

TRANSUNION INDUSTRY INSIGHTS REPORT

Quarterly Overview of Consumer Credit Trends Released by TransUnion South Africa

First Quarter 2026



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Executive Summary

South Africa's consumer credit market in Q1 2026 reflected a shift from broad-based stabilisation into a more uneven and data-sensitive phase of growth. While overall activity remained resilient across key products, momentum was increasingly shaped by how credit is used, who is accessing it and how affordability is being managed at a household level. Growth was still present, but it was becoming more selective, with a clearer divide between portfolios expanding through utilisation, those growing through higher-value lending and those tightening in response to risk.

Across unsecured products, balance growth was supported less by new lending and more by the behaviour of existing borrowers. In credit cards, balances grew faster than accounts, with rising utilisation and increasing balance-level delinquency signalling pressure on larger exposures. Personal loans showed a clear split: Banks continued to expand cautiously with improving performance, while non-bank lenders scaled rapidly on smaller, shorter-term loans — accompanied by a sharp rise in arrears. In both cases, repayment dynamics have become a more critical driver of portfolio outcomes than origination volumes alone.

Secured lending continued to reflect demand but with clear structural shifts. In vehicle finance, balances rose on the back of larger ticket sizes and a continued shift toward new vehicle purchases, with affordability increasingly managed through longer loan terms and structured financing. Home loan growth remained concentrated, with significantly higher average loan sizes and fewer active borrowers, highlighting expansion through value rather than participation. Across both segments, early signs of pressure remained contained but likely to strengthen as borrowing and operating costs increase.

Retail credit presented a more varied picture; each product responded differently to changing consumer behaviour. Clothing accounts continued to expand alongside rising usage, while early increases in delinquency pointed to emerging strain. Instalment lending became more concentrated among fewer borrowers, even as repayment pressure was more widespread. By contrast, retail revolving credit contracted, with lower account volumes and improved performance reflecting tighter lending and a more resilient remaining borrower base.

Importantly, these outcomes reflect conditions during the first quarter, prior to the recent increase in interest rates and rising cost pressures. As these dynamics begin to take effect, the balance between growth and repayment capacity is likely to become more difficult to manage.

For lenders, the focus is shifting from expanding exposure to actively managing portfolios in a more complex operating environment. This includes closer monitoring of utilisation in revolving products, tighter control over repeat borrowing in high-frequency lending segments, disciplined structuring of longer-term secured loans and more targeted strategies across retail products. The next phase of the cycle will depend less on access alone and more on how effectively risk is identified, priced and managed as conditions tighten.

Source:

1. TransUnion consumer credit database
2. Stats SA
3. TransUnion Q1 Consumer Pulse Study
4. TransUnion Q1 Mobility Insights Report

Age distribution key:

- Gen Z (born 1995–2010)
- Millennials (born 1980–1994)
- Gen X (born 1965–1979)
- Baby Boomers (born 1946–1964)
- Silent Generation (born 1945 and earlier)

Risk distribution key:

- Subprime (0–625)
- Near prime (626–655)
- Prime (656–695)
- Prime plus (696–720)
- Super prime (721–999)

Scores are based on TransUnion CreditVision® Generic scoring methodology.

Credit Card Summary

CREDIT CARD METRICS	Q1 2026	QoQ Change	YoY Change
Number of Accounts	7.7M	1.2%	6.1%
Outstanding Balance	199.0B	1.9%	8.8%
Total Credit Lines	327.8B	1.7%	7.8%
Average Balance (per account)	25.7K	0.7%	2.5%
Average Credit Line (per account)	42.4K	0.5%	1.6%
Number of Consumers With an Active Trade	5.6M	1.6%	6.4%
Number of Consumers Carrying a Balance	5.0M	1.5%	6.3%
Origination Volumes	214.7K	-1.8%	-9.5%
Average New Account Credit Line	24.0K	-0.3%	-4.1%
Account-Level Delinquency Rate (3+ MIA)	13.6%	71 bps	66 bps
Consumer-Level Delinquency Rate (3+ MIA)	18.2%	82 bps	65 bps
Balance-Level Delinquency Rate (3+ MIA)	20.5%	92 bps	130 bps

Source: TransUnion South Africa consumer credit database

South Africa's credit card market continued to expand in Q1 2026, with active accounts increasing by 6.1% year on year to 7.7 million, while outstanding balances grew at a faster pace of 8.8% to R199 billion. This gap between balance growth and account growth indicates existing credit lines are being used more intensively, with utilisation driving portfolio expansion rather than new account origination.

This trend is reflected in consumer behaviour. The number of consumers carrying a balance rose by 6.3% to 5.0 million, closely tracking the growth in active consumers, while average balances increased more modestly by 2.5%. This suggests reliance on revolving credit is spreading across a broader base rather than being concentrated among a small group of high-balance borrowers.

At the same time, new lending has slowed. Origination volumes declined by 9.5% year on year, while average new account credit limits fell by 4.1%, indicating lenders are exercising greater caution in extending new credit. As a result, balance growth is increasingly being sustained by utilisation of existing limits rather than new credit supply.

Repayment trends pointed to growing pressure in parts of the portfolio. Account-level delinquency increased by 66 basis points to 13.6%, but balance-level delinquency rose more sharply by 130 basis points to 20.5%. This divergence highlights increasing strain on higher-value exposures where a larger share of balances is falling into arrears.

These outcomes reflect Q1 conditions prior to the recent increase in borrowing costs and living expenses. As these factors begin to feed through, repayment dynamics are likely to play a more pronounced role in shaping portfolio performance. For lenders, this places greater emphasis on managing utilisation, particularly on highly leveraged accounts, and identifying early signs of repayment pressure before balances deteriorate further.

Personal Loans Summary

PERSONAL LOANS (BANK) METRICS	Q1 2026	QoQ Change	YoY Change
Number of Accounts	5.7M	0.2%	1.4%
Outstanding Balance	306.7B	0.9%	5.9%
Average Balance (per account)	53.6K	0.7%	4.4%
Number of Consumers Carrying a Balance	4.1M	-0.3%	-4.4%
Origination Volumes	1.1M	-8.8%	2.5%
Average New Account Credit Line	26.8K	-1.3%	6.0%
Account-Level Delinquency Rate (3+ MIA)	26.7%	-31 bps	-256 bps
Consumer-Level Delinquency Rate (3+ MIA)	29.6%	-4 bps	-179 bps
Balance-Level Delinquency Rate (3+ MIA)	29.9%	-45 bps	-319 bps

Source: TransUnion South Africa consumer credit database

PERSONAL LOAN (NON-BANK) METRICS	Q1 2026	QoQ Change	YoY Change
Number of Accounts	9.7M	3.6%	27.6%
Outstanding Balance	98.9B	5.5%	6.7%
Average Balance (per account)	10.2K	1.8%	-16.4%
Number of Consumers Carrying a Balance	6.1M	4.0%	16.8%
Origination Volumes	5.5M	1.3%	19.0%
Average New Account Credit Line	5.6K	6.7%	-0.3%
Account-Level Delinquency Rate (3+ MIA)	49.8%	184 bps	193 bps
Consumer-Level Delinquency Rate (3+ MIA)	54.5%	163 bps	141 bps
Balance-Level Delinquency Rate (3+ MIA)	55.5%	208 bps	714 bps

Source: TransUnion South Africa consumer credit database

South Africa's personal loans market has increasingly split between bank and non-bank lending, with each segment showing distinct growth patterns and risk outcomes.

Bank personal loans continued to expand in a measured way. Account volumes increased by 1.4% year on year, while outstanding balances grew by 5.9%, supported by a 4.4% increase in average balances. At the same time, the number of consumers carrying balances declined 4.4%, indicating lending is becoming more concentrated among fewer borrowers with larger exposures. Credit performance improved significantly, with account-level delinquency declining by 256 basis points to 26.7% and balance-level delinquency improving by 319 basis points, reflecting tighter underwriting and more selective lending.

In contrast, non-bank personal loans grew rapidly. Account volumes increased by 27.6% year on year, while originations rose by 19.0%, driven in part by younger borrowers entering the market. However, average balances declined by 16.4%, pointing to smaller loan sizes and more frequent borrowing. This suggests a shift toward short-term, repeat borrowing used to manage cash flow rather than larger, structured lending.

This expansion was accompanied by a marked deterioration in credit performance. Account-level delinquency increased by 193 basis points to 49.8%, while balance-level delinquency rose sharply by 714 basis points to 55.5%. The significantly faster growth in delinquent balances indicates repayment pressure is deepening among existing borrowers, with arrears accumulating more quickly than overall lending.

The diverging performance between the two segments requires a more targeted response from lenders. For banks, maintaining portfolio quality will depend on sustaining disciplined underwriting as exposures become more concentrated among higher-value borrowers. For non-bank lenders, the rapid increase in repeat, smaller-value borrowing highlights the need for stronger controls around borrowing frequency and earlier intervention where repayment stress begins to emerge.

Vehicle Finance Summary

VEHICLE FINANCE METRICS	Q1 2026	QoQ Change	YoY Change
Number of Accounts	2.2M	0.9%	2.5%
Outstanding Balance	597.5B	2.1%	8.3%
Average Balance (per account)	266.9K	1.2%	5.7%
Number of Consumers Carrying a Balance	2.0M	0.8%	0.9%
Origination Volumes	142.5K	-5.7%	11.6%
Average New Account Credit Line	417.6K	1.0%	3.3%
Account-Level Delinquency Rate (3+ MIA)	7.1%	32 bps	-80 bps
Consumer-Level Delinquency Rate (3+ MIA)	7.5%	36 bps	-81 bps
Balance-Level Delinquency Rate (3+ MIA)	7.1%	12 bps	-80 bps

Source: TransUnion South Africa consumer credit database

The vehicle finance market continued to show strong activity in Q1 2026; outstanding balances increased by 8.3% year on year to R597.5 billion compared to account growth of 2.5%. This reflects higher transaction values, supported by a 5.7% increase in average balances and continued shift toward financing new vehicles.

Origination volumes increased by 11.6% year on year but declined by 5.7% on a quarterly basis, indicating while demand remains stronger than a year ago, momentum is beginning to moderate. This suggests consumers are becoming more selective as affordability constraints become more binding.

Pricing dynamics continued to support this shift. Low levels of new vehicle inflation, combined with deflation in used vehicle prices, have narrowed the gap between new and used vehicles. This has encouraged financing activity to move toward new vehicles, contributing to higher average loan values.

At the same time, affordability is increasingly being achieved through financing structures. The average new account credit line increased by 3.3% year on year, while extended loan terms and balloon payment structures were used more frequently to reduce monthly instalments and accommodate higher purchase prices.

Credit performance improved as account-level delinquency declined by 80 basis points to 7.1%. However, these improvements should be considered alongside rising operating costs, particularly fuel and broader household pressure — which may begin to influence both demand and repayment behaviour going forward.

For lenders, the increasing reliance on longer-term and structured financing introduces greater exposure to residual value risk and refinancing dynamics. Managing these exposures will require tighter control over loan-to-value ratios, careful structuring of extended-term deals and close monitoring of portfolios where affordability is being stretched through financing design.

Home Loan Summary

HOME LOAN METRICS	Q1 2026	QoQ Change	YoY Change
Number of Accounts	1.9M	-0.1%	0.9%
Outstanding Balance	1290.5B	0.9%	3.8%
Average Balance (per account)	689.1K	1.0%	2.9%
Number of Consumers Carrying a Balance	2.2M	-0.2%	-2.8%
Origination Volumes	56.1K	-5.4%	12.8%
Average New Account Credit Line	1.2M	26.5%	29.1%
Account-Level Delinquency Rate (3+ MIA)	7.7%	17 bps	10 bps
Consumer-Level Delinquency Rate (3+ MIA)	8.1%	18 bps	12 bps
Balance-Level Delinquency Rate (3+ MIA)	7.2%	17 bps	5 bps

Source: TransUnion South Africa consumer credit database

South Africa's home loan market continued to show gradual improvement, although growth was concentrated among higher-value borrowers as broader participation remained constrained.

Outstanding balances increased by 3.8% year on year to R1.29 trillion, outpacing account growth of 0.9%. This reflects rising loan sizes, with average balances increasing by 2.9%. More notably, average new loan amounts increased sharply by 29.1% year on year, indicating a shift toward higher-value transactions rather than a broad-based improvement in affordability.

At the same time, the number of consumers carrying a home loan declined by 2.8%, reinforcing the view that access remains limited. The combination of larger loan sizes and fewer borrowers highlights a market where growth is occurring through higher-value lending rather than an expansion in participation.

Origination volumes increased by 12.8% year on year but declined by 5.4% on a quarterly basis, suggesting demand was present but sensitive to affordability constraints, such as deposit requirements and income thresholds.

Credit performance remained relatively stable; account-level delinquency increased marginally by 10 basis points to 7.7%. While these movements were contained, they represent early signs of pressure that may build as broader household costs increase.

These trends reflect conditions during Q1, prior to recent increases in interest rates and living costs — which are likely to place additional pressure on both access and repayment. For lenders, the key challenge will be expanding access without loosening affordability standards, particularly as higher loan values increase exposure to repayment risk.

Retail Industry Summary

CLOTHING ACCOUNT METRICS	Q1 2026	QoQ Change	YoY Change
Number of Accounts	18.6M	0.7%	4.8%
Outstanding Balance	44.3B	1.8%	8.2%
Total Credit Lines	123.6B	2.0%	12.6%
Average Balance (per account)	2.4K	1.0%	3.2%
Average Credit Line (per account)	6.7K	1.3%	7.4%
Number of Consumers With an Active Trade	11.9M	1.0%	5.9%
Number of Consumers Carrying a Balance	10.2M	1.5%	2.7%
Origination Volumes	848.5K	-14.0%	11.0%
Average New Account Credit Line	7.3K	5.7%	6.2%
Account-Level Delinquency Rate (3+ MIA)	26.2%	164 bps	0 bps
Consumer-Level Delinquency Rate (3+ MIA)	38.6%	188 bps	-37 bps
Balance-Level Delinquency Rate (3+ MIA)	28.8%	153 bps	4 bps

Source: TransUnion South Africa consumer credit database

RETAIL INSTALMENTS METRICS	Q1 2026	QoQ Change	YoY Change
Number of Accounts	1.5M	5.1%	10.8%
Outstanding Balance	15.2B	3.7%	11.4%
Average Balance (per account)	10.2K	-1.4%	0.6%
Number of Consumers Carrying a Balance	1.3M	4.2%	-10.8%
Origination Volumes	163.5K	1.5%	-1.7%
Average New Account Credit Line	12.4K	-5.7%	-2.6%
Account-Level Delinquency Rate (3+ MIA)	26.6%	-19 bps	-89 bps
Consumer-Level Delinquency Rate (3+ MIA)	27.2%	578 bps	582 bps
Balance-Level Delinquency Rate (3+ MIA)	31.2%	16 bps	-12 bps

Source: TransUnion South Africa consumer credit database

RETAIL REVOLVING METRICS	Q1 2026	QoQ Change	YoY Change
Number of Accounts	2.2M	-3.9%	-2.1%
Outstanding Balance	15.6B	-1.6%	-2.2%
Total Credit Lines	32.7B	-5.4%	-2.0%
Average Balance (per account)	7.1K	2.4%	-0.2%
Average Credit Line (per account)	14.9K	-1.5%	0.1%
Number of Consumers With an Active Trade	1.9M	-4.3%	-2.1%
Number of Consumers Carrying a Balance	1.7M	-2.9%	-5.1%
Origination Volumes	197.4K	13.7%	-7.1%
Average New Account Credit Line	11.5K	-9.7%	-15.4%
Account-Level Delinquency Rate (3+ MIA)	16.8%	-82 bps	-126 bps
Consumer-Level Delinquency Rate (3+ MIA)	20.1%	-704 bps	-699 bps
Balance-Level Delinquency Rate (3+ MIA)	16.8%	-72 bps	-125 bps

Source: TransUnion South Africa consumer credit database

Retail credit performance in Q1 2026 reflected distinct trends across product types; clothing, instalment and revolving credit showed different usage patterns and risk dynamics.

Clothing accounts continued to grow, increasing by 4.8% to 18.6 million and outstanding balances rising by 8.2% to R44.3 billion. This growth was supported by a 5.9% increase in active consumers and 2.7% increase in those carrying balances, indicating continued reliance on clothing credit for day-to-day spending. However, account-level delinquency increased by 164 basis points on a quarterly basis, suggesting repayment pressure was beginning to build alongside usage.

Retail instalment lending showed a more complex trend. Account volumes increased by 10.8% year on year and balances by 11.4%, but the number of consumers carrying balances declined sharply by 10.8%. This indicates a concentration of borrowing among fewer consumers. At the same time, average new account limits declined by 2.6%, pointing to smaller financed purchases. While account-level delinquency improved, consumer-level delinquency increased significantly by 582 basis points, suggesting more widespread repayment pressure across borrowers.

Retail revolving credit, by contrast, contracted. Account volumes declined by 2.1%, balances by 2.2% and active consumers by 2.1%, reflecting both reduced demand and tighter lending conditions. Origination volumes increased slightly on a quarterly basis but remained 7.1% lower year on year, with average new account limits declining by 15.4%. Despite this contraction, credit performance improved; account-level delinquency declined by 126 basis points, indicating stronger repayment behaviour among remaining users.

Across retail credit, these patterns highlighted a shift in how consumers are using different products, with clothing credit supporting everyday needs, instalment lending becoming more concentrated and revolving credit tightening. For lenders, this requires a more segmented approach, with closer monitoring of emerging risk in clothing and instalment portfolios — while maintaining disciplined exposure in revolving credit.

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