

# CONSUMER CREDIT DEMAND INDEX

VEDA QUARTERLY  
July - September 2016

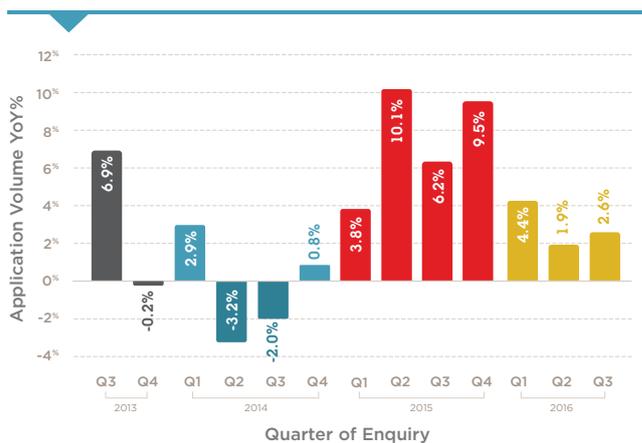


## CONSUMER CREDIT DEMAND MIXED AS APPETITE FOR PERSONAL LOANS INCREASES

Consumer Credit Applications  
12 MONTH ROLLING AVERAGE



Consumer Credit Applications  
QUARTERLY YOY%



### CDI

Overall consumer credit applications are up **+2.6%**



Credit card applications decline **-0.2%**



Growth in personal loan applications rose **+5.4%**



Mortgage applications increased **+0.9%**



(VS SEPTEMBER QUARTER 2015)

SYDNEY, AUSTRALIA: TUESDAY, 18 OCTOBER 2016

The *Veda Quarterly Consumer Credit Demand Index*, measuring the volume of credit card and personal loan applications

rose at a rate of

**+2.6%**

IN THE SEPTEMBER QUARTER, COMPARED WITH THE SAME PERIOD IN 2015.

Credit demand **bounced back** in the month of July, following the Federal election, but was softer throughout August and September. Although **overall consumer credit applications rose this quarter**, the annual rate of growth is still more subdued than it was earlier in the year.



Credit card applications



DECLINE OF **-0.2%**

IN SEPTEMBER QUARTER, IN COMPARISON TO **-0.7%** IN THE JUNE QUARTER



Personal loan applications



GREW TO **+5.4%**

IN SEPTEMBER QUARTER, UP FROM **+4.6%** IN THE PREVIOUS QUARTER



The *Veda Quarterly Consumer Credit Demand Index* provides an early indication of movements in consumer spending and retail sales.



**Growth in personal loan** applications was a key driver of the **eighth consecutive quarter of growth** in the index, which was released today by Veda, Australia and New Zealand's leading provider of consumer and commercial data and insights and a wholly-owned subsidiary of Equifax.



"The mixed results seen in the September Credit Demand Index, which measures **demand for discretionary consumer credit**, were a **reflection of the varied economic conditions** and the **continued trend of consumers** remaining circumspect about taking on additional credit."

"The Index, while still positive, has **trended downward throughout 2016**. This declining appetite for credit has been **reflected in falls in the stock** of other personal credit (excluding housing), as measured by the Reserve Bank of Australia, which was **down by -1.2%** for the year to August. This represents eight straight months of declining personal credit and the sharpest fall since June 2012."



#### Angus Luffman

Veda's General Manager  
of Consumer Risk

"The auto lending market continued to **perform very well**, and was matched by **continued growth** in car sales."



"Interestingly, we have seen a **significant impact** on personal loan activity growth **by new lenders**, offering innovative solutions targeting niche market segments. These new market entrants usually offer their products via digital channels."



**Personal loans rallied this quarter**, driven by **strong demand for automotive loans** and the emergence of new entrants in the personal lending space.



CREDIT CARD APPLICATIONS



Credit card applications **fell**

**-0.2%**

IN THE SEPTEMBER QUARTER

+2.2%



TAS

+2.2%



NT

+0.9%



VIC

+0.6%



SA

NSW

QLD

WA

ACT

-0.3%

-0.6%

-2.0%

-3.4%

NSW and QLD recorded the smallest declines in credit card applications, while WA and the ACT recorded the largest fall.

By jurisdiction, TAS and the NT experienced the greatest growth in credit card applications, followed by VIC and SA.

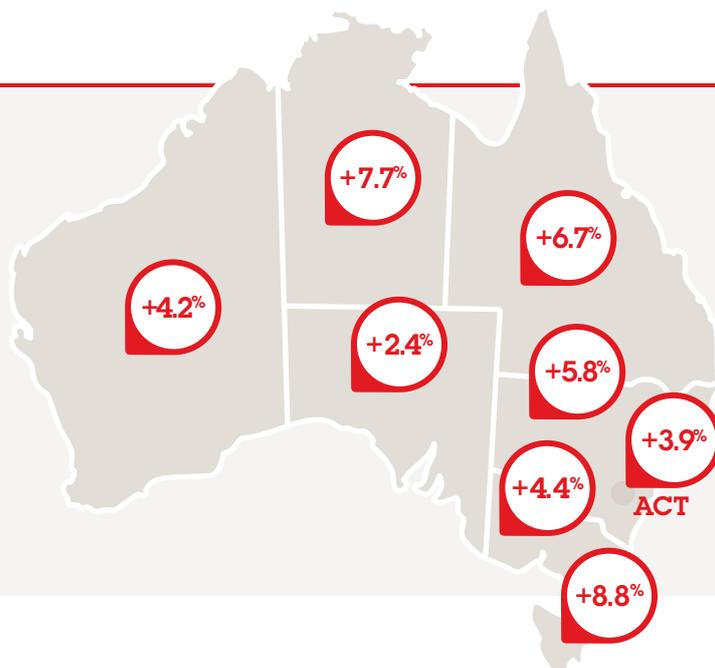


PERSONAL LOAN APPLICATIONS



**+5.4%**

**Growth** in personal loan applications saw an **increase** in the September quarter





MORTGAGE APPLICATIONS



**Demand for mortgages rose**

**+0.9%**  
IN THE  
SEPTEMBER  
QUARTER 2016

This represents the **first rise** in mortgage applications following four consecutive quarters of decline. However, the rate of growth is still considerably **lower than the most recent high of +13.6%** in the June quarter of 2015.

+7.5%



ACT

+6.3%



TAS

+5.0%



VIC

+4.1%



SA

+2.3%



QLD

-1.0%



NSW

-8.2%



NT

-8.5%



WA

The ACT experienced the strongest rate of mortgage application growth, with TAS, VIC, SA and QLD also **showing positive growth**.

The most significant fall in mortgage applications was experienced in WA, followed closely by the NT. NSW also experienced a decline in mortgage applications, **suggesting high house prices in Sydney may be starting to bite**.



Historically, movements in **Veda mortgage applications** have tended to **lead movements in house prices** by around six to nine months, with mortgage applications a good indicator of home buyer demand, and an excellent indicator of housing turnover.

“Although we have seen a modest increase in mortgage applications this quarter, compared to the previous several quarters, growth is still subdued. While there has been a nationwide **softening of mortgage demand** over the course of 2016, we have seen movement between the states in terms of where demand is coming from. **NSW, the NT and WA have moved into negative territory**, while a pickup in activity has been recorded in the other states.”



**Angus Luffman**

Veda’s General Manager of Consumer Risk

For more information  
please contact:

Philippa Hill at Veda

✉ Philippa.Hill@veda.com.au

☎ 02 9278 7963

### About Veda

Veda is a data analytics company and the leading provider of credit information and analysis in Australia and New Zealand. From its core credit bureau business established in 1967, Veda has expanded to deliver a suite of credit and other analytical products targeted to consumers and specific industry segments.

Veda's customers use data intelligence provided by Veda to make decisions on credit risk, verify identity and employee background, reduce identity theft and fraud, and undertake digital marketing strategies.

In February 2016, Equifax Inc., a global leader in information solutions, closed its acquisition of Veda. Equifax powers the financial future of individuals and organisations around the world, using its strength of unique trusted data, technology and innovative analytics. Together, Veda and Equifax offer their customers world-leading insights and knowledge to help them make informed decisions

[www.veda.com.au](http://www.veda.com.au)

**NOTE TO EDITORS** The *Veda Quarterly Consumer Credit Demand Index* measures the volume of credit card and personal loan applications that go through the Veda Consumer Credit Bureau by financial services credit providers in Australia. Credit applications represent an intention by consumers to acquire credit and in turn spend; therefore the index is a lead indicator. This differs to other market measures published by the RBA which measure credit provided by financial institutions (i.e. balances outstanding).

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