TRANSUNION INDUSTRY INSIGHTS REPORT

# Quarterly Overview of Consumer Credit Trends Released by TransUnion South Africa

## Second Quarter 2026

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# Executive Summary

South Africa's consumer credit market remained resilient in Q2 2026, but growth is becoming increasingly selective, segmented and dependent on how consumers manage affordability. Demand for credit remains evident across major products, yet both consumers and lenders are adapting to a more complex operating environment. Rather than withdrawing from the market, consumers continue to seek credit, mobility and household spending solutions, although they're becoming more deliberate in how they access and use them. At the same time, lenders are increasingly balancing growth opportunities against affordability considerations and portfolio risk.

One of the defining features of Q2 was the growing divergence beneath headline market performance. Aggregate credit growth increasingly masks very different underlying dynamics across products and lenders. In credit cards, portfolio activity and exposure continued to expand despite a material slowdown in new account acquisition, reflecting a market where growth opportunities remain present, but lenders continue to balance acquisition with prudent risk and affordability considerations. In personal loans, banks and non-bank lenders followed distinct paths to growth, reflecting different consumer needs and risk profiles. Within retail credit, clothing, revolving and instalment products produced markedly different outcomes despite operating in the same consumer environment. Home loans continued to demonstrate value growth despite declining borrower participation, while vehicle finance remained resilient even as consumers become more selective in their purchase decisions.

Affordability remains a defining influence on consumer behaviour, but its effects are becoming more nuanced. Rather than suppressing demand entirely, affordability concerns are changing how consumers engage with products and services. Vehicle buyers are placing greater emphasis on financing costs, fuel efficiency and total cost of ownership, while lenders across multiple products are increasingly focused on managing exposure, credit limits and portfolio quality. The result is a market where growth remains achievable but is becoming increasingly dependent on product design, affordability management and risk discipline.

Resilience is also not being felt uniformly across the market. Some portfolios continued to demonstrate an ability to balance expansion with improving credit performance, while others experienced increasing repayment pressure despite sustained consumer demand. These contrasting outcomes highlight a widening gap between volume and value, participation and performance — and ultimately between opportunity and risk. As a result, traditional indicators, such as account growth, balance growth and origination volumes, increasingly require greater context to understand what they're truly signalling about consumer financial health and portfolio sustainability.

For lenders, the key implication is traditional growth indicators are becoming less informative on their own. Origination growth, balance growth and account growth increasingly require deeper interpretation because similar outcomes can be driven by fundamentally different consumer and portfolio dynamics. As the market becomes more segmented, competitive advantage is likely to depend less on expanding exposure and more on understanding where growth is occurring, how sustainable it is and which consumers have the capacity to absorb additional credit responsibly.

Source:

1. TransUnion consumer credit database
2. Stats SA
3. TransUnion Q2 Consumer Pulse Study
4. TransUnion Q2 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 | Q2 2026 | QoQ Change | YoY Change |
|---|---|---|---|
| Number of Accounts | 7.7M | 0.2% | 4.6% |
| Outstanding Balance | 199.3B | 0.1% | 6.9% |
| Total Credit Lines | 331.6B | 1.2% | 7.2% |
| Average Balance (per account) | 25.7K | -0.1% | 2.1% |
| Average Credit Line (per account) | 42.8K | 0.9% | 2.4% |
| Number of Consumers With an Active Trade | 5.6M | 1.5% | 6.1% |
| Number of Consumers Carrying a Balance | 5.0M | 0.6% | 5.1% |
| Origination Volumes | 221.5K | 3.20% | -16.80% |
| Average New Account Credit Line | 24.6K | 2.8% | 8.2% |
| Account-Level Delinquency Rate (3+ MIA) | 13.1% | -50 bps | 22 bps |
| Consumer-Level Delinquency Rate (3+ MIA) | 17.8% | -41 bps | 30 bps |
| Balance-Level Delinquency Rate (3+ MIA) | 19.8% | -61 bps | 59 bps |

Source: TransUnion South Africa consumer credit database

South Africa's credit card market remained resilient in Q2 2026, reflecting the product's continued importance as a source of liquidity and day-to-day financial flexibility for consumers. Active consumers increased by 6.1% year on year, consumers carrying balances grew by 5.1%, outstanding balances rose by 6.9% and total credit lines expanded by 7.2%. These trends suggest existing portfolios remain well utilised despite ongoing affordability pressures. At the same time, new account acquisition slowed materially, with originations declining by 16.8% year on year, while the average credit limit granted on newly opened accounts increased by 8.2%.

The divergence between portfolio activity and new account acquisition suggests issuers are taking a measured approach to growth. Rather than withdrawing from the market, lenders continue to balance growth opportunities with discipline at origination. While average limits on newly originated accounts increased during the quarter, the broader trend points to continued selectivity in customer acquisition and a focus on sustainable portfolio expansion.

The continued increase in balances should also be viewed alongside the deterioration in credit performance. Account-level delinquency increased by 22 basis points year on year, consumer-level delinquency increased by 30 basis points and balance-level delinquency increased by 59 basis points. The larger deterioration at balance level indicates exposure associated with delinquent accounts is growing faster than delinquent account incidence alone would suggest.

For issuers, growth opportunities remain present, but the challenge is increasingly about identifying sustainable credit capacity rather than simply extending additional exposure. Consumers continue to value the flexibility and liquidity offered by credit cards, while the combination of growing balances, rising delinquency and more selective origination activity reinforces the importance of portfolio management, exposure sizing and customer-level risk differentiation.

The Q2 market therefore reflects a credit card sector that remains active and relevant, but one where lenders appear to be placing greater emphasis on disciplined growth. Credit cards continue to provide consumers with access to flexible credit, while issuers remain focused on ensuring portfolio expansion remains aligned with borrowers' capacities to absorb and manage additional debt over time.

 

## Personal Loans Summary

| PERSONAL LOAN (BANK) METRICS | Q2 2026 | QoQ Change | YoY Change |
|---|---|---|---|
| Number of Accounts | 5.8M | 1.7% | 3.5% |
| Outstanding Balance | 315.4B | 2.8% | 8.9% |
| Average Balance (per account) | 54.2K | 1.1% | 5.3% |
| Number of Consumers Carrying a Balance | 4.1M | 0.6% | -4.1% |
| Origination Volumes | 1.2M | 6.1% | 7.7% |
| Average New Account Credit Line | 27.7K | 3.6% | 9.2% |
| Account-Level Delinquency Rate (3+ MIA) | 26.5% | -12 bps | -194 bps |
| Consumer-Level Delinquency Rate (3+ MIA) | 29.7% | 12 bps | -101 bps |
| Balance-Level Delinquency Rate (3+ MIA) | 29.3% | -66 bps | -342 bps |

Source: TransUnion South Africa consumer credit database

| PERSONAL LOAN (NON-BANK) METRICS | Q2 2026 | QoQ Change | YoY Change |
|---|---|---|---|
| Number of Accounts | 10.2M | 4.7% | 22.9% |
| Outstanding Balance | 101.2B | 2.3% | 4.8% |
| Average Balance (per account) | 9.9K | -2.3% | -14.8% |
| Number of Consumers Carrying a Balance | 6.3M | 3.0% | 12.7% |
| Origination Volumes | 6.1M | 11.40% | 21.30% |
| Average New Account Credit Line | 5.3K | -4.40% | -5.90% |
| Account-Level Delinquency Rate (3+ MIA) | 48.3% | -151 bps | 32 bps |
| Consumer-Level Delinquency Rate (3+ MIA) | 53.5% | -94 bps | 28 bps |
| Balance-Level Delinquency Rate (3+ MIA) | 54.6% | -90 bps | 636 bps |

Source: TransUnion South Africa consumer credit database

South Africa's personal-loan market continued to expand in Q2 2026, but aggregate growth increasingly masks two very different lending models. Both bank and non-bank lenders recorded growth in originations and balances, yet the quality, value and sustainability of that growth continued to diverge. As a result, understanding where growth is occurring has become just as important as understanding the overall pace of market expansion.

The bank personal-loan segment demonstrated growth and improving performance can coexist. Originations increased 7.7% year on year, outstanding balances grew 8.9% and average new loan amounts increased 9.2%, indicating continued demand for larger-value unsecured credit. Importantly, these gains were accompanied by meaningful performance improvement, with balance-level delinquency declining by 342 basis points year on year. Together, these trends suggest banks are finding growth opportunities among consumers with the capacity to absorb larger borrowing commitments while maintaining disciplined risk management and portfolio quality.

The non-bank segment expanded more rapidly but followed a very different path. Originations increased 21.3% year on year and the number of consumers carrying balances rose 12.7%, significantly outpacing the bank market. However, average new loan amounts declined by 5.9%, indicating growth was increasingly concentrated in smaller-ticket lending. This points to continued demand for accessible liquidity and short-term credit solutions, particularly among consumers seeking smaller borrowing amounts. While this supports broader access to credit, the segment also experienced a sharp deterioration in credit performance, with balance-level delinquency increasing by 636 basis points year on year.

The significance of these trends is personal-loan growth is no longer being driven by a single market dynamic. Banks are generating growth through larger-value lending and improved portfolio quality, while non-bank lenders are expanding reach through smaller-ticket lending and higher customer volumes. Although both approaches contribute to overall market growth, they reflect very different risk-return profiles and consumer needs. Aggregate market-level growth therefore risks obscuring important differences in how credit is being extended and repaid across the sector.

For lenders, investors and regulators, the key implication is growth alone provides an increasingly incomplete view of market health. The bank segment demonstrates growth can be achieved alongside improving credit outcomes — while the non-bank segment highlights the continued importance of accessible credit in meeting liquidity needs, albeit with greater performance pressure. As affordability challenges persist, the ability to distinguish between growth driven by stronger borrowing capacity and growth driven by the need for short-term liquidity may become increasingly important in assessing both opportunity and risk within the personal loan market.

 

## Vehicle Finance Summary

| VEHICLE FINANCE METRICS | Q2 2026 | QoQ Change | YoY Change |
|---|---|---|---|
| Number of Accounts | 2.2M | 0.4% | 2.6% |
| Outstanding Balance | 604.8B | 1.2% | 8.0% |
| Average Balance (per account) | 269.1K | 0.8% | 5.3% |
| Number of Consumers Carrying a Balance | 2.0M | 0.3% | 1.1% |
| Origination Volumes | 136.6K | -4.2% | 1.1% |
| Average New Account Credit Line | 431.3K | 3.3% | 5.5% |
| Account-Level Delinquency Rate (3+ MIA) | 6.4% | -68 bps | -115 bps |
| Consumer-Level Delinquency Rate (3+ MIA) | 6.8% | -69 bps | -116 bps |
| Balance-Level Delinquency Rate (3+ MIA) | 6.4% | -68 bps | -113 bps |

Source: TransUnion South Africa consumer credit database

The vehicle finance market remained resilient in Q2 2026, continuing to demonstrate demand despite a more challenging affordability environment. Outstanding balances increased 8.0% year on year, supported by a 5.5% increase in average new loan values, while origination volumes grew modestly by 1.1%. At the same time, account-, consumer- and balance-level delinquency rates all improved by more than 100 basis points, indicating growth continues to be accompanied by relatively strong portfolio performance.

This resilience is particularly noteworthy given shifts occurring elsewhere in the automotive market. According to TransUnion's Mobility Insights Report, vehicle purchase intentions softened during Q2, particularly among lower- and middle-income consumers, while affordability, financing costs, fuel efficiency and total cost of ownership became increasingly important considerations in vehicle selection. These findings suggest consumers remain committed to vehicle ownership but are approaching purchase decisions with greater consideration of long-term affordability and running costs.

The key shift in Q2 was therefore not a decline in demand but a change in how consumers evaluate vehicle purchases. Affordability pressures appear to be changing the structure of demand rather than reducing participation in the market. Consumers continue to seek mobility solutions but are becoming more selective about how those needs are met. The continued increase in average financed values, despite softer purchase intentions, indicates vehicle finance remains an important mechanism through which consumers maintain access to mobility, even as broader economic conditions become more challenging.

Broader automotive market trends reinforce this interpretation. The Mobility Insights Report showed passenger vehicle sales increased 15.8% year on year during Q2, while Chinese manufacturers continued to gain market share through competitively priced vehicles and strong value propositions. At the same time, consumers showed growing interest in technologies that could reduce long-term ownership costs, with hybrid vehicles emerging as an increasingly attractive alternative for consumers focused on fuel efficiency and operating costs. These developments suggest the market is becoming increasingly value conscious rather than demand constrained.

For lenders, the implication is future growth may depend less on stimulating demand and more on helping consumers manage affordability. Financing structures, loan terms, vehicle selection and total cost of ownership are likely to play a greater role in purchase decisions than in previous years. As affordability considerations increasingly shape consumer behaviour, lenders that can balance access, affordability and risk management are likely to be best positioned to support sustainable growth in the vehicle finance market.

 

What differentiated Q2 from previous quarters is affordability is no longer simply a credit consideration. It’s becoming a mobility consideration. Consumers are increasingly evaluating not only whether they can finance a vehicle but also whether they can comfortably own and operate it over the longer term. This shift is likely to influence vehicle choice, financing structures and portfolio composition as the market continues to evolve.

## Home Loan Summary

| HOME LOAN METRICS | Q2 2026 | QoQ Change | YoY Change |
|---|---|---|---|
| Number of Accounts | 1.8M | -4.9% | -4.6% |
| Outstanding Balance | 1304.0B | 1.0% | 4.6% |
| Average Balance (per account) | 732.5K | 6.3% | 9.6% |
| Number of Consumers Carrying a Balance | 2.1M | -4.8% | -7.5% |
| Origination Volumes | 62.4K | 11.1% | -10.5% |
| Average New Account Credit Line | 937.5K | -1.9% | -1.7% |
| Account-Level Delinquency Rate (3+ MIA) | 7.2% | -54 bps | -52 bps |
| Consumer-Level Delinquency Rate (3+ MIA) | 7.7% | -40 bps | -37 bps |
| Balance-Level Delinquency Rate (3+ MIA) | 7.0% | -12 bps | -14 bps |

Source: TransUnion South Africa consumer credit database

South Africa’s home loan market continued to reflect a market where participation remains constrained, but transaction values remain elevated. Origination volumes declined by 10.5% year on year, the number of active accounts decreased by 4.6% and the number of consumers carrying a mortgage fell by 7.5%. In contrast, outstanding balances increased by 4.6% and average balances rose by 9.6%, indicating growth is increasingly being driven by loan value rather than borrower volume. Delinquency continued to improve across account-, consumer- and balance-level measures, pointing to a relatively stable credit environment among existing mortgage holders.

The combination of fewer borrowers and larger balances suggests the home loan market is becoming increasingly concentrated among consumers with the financial capacity to access and sustain higher-value property purchases. While demand for homeownership remains present, affordability constraints continue to limit broader participation in the market. Higher property values, deposit requirements and the cost of homeownership remain significant barriers to entry for many consumers, particularly first-time buyers.

Risk-tier trends reinforce this dynamic. Prime and above-prime borrowers accounted for an increasing share of mortgage activity, while below-prime participation continued to moderate. This indicates lenders remain focused on higher-quality borrowers and recent growth has been concentrated among consumers with stronger credit profiles and greater financial resilience.

The improvement in portfolio performance is particularly noteworthy given the broader affordability pressures evident elsewhere in the consumer credit market. Account-level delinquency improved by 52 basis points year on year and balance-level delinquency improved by 14 basis points, suggesting existing mortgage borrowers have generally remained resilient despite a more challenging operating environment. This partly reflects the fact that mortgage holders tend to represent financially stronger consumers, but it also highlights the importance of prudent underwriting and disciplined credit risk management within the sector.

From an industry perspective, the home loan market appears to be transitioning from a participation-driven growth model to a value-driven one. Growth is no longer coming from a larger pool of borrowers entering the market but from higher outstanding balances within a relatively concentrated segment of consumers. As a result, aggregate balance growth may overstate the breadth of market recovery by masking the decline in borrower participation.

 

For lenders, the implication is future growth opportunities may depend on expanding sustainable access to homeownership rather than simply financing larger transactions. Affordability remains the key constraint. While current performance remains healthy, the long-term growth potential of the market is likely to depend on the ability to support a broader base of qualified borrowers, particularly younger and emerging consumers seeking to enter the property market. In the meantime, the home loan market continues to demonstrate resilience, but that resilience is increasingly concentrated among a smaller group of financially stronger borrowers

 

## Retail Industry Summary

| CLOTHING METRICS | Q2 2026 | QoQ Change | YoY Change |
|---|---|---|---|
| Number of Accounts | 18.7M | 0.5% | 6.6% |
| Outstanding Balance | 44.8B | 1.0% | 8.0% |
| Total Credit Lines | 126.0B | 1.9% | 12.4% |
| Average Balance (per account) | 2.4K | 0.5% | 1.3% |
| Average Credit Line (per account) | 6.7K | 1.4% | 5.4% |
| Number of Consumers With an Active Trade | 12.0M | 1.0% | 7.9% |
| Number of Consumers Carrying a Balance | 10.3M | 0.2% | 3.2% |
| Origination Volumes | 855.4K | 0.8% | -7.8% |
| Average New Account Credit Line | 7.5K | 2.0% | 6.6% |
| Account-Level Delinquency Rate (3+ MIA) | 26.5% | 35 bps | -8 bps |
| Consumer-Level Delinquency Rate (3+ MIA) | 39.2% | 64 bps | 20 bps |
| Balance-Level Delinquency Rate (3+ MIA) | 29.7% | 84 bps | 67 bps |

Source: TransUnion South Africa consumer credit database

| RETAIL INSTALMENT METRICS | Q2 2026 | QoQ Change | YoY Change |
|---|---|---|---|
| Number of Accounts | 1.4M | -6.8% | 2.0% |
| Outstanding Balance | 15.1B | -0.5% | 12.0% |
| Average Balance (per account) | 10.9K | 6.7% | 9.8% |
| Number of Consumers Carrying a Balance | 1.2M | -3.9% | -13.9% |
| Origination Volumes | 167.4K | 2.4% | -10.3% |
| Average New Account Credit Line | 14.6K | 18.2% | 13.4% |
| Account-Level Delinquency Rate (3+ MIA) | 27.3% | 67 bps | 146 bps |
| Consumer-Level Delinquency Rate (3+ MIA) | 27.7% | 44 bps | 161 bps |
| Balance-Level Delinquency Rate (3+ MIA) | 31.9% | 66 bps | 150 bps |

Source: TransUnion South Africa consumer credit database

| RETAIL REVOLVING METRICS | Q2 2026 | QoQ Change | YoY Change |
|---|---|---|---|
| Number of Accounts | 2.2M | 1.0% | -4.5% |
| Outstanding Balance | 15.7B | 1.2% | -1.9% |
| Total Credit Lines | 33.1B | 1.2% | -4.3% |
| Average Balance (per account) | 7.1K | 0.1% | 2.7% |
| Average Credit Line (per account) | 15.0K | 0.2% | 0.1% |
| Number of Consumers With an Active Trade | 1.9M | 1.5% | -4.4% |
| Number of Consumers Carrying a Balance | 1.7M | -0.1% | -5.6% |
| Origination Volumes | 206.6K | 4.6% | -12.2% |
| Average New Account Credit Line | 12.1K | 5.4% | -15.0% |
| Account-Level Delinquency Rate (3+ MIA) | 16.0% | -77 bps | -135 bps |
| Consumer-Level Delinquency Rate (3+ MIA) | 19.4% | -74 bps | -175 bps |
| Balance-Level Delinquency Rate (3+ MIA) | 16.6% | -13 bps | -126 bps |

Source: TransUnion South Africa consumer credit database

 

South Africa’s retail credit market continued to fragment in Q2 2026, with clothing, retail revolving and instalment lending following increasingly different trajectories. While all three products experienced lower origination activity, the underlying performance and portfolio trends suggest consumers are becoming more selective in how they use retail credit and lenders are responding differently across product types. As a result, retail credit can no longer be viewed as a single market but rather as a collection of products serving distinct consumer needs and risk profiles.

Clothing accounts remained the most resilient segment. Active accounts increased 6.6% year on year, active consumers grew 7.9% and outstanding balances rose 8.0%, indicating continued participation and engagement. At the same time, origination volumes declined by 7.8%, suggesting growth is increasingly being supported by existing customer relationships rather than new account acquisition. Credit lines expanded by 12.4%, outpacing balance growth, reflecting a willingness by retailers to continue extending available credit despite a more challenging consumer environment. While account-level delinquency remained broadly stable, balance-level delinquency increased by 67 basis points year on year, indicating repayment pressure may be emerging among more highly utilised accounts.

Retail instalment lending presented another distinct picture. Origination volumes declined by 10.3% and the number of consumers carrying balances fell by 13.9%, yet outstanding balances increased 12.0% and average balances rose 9.8%. At the same time, delinquency deteriorated sharply across all measures, with balance-level delinquency increasing by 150 basis points year on year. This combination suggests the segment is becoming increasingly concentrated among fewer borrowers carrying larger balances, while repayment pressure is becoming more pronounced.

Retail revolving credit followed a very different path. Account volumes declined 4.5%, active consumers fell 4.4% and outstanding balances decreased 1.9%, indicating continued contraction in the overall size of the market. Despite weaker acquisition and lower participation, performance improved materially, with account-, consumer- and balance-level delinquency rates improving by between 126 and 175 basis points year on year. These trends suggest the segment is becoming smaller but potentially higher quality as tighter lending and portfolio rationalisation leave a more resilient borrower base.

Taken together, these trends point to a retail credit market where affordability pressures are influencing products differently. Clothing credit continues to support day-to-day purchasing behaviour and retail revolving credit appears to be consolidating around a smaller and stronger borrower base — while instalment credit is becoming concentrated among consumers taking on larger obligations. The result is a widening gap between portfolio growth and portfolio quality across retail products.

For retailers and lenders, the implication is acquisition growth alone may no longer be the most useful measure of success. Performance, utilisation and customer concentration are becoming increasingly important indicators of portfolio health. The sharp contrast between the improving performance of retail revolving credit and worsening performance of instalment lending demonstrates the importance of understanding not just how much credit consumers are using but how they’re using it. As consumer budgets remain under pressure, the ability to differentiate between sustainable spending behaviour and growing repayment strain is likely to become an increasingly important competitive advantage.

 