



Q2 2026 Mobility Insights Report

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Welcome to the TransUnion South African Q2 2026 Mobility Insights Report

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The latest data sourced from NAAMSA, SACRRA, eNaTIS with expert intelligence from TransUnion Automotive

Smarter data decisions that fuel future growth

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 This icon indicates a key insight from the report.

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About the Mobility Insights Report

A sharper view of South Africa’s mobility market

Now in its fifth edition, the Mobility Insights Report provides a deeper, more relevant perspective on the South African automotive landscape. Offering quarterly insights, it equips industry players with the clarity and confidence needed to navigate an evolving market.

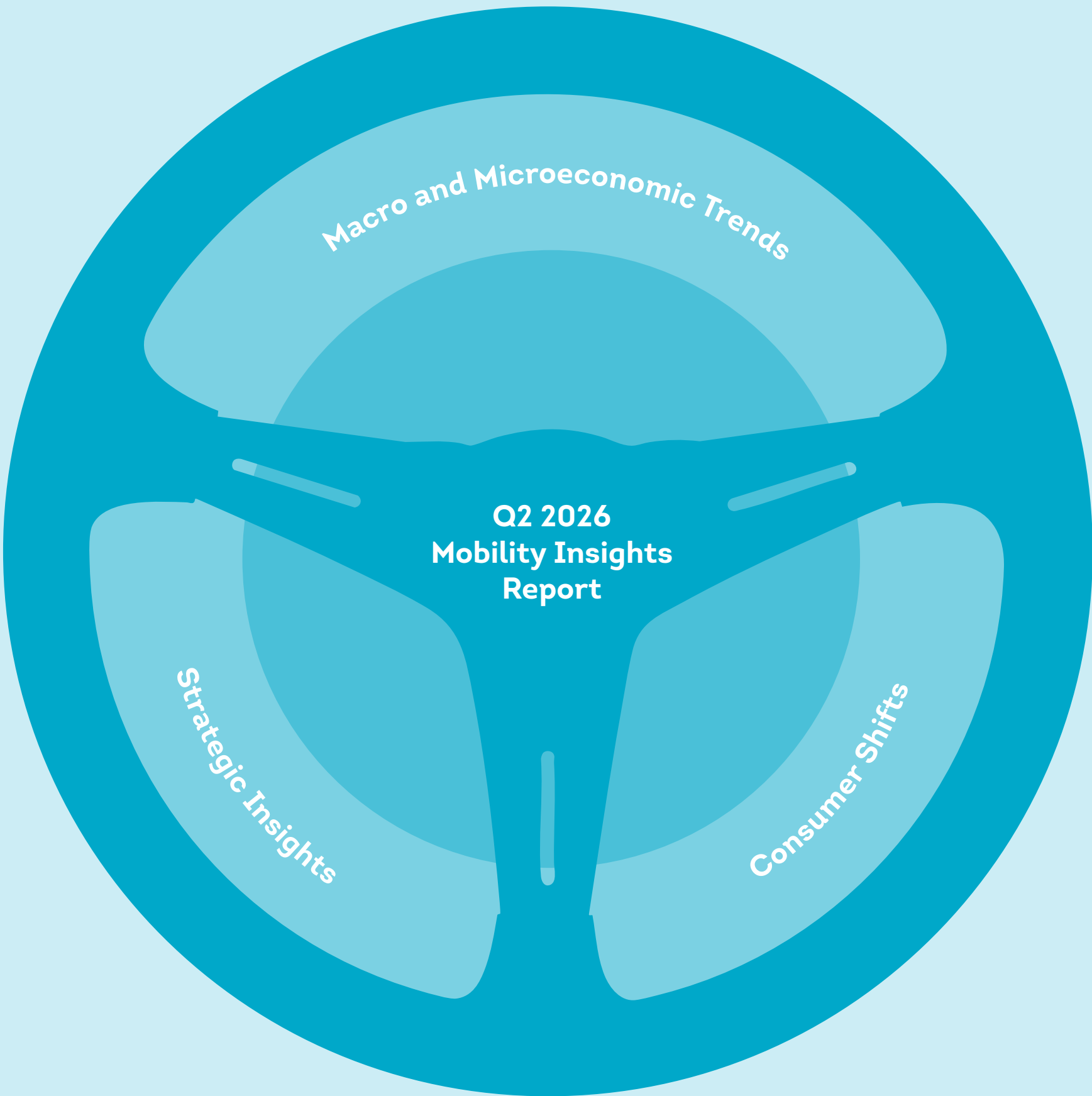
Why it matters

The report tracks macro- and microeconomic trends, sales shifts and consumer behaviour, giving OEMs, dealerships, vehicle financiers and insurers a clear view of market dynamics and emerging opportunities.

What’s inside

- **Market dynamics:** Key economic and environmental drivers shaping mobility
- **Automotive sales data:** Latest trends in new vehicle sales, new and used vehicle registration, NEV adoption, drivers of sales and dealer confidence
- **Passenger vehicle exports:** Performance and trends in the export market
- **Automotive market outlook:** Insights on purchase intent and mobility preferences from **TransUnion’s Consumer Pulse Survey**
- **Sector in the spotlight:** A focused analysis of a topical segment, highlighting shifts in consumer behaviour and preferences

For complementary credit and financial metrics, refer to TransUnion’s Industry Insights Report (IIR). Together, they provide a robust view of the mobility market.





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A Message from Lee Naik CEO, TransUnion Africa

Dear Reader

This quarter tested South Africa's vehicle market – and it held. A sharper external shock pushed up fuel prices and revived inflation, yet passenger vehicle demand stayed strong, standing out as one of the more encouraging signs in the domestic economy. I'm pleased to share the latest edition of the TransUnion® Mobility Insights Report – which reveals how a resilient market adapted to a tougher environment.

A key trend in Q2 was how buyers grew more deliberate, weighing running costs, financing and total cost of ownership before committing. Affordability sat at the centre of the decision – reshaping which vehicles sold, how they were financed and where the market grew.

Chinese brands continued to strengthen their position in the market, with around one in five new vehicles carrying a Chinese badge. Competitive pricing and high specification are bringing new vehicles within reach of buyers who once turned to the used market – particularly younger consumers.

For lenders, dealers and manufacturers, the quarter rewarded those that understood where demand was shifting and built the trust needed for qualified customers to transact confidently. That's where TransUnion focuses, helping our partners grow safely, manage risk and serve consumers well.

Yours sincerely

Lee Naik
Chief Executive Officer
at TransUnion Africa

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Executive Summary

South African automotive market – Q2 2026

Key macro trends: Improving conditions interrupted by external shock

South Africa's macroeconomic environment became less supportive in Q2 2026 as escalating geopolitical tensions in the Middle East pushed up fuel prices and renewed inflationary pressures. While the economy entered the year on firmer footing, the shock increased pressure on household affordability and raised uncertainty around interest rates, consumer spending and vehicle demand.

Automotive sales: Resilient demand despite affordability pressures

Passenger vehicle demand remained resilient in Q2 2026, with sales 15.8% higher YoY (the strongest annual growth in three quarters) despite a slight moderation from exceptionally strong Q1 levels. Competitive pricing, improved product availability and underlying mobility needs continued to support demand, while Chinese brands accelerated structural change within the market.

New vs. used market: Affordability pressures support used vehicles

New vehicles continued to record stronger annual growth than used in Q2, though the used market regained some share after an exceptionally strong Q1. The used-to-new registration ratio rose from 2.3 to 2.7, suggesting affordability is becoming a more important consideration as fuel, inflation and financing costs climb. On an annual basis, however, new vehicles still gained share.

Drivers behind vehicle demand: Affordability and total cost of ownership become more important

Demand continued to benefit from competitive pricing, very low new-vehicle inflation and growing product choice. But higher fuel costs, renewed inflationary pressures and less supportive financing conditions tightened affordability. Near-term purchase intentions softened in Q2, particularly among middle- and lower-income consumers, while higher-income consumers held firmer. Gen Z and Millennials continued to show the strongest intent. Buyers are becoming more deliberate, more heavily weighing fuel efficiency, financing costs, vehicle utility and total cost of ownership. Chinese brands intensified price and value competition, while hybrids are emerging as an increasingly attractive option for consumers focused on running costs.

Dealer confidence: Momentum eases amid rising cost pressures

Dealer confidence pulled back in Q2, giving back some of the strong gains recorded in Q1. New vehicle dealers nevertheless remained the most confident sector in the BER/RMB survey, indicating relatively resilient sentiment. The decline reflects a more challenging operating environment: higher fuel costs, renewed inflationary pressures and a more cautious interest-rate outlook.

Export conditions: Passenger vehicle exports rebound, but external risks remain

Passenger vehicle exports rebounded strongly in Q2 2026, up 12.8% YoY after a Q1 decline. Broader automotive export performance stayed under pressure, however, highlighting continued vulnerability to protectionism, geopolitical uncertainty, shifting trade dynamics and increasingly stringent decarbonisation requirements. Domestic demand therefore remained an important source of resilience, while export conditions continued to represent a key downside risk.

Automotive fraud risk: Vehicle growth is creating a broader fraud surface

South Africa's automotive market is becoming more diverse, with growth extending beyond traditional new-vehicle finance into used vehicles, rental and leasing, alternative financing and more affordability-focused consumers. Rising digitalisation and more complex customer journeys are opening additional points at which fraud can occur.

Fraud exposure: Risk extends beyond vehicle finance.

Vehicle finance remained a major fraud exposure, particularly as used-vehicle participation broadened. Risks also extended to vehicle rental and leasing, vehicle sales, parts procurement and other commercial transactions – including identity and application fraud, synthetic identities, document and income manipulation, vehicle and ownership fraud, payment fraud, supplier impersonation and regulatory risk.

The fraudster's journey: Individual checks are no longer enough. Fraudsters can present apparently valid credentials while leaving risk signals across devices, documents, bank accounts, phone numbers and behavioural patterns. This underscores the importance of connecting signals across the customer journey rather than assessing each application or transaction in isolation.

Rental case study: Layered intelligence can identify risk before vehicle release.

The use case illustrates the limits of relying on conventional identity and payment verification alone. A layered approach – combining identity and document verification, facial recognition, bank-account verification, Device Risk and the Fraud Prevention Model – can identify inconsistencies and connections associated with potential mule activity before a vehicle is released.

From KYC to connected fraud intelligence. The shift is from point-in-time verification to connected risk intelligence, combining identity, document, device, financial and behavioural signals. These controls can be embedded into digital customer journeys, helping businesses strengthen fraud prevention without adding unnecessary friction for legitimate customers.

Strategic imperative: Enable safe growth. As the automotive ecosystem broadens, businesses need to balance customer access and growth with stronger fraud and compliance controls. A layered approach can identify anomalies, relationships and behavioural patterns earlier, helping protect customers, vehicles and profitability while supporting more efficient onboarding.

Overall message: Connected intelligence is the key to safe growth. Automotive fraud is becoming more complex as the market broadens and customer journeys turn increasingly digital. Moving from isolated checks to connected, intelligence-led fraud prevention will be critical to enabling safe growth without raising unnecessary barriers for legitimate customers.



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Key Macro Trends

Market Context and Dynamics

External Shock Interrupts Improving Momentum

South Africa entered 2026 on firmer macroeconomic footing, but the recovery lost momentum in the second quarter. GDP growth slowed to 0.9% YoY in Q2 2026, from 1.9% YoY in Q1, while the economy contracted by 0.2% QoQ following six consecutive quarters of expansion. Weakness was concentrated in mining, manufacturing and trade, while investment remained subdued.

Growth is expected to recover in Q3 and strengthen further in Q4, supporting an improvement in full-year growth in 2026 compared with the 1.1% recorded in 2025. Nevertheless, the recovery is expected to remain modest. While ongoing energy and logistics reforms are gradually improving the operating environment, weak investment, infrastructure constraints and limited fiscal space continue to restrict the economy's growth potential.

Inflation risks re-emerge and household affordability comes under pressure

The macro environment has become more challenging as higher fuel, electricity and transport costs feed through the economy. Headline inflation accelerated to 4.5% in Q2, its highest level in two years, driven primarily by fuel and transport costs – a marked deterioration from the low-

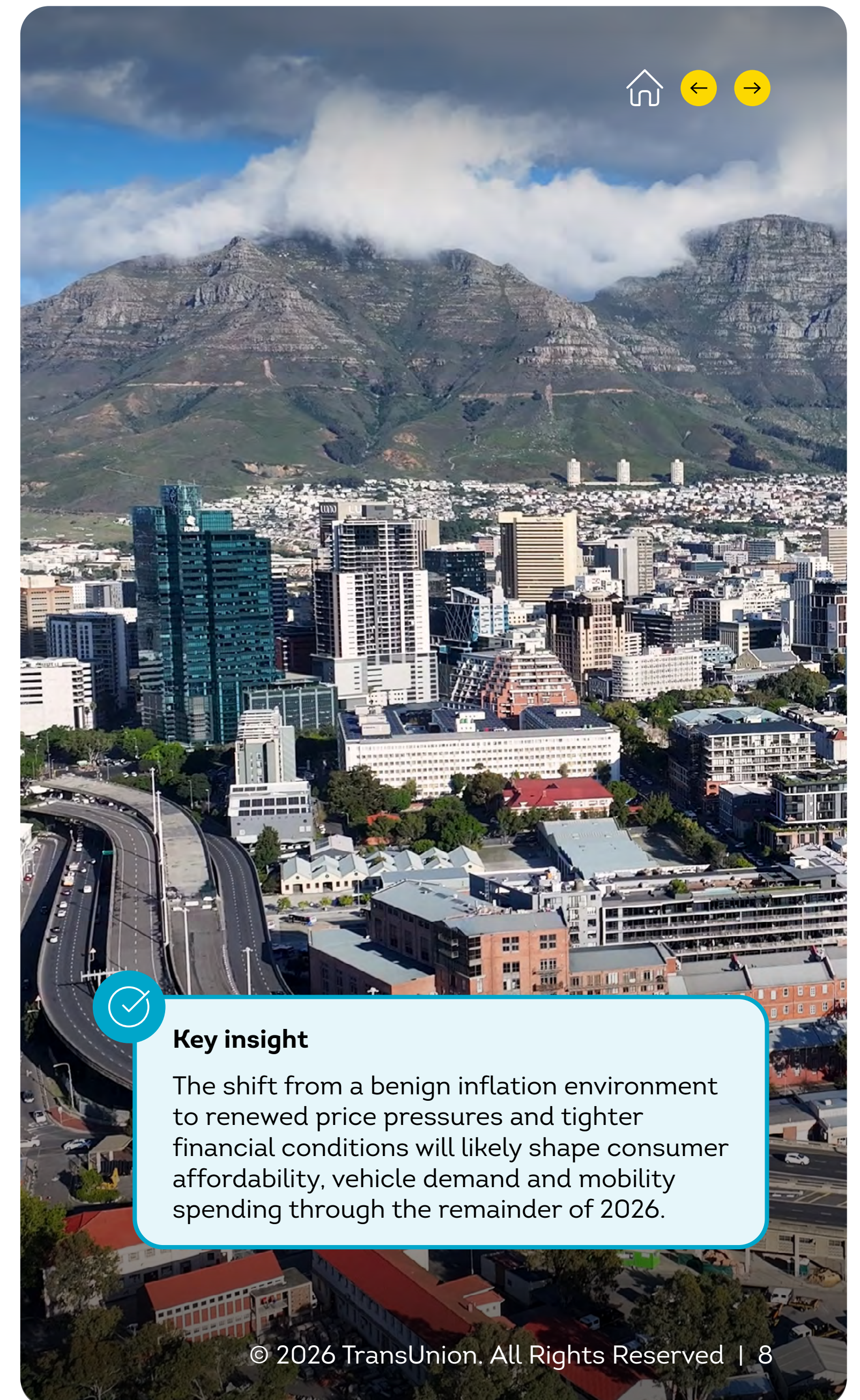
inflation environment earlier in the year. Higher living costs and subdued income growth are likely to place increasing pressure on household purchasing power. The interest-rate outlook has also become more uncertain: The SARB held the policy rate at 7.0% in July but indicated inflation is expected to remain above 4% until early 2027, with growth likely to slow through Q2 and Q3. Higher fuel prices, renewed inflationary pressures and less favourable financing conditions are therefore likely to weigh on discretionary spending and vehicle affordability through the remainder of 2026.

Implications for mobility

For the mobility sector, rising fuel costs and tighter financing conditions are likely to place renewed pressure on vehicle affordability and total cost of ownership. Consumers may increasingly favour value-oriented vehicles, lower running costs and more affordable ownership options.

Vehicle demand nevertheless remained resilient despite these mounting affordability pressures. Strong durable-goods consumption and continued growth in new vehicle sales indicate consumers have not withdrawn materially from the market. The mobility story is therefore not one of sharply weakening demand but of resilient demand operating within an increasingly challenging affordability environment.

For lenders and mobility players, this points to subdued but steady growth rather than a fragile market. Affordability, fuel costs and credit risk will require closer monitoring – while opportunities remain for products and financing solutions that offer greater value, lower running costs and manageable monthly commitments.



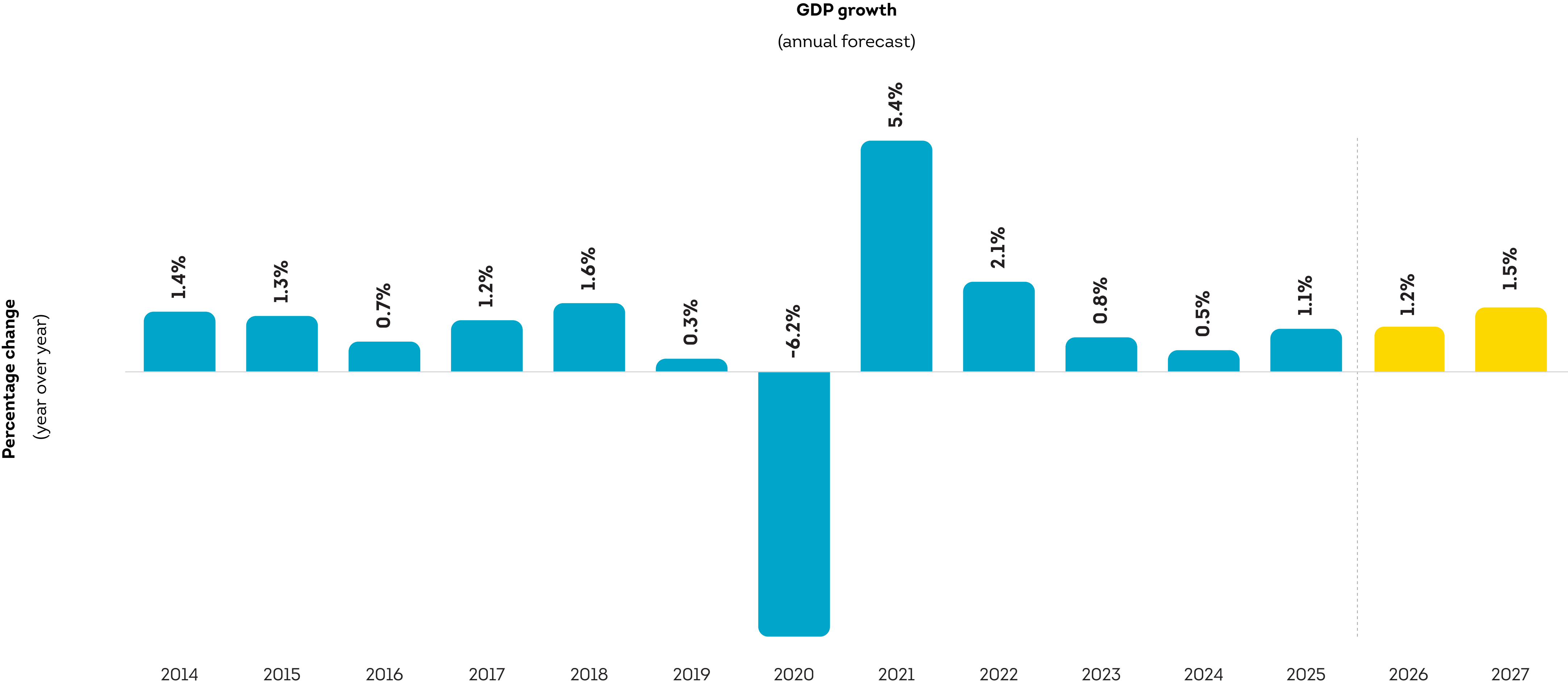


Figure 1

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Automotive Sales

Passenger Vehicle Growth Moderates, but Demand Remains Strong

New Passenger Car Sales

- South Africa’s new passenger vehicle market remained firmly in growth territory in Q2 2026, although sales levels moderated from the exceptionally strong Q1 level. Sales reached 109,401 units, down 5,116 units QoQ from 114,517 in Q1. This reflects a moderation from the exceptionally high Q1 sales level rather than a broad deterioration in demand.
- On an annual basis, however, sales grew 15.8% YoY, accelerating from 12.6% in Q1 and marking the strongest annual growth in three quarters – a particularly strong result given the increasingly challenging macroeconomic environment.
- Demand continued to draw support from competitive pricing, improved product availability and underlying mobility needs, while the growing presence of lower-priced Chinese brands added further support to affordability and volumes. Naamsa highlighted the rising importance of affordability, financing costs, fuel efficiency and total cost of ownership in current purchasing decisions.
- Early Q3 indicators remained encouraging. July passenger vehicle sales reached 40,912 units (the strongest monthly result since September 2014) and were 12.5% higher YoY, suggesting the Q2 easing has not yet translated into a meaningful weakening of underlying demand.

Key insight

Passenger vehicle demand remained resilient in Q2 2026 despite a modest easing from Q1’s elevated levels.

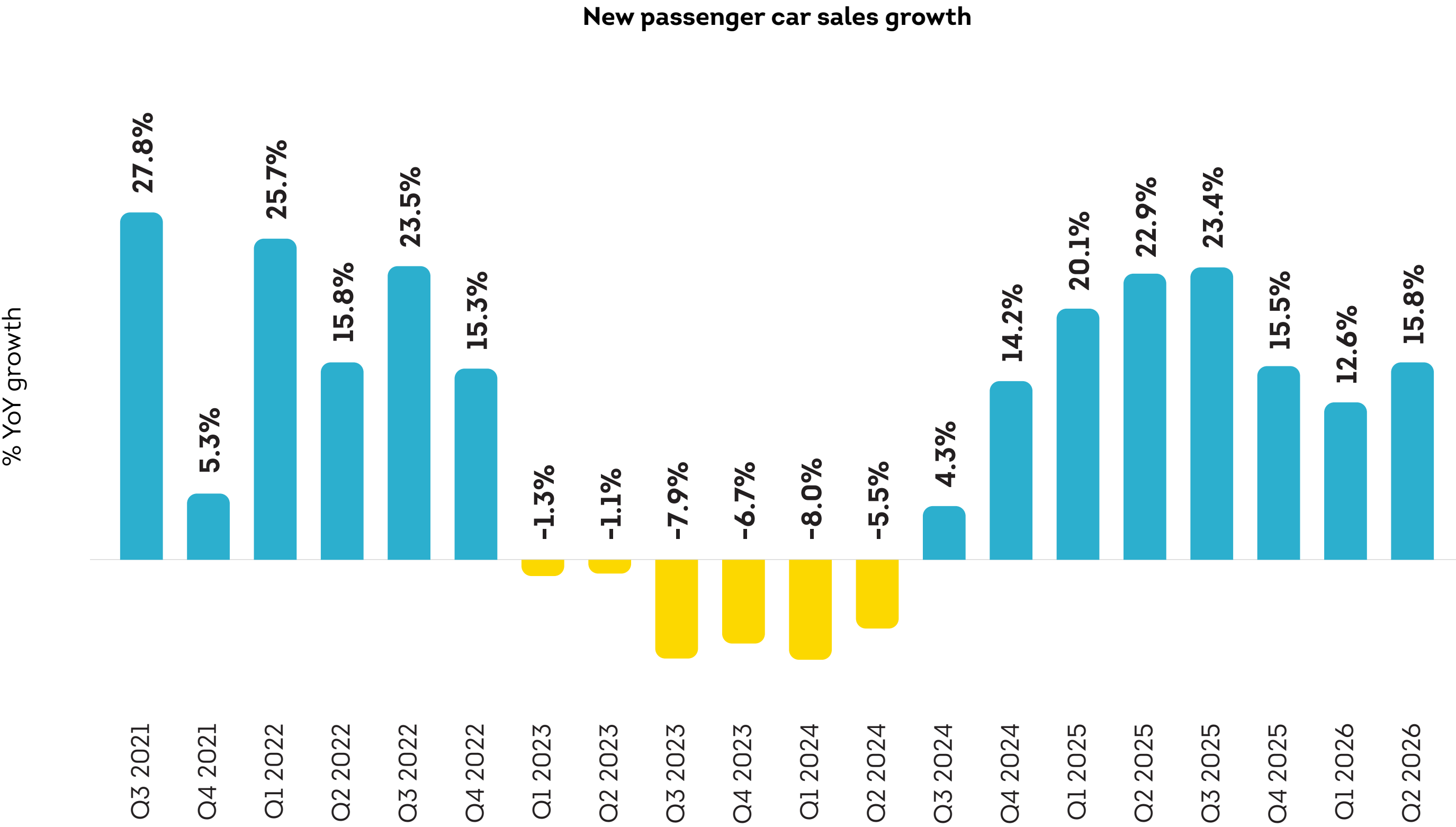
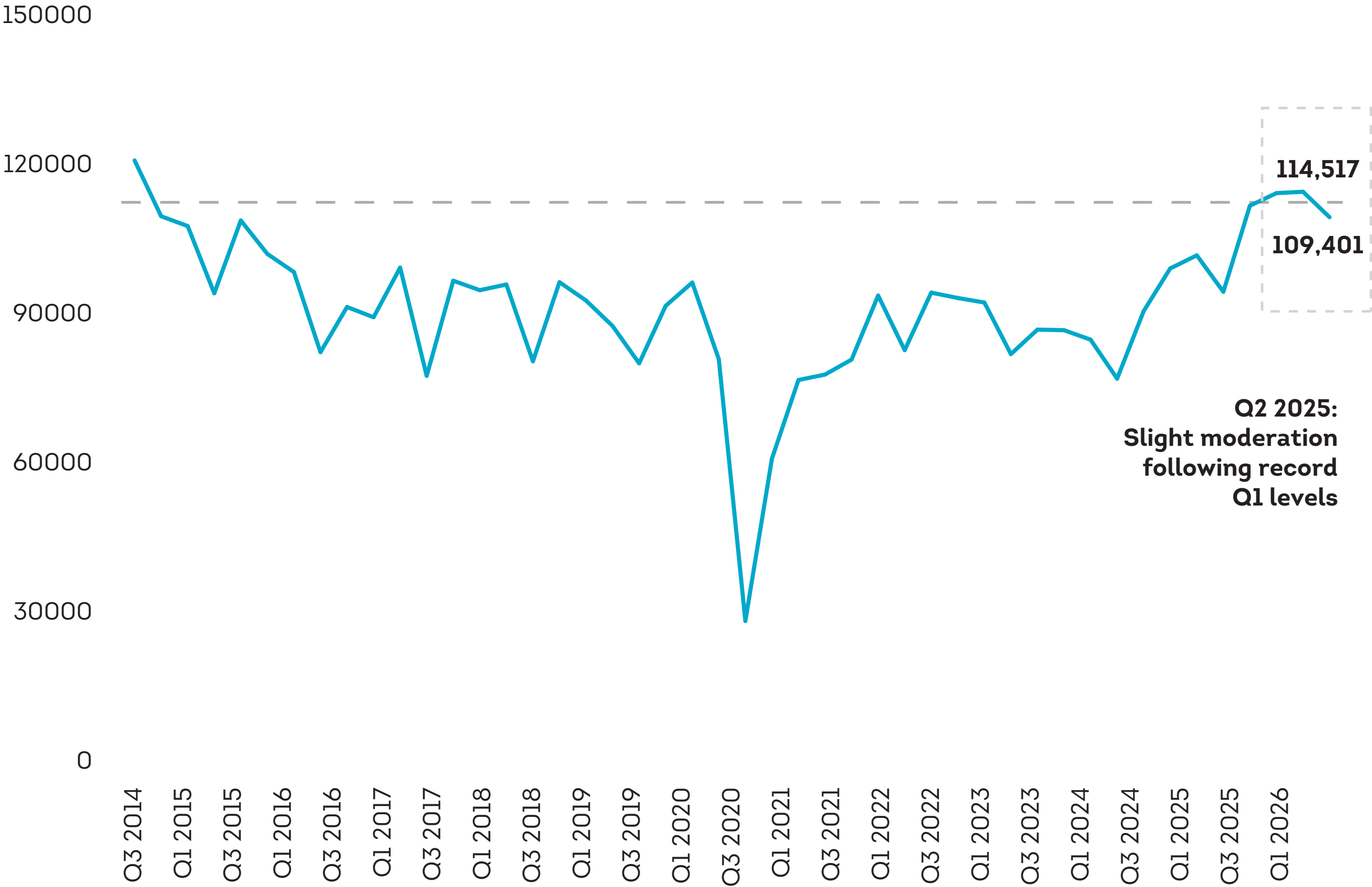


Figure 2



Total passenger vehicles – units sold



Q2 2025:
Slight moderation
following record
Q1 levels

Figure 3

New Passenger and Light Commercial Vehicle (LCV) Sales by Brand¹

Brand leaderboard: New passenger and LCV sales, Q2 2026

Toyota remained South Africa’s top-selling brand, while Suzuki and Volkswagen maintained their positions in the top three. On a combined portfolio basis, Chery Group (Chery, Jetour, Omoda and Jaecoo) emerged as a top-two automotive player, with combined sales of 17,679 in Q2 2026.

Rank	Brand	Units sold	Market share	Best-selling model(s) in Top 20	Notes/highlight
 1	 Toyota – OEM	 32,070	 22.1%	 Hilux (8,867), Corolla Cross (3,710), Starlet (2,693), Urban Cruiser (2,829), Starlet Cross (1,922), Vitz (2,574), Fortuner (1,960), Rumion (1,973)	 Dominated with eight models in the national top 30; Hilux remained SA's best-selling vehicle
 2	 Suzuki – Japan	 16,598	 11.4%	 Swift (4,532), Fronx (3,382), Ertiga (2,865)	 Continued its strong momentum in the budget-friendly segment
 3	 VW – OEM	 15,600	 10.8%	 Polo Vivo (6,606), Polo (3,925)	 Maintained second place for best-selling passenger model overall
 4	 Hyundai – South Korea	 8,863	 6.1%	 Grand i10 (4,830)	 Solid small-car performance
 5	 Ford – OEM	 8,497	 5.9%	 Ranger (6,236)	 Ranger remained SA's leading bakkie after Hilux; third overall
 6	 GWM – China	 7,698	 5.3%	 Haval Jolion (4,046)	 Gained traction with affordable SUVs
 7	 Chery – China	 7,633	 5.3%	 Tiggo 4 Pro (6,000)	 Continued rapid growth, outpacing several established brands

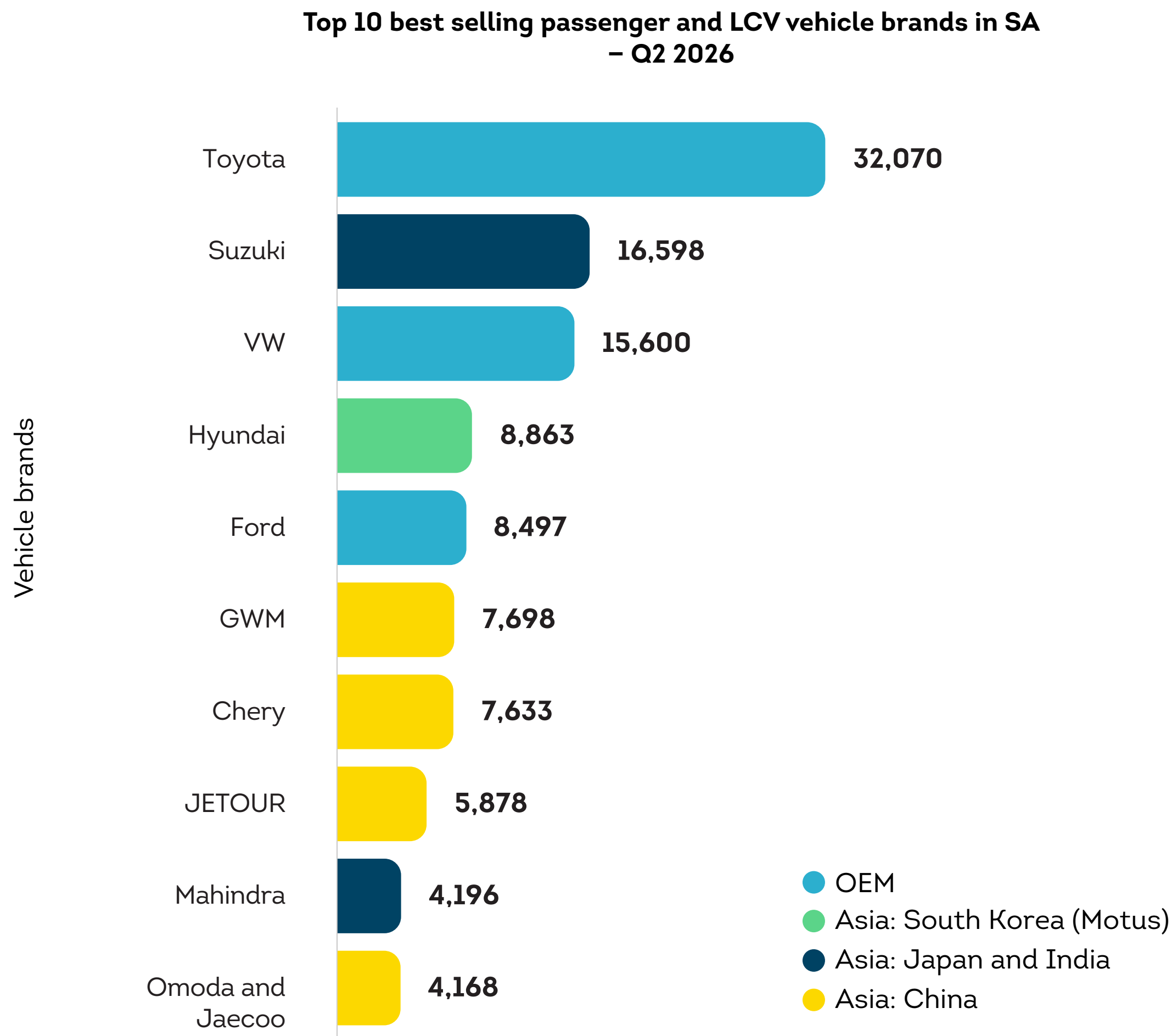


Figure 4

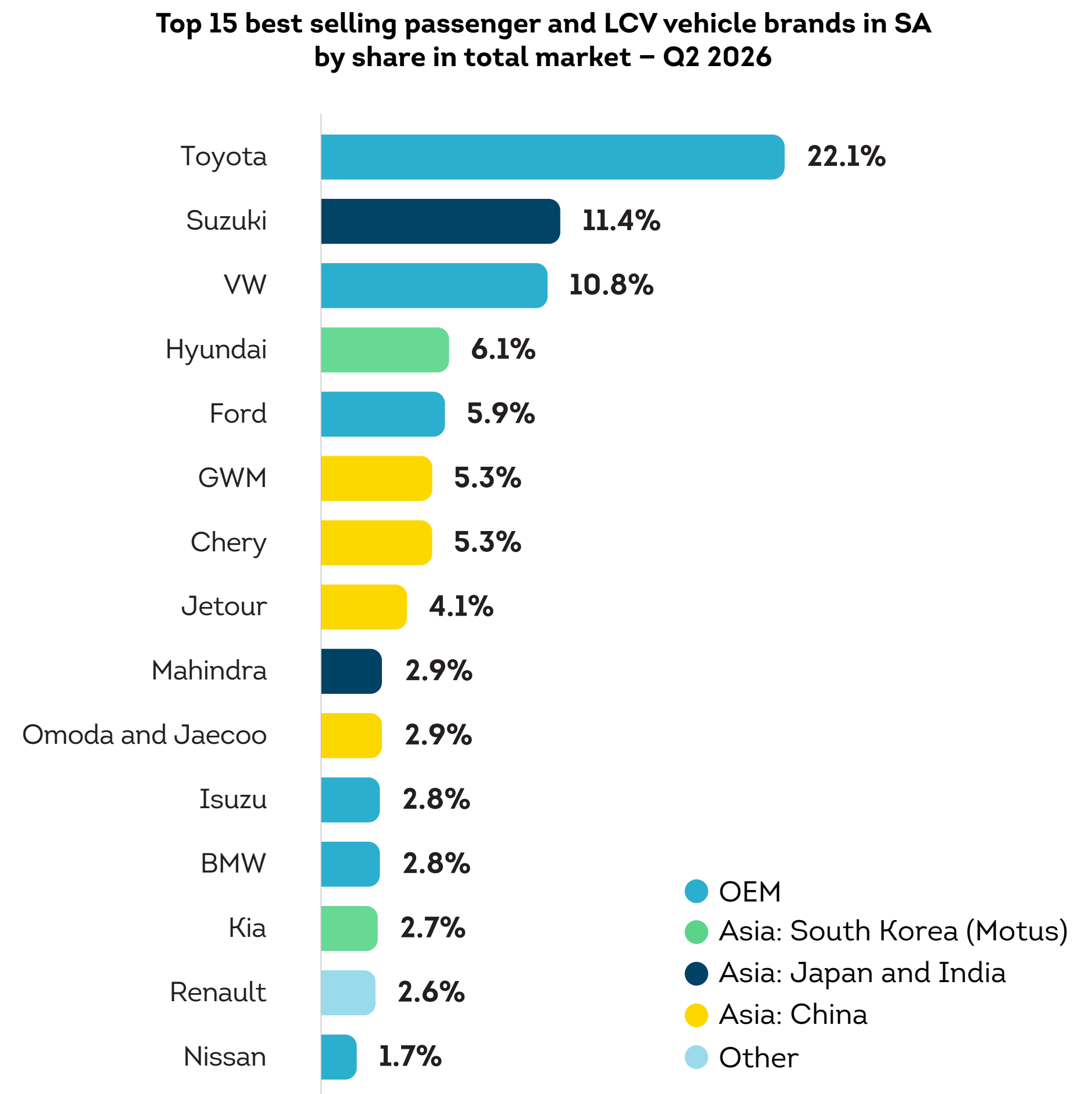


Figure 5

Chinese Brands Continued to Outperform Established OEMs

Chinese brands continued to outperform established OEMs in Q2 2026; sales were up 72% YoY against just 3% growth among OEM brands. Several recorded particularly strong growth, led by Jetour (+213% YoY), Foton (+86%), JAC Motors (+57%), Omoda and Jaecoo (+49%) and Chery (+29%). Among other international brands, Volvo also grew strongly (+76% YoY), while OEM Volkswagen rose 17%.

Key insight

Chinese brands are no longer a disruptive niche – their rapid market-share gains are becoming an established feature of South Africa’s automotive market.

Chinese brands vs OEM brands: YoY growth in total passenger and LCV sales

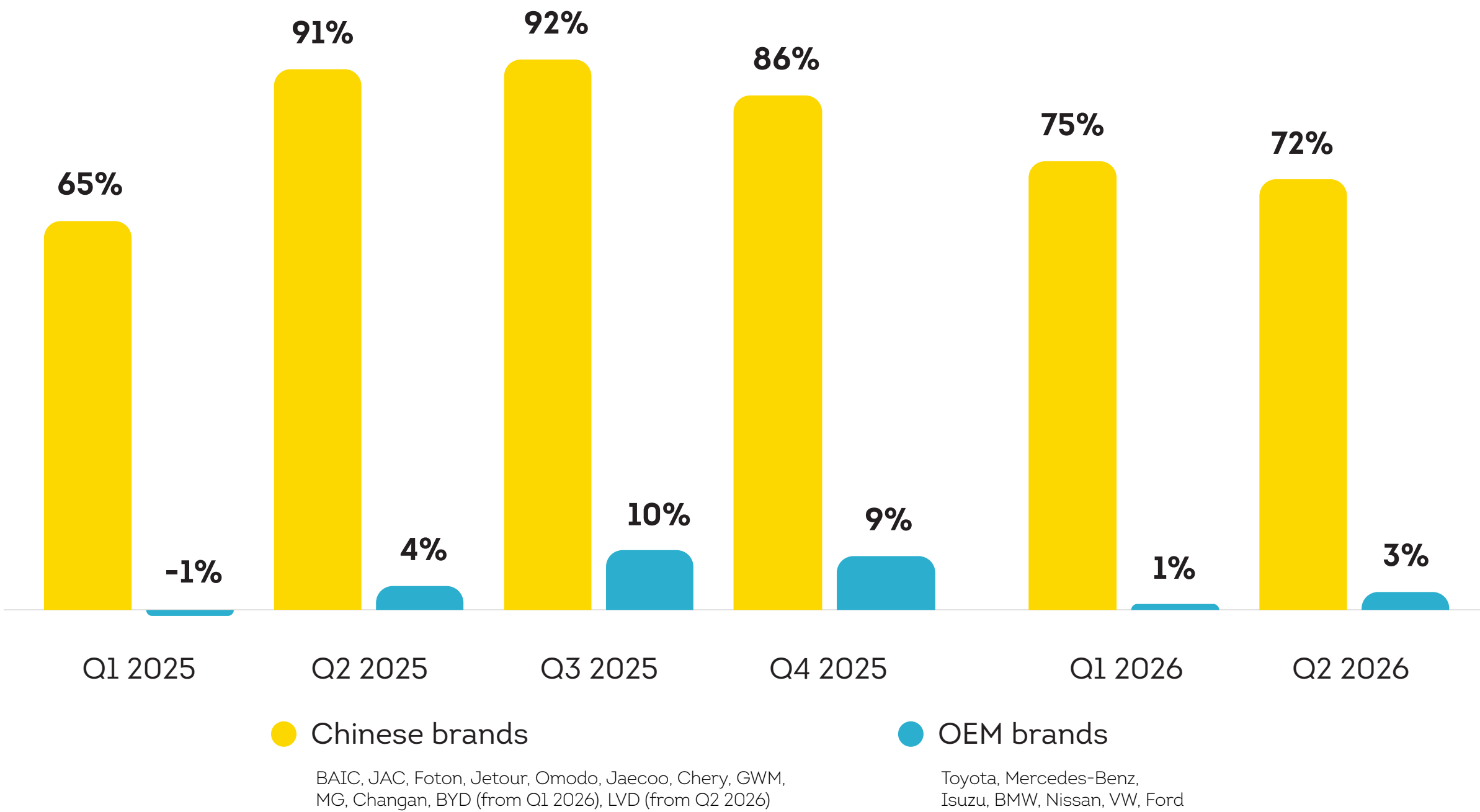


Figure 6

Chinese Brands Continue to Gain Market Share

The strong growth differential is increasingly translating into a shift in market structure. Collective Chinese-brand share has risen to more than one-fifth of the passenger and LCV market (~22%) – just over one in every five vehicles sold now comes from a Chinese brand. SA-based OEMs, by comparison, accounted for around 47%, reflecting a continued loss of share as Chinese brands expand.

The significance of Q2 is therefore less about the entry of Chinese brands and more about their growing scale and competitive entrenchment. With a broadening range of models, expanding dealer networks and rising consumer awareness, Chinese manufacturers are moving from challengers to mainstream competitors.

Key insight

Chinese brands are no longer a disruptive niche – their rapid market-share gains are becoming an established feature of South Africa’s automotive market.

Chinese brands vs OEM brands: Share in total passenger and LCV sales

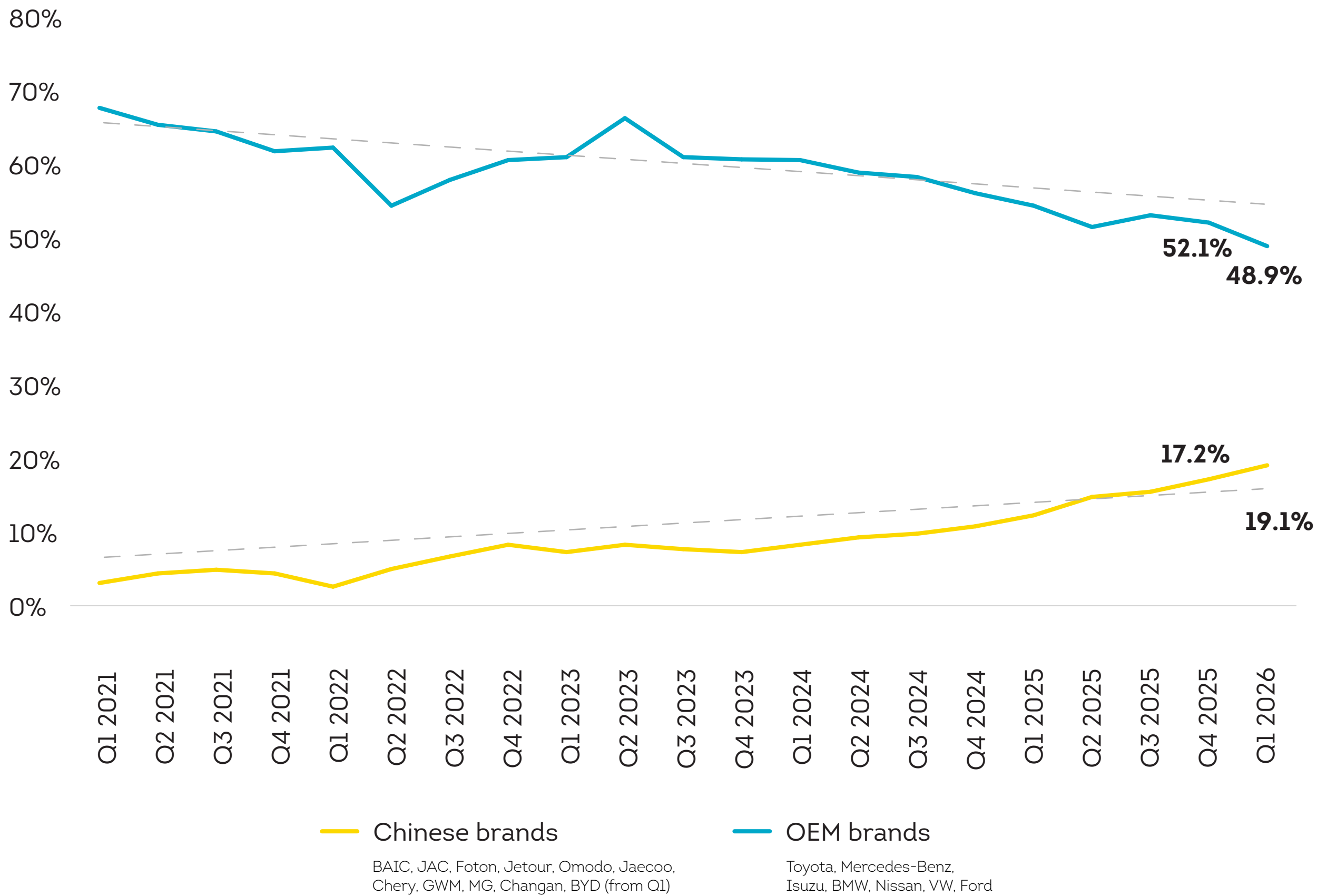


Figure 7



The next test is the secondary market – reshaping the new-versus-used trade-off

Chinese brands are now competing not only with established new-vehicle manufacturers but with the used-vehicle market itself. Their combination of competitive pricing, high specifications and technology is making new Chinese vehicles more attractive relative to used vehicles from established brands.

That expansion will be tested in the used-vehicle and financing markets. As the first sizeable cohorts of financed Chinese vehicles reach the end of their finance terms, residual values, resale liquidity and refinancing prospects will become important indicators of how sustainable the current gains are. Strong secondary-market performance would further strengthen consumer and lender confidence, while weaker residual values could raise ownership and financing risks.

Younger consumers are becoming an important growth market²

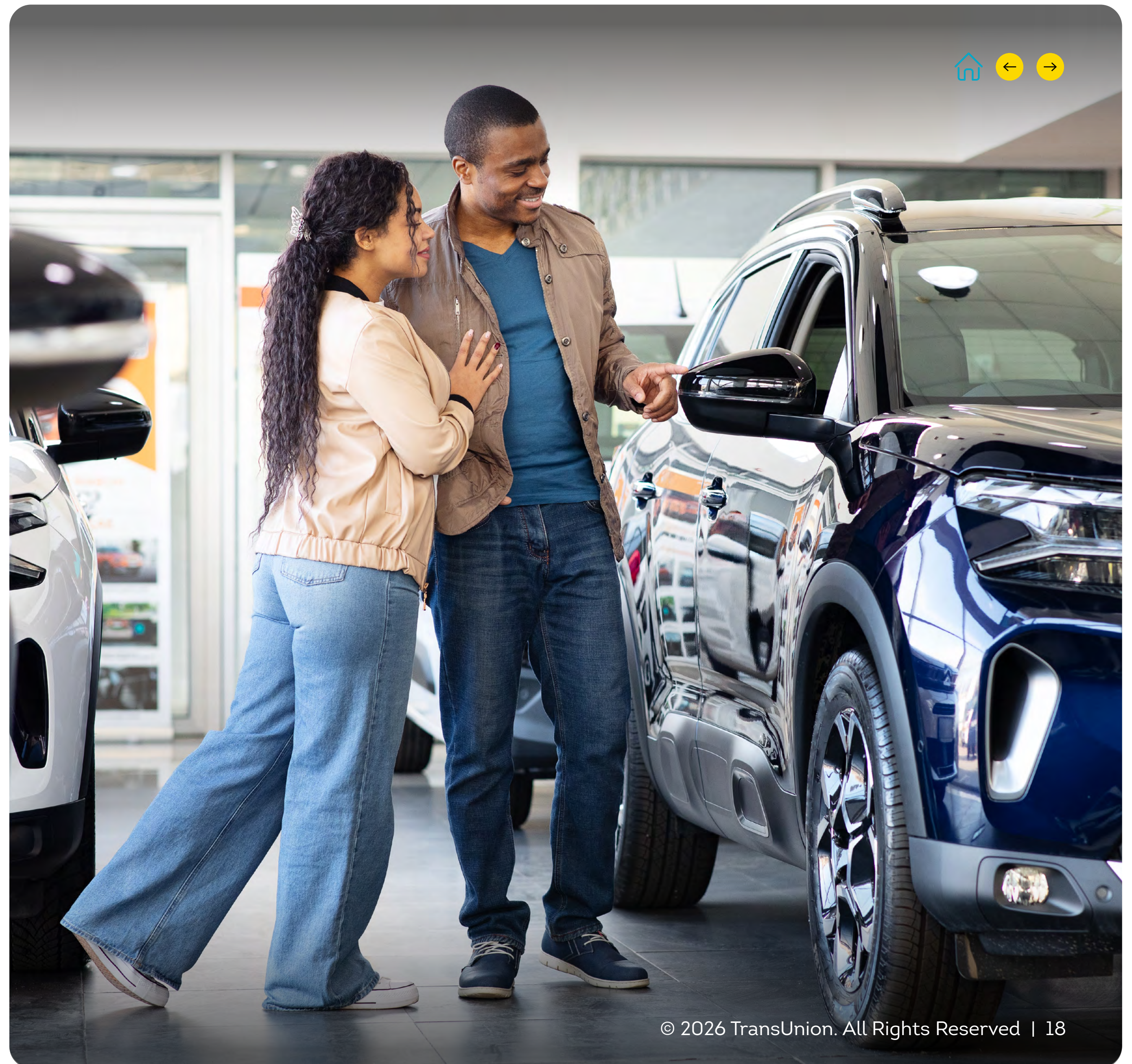
Chinese brands are gaining particular traction among under-35 consumers, who have traditionally relied more heavily on used vehicles for affordability. Their rising uptake of new Chinese vehicles suggests these brands are changing the traditional pathway into vehicle ownership, giving younger buyers access to new vehicles with higher specifications at relatively accessible price points.

This aligns with TransUnion's broader mobility survey data, which show Gen Z and Millennials remain the strongest sources of near-term purchase intent. For these consumers, the mix of affordability, technology, features and perceived value increasingly shapes vehicle choice.

The opportunity for Chinese brands is to build long-term loyalty among a younger generation of owners rather than relying solely on price-led penetration. (Source: Standard Bank Youth Barometer)

Competitive implications

The growing presence of Chinese brands is reshaping competition across the automotive market. Established OEMs face mounting pressure on pricing, product features, technology, fuel efficiency and total cost of ownership, while dealers and financiers will need to adapt to a market in which Chinese brands are becoming mainstream.



New and Used Passenger Vehicle Registrations³

New vehicle growth remained strong YoY, but Q2 showed a slight moderation from Q1

- NaTIS data for Q2 2026 show continued strong demand for new vehicles YoY, though both new and used registrations eased from exceptionally high Q1 levels. New vehicle registrations rose 13.8% YoY in Q2, accelerating from 11.6% in Q1 and marking a sixth consecutive quarter of double-digit annual growth.
- This sustained demand is notable given a tougher macroeconomic backdrop, with higher fuel prices, renewed inflationary pressures and subdued economic growth weighing on household affordability.
- Used vehicle registrations, by contrast, declined 2.0% YoY in Q2, reversing the 2.6% growth recorded in Q1 – suggesting the secondary-market recovery has yet to translate into sustained annual growth.

Key insight

New vehicle demand remains resilient – while the used market regains some share as affordability pressures increase.

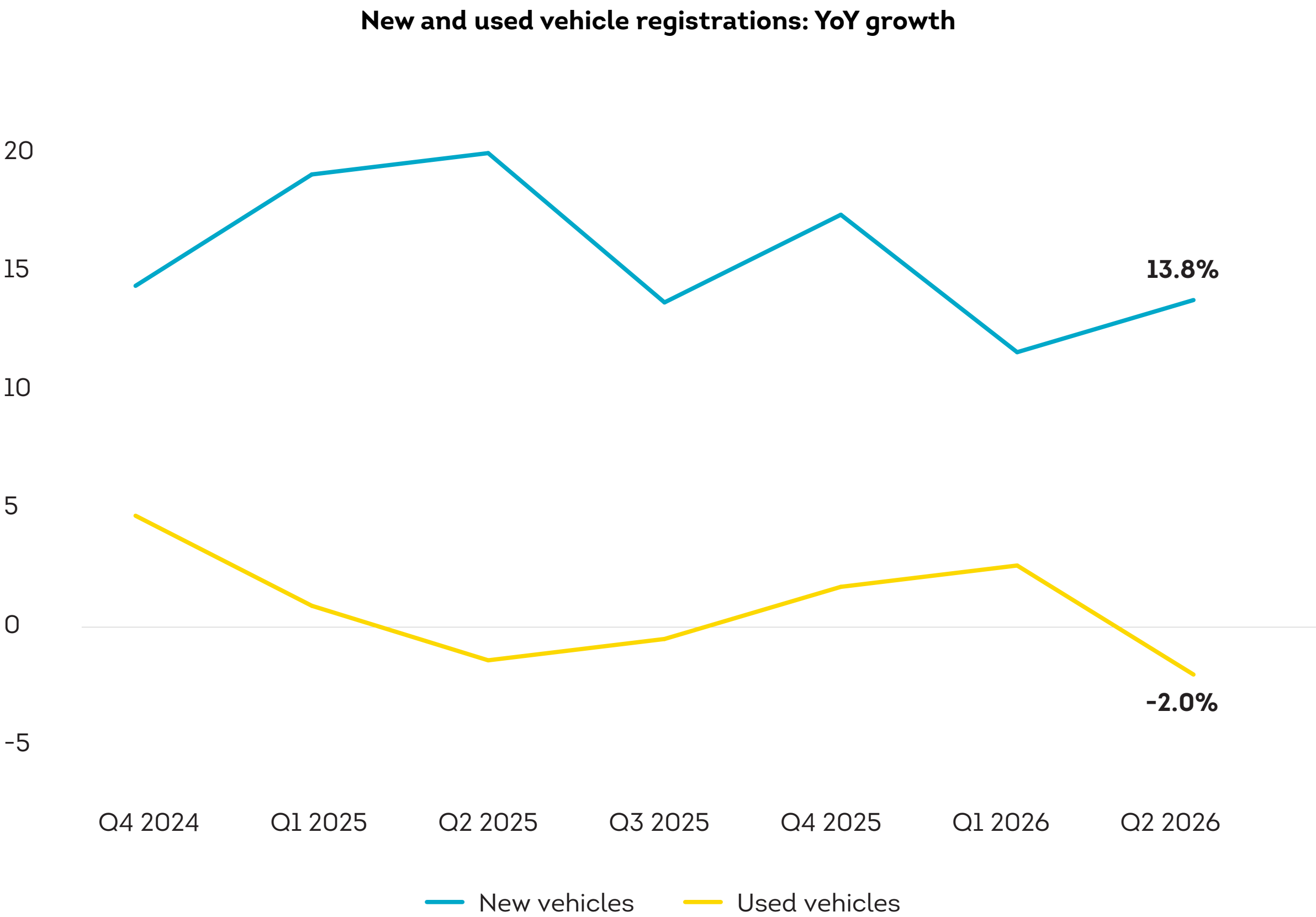
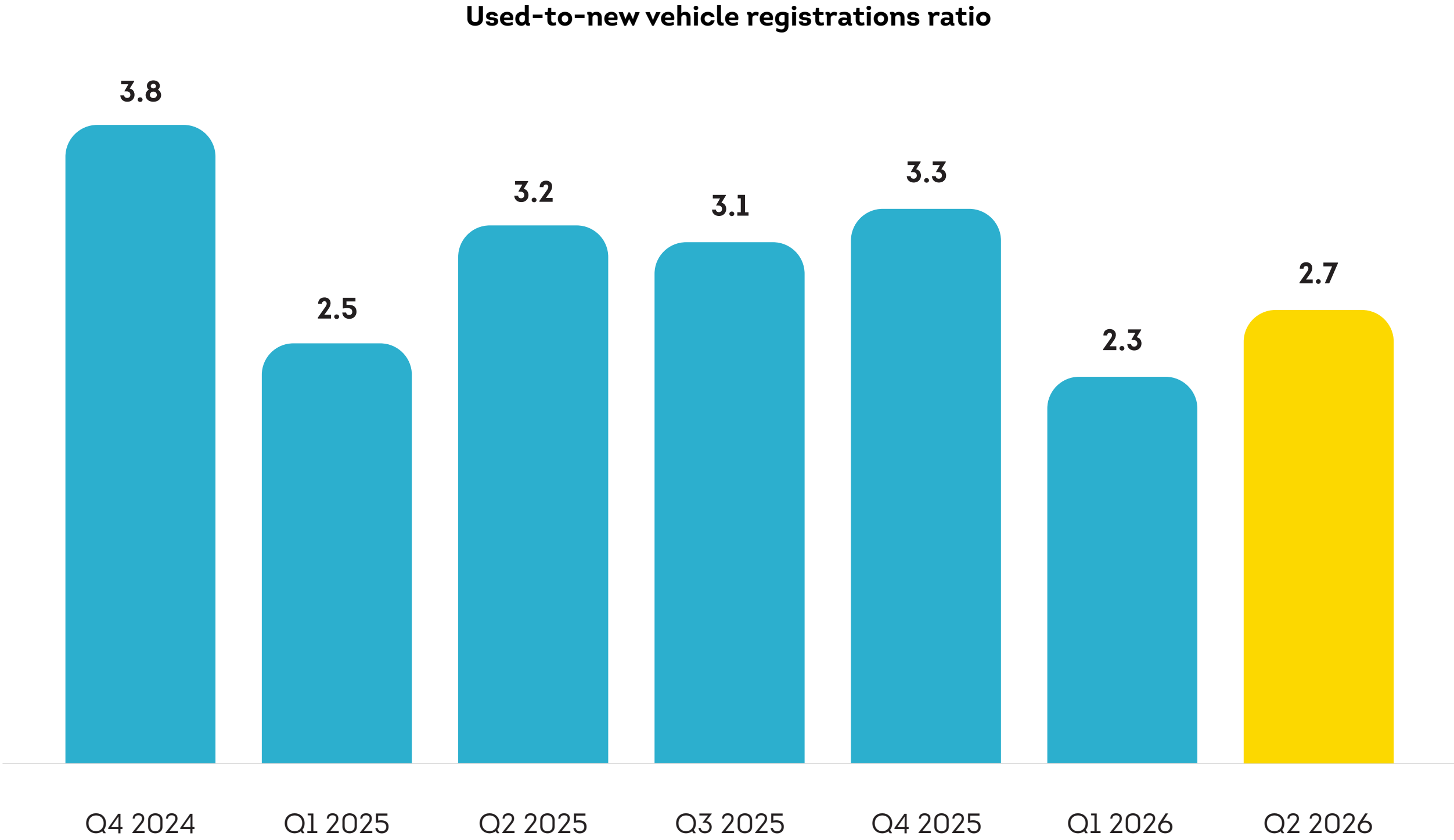


Figure 8



Q2 reflects a step back from exceptionally strong Q1 levels

On a quarter over quarter basis, both segments fell in Q2 after an unusually strong Q1. New vehicle registrations dropped more than used, lifting the used market’s share of registrations during the quarter – the mechanism behind the higher used-to-new ratio. This points to a pullback from an exceptional Q1 base rather than a broad softening in demand.

How the ratio works
Lower ratio → new vehicles are taking a bigger slice of the total market.
Higher ratio → used vehicles are taking a bigger slice of the total market.

Figure 9

Share of total passenger vehicle registration: New vs used

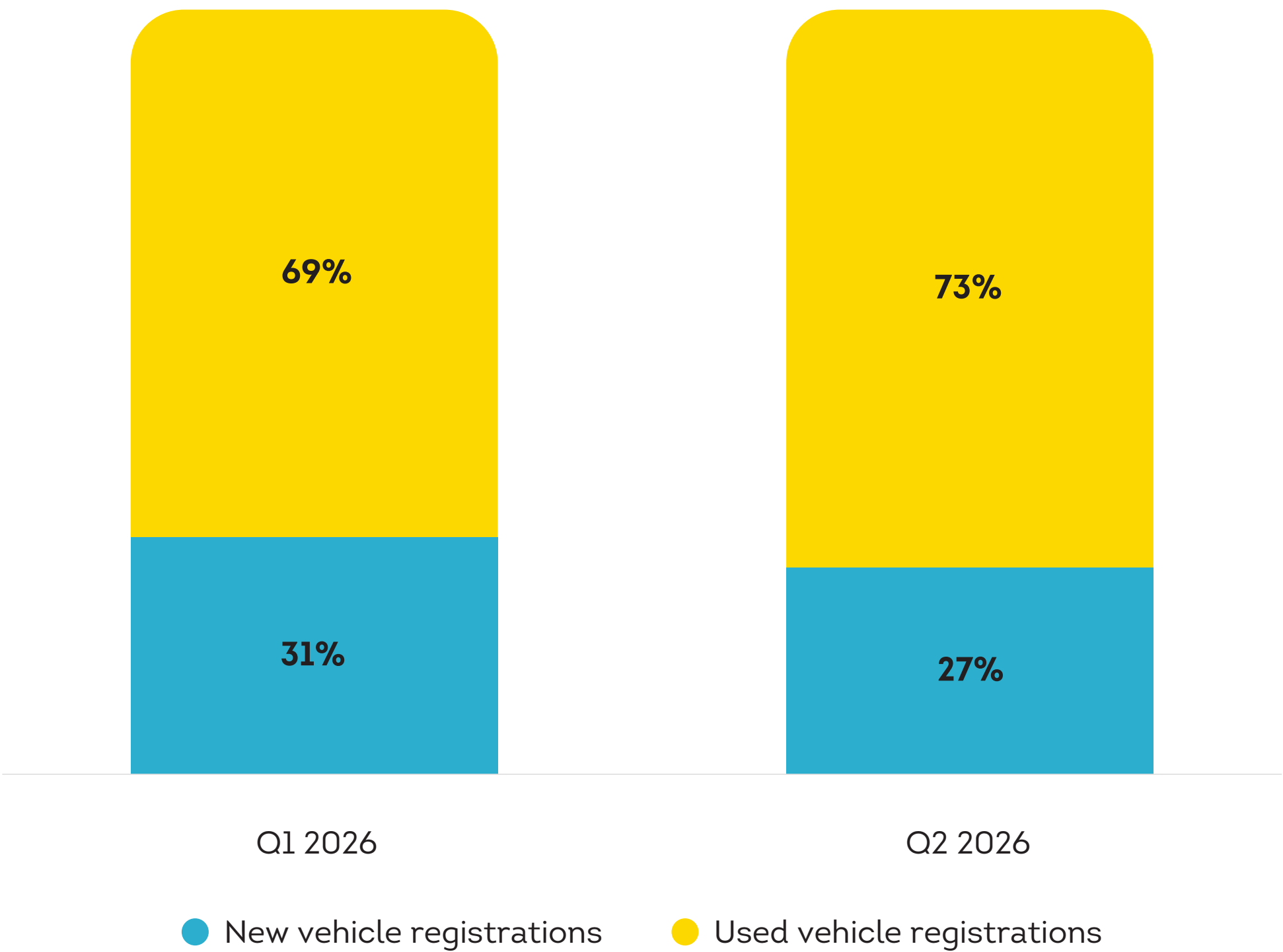


Figure 10

Affordability sensitivity is becoming more evident

The used-to-new ratio rose from 2.3 in Q1 to 2.7 in Q2, with used vehicles taking a larger share of registrations. Compared with a year ago, however, new vehicles have continued to gain share – the longer-term shift towards new vehicles remains intact. The Q2 pattern therefore suggests affordability and total cost of ownership are weighing more heavily on decisions as fuel prices, inflation and, to a lesser degree, financing costs rise.

Key insight

The Q2 data points to resilient rather than weakening demand. The softer quarterly performance reflects some easing from an exceptionally strong Q1, while the relative improvement in the used market suggests affordability is becoming a more important consideration for consumers. The new vehicle market nevertheless remains well ahead of a year ago, pointing to continued underlying strength in mobility demand.

Provincial Trends

YoY growth in new vehicle registrations by province – Q2 2026

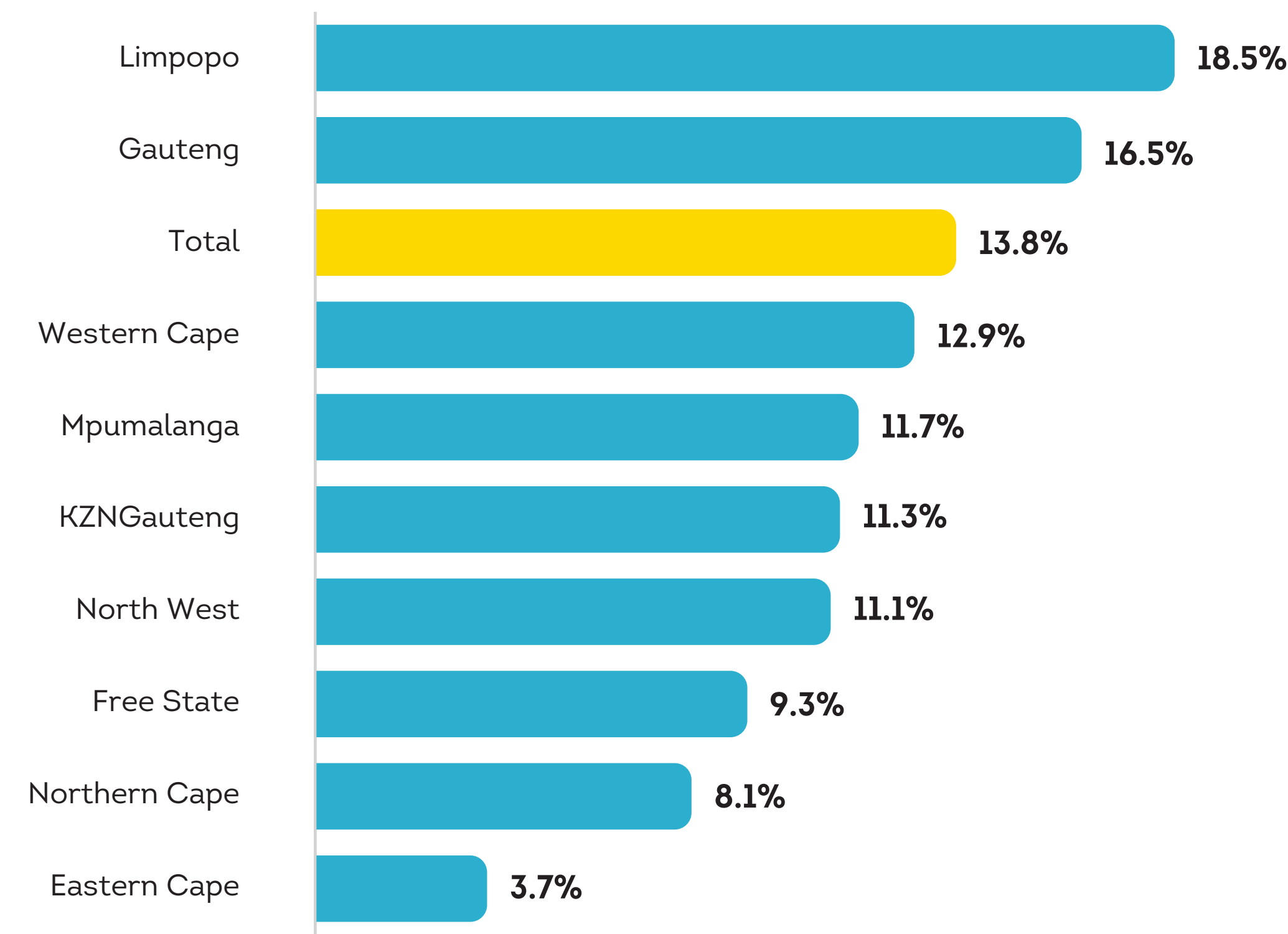


Figure 11

YoY growth in used vehicle registrations by province – Q2 2026

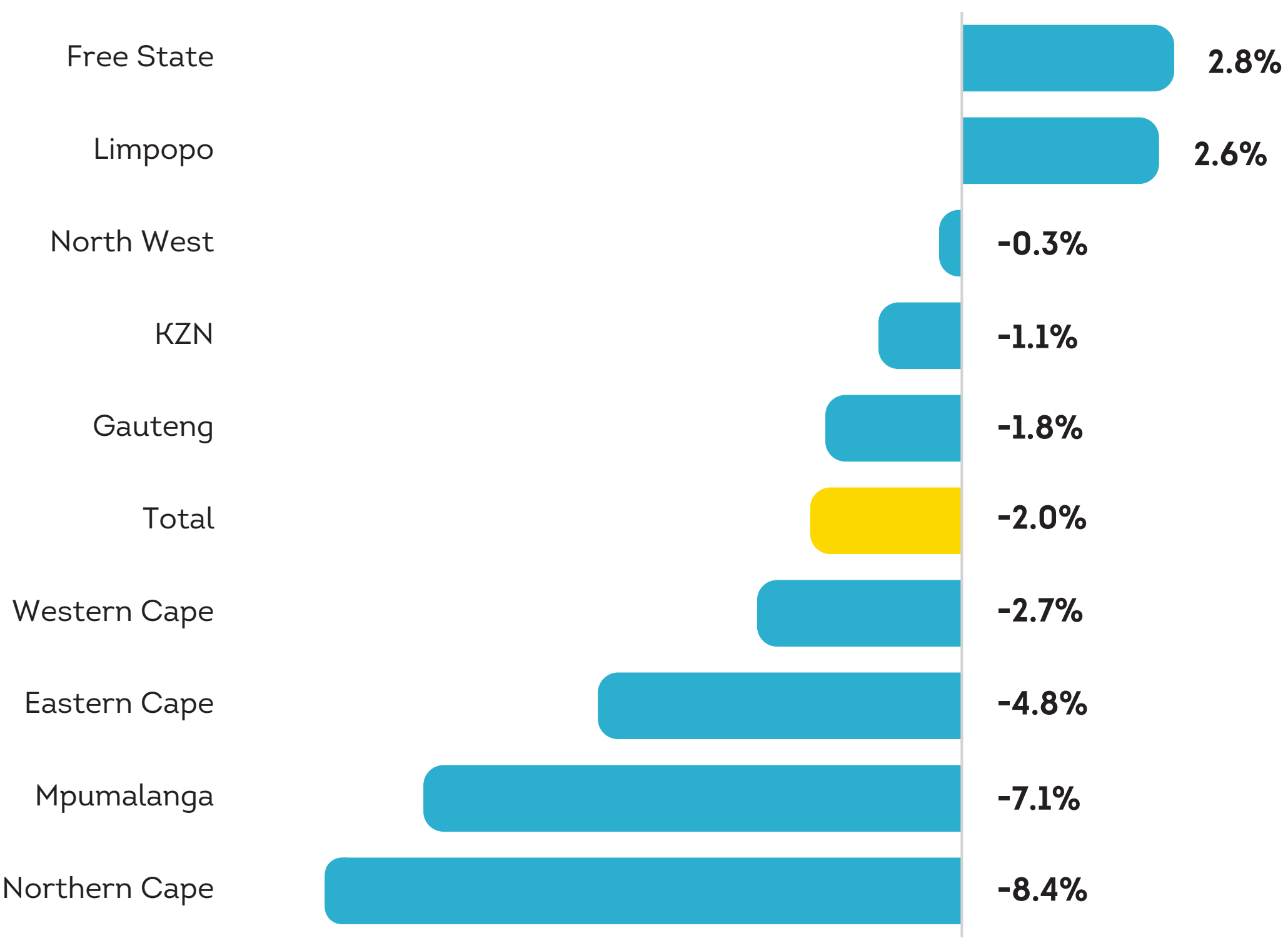


Figure 12

Drivers Behind Resilient Vehicle Sales in Q2 2026: Strong Underlying Demand, Rising Affordability Pressures

Naamsa notes consumers are continuing to approach the market in a measured, informed way, with greater emphasis on affordability, financing costs, fuel efficiency, vehicle utility, safety and long-term ownership value. This is consistent with the broader Q2 evidence of a market that remains resilient but increasingly focused on total cost of ownership (TCO) as fuel prices and financing costs rise.⁴

Vehicle pricing remains strongly supportive of affordability

- **New vehicle inflation** stayed very low at around 0.6% YoY in Q2 2026 despite rising input and operating costs – well below rates recorded over the past two years, with especially low inflation across SUVs and bakkies.
- **Used vehicle prices** held in deflationary territory, though the pace of decline eased. Used pricing therefore continues to offer an affordability advantage, particularly as financing and running costs climb.

The continued softening in vehicle price inflation reflects intense competition, growing penetration by Chinese brands and mounting OEM pricing pressure – all helping to contain purchase prices despite the broader inflationary environment.

Key insight

Vehicle pricing remained a major affordability support, cushioning consumers against rising costs of vehicle ownership – but increasingly intense competition is placing pressure on margins across the market.

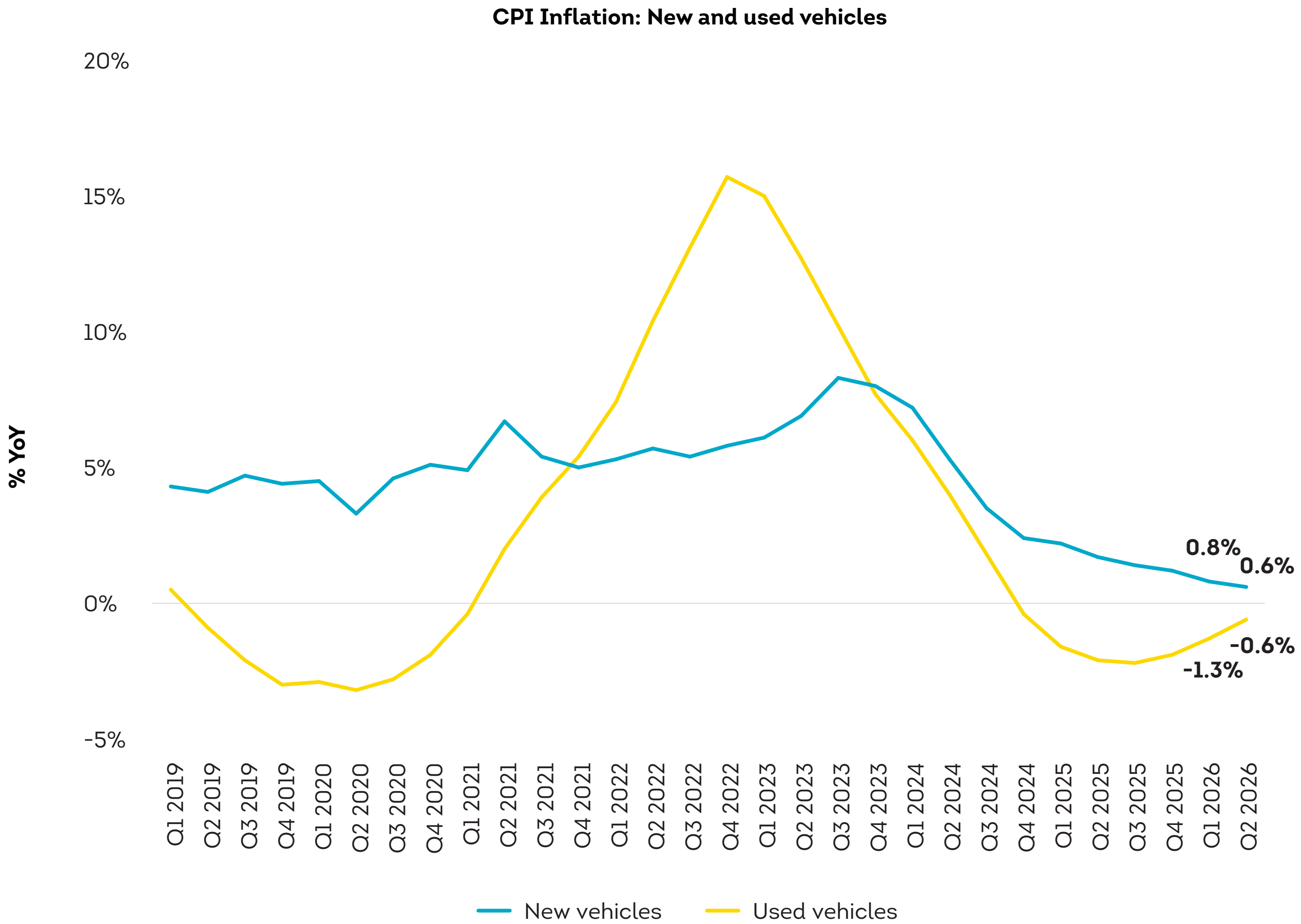


Figure 13

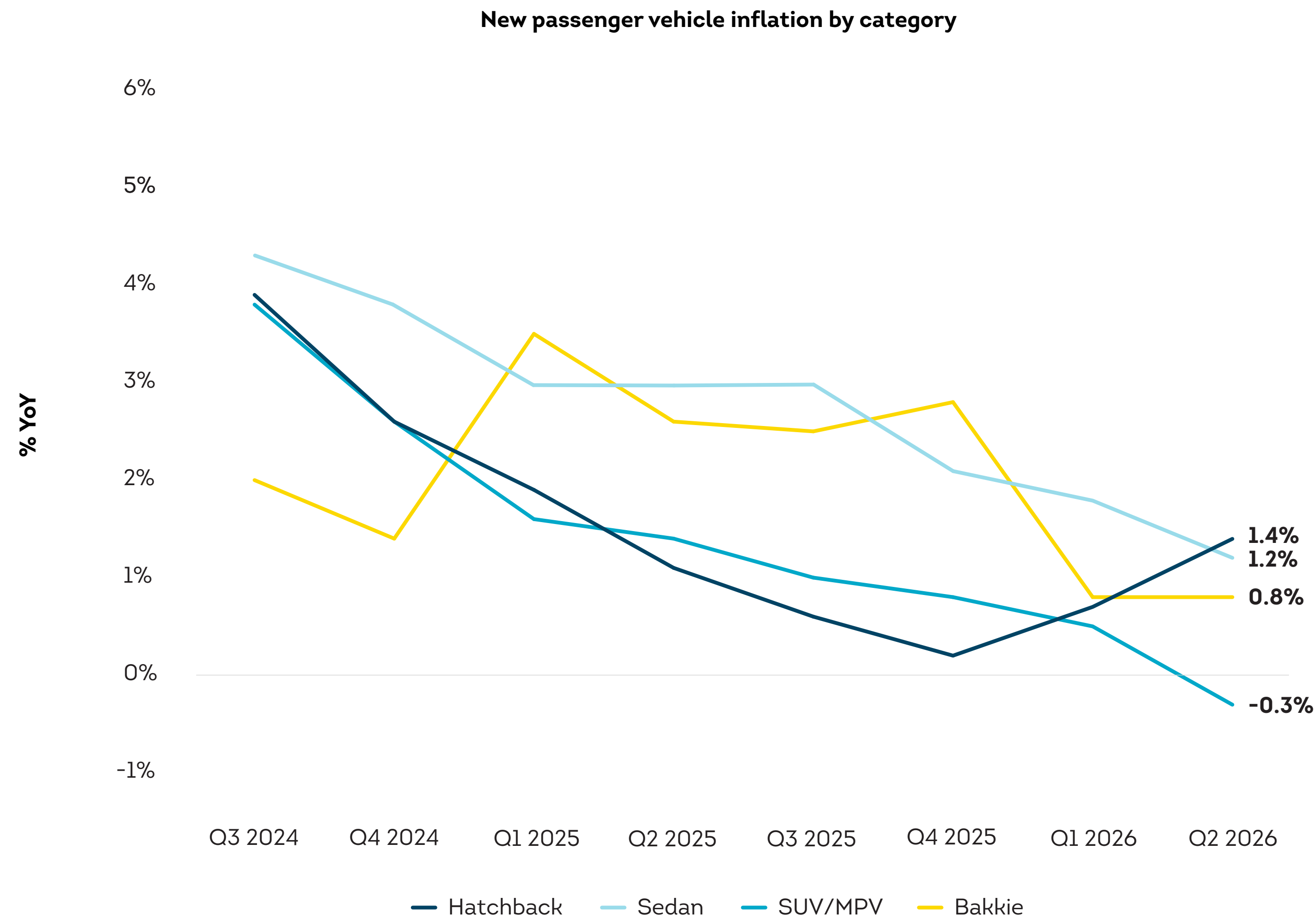


Figure 14



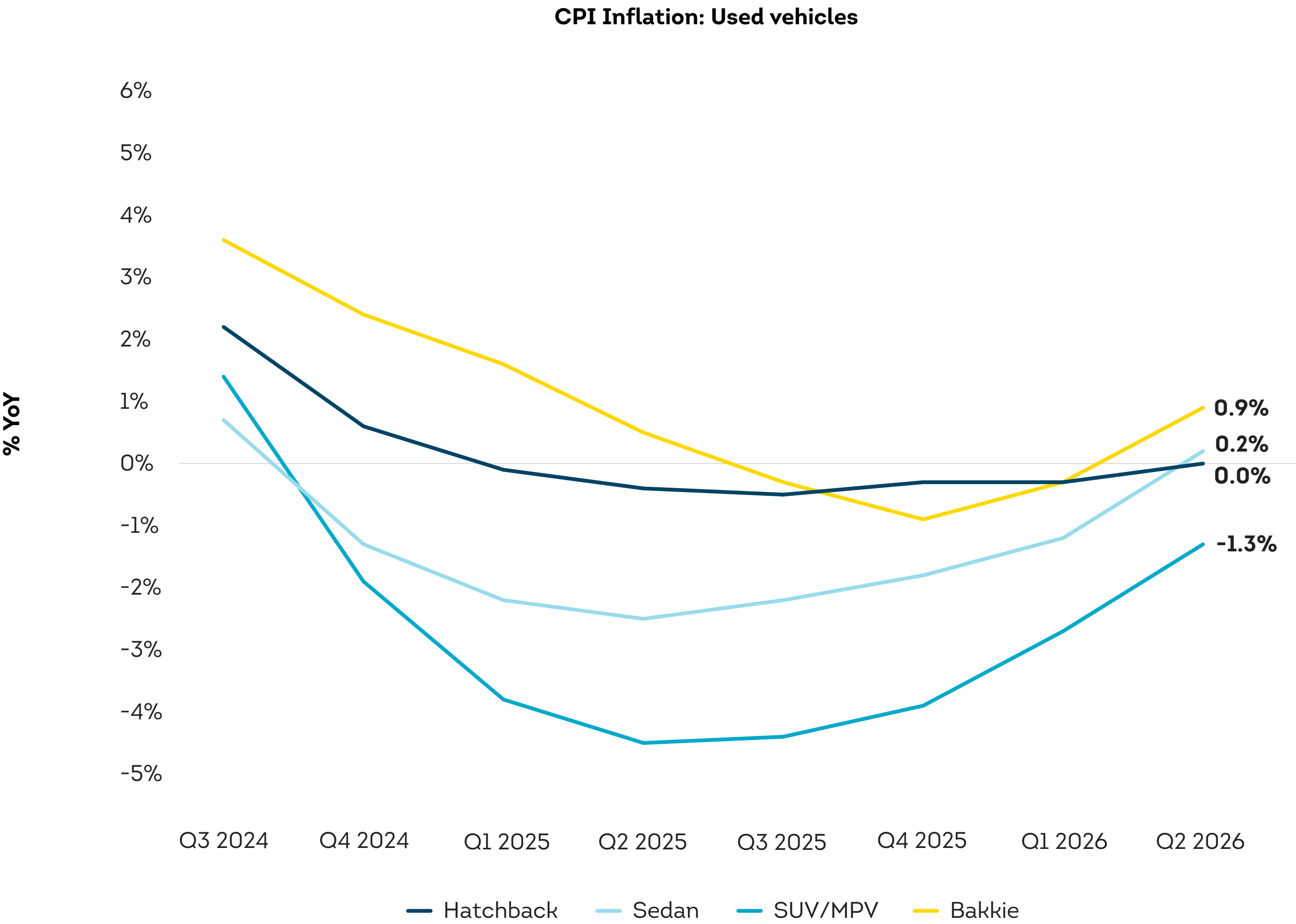


Figure 15

Source: Stats SA

Financing conditions become more challenging

The affordability environment became more challenging in Q2 as higher fuel prices, renewed inflationary pressures and a less supportive interest-rate outlook together added to the cost of vehicle ownership and financing. The SARB raised the policy rate in Q2, which may begin to unwind some of the earlier improvement in financing conditions. Low vehicle price inflation and competitive pricing are nevertheless providing an important offset, helping sustain demand despite weaker consumer confidence and rising household costs.

Chinese brands continue to reshape pricing dynamics

Chinese automakers are continuing to gain traction in South Africa, supported by competitive pricing, high specification levels and expanding model availability. Their growing presence is intensifying competition across the new-vehicle market and pressing incumbent brands to compete harder on price and value. This is also influencing the used-vehicle market as competitive new-vehicle pricing narrows the differential between new and used cars and shifts the relative affordability proposition for consumers.



Outlook for Passenger Car Sales: Resilient Market, but Affordability Becomes More Important

Despite a slight slowdown following the strong performance in 2025 and early 2026, elevated sales volumes indicate South Africa's automotive recovery remains intact. Naamsa continues to highlight the strength of the new-vehicle market despite persistent macroeconomic headwinds.

Looking ahead, however, the operating environment is becoming tougher. Higher fuel costs, less favourable financing conditions, renewed inflationary pressures and subdued economic growth are likely to weigh on vehicle affordability and household budgets. Consumers are at the same time becoming more deliberate, placing greater emphasis on fuel efficiency, vehicle utility, upfront affordability and total cost of ownership.

This is likely to favour compact and fuel-efficient vehicles, value-oriented brands and more flexible financing solutions. Naamsa also points to the growing relevance of extended loan terms and balloon-payment arrangements as households seek to maintain mobility while managing affordability pressures.

Vehicle demand is therefore expected to remain resilient but increasingly selective, with affordability, running costs and financing structures playing greater roles in purchase decisions.



Key insight

Vehicle demand remained resilient, but affordability and total cost of ownership increasingly shaped purchasing decisions as consumers adapted to a more challenging operating environment.

New Vehicle Dealer Confidence Pulls Back in Q2 2026

The BER/RMB New Vehicle Dealers Confidence Index fell 18 points to 49 in Q2 2026, giving back the strong gains recorded in Q1. Even so, new vehicle dealers remained the most confident sector in the survey, with sentiment still close to the neutral 50-point mark.

The pull-back nevertheless points to a market where the strong momentum of early 2026 has begun to ease. It reflects a materially tougher operating environment in Q2 as escalating Middle East tensions pushed up oil and fuel prices and shifted expectations towards higher interest rates. Softer sales volumes accompanied the drop, suggesting the earlier surge in vehicle demand has started to fade.

Note: The Q2 survey was conducted from 14–25 May 2026, following the escalation of the US/Iran conflict and the associated energy-price shock. The SARB subsequently raised the policy rate by 25 basis points, reinforcing the shift towards a less supportive interest-rate environment.



Key insight

New vehicle dealers remained the most confident business sector, but the sharp Q2 decline signalled moderating momentum as fuel costs and financing pressures intensified.

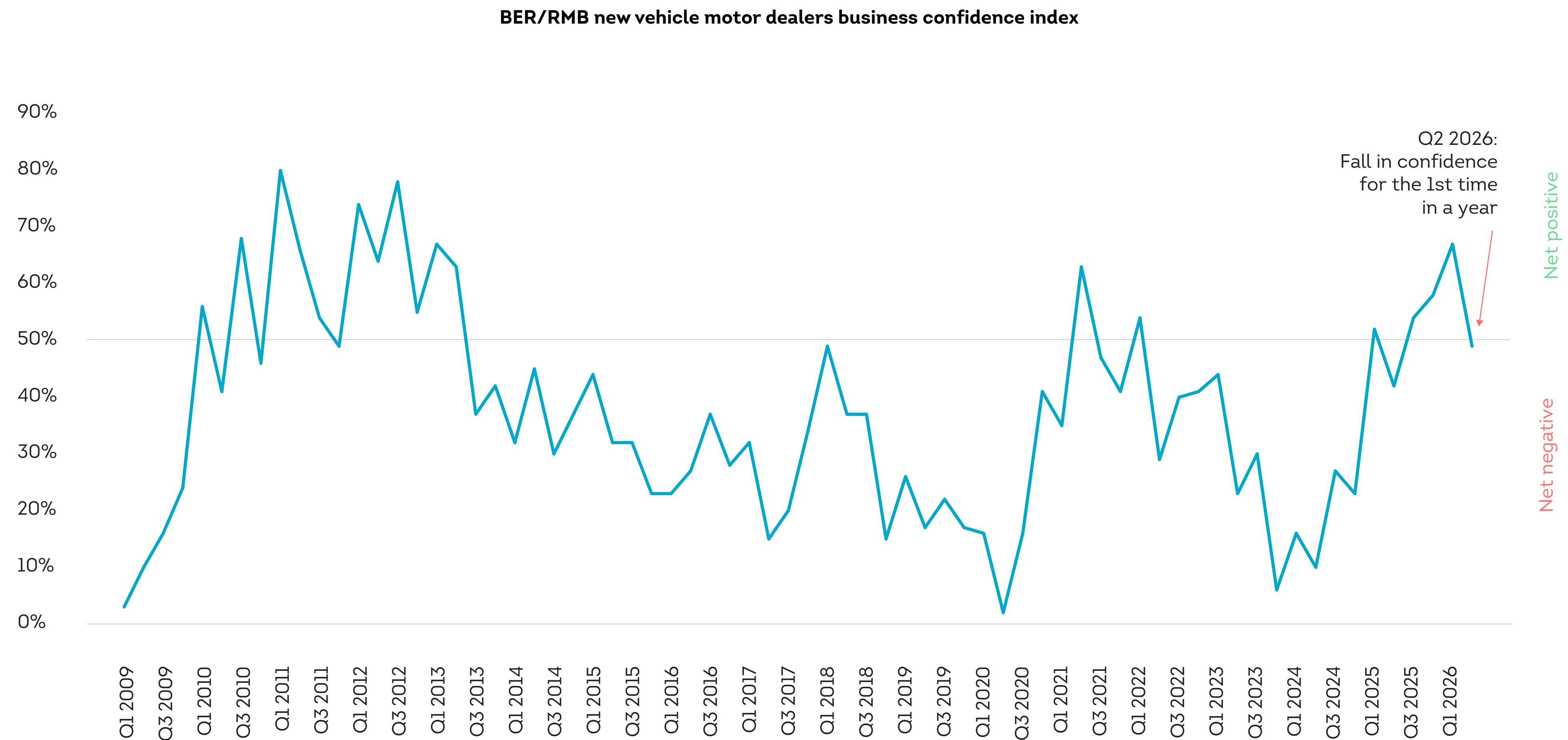


Figure 16

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Passenger Vehicle Exports

Rebound, but Broader Export Conditions Remain Challenging

South Africa's passenger vehicle exports strengthened in Q2 2026, reaching 68,090 units from 62,166 in Q1 – a notable gain on both a quarterly and annual basis, up 12.8% YoY after a first-quarter decline. This points to renewed momentum following the weakness seen through much of 2025.

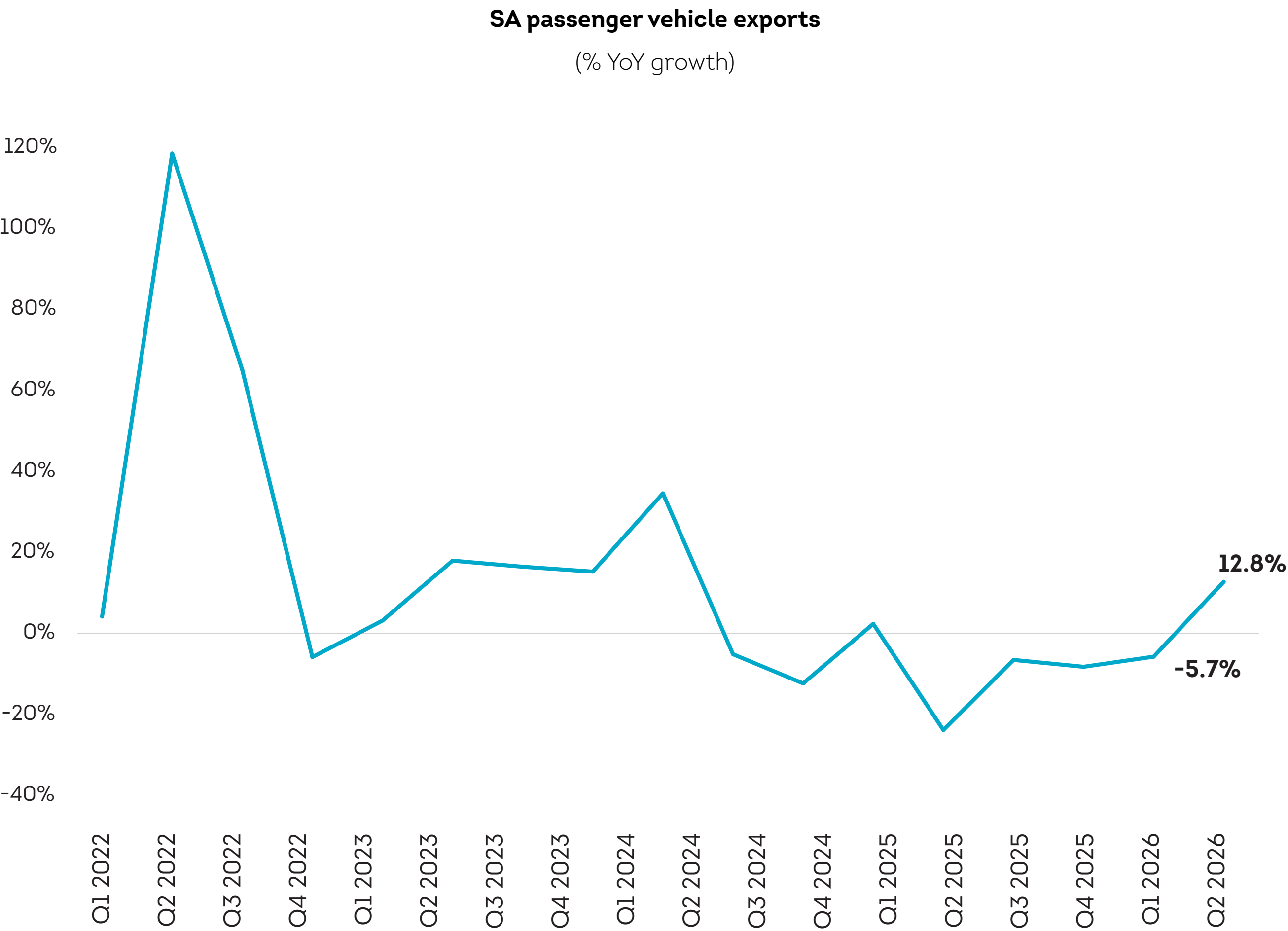


Figure 17

The broader automotive export environment remains tougher, however, with overall vehicle exports still down 5.2% YoY in Q2. The passenger-vehicle rebound has yet to translate into a broad-based recovery across the sector. The external operating environment therefore stays an important risk: Protectionism across key markets, geopolitical uncertainty, shifting trade dynamics and increasingly stringent decarbonisation requirements continue to weigh on South Africa's automotive export competitiveness.

Key insight

Passenger vehicle exports rebounded strongly in Q2, but the broader automotive export sector remained under pressure, highlighting continued external trade risks.

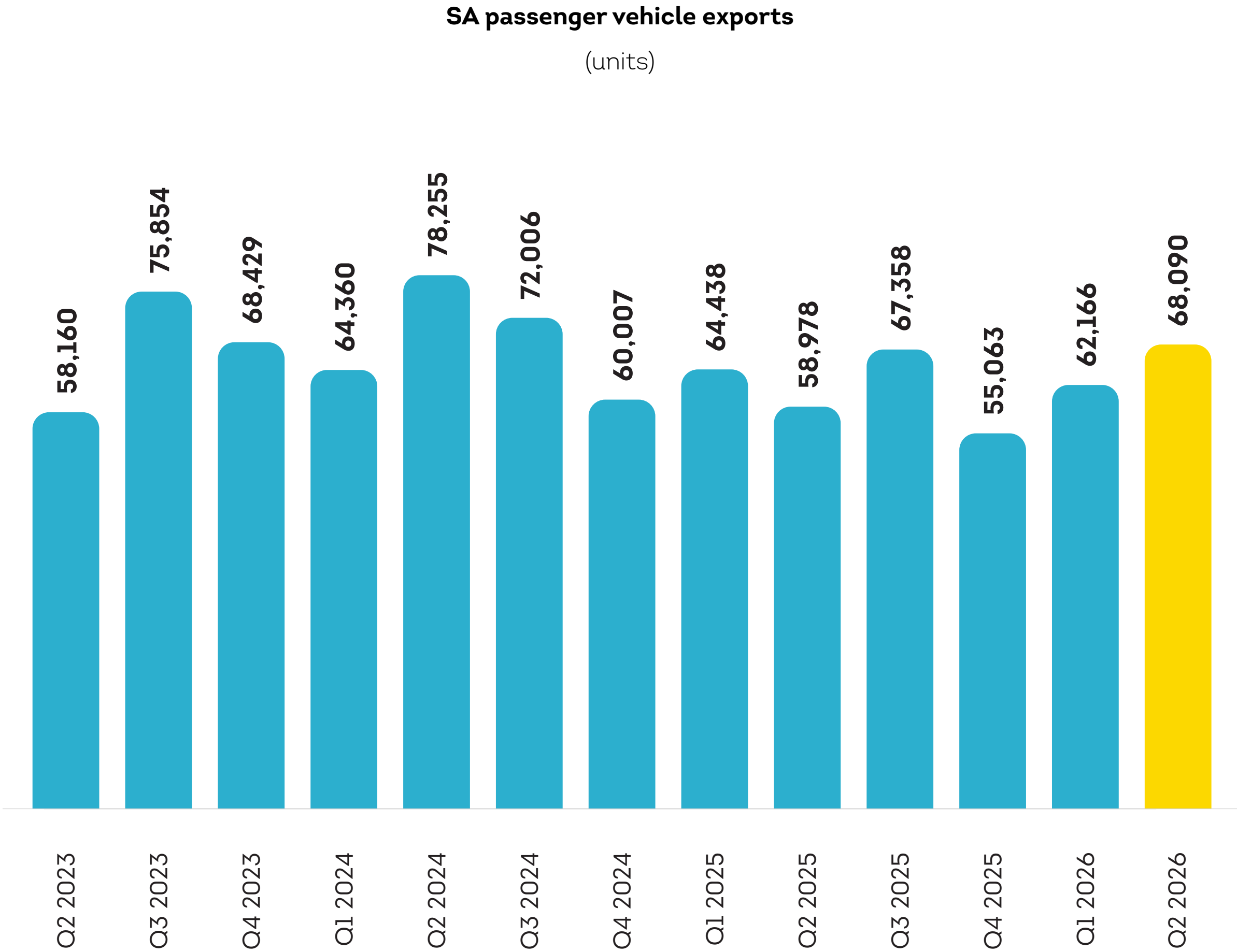


Figure 18

7

TransUnion Consumer Pulse Survey

Automotive Market Future View

Vehicle Purchase Intentions Over the Next Three Months

The share of consumers intending to purchase a vehicle within the next three months fell from 22% in Q1 to 19% in Q2, while the share unlikely to buy rose from 64% to 66%. The shift aligns with a tougher macroeconomic environment as higher fuel prices, renewed inflationary pressures and mounting affordability concerns begin to weigh on buying appetite.

Even with this softer near-term outlook, vehicle demand remained relatively resilient, consistent with continued double-digit growth in new vehicle registrations – though momentum appears to be easing from the exceptionally strong levels recorded earlier in the year.



Key insight

Vehicle purchase intentions softened in Q2 as affordability pressures increased, although underlying demand remained relatively resilient.

TransUnion Survey – Q2 2026: How likely are you to purchase a vehicle within the next three months?

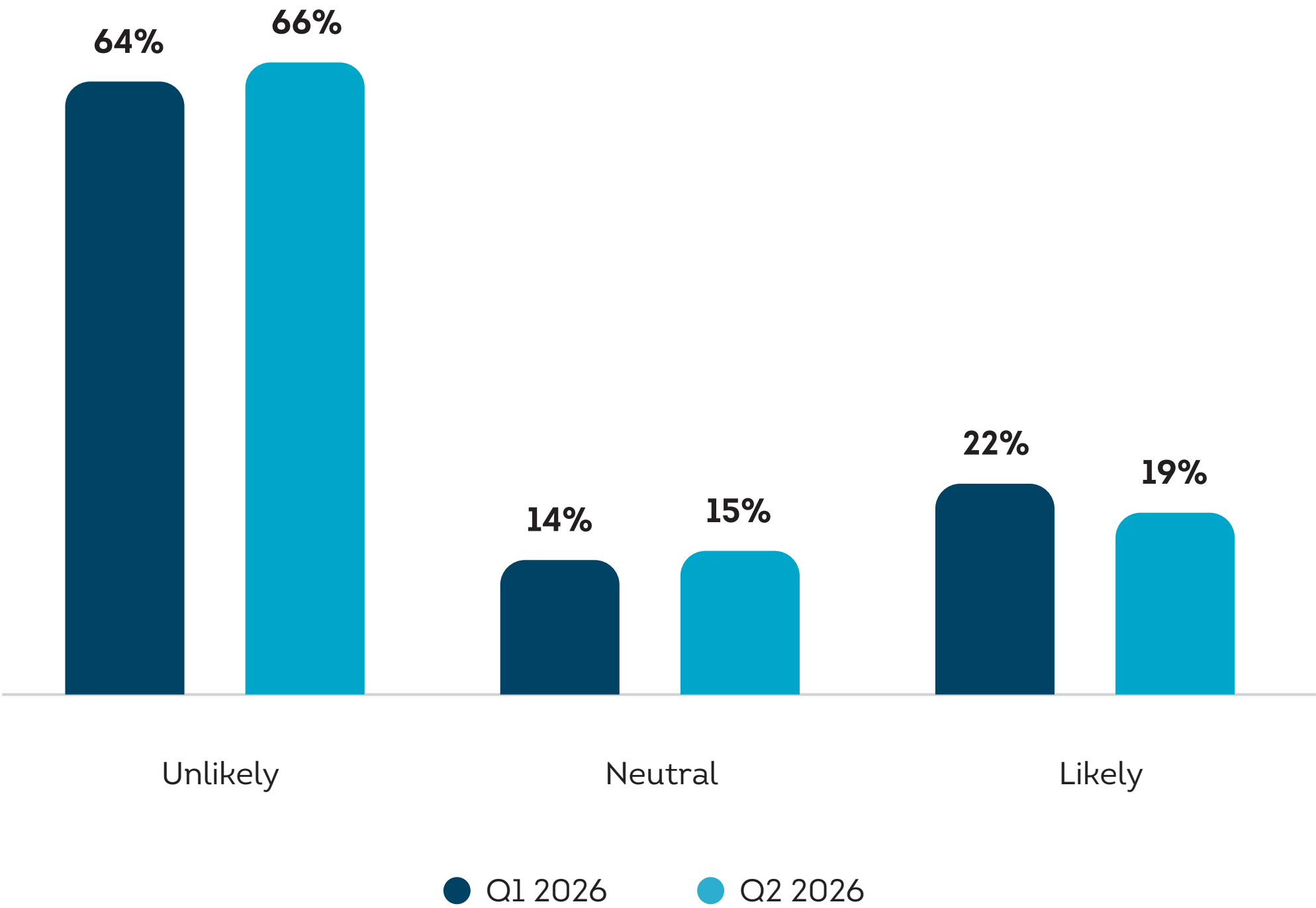


Figure 19

Vehicle Purchase Intentions by Generation

Millennials and Gen Z remained the strongest sources of near-term purchase intent at 23% and 21%, respectively, in Q2, though intent softened slightly among both. It also fell among Gen X and Baby Boomers to 14% and 7%, respectively, reinforcing the weaker appetite among older consumers.

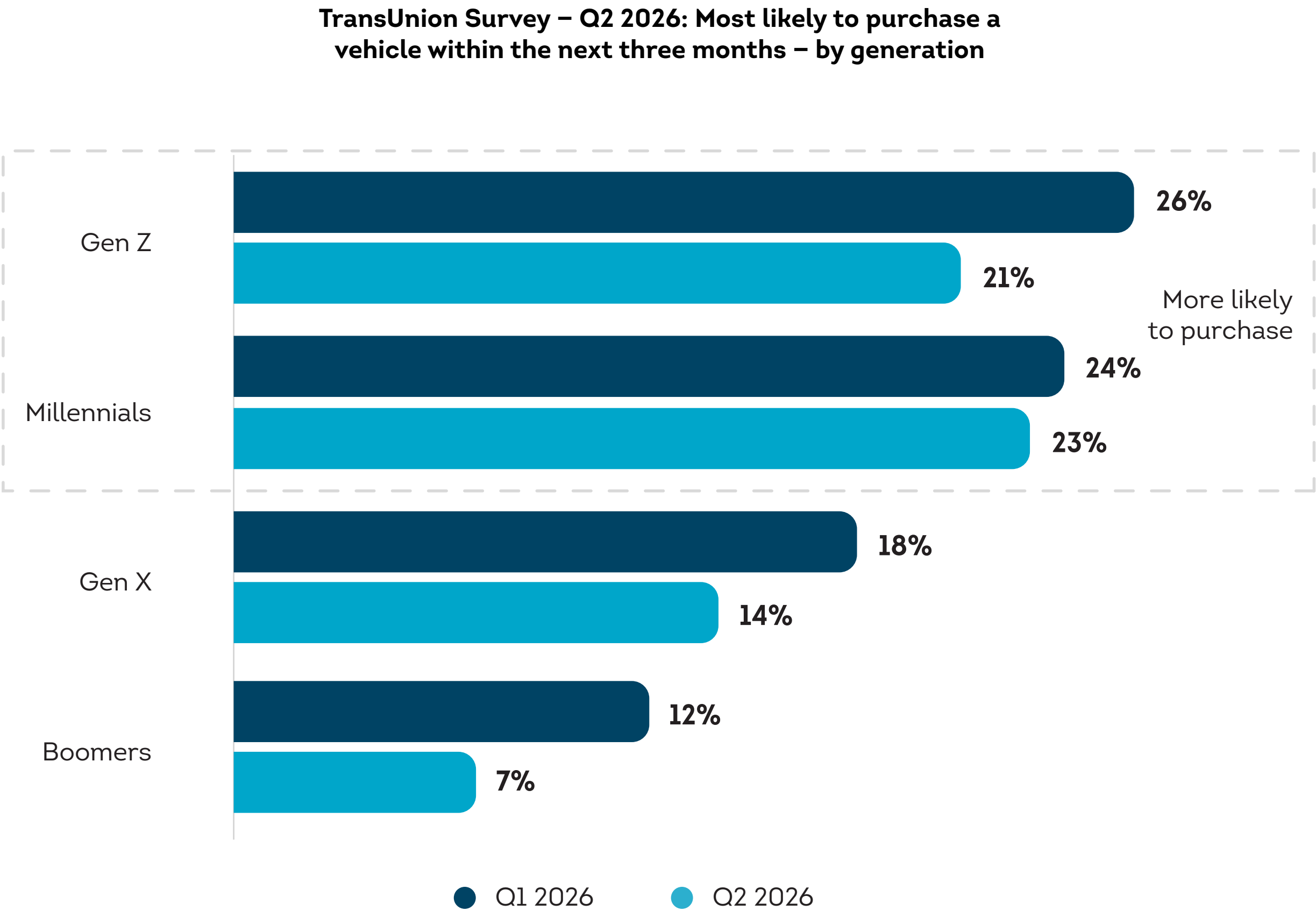


Figure 20

Vehicle Purchase Intentions by Income Group

Higher-income consumers remained the most likely to purchase, with intent rising to 27% in Q2 from 24% in Q1. By contrast, it fell among middle-income consumers to 18% and lower-income consumers to 13%. The broadening gap by income points to sharper affordability sensitivity – higher-income households held firm while intent among middle- and lower-income consumers softened.

TransUnion Survey – Q2 2026: Most Likely to purchase a vehicle within the next three months – by income group

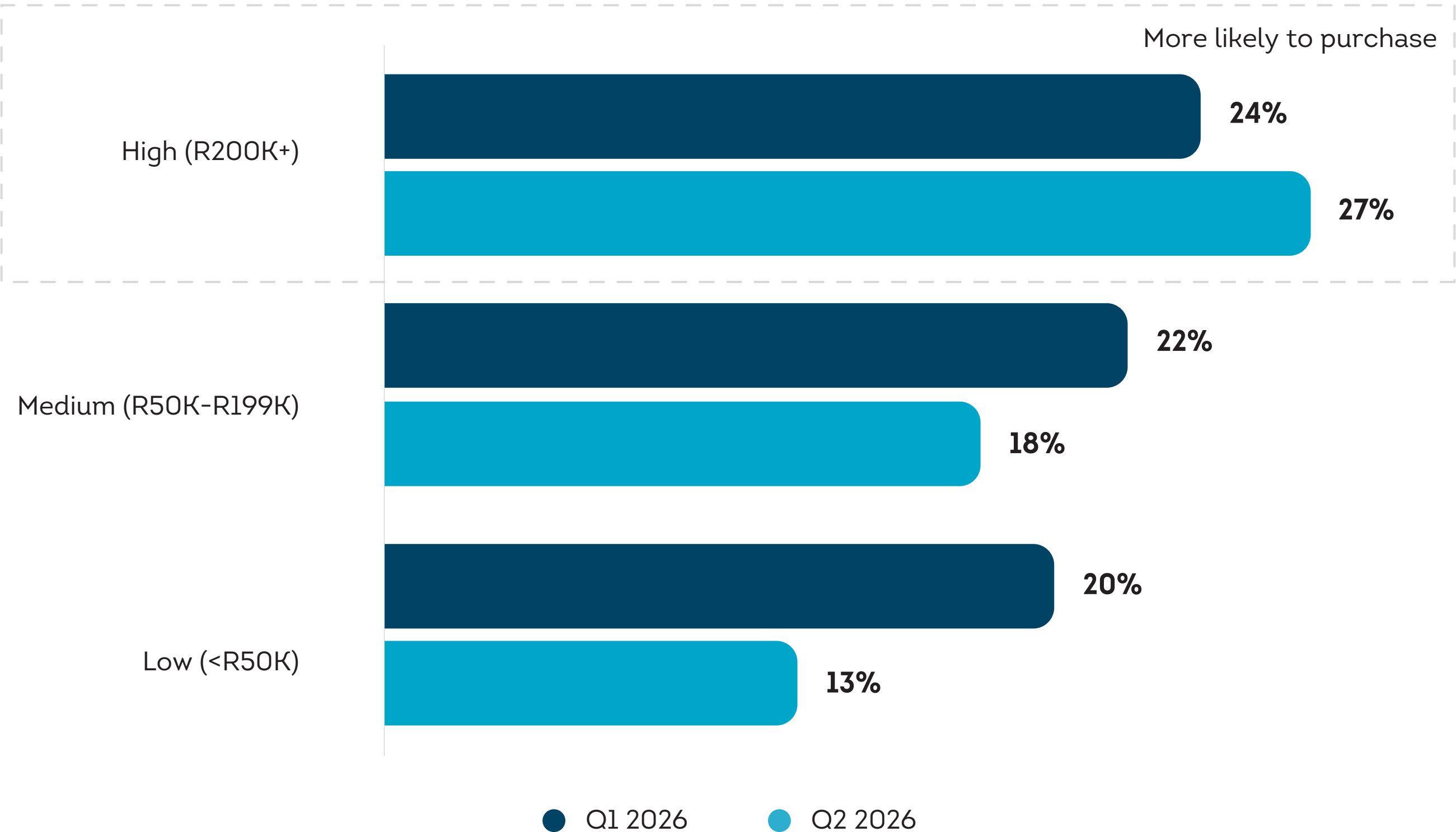


Figure 21

Mobility Preferences of Consumers for the Year Ahead

Mobility preferences shift towards hybrid technologies

- **Internal combustion engine (ICE)** vehicles remained the dominant choice, with preference edging higher in Q2 (51% of consumers surveyed). Even so, rising fuel costs are lifting the appeal of more fuel-efficient alternatives, particularly for consumers focused on running costs.
- **Hybrid electric vehicles (HEVs)** strengthened their position as the leading electrified option (45%), reflecting lower running costs and fuel savings without reliance on charging infrastructure – a practical transition option for consumers weighing alternative powertrains.
- **Plug-in hybrid vehicles (PHEVs)** also gained ground (28%), pointing to growing interest in technologies that pair electric driving with the flexibility of a combustion engine.
- **Battery electric vehicle (BEV)** preference weakened in Q2 (19%), a sign charging infrastructure, range and affordability may continue to constrain broader adoption despite rising interest in electrified mobility.

TransUnion Survey – Q2 2026: What mobility options will you consider when applying for new car loans/lease within the next year?

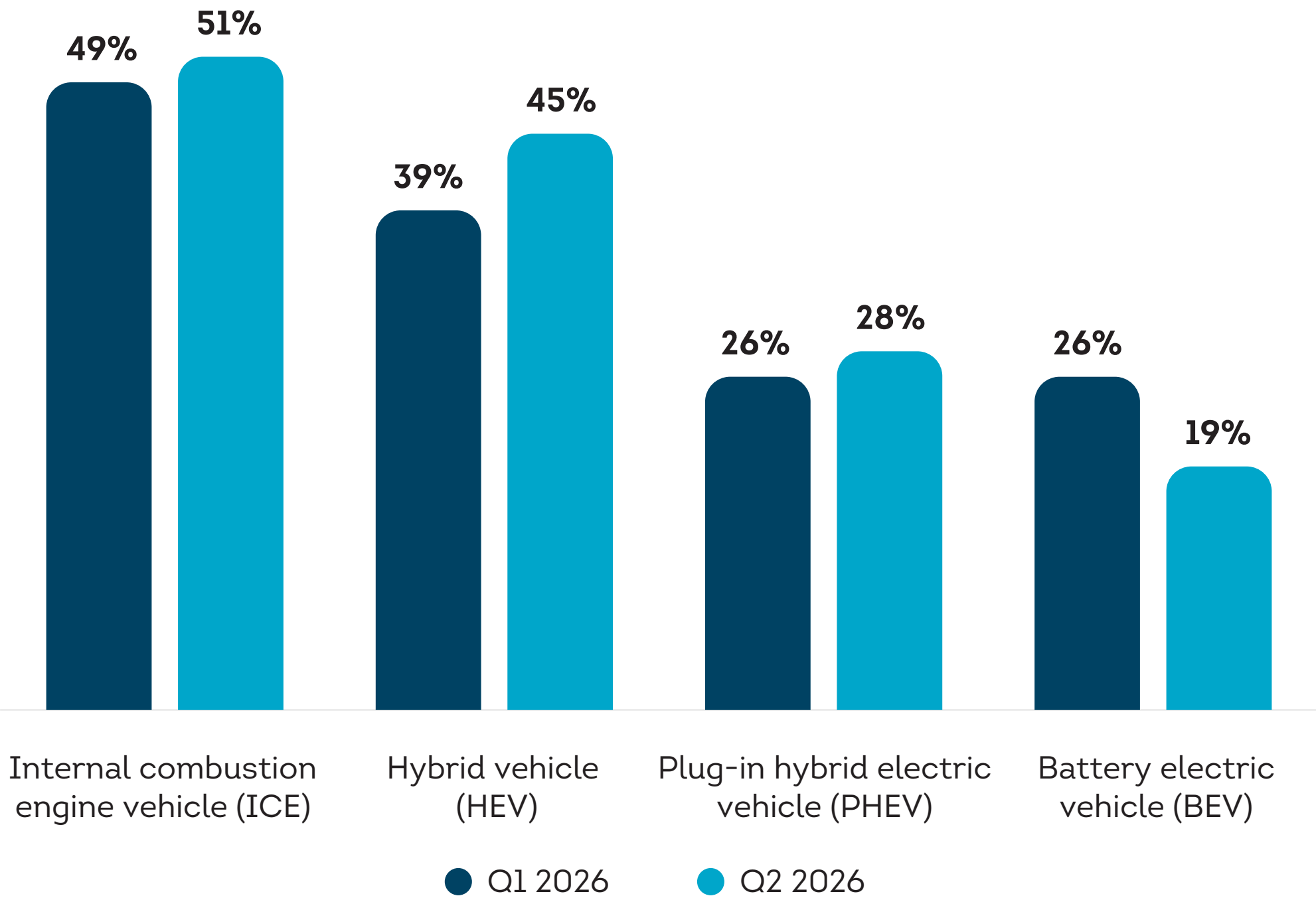


Figure 22

Mobility preferences by generation⁵

Gen Z shows strongest openness to alternative powertrains

- Gen Z retained a strong preference for ICE vehicles (50%), reflecting the continued appeal of conventional vehicles – likely their cost-effectiveness and practicality. HEVs (53%) were the most considered alternative followed by BEVs (46%). The breadth of these preferences points to greater openness among younger consumers to alternative powertrains, with fuel efficiency and running costs becoming more important considerations.

Millennials maintain diversified drivetrain preferences

- Millennials showed the strongest preference for HEVs (53%), while ICE vehicles (47%) remained an important choice. Their relatively broad consideration of electrified options suggests practicality, fuel efficiency and running costs are increasingly shaping powertrain choices.

Gen X remains more reliant on conventional drivetrains

- Gen X held the strongest preference for ICE vehicles (62%), with considerably lower interest in alternatives. This suggests familiarity, convenience and the practical limits of newer technologies continue to influence powertrain choices among older consumers.

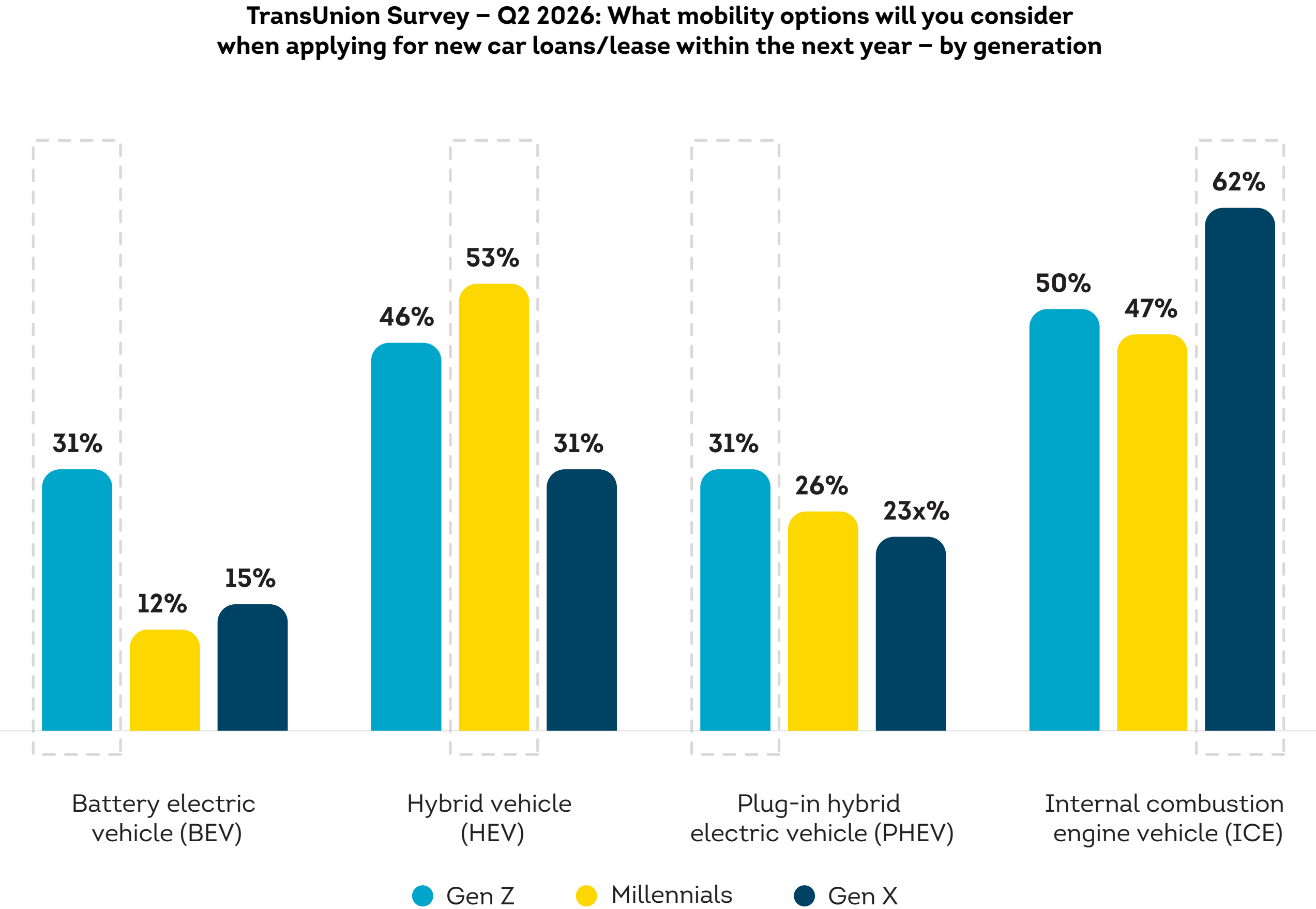


Figure 23

⁵ Data for the Baby Boomer generation was not captured in this survey.

TransUnion Survey – Q2 2026: What mobility options will you consider when applying for new car loans/lease within the next year – by income group

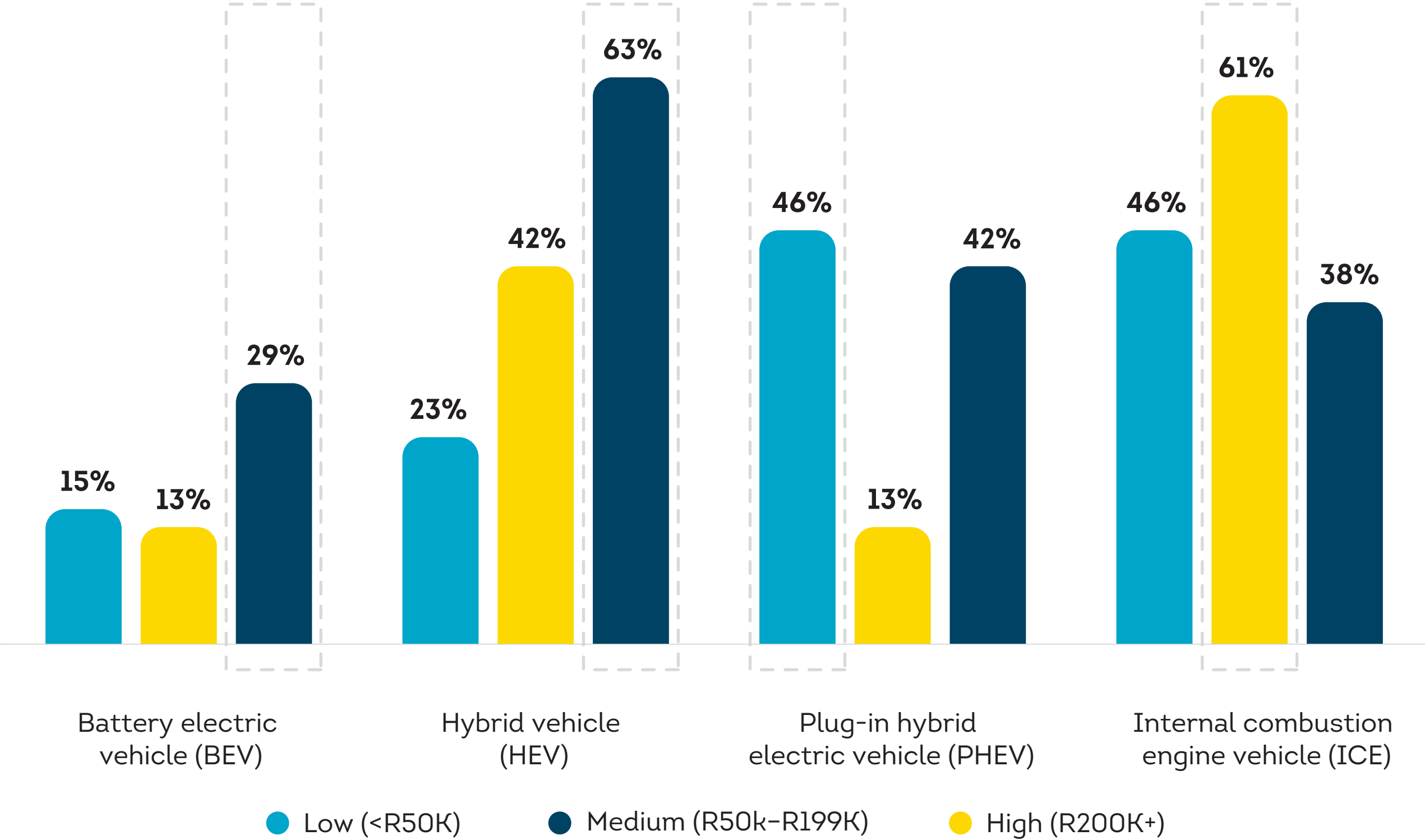


Figure 24

Mobility preferences by income group

Lower-income consumers remain focused on affordability

- ICE vehicles were the most considered option among lower-income consumers (46%), reflecting the importance of upfront affordability, accessibility and practicality – though interest in PHEVs was just as strong (46%). The mix suggests affordability and running costs stayed the key considerations for this group.

Middle-income consumers show a more balanced drivetrain preference

- ICE vehicles led at 61%, while HEVs accounted for 42%. Interest in BEVs and PHEVs was more limited, suggesting middle-income consumers remained focused on conventional vehicles – though fuel efficiency and operating costs are supporting some appetite for hybrid technology.

Higher-income consumers show strongest openness to electrification

- HEVs were the most considered option among higher-income consumers (63%) followed by PHEVs (42%) and ICE vehicles (38%). The broader spread reflects greater financial flexibility to consider alternative technologies, with efficiency, performance and running costs weighing alongside price.

Key insight

South Africa’s mobility market remained resilient but increasingly affordability-led, with fuel efficiency, running costs and financing accessibility shaping vehicle choices and hybrids emerging as the strongest pathway towards electrification.

Implications for Dealers, OEMs and Vehicle Financiers

Target younger demand growth

Millennials and Gen Z remained the most active potential buyers. OEMs and dealers should focus on value-oriented products, competitive pricing and digitally enabled customer journeys while highlighting fuel efficiency and running-cost benefits.

Make affordability central to the proposition

Vehicle demand remains resilient, but Q2 data showed growing sensitivity to affordability and total cost of ownership (TCO). Pricing, fuel efficiency, financing costs and monthly repayments will increasingly shape purchase decisions, particularly among lower- and middle-income consumers.

Position hybrids as the leading transition pathway

HEVs continue to attract strong consideration across income groups, offering a practical balance of fuel savings, lower running costs and limited charging-infrastructure dependence. Expanding hybrid availability and communicating the TCO benefits could support wider adoption.

Innovate around financing

With affordability shaping more purchase decisions, accessible and flexible financing remains key to converting intent into sales. Lenders should consider products that improve monthly repayments while managing credit risk as interest rates and household costs stay elevated.

Align product and inventory strategies with changing preferences

ICE vehicles remain important for the volume market, while hybrids represent a clear growth opportunity. OEMs and dealers should hold a balanced product mix weighted towards fuel-efficient and affordable models rather than assuming a rapid shift to fully electric vehicles.

New Energy Vehicles

Sales more than double as electrification broadens⁶

NEV sales accelerated sharply in Q2 2026

South Africa’s new energy vehicle (NEV) market grew dramatically in Q2 2026: Sales rose 134.3% YoY to a record 8,611 units from 3,675 units in Q2 2025 – following 31.5% YoY growth in Q1 2026.

Sales were also almost 88% higher quarter over quarter (QoQ) from 4,585 units in Q1. Importantly, NEVs accounted for 5.6% of total new vehicle sales, breaching the 5% threshold for the first time.

However, Naamsa notes 2026 sales were partly supported by new market entrants beginning to report data to it.

NEVs sold in South Africa: Total number

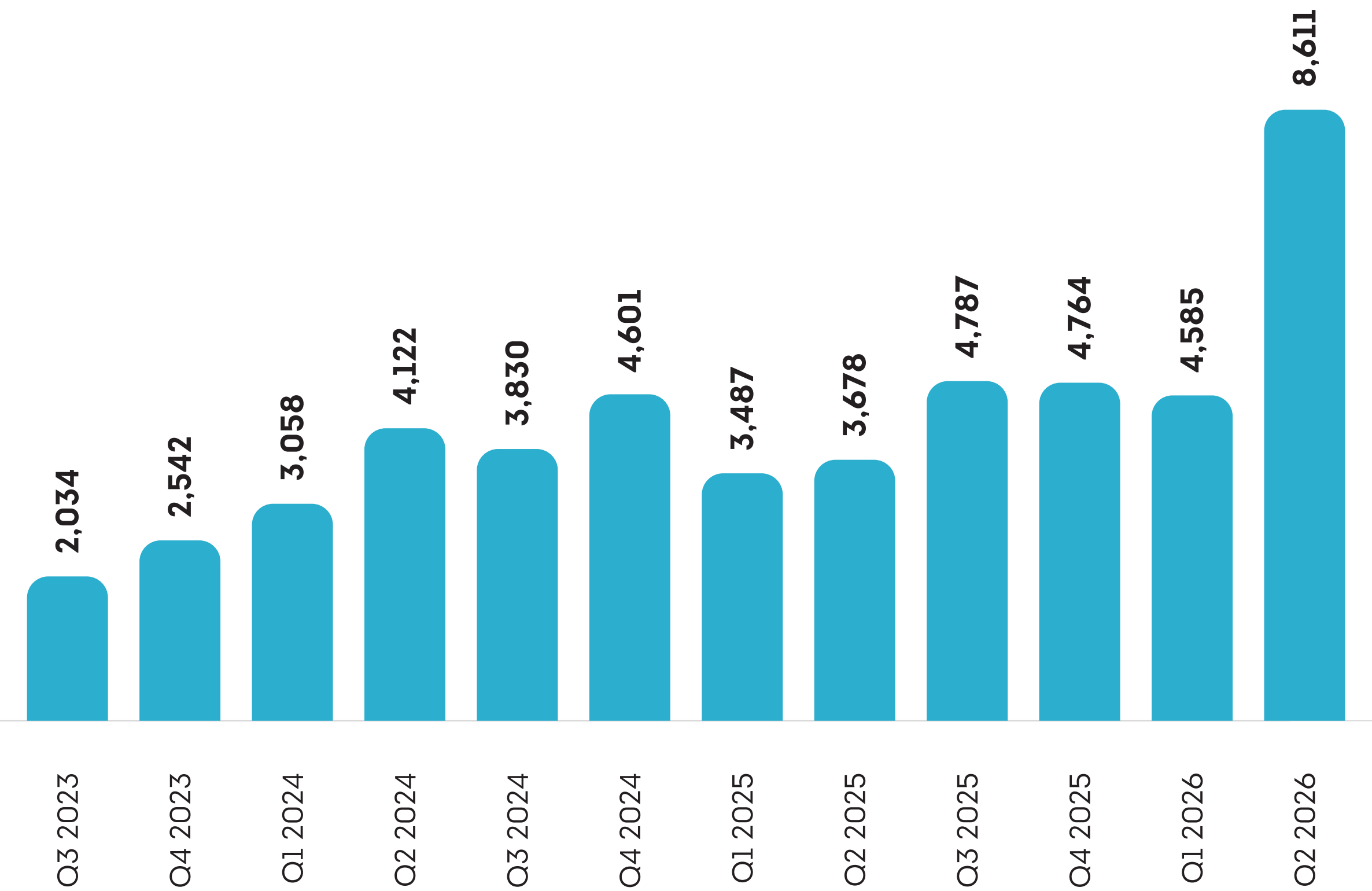


Figure 25

Growth expands across all three NEV technologies

Growth was broad-based across all three electrified powertrains.

- Plug-in hybrid electric vehicle (PHEV) sales surged 512% YoY to 3,346 units, while fully electric vehicle (EV) sales rose 360% to 1,353 units.
- Traditional hybrid (HEV) sales also strengthened, up 38% YoY to 3,912 units.

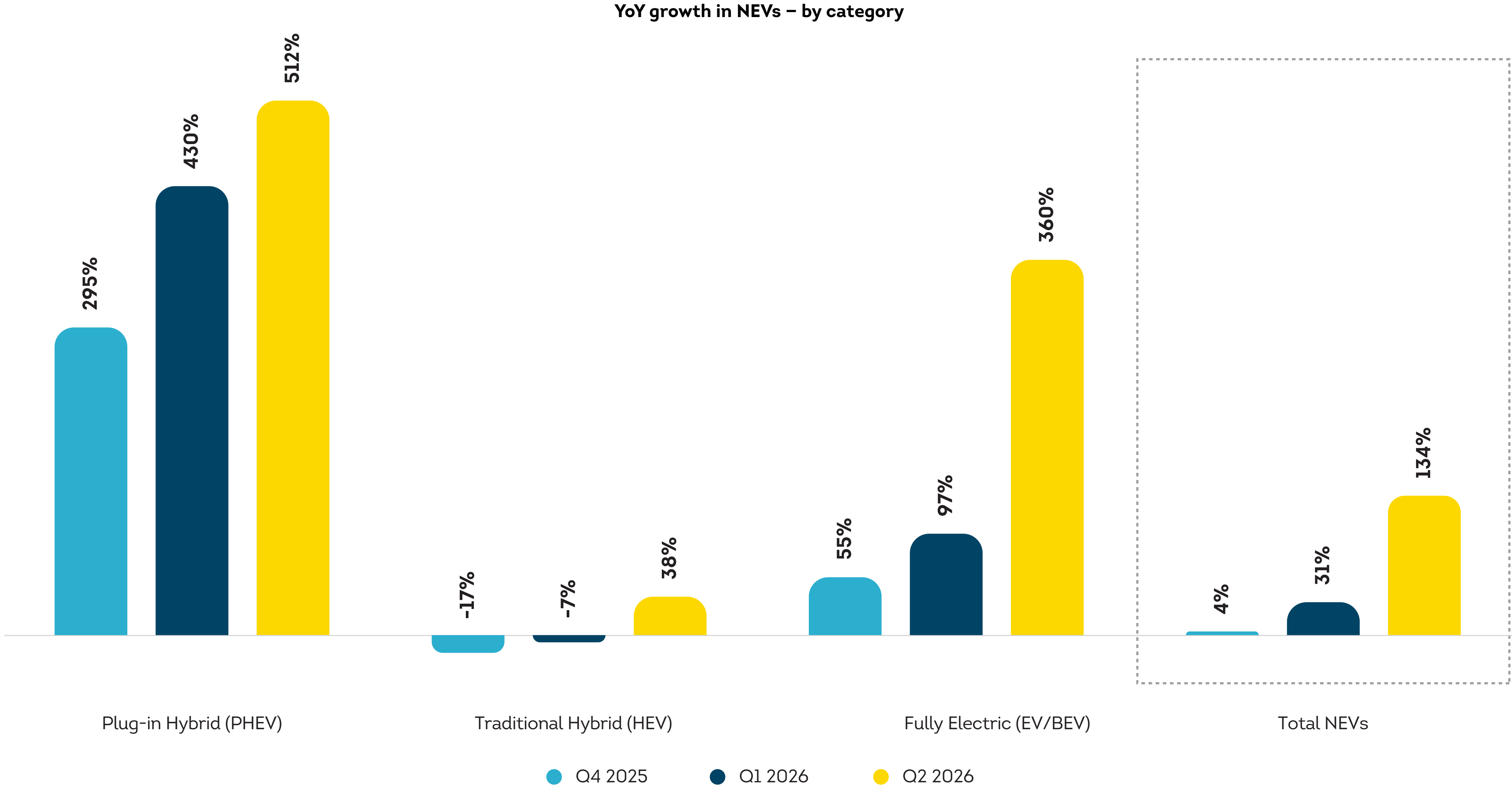
This contrasts with Q1 2026 when HEV sales were still declining YoY and growth came predominantly from PHEVs.



Key insight

Q2 2026 represents a significant step-up in SA's NEV transition: Sales more than doubled YoY and NEVs exceeded 5% of new vehicle market for the first time.





Traditional hybrids lose share as PHEVs and EVs gain ground

Traditional hybrids remained the largest category, but their share fell to 45% from 60% in Q1 2026 (and 85% in Q1 2025). PHEVs lifted their share to 39%, up from 7% in Q1 2025, while fully electric vehicles reached 16%, up from, 8% in Q1 last year.

The narrowing gap between HEVs and PHEVs points to a more diversified electrification pathway – consistent with Naamsa’s view that the domestic transition is technology-diverse, supported by wider product availability and growing consumer awareness.



Key insight

Growth is spread across HEVs, PHEVs and fully electric vehicles, suggesting electrification is moving beyond a predominantly traditional-hybrid market towards a more diversified mix of technologies.

Share in total NEV sales in Q2 2026

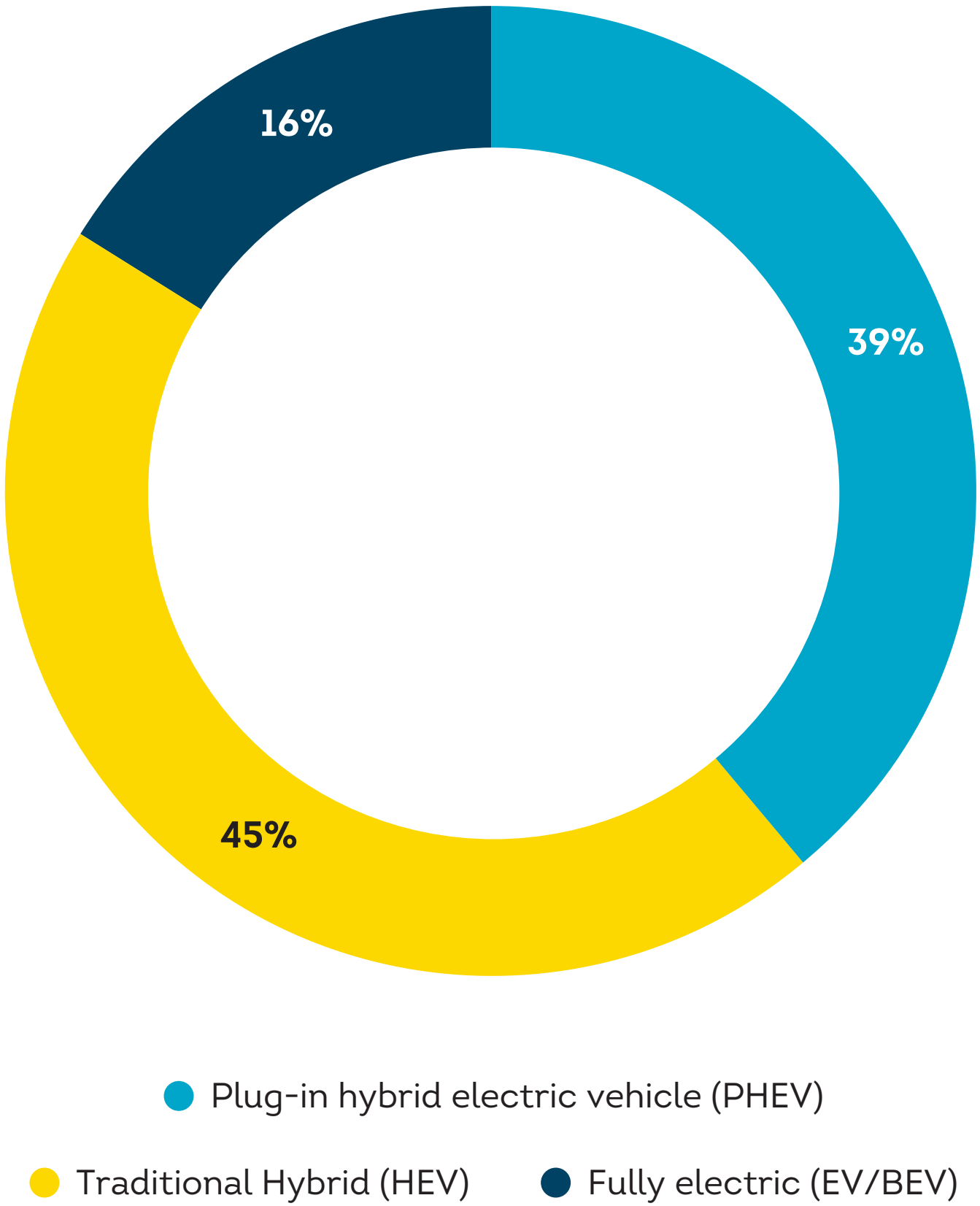


Figure 27

Industrial policy places NEVs at the centre of future manufacturing

The policy environment also gained momentum during Q2 2026. Government unveiled its Industrial Development Strategy (IDS) 2026 built around decarbonisation, diversification and digitisation. The strategy identifies the automotive industry as an important part of South Africa’s manufacturing base and proposes a review of the ad valorem tax on vehicles, expanded NEV incentives (including for component manufacturers) and development of domestic critical mineral processing and an NEV battery value chain.

NEVs offer an opportunity to counter deindustrialisation

The strategy is particularly relevant given South Africa’s longer-term deindustrialisation challenge. The NEV transition therefore represents not only an environmental imperative but an opportunity to protect the automotive manufacturing base, attract investment and develop new industrial activity.

Policy certainty remains critical

Naamsa continues to advocate a technology-neutral policy framework, allowing manufacturers and consumers to adopt appropriate low- and zero-emission technologies as the market develops. The industry also awaits implementation of the SAAM 2035 and APDP2 reviews, expected to provide a clearer roadmap for NEV production and domestic market growth and realign incentives with changing OEM capacity and global conditions.



Key insight

From stronger sales to industrial opportunity:
The challenge is to translate domestic adoption into investment, localisation and manufacturing, ensuring SA competes in the global transition to lower-carbon mobility.



8

Fraud in the Automotive Industry

Balancing Growth With Risk

Introduction

As automotive markets broaden, fraud risks grow more complex

South Africa's automotive market is becoming more diverse, with growth extending beyond traditional new-vehicle finance into used vehicles, alternative mobility models and more affordability-focused consumers. Greater digitalisation and more complex customer journeys are, at the same time, opening more points at which fraud can occur.

For automotive businesses, the challenge is therefore no longer simply to identify fraudulent vehicle-finance applications. As journeys become more digital, businesses need to weigh a broader range of fraud risks across their operations.

Recent engagements with automotive clients highlight several areas of particular exposure, including identity fraud, application fraud, synthetic identities, document manipulation, income misrepresentation, vehicle and ownership fraud, payment fraud and regulatory risk.

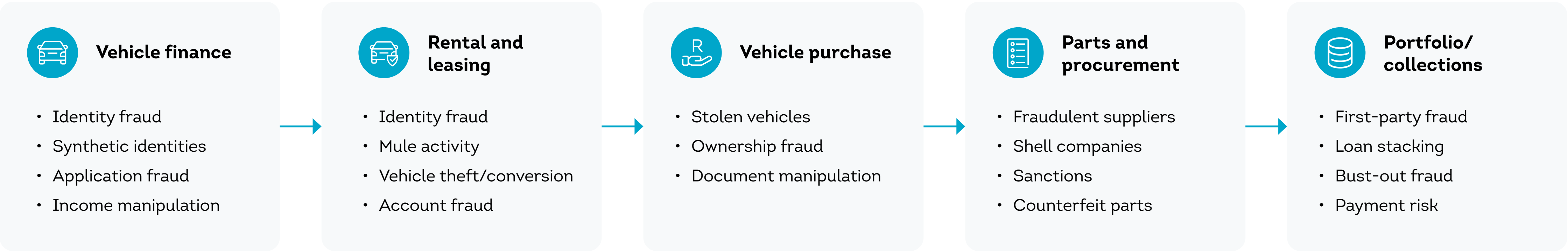
The implication is clear: Automotive businesses need to balance growth and customer access with stronger, intelligence-led fraud controls.



Automotive fraud risk landscape

As access to vehicles widens and customer journeys become more digital, fraud risk is no longer confined to finance applications – it can occur at multiple points across the automotive ecosystem.

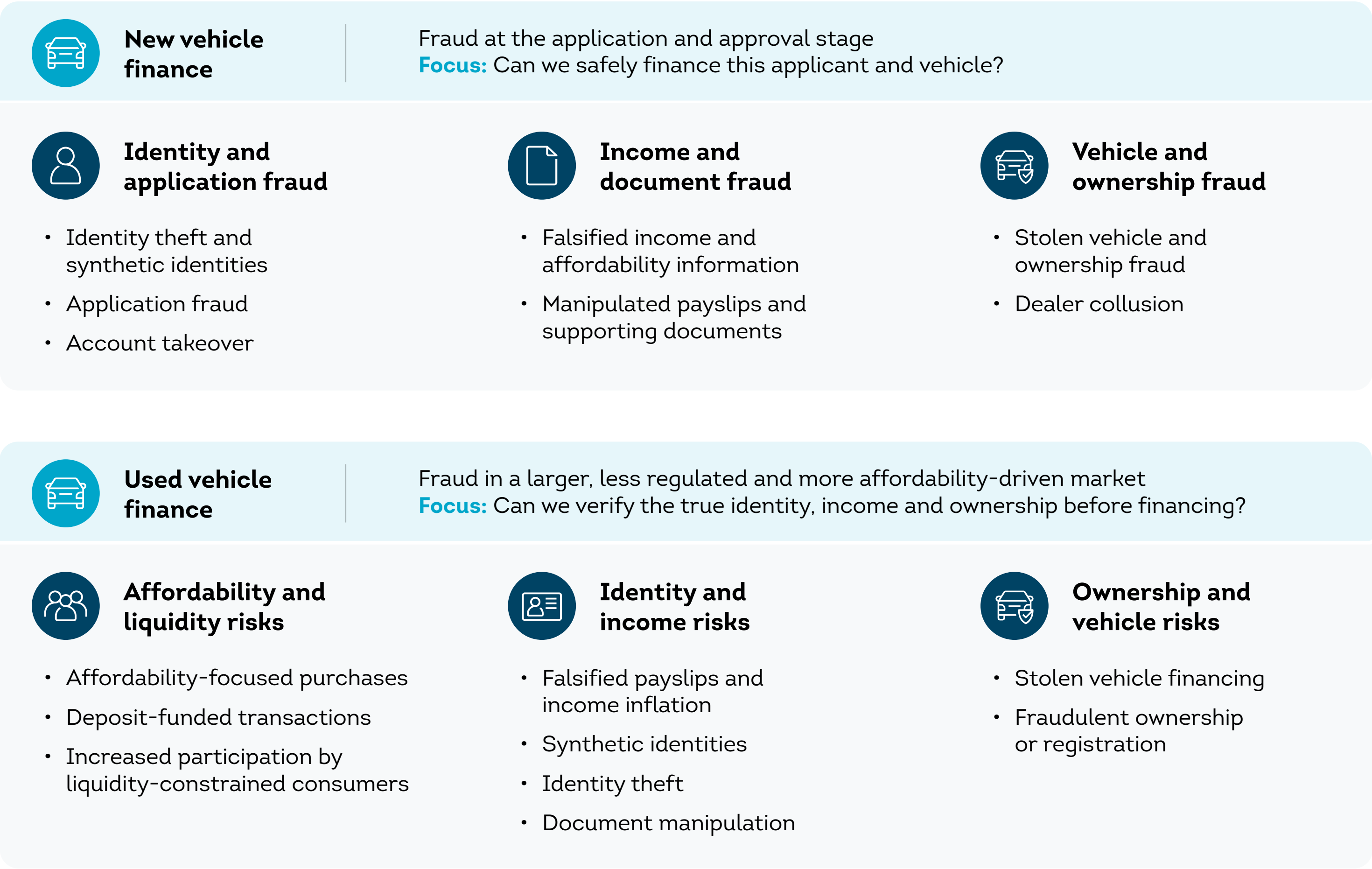
Where fraud can enter the automotive ecosystem



Fraud is no longer confined to the finance application – it can enter at multiple points across the automotive value chain.

Vehicle finance fraud risk landscape

Different risks. Same goal – to obtain vehicle finance through false or manipulated information.



Where is the automotive industry most exposed?

Vehicle finance

Vehicle finance remains one of the most established automotive fraud use cases, with risks arising throughout the application and origination process. It's particularly relevant in the used-vehicle market – where affordability pressures are drawing a wider range of consumers in and creating a larger fraud surface. The mix of affordability-focused purchases, deposit-funded transactions and broader participation raises the importance of robust identity, income and ownership verification.

Vehicle rental and leasing

Rental and leasing businesses face distinct fraud risks because their exposure may involve not only financial losses but the theft or loss of the vehicle itself.

The outcome

- Fewer fraudulent approvals.
- Safer lending.
- Lower loss rates.

A more secure and trusted vehicle finance ecosystem.

Rental and leasing fraud risk landscape

Fraud risks across the rental and leasing lifecycle – from onboarding to return.



Identity fraud

- Use of stolen or synthetic identities to rent vehicles
- Fraudsters may pass weak KYC checks and disappear with the car or use it for illegal purposes



**Rental theft/
conversion fraud**

- Customer rents a vehicle and never returns it ('theft by conversion')
- Use of falsified documentation (eg IDs) or fake bank accounts



Cyber fraud

- Hackers may complete multiple applications using bots
- Bot-driven applications; multiple applications using different identities



Regulatory risk

- Anti-Money Laundering (AML)
- Sanctions exposure
- Adverse media exposure



The challenge

- Establishing that the right person is renting or leasing the vehicle, and that the vehicle is used for legitimate purposes and returned as agreed.



Vehicle sales, parts and other commercial transactions

Fraud exposure also extends to vehicle sales, parts procurement and other commercial transactions involving customers, suppliers and third parties outside established dealer networks. These carry different risks, particularly where a business needs to establish the counterparty is legitimate and authorised and payment instructions are genuine.



Counterparty and identity fraud

- Individuals posing as legitimate buyers
- Supplier impersonation
- Fake IDs, shell businesses or hijacked business registrations
- Non-payment for goods supplied



Payment fraud

- Payments redirected to altered bank accounts
- Business email compromise targeting procurement and finance teams



Regulatory and compliance risk

- Anti-Money Laundering (AML)
- Sanctions exposure
- Tax compliance risk



The challenge

- The challenge is to establish that the entity is legitimate, the individual is authorised to act on its behalf and the payment destination is genuine.



The Fraudster's Journey

The fraudster's journey – and where detection can intervene
The move from individual checks to connected fraud intelligence



Fraudsters rarely operate through a single data point.
Traditional controls that assess an individual's identity or documents in isolation can miss more sophisticated fraud.



A stronger approach is to connect multiple signals across the customer journey – including identity, device, phone, email, bank account, income and behavioural information.

The fraudster's journey

- 1

Liquidity event: Two-pot withdrawal/access to cash
- 2

Fraudster targets: Consumer identity takeover/stolen credentials
- 3

Multiple applications: Loan stacking/application fraud
- 4

False affordability signals: Manipulated income/documents
- 5

Vehicle acquired
- 6

Loss/default/bust-out



From point-in-time verification to continuous risk management
Fraud controls should also not stop once a customer has been onboarded. Changes to existing customer information – particularly bank accounts, contact details or other sensitive information – can create opportunities for account takeover or payment fraud.



TransUnion's recommended controls therefore include **repeating relevant screening and verifying** the person requesting changes to an existing customer record.

Where AI-driven fraud detection can intervene

- 1

Identity: Verify who the customer is
- 2

Device: Detect suspicious devices and links
- 3

Document: Loan stacking/application fraud
- 4

Income and bank account: Confirm legitimacy of income and bank accounts
- 5

Behaviour: Identify unusual patterns and velocity

For example, TransUnion's Fraud Prevention Model can assess whether customer information matches bureau records, whether a cellphone number has been associated with multiple profiles or SIM activity, and whether device and phone characteristics indicate elevated risk.

This reveals patterns that may not be visible from an individual application alone.



Connected data and machine learning help identify hidden links and stop fraud before loss is incurred.

Business case: Detecting vehicle-rental mules before vehicle release

A major vehicle rental provider faced losses from customers who passed conventional checks using apparently valid identity documents and bankcards but then failed to return rented vehicles. The suspected use of mules by organised syndicates exposed the limits of relying on document and payment verification alone.

TransUnion response

A layered digital-fraud solution combines identity and document verification, facial recognition, the Fraud Prevention Model, bank-account verification and Device Risk to identify inconsistencies and connections that may indicate mule activity before a vehicle is released. Device intelligence can, for example, flag whether the same device, ID, cell phone number or email is linked to multiple hires or applications.

Business value

The approach shifts fraud prevention from detecting vehicle loss after the event to identifying higher-risk customers before the vehicle is handed over while supporting a more automated, consistent onboarding process.



From onboarding to vehicle release

1 Identity verification

- Verify ID/Passport and check against DHA records

2 Document authentication

- Is the document legitimate and unaltered?

3 Facial recognition/ liveness

- Compare selfie to official image
- Is it the same person?

4 Fraud prevention model

- Assess identity address, cellphone and other data for irregularities

5 Bank account verification

- Does the account belong to the customer?
- Is it suspicious or recently opened?

6 Device risk

- Check device, IP, geo-location and links to other applications, IDs, phones or emails

 Business problem

Individuals presented valid ID/passports, driving licences and bank cards in their own names, hired vehicles and did not return them.

These individuals appear to be mules working for syndicates who move vehicles across borders.

The car hire company needed to identify these customers before releasing the vehicle.

 Higher-risk customers identified before vehicle release

- Helps prevent vehicle theft by conversion
- Protects revenue and assets
- Improves operational efficiency
- Supports consistent customer experience

From Traditional KYC to Layered Fraud Protection

The rental example above shows why traditional point-in-time verification is no longer sufficient. Fraudsters can present apparently valid credentials while leaving risk signals across devices, documents, bank accounts, phone numbers and behavioural patterns.

As access to vehicle finance widens, fraud controls need to evolve alongside the market rather than becoming a barrier to legitimate customers.

A layered approach to automotive fraud prevention

Rather than relying on a single verification check, automotive businesses can combine identity, document, device, financial and behavioural signals across the customer journey. TransUnion’s digital onboarding capability brings together identity, fraud and compliance checks – including identity and document verification, proof of income, device risk, bank-account verification, phone-risk indicators, sanctions and watchlist screening and adverse media.

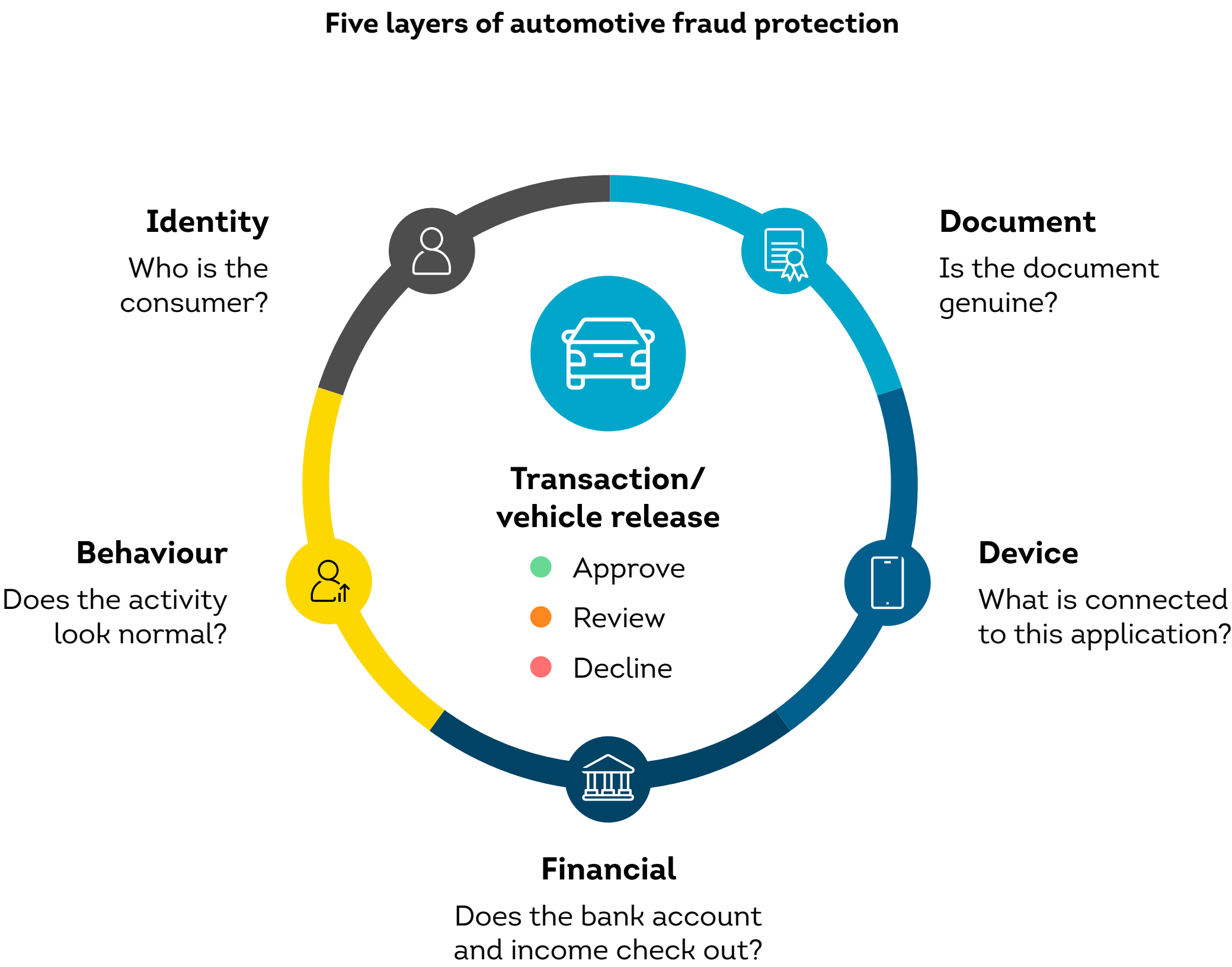


Figure 28

From Fraud Risk to the Right Control

A layered approach that applies the right TransUnion controls across the customer journey.

Fraud risk What we are protecting against	Transunion controls Relevant solutions	Business outcome What it helps achieve
● Identity and synthetic identity fraud Stolen identities or synthetic identities used to apply	● Identity Verification, Facial Recognition and Liveness, Fraud Prevention Model (FPM), Bureau Data Matching	● Verify the genuine customer
● Document and application fraud Altered, stolen or fraudulent documents and applications	● Document Authentication, Fraud Prevention Model (FPM)	● Detect altered or fraudulent documents
● Income and affordability manipulation False or inflated income to obtain credit	● Proof-of-Income Verification, Bank Statement Verification	● Confirm genuine income and ability to afford
● Device and digital fraud Use of compromised devices, bots or linked digital activity	● Device Risk, Device Intelligence, Email Verification	● Identify linked or high-risk digital activity
● SIM and account takeover SIM swap, porting or takeover of phone numbers/accounts	● Phone Verification, SIM Swap and Port Detection	● Protect against account takeover and fraud
● Payment fraud Fraudulent or mule bank accounts used for payments	● Account Verification Services (AVS)	● Validate payment destination
● Regulatory and compliance risk AML, sanctions and reputational exposure	● PEP Screening, Sanctions Screening, Adverse Media Screening	● Strengthen compliance and reduce regulatory risk
● Rental fraud Theft by conversion or false or high-risk rentals	● Identity Verification, Document Authentication, Device Verification, Phone Verification, Bank Account Verification	● Identify higher-risk rentals before vehicle release

Layered controls combine multiple signals, verify genuine customers and reduce fraud losses – without adding friction.

From Point-in-Time Checks to Connected Risk Intelligence

The value of a layered approach isn't the number of checks performed but the ability to connect signals and identify relationships that may not be visible from a single application. This can help distinguish legitimate customers from higher-risk ones while reducing unnecessary friction for genuine buyers.

These controls can be embedded into digital customer journeys rather than run as a separate manual process – allowing businesses to apply risk assessment consistently while keeping experiences smooth.

Applying layered controls across the automotive ecosystem

The same principles adapt to different use cases:

Different risks call for different combinations of controls, but the underlying principle remains the same. Connect multiple signals to identify risk before it becomes a loss.

Tailored combinations of controls help identify risk and prevent fraud across key automotive use cases

Use case	Key controls	What it helps achieve
Vehicle finance Funded vehicle purchases	Identity verification, Income verification, Document authentication, Device intelligence, Behavioural analytics	Helps identify application, affordability and synthetic-identity fraud
Vehicle rental and leasing Short-term and long-term rentals	Identity verification, Document authentication, Device intelligence, Phone verification, Bank account verification	Helps identify higher-risk customers before a vehicle is released
Commercial transactions Dealer, supplier and B2B transactions	Identity and business verification, Account verification, Compliance screening, Sanctions screening, Adverse media screening	Helps address supplier impersonation, payment fraud and regulatory risks

Different risks require different combinations of controls, but the goal is the same:
Connect multiple signals to identify risk before it becomes a loss.

Commercial Value and Key Benefits of Layered Protection

The strategic imperative: enable safe growth



Reduces fraud losses

Identify and prevent fraud before vehicles, parts or funds are lost



Improves customer experience

Frictionless digital checks enable faster, seamless onboarding



Lowers operational costs

Automation, single API and straight-through processing reduce manual work



Enhances compliance

FICA-aligned checks, sanctions screening and audit trails strengthen governance



Enables safe growth

Confidently grow into new markets and customer segments with controlled risk

The objective – make automotive onboarding smarter.

As vehicle ownership becomes more affordability-driven and more consumers enter through used vehicles, alternative financing and rental or leasing models, businesses need to separate legitimate customers from fraudulent behaviour without disrupting genuine demand. This calls for a shift from reactive fraud detection to proactive, connected risk intelligence – using multiple data points to identify anomalies, relationships and behavioural patterns before losses occur.



Key insight

As South Africa's automotive market broadens, fraud risk is moving beyond traditional vehicle finance. Connecting identity, device, behavioural, financial and regulatory signals will become increasingly important in enabling safe growth while protecting customers, assets and profitability.



9

Additional Resources

Additional Resources

To further explore these dynamics and support strategic decision-making, consider delving into the following TransUnion intelligence tools.

Consumer Pulse Survey:

Gain insights into consumer financial behaviours and sentiments, including credit usage and spending patterns.

Industry Insights Report (IIR):

Access detailed data on credit trends across various sectors, including vehicle finance, to inform risk assessment and portfolio management.

Insurance Industry Solutions:

Explore tools designed to enhance underwriting efficiencies and customer engagement in the insurance sector.

Market Discovery:

Utilise this tool for regional or area-specific deep dives to enable targeted market analysis and strategy development.

By leveraging these resources, stakeholders can navigate the evolving automotive landscape with greater confidence and precision.

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- Bureau for Economic Research (BER) – Business confidence index
- Standard Bank: <https://www.standardbank.co.za/southafrica/news-and-media/newsroom/standard-bank-youth-barometer-sa-youth-are-adapting-not-giving-up>



Get there smarter, faster
with TransUnion Automotive

Whether you need to get the sale or improve your current customer experience, we can meet you at any point along your journey.

TransUnion Automotive brings together deep automotive intelligence, robust data and advanced analytical capabilities – placing us at the centre of the data ecosystem that fuels your growth.

From valuation and verification to digital onboarding and beyond, we offer data solutions backed by expert advice to help you make confident decisions with a more complete view of your potential and current customers.

Partner with us to accelerate sustainable growth. Because when businesses and consumers transact with confidence, they can achieve great things. We call that Information for Good®.



Contact Us

Partner With Us to Fuel Your Future Growth

South Africa's mobility market continues to evolve – shaped by shifting consumer priorities, rapid innovation and a persistent focus on affordability.

At TransUnion, we help industry stakeholders see these changes clearly and act on them confidently. Through our data, analytics and market intelligence, we support informed decisions that strengthen trust, efficiencies and growth across the automotive value chain.

For tailored insights or mobility data solutions contact us:

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