16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar 17 to June 17	Jun 17 to Sep 17	Sep 17 to Dec 17	Dec 17 to Mar 18
Banks and other financial institutions	288.18	293.41	257.26	256.56	280.10	269.75	161.36	309.95	244.36	1.8%	-12.3%	-0.3%	9.2%	-3.7%	-40.2%	92.1%	-21.2%
Retailers	26.52	26.24	29.83	26.93	30.01	25.43	33.06	35.48	32.36	-1.0%	13.7%	-9.7%	11.5%	-15.3%	30.0%	7.3%	-8.8%
Telecommunication providers	14.59	36.65	63.61	43.60	26.23	35.62	40.65	40.54	44.10	151.2%	73.6%	-31.5%	-39.8%	35.8%	14.1%	-0.3%	8.8%
Debt collection agencies	2.67	3.71	3.42	3.85	5.26	3.00	6.64	3.81	2.76	38.9%	-7.9%	12.6%	36.8%	-43.0%	121.6%	-42.5%	-27.7%
All other entities	59.82	74.36	99.70	115.50	94.84	146.17	140.59	140.33	141.79	24.3%	34.1%	15.8%	-17.9%	54.1%	-3.8%	-0.2%	1.0%
Total	391.78	434.37	453.82	446.44	436.44	479.97	382.29	530.11	439.69	10.9%	4.5%	-1.6%	-2.2%	10.0%	-20.4%	38.7%	17.1%

Figure 6: All enquiries – distribution according to sectors

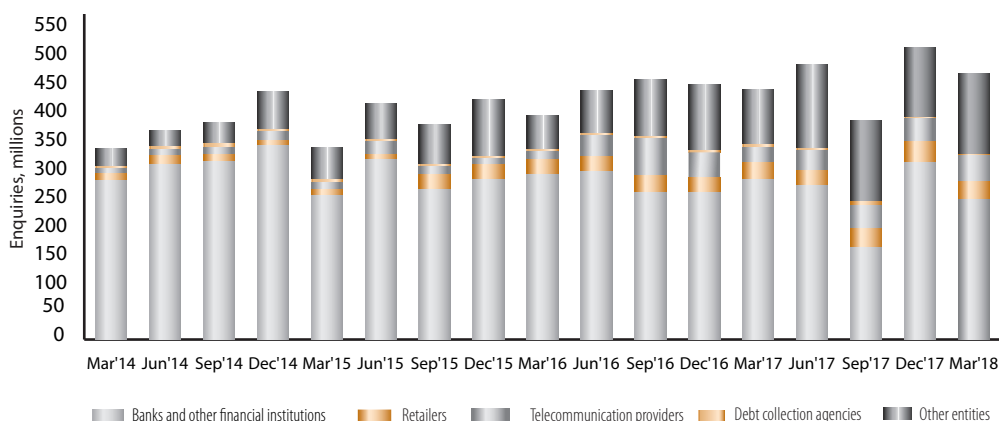


Table 5: Enquiries by banks and other financial institutions

Enquiry purpose:	Number of enquiries (millions)										Percentage change							
	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Mar 16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar 17 to Jun 17	Jun 17 to Sep 17	Sep 17 to Dec 17	Dec 17 to Mar 18	
Consumers seeking credit	14.97	14.14	14.89	16.58	16.03	15.89	19.27	20.91	21.79	-5.5%	5.3%	11.4%	-3.3%	-0.9%	21.3%	8.5%	4.2%	
Tracing/debt collection purposes	3.02	5.35	2.44	1.81	1.92	2.37	2.77	2.77	2.56	77.2%	-54.4%	-25.7%	6.2%	22.9%	16.9%	0.2%	-7.5%	
Other purposes	270.19	273.92	239.94	238.17	262.14	251.49	139.32	286.26	220.01	1.4%	-12.4%	-0.7%	10.1%	-4.1%	-44.6%	105.5%	-23.1%	
Banks and other financial institutions	288.18	293.41	257.26	256.56	280.10	269.75	161.36	309.95	244.36	1.8%	-12.3%	-0.3%	9.2%	-3.7%	-40.2%	92.1%	-21.2%	

Table 6: Enquiries by retailers

Enquiry purpose:	Number of enquiries (millions)										Percentage change							
	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Mar 16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar 17 to Jun 17	Jun 17 to Sep 17	Sep 17 to Dec 17	Dec 17 to Mar 18	
Consumers seeking credit	2.02	2.34	3.02	3.07	2.46	2.53	2.65	3.07	2.51	16.1%	29.0%	1.7%	-20.1%	3.1%	4.7%	15.7%	-18.4%	
Tracing/debt collection purposes	1.86	1.80	0.81	0.5	1.02	0.42	0.73	1.85	1.54	-3.1%	-55.2%	-38%	103.6%	-58.9%	74.8%	152.8%	-16.8%	
Other purposes	22.64	22.10	26.00	23.35	26.54	22.48	29.68	30.56	28.32	-2.4%	17.6%	-10.2%	13.6%	-15.3%	32.0%	3.0%	-%	
Retailers	26.52	26.24	29.83	26.93	30.01	25.43	33.06	35.48	32.36	-1.0%	13.7%	-9.7%	11.5%	-15.3%	30.0%	7.3%	-8.8%	

Table 7: Enquiries by telecommunication providers

Enquiry purpose:	Number of enquiries (millions)										Percentage change							
	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Mar 16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar 17 to Jun 17	Jun 17 to Sep 17	Sep 16 to Dec 16	Dec 17 to Mar 18	
Telecommunication services	0.70	0.67	0.85	1.16	1.05	1.28	1.42	1.58	1.13	-3.9%	25.7%	37.6%	-9.7%	21.5%	11.2%	11.3%	-28.5%	
Tracing/debt collection purposes	8.52	16.39	26.72	13.22	10.11	16.72	19.13	22.64	36.15	92.5%	63.0%	-50.5%	-23.5%	65.3%	14.4%	18.3%	59.7%	
Other purposes	5.37	19.58	36.04	29.22	15.06	17.63	20.10	16.33	6.83	264.8%	84.1%	-18.9%	-48.5%	-17.1%	14.0%	-18.8%	-58.2%	
Telecommunication providers	14.59	36.65	63.61	43.60	26.23	35.62	40.65	40.54	44.10	151.2%	73.6%	-31.5%	-39.8%	-35.8%	14.1%	-0.3%	8.8%	

Credit bureau activity

Demand for credit reports increased for the quarter

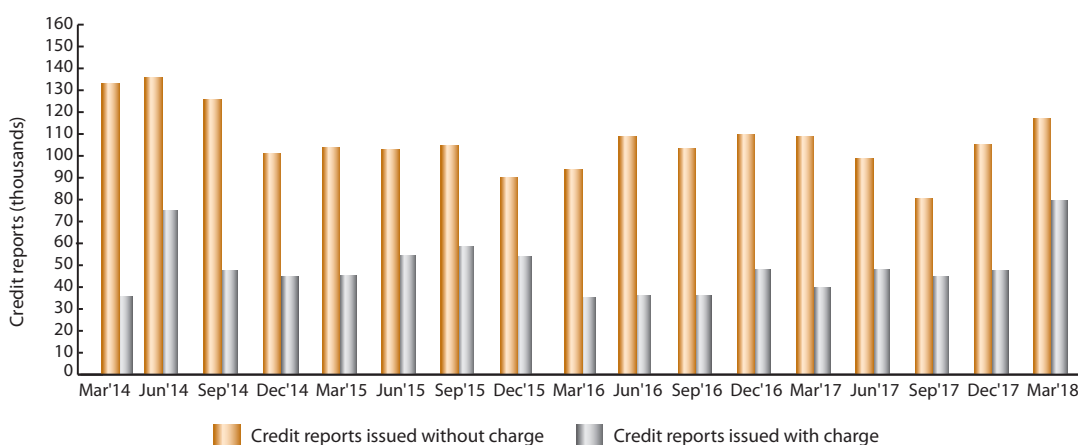
Of the total 196,920 credit reports issued to consumers at their request during the quarter ended March 2018, 59.55% (117,272) were issued without charge, and the remaining 45.45% (79,648) were issued with charge. The total number of credit reports issued increased by 29.0% quarter-on-quarter and 32.6% year-on-year.

See Table 8 and Figure 7 for details.

Table 8: Credit reports issued

Credit reports:	Number of credit reports										Percentage change								
	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Dec 15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar 17 to Jun 17	Jun 17 to Sep 17	Sep 16 to Dec 16	Dec 17 to Mar 18
Issued without charge	90,150	93,977	108,818	103,258	109,797	108,695	98,964	80,735	105,083	117,272	4.2%	15.8%	-5.1%	6.3%	-1.0%	-9.0%	-18.4%	30.2%	11.6%
Issued with charge	54,060	35,481	36,195	36,144	47,934	39,803	48,025	44,820	47,607	79,648	-34.4%	2.0%	-0.1%	32.4%	-17.0%	20.7%	-6.7%	6.2%	67.3%
Total issued	144,210	129,458	145,013	139,402	157,731	148,498	146,989	125,555	152,690	196,920	-10.2%	12.0%	-3.9%	13.1%	-5.9%	-1.0%	-14.6%	21.6%	29.0%

Figure 7: Credit reports issued



Consumer disputes

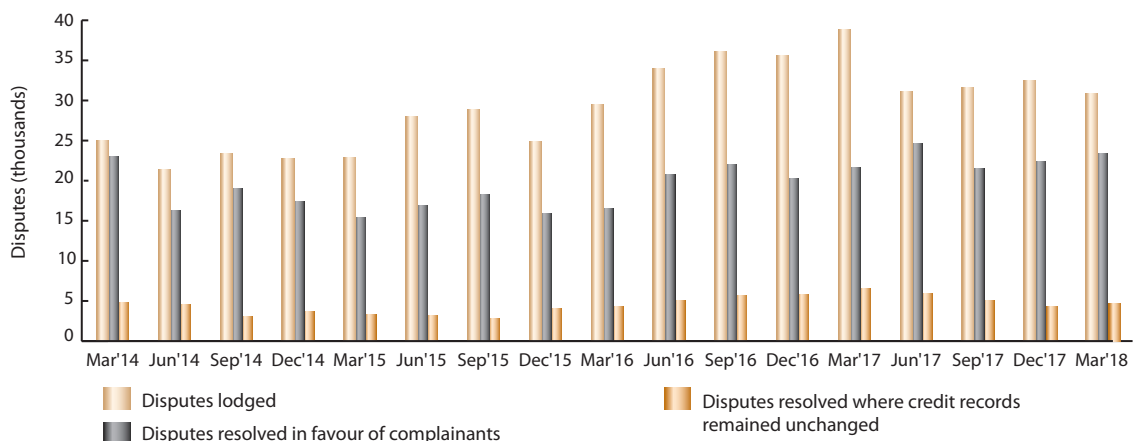
There were 30,853 disputes lodged in respect of the accuracy of the information recorded on consumer credit records in the quarter ended March 2018. This was a decrease of 5.1% quarter-on-quarter and 20.6% year-on-year. More disputes were resolved in favour of complainants (23,342) as compared to disputes where credit records remained unchanged (4,714).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Disputes:	Number of disputes									Percentage change							
	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Mar 16 to Jun 16	Jun 16 to Sep 16	Sep 16 to Dec 16	Dec 16 to Mar 17	Mar 17 to Jun 17	Jun 17 to Sep 17	Sep 17 to Dec 17	Dec 17 to Mar 18
Lodged	29,558	33,989	36,118	35,673	38,882	31,092	31,631	32,509	30,853	15.0%	6.3%	-1.2%	9.0%	-20.0%	1.7%	2.8%	-5.1%
Resolved in favour of complainants	16,587	20,825	22,060	20,333	21,594	24,621	21,483	22,349	23,342	25.6%	5.9%	-7.8%	6.2%	14.0%	-12.7%	4.0%	4.4%
Resolved where credit record remained unchanged	4,246	5,004	5,687	5,807	6,573	5,877	5,012	4,352	4,714	17.9%	13.6%	1.4%	13.2%	-10.6%	-14.7%	-13.2	8.3%

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 NCR website for complete tables of forty quarters from March 2008 to March 2018.