DEBT BUSTERS

Debt Index |Q3 2026

This document is copyrighted. The contents of this document are confidential and cannot be shared, written or otherwise, without written consent from DebtBusters.





Executive summary – Benay Sager, Executive Head of DebtBusters

As the Debt Index continues beyond its tenth year, and the Money-Stress Tracker its fifth, the long-term view of South African consumer financial health is revealing some notable shifts.

South Africans remain under significant financial pressure. **In Q3 2026, consumers who applied for debt counselling needed 65% of their take-home pay to service debt.** This is an improvement on the Q1 2021 peak of 73%, but still extremely high. **The overall debt to annual net income ratio is trending upwards again and is now 126%. For top earners** (those taking home more than R50k a month)**, debt repayments consume 97% of take-home pay. This group's total debt to annual net income ratio is 300%,** down from the Q3 2024 peak of 340%, but **still the highest of any income group.**

Consumer borrowing is shifting away from banks. In Q3 2026, **banks accounted for 65% of new applicants' debt, the lowest share in a decade and down from a peak of 75% in Q3 2023**. In the same period, **non-bank lenders** (retailers, unsecured and microlenders, and online lenders) **almost doubled their share, from 8% in Q3 2024 to 15% in the last quarter, their highest level since the Debt Index began.** Consumers who can no longer get credit from banks, or who need fast short-term cash, are increasingly turning to alternative lenders.

The shift goes hand in hand with a rise in short-term and multi-lender borrowing. **96% of new applicants have a personal loan at the time of application, and a record 64% now carry a one-month (payday) loan, up from 57% a year ago**. The **average number of credit agreements** per new applicant has reached **8.8, its highest level yet**, rebounding sharply from 6.9 in 2020. This points to a cash crunch with short-term credit, which is often more expensive and harder to manage.

Since 2021, **average net income of incoming applicants has grown by 31%**, slightly ahead of CPI growth of 27%. This average hides wide differences: **income growth has been led by the highest and lowest earners,** while **the R10–50k bands have seen almost no change**. Key cost-of-living components have risen far faster: **petrol prices are up 46% since 2021, and electricity tariffs are up 101%.** For **the R10–20k income group,** the backbone of South Africa's working population, **38% of disposable income goes to groceries alone. For those taking home less than R10k, this rises to 50%**, leaving little for insurance, savings or emergencies.



Executive summary – Benay Sager, Executive Head of DebtBusters

On average, unsecured debt levels are 37% higher than in 2021. For those taking home R50k or more, this figure is 67%, far outpacing both inflation (27%) and that group's salary growth (12%). When it comes to total debt, the picture is split. **Top earners' total debt is 44% higher than in 2021, while lower-income earners have seen their total debt shrink by up to 21%.** This reflects reduced access to credit rather than improved financial health.

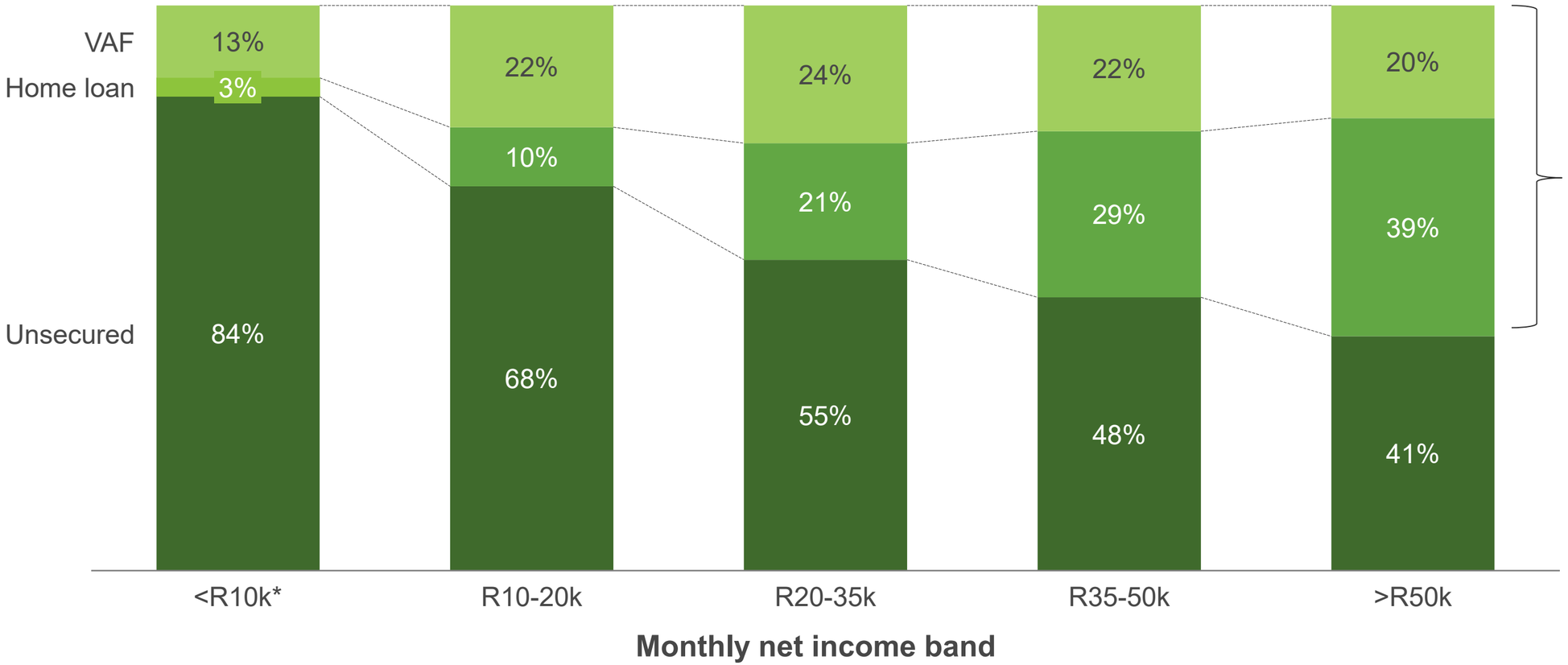
The interest rate cycle has turned. After the cuts from late 2024 through 2025, the repo rate has risen to 7.25%. Rates on incoming clients' credit agreements are edging up: **unsecured debt now averages 19.85% p.a., vehicle finance 14.1% p.a., and home loans 10.6% p.a.** The **share of home loan debt in the applicant pool has ticked up to 22% from 20%,** and it is expected to rise further if rates keep climbing.

Financial stress is reaching South Africans earlier and later in their lives. Under-25s now make up 9% of new applicants, a 50% increase on Q3 2025, and triple their share in 2024. The **45+ cohort represents 29% of applicants**, up from 22% in 2016.

Debt counselling continues to prove its worth. **In Q3 2026, the number of consumers successfully completing the programme was around 15 times the 2016 level, and these graduates paid roughly R613 million to their creditors while under debt counselling.** Non-debt-counselling subscriptions to the DebtBusters website remain well above 2021 levels, although they have eased from their 2025 peak.

The nature of debt varies for each income group. Predictably, higher-income earners have a larger proportion of secured debt but middle income earners feel the pressure of vehicle loans the most

Breakdown of new applicants' debt
Percent by type



Share of debt that is asset-based increases to 45% for those taking home R20k-R35k; while for those taking home R50k or more, the share of debt that is asset-based goes up to 59%

VAF refers to vehicle finance agreements.
Unsecured debt refers to all debt other than vehicle finance and home loans. Therefore, it includes credit card debt, overdraft facilities, personal loans, retail cards, store cards, and the like.

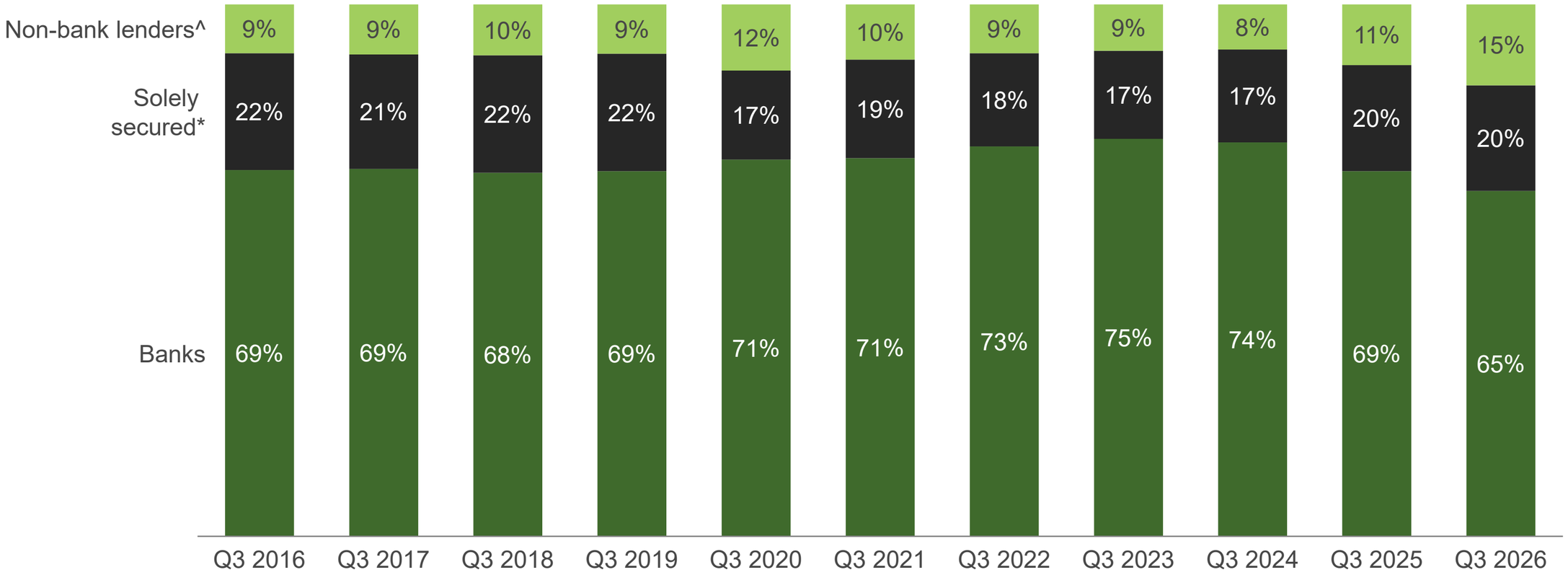
* New income band reported from Q1 2026 (combining <R5k + R5-R10k income bands)
Source: DebtBusters

Share of lending institutions is changing: While banks still lead the way, non-bank lending is on the rise, driven by increased borrowing from online lenders

Banks make up ~65% of credit (more so with affiliates); there is an increase in non-bank lending compared to a few years ago

Breakdown of new applicants' debt

Percent by type of lender



* Includes Marquis Finance, MFC, SA Homeloans, Wesbank, Mercedes, and BMW Finance which grant secured credit only (some of these institutions are linked to the banks)

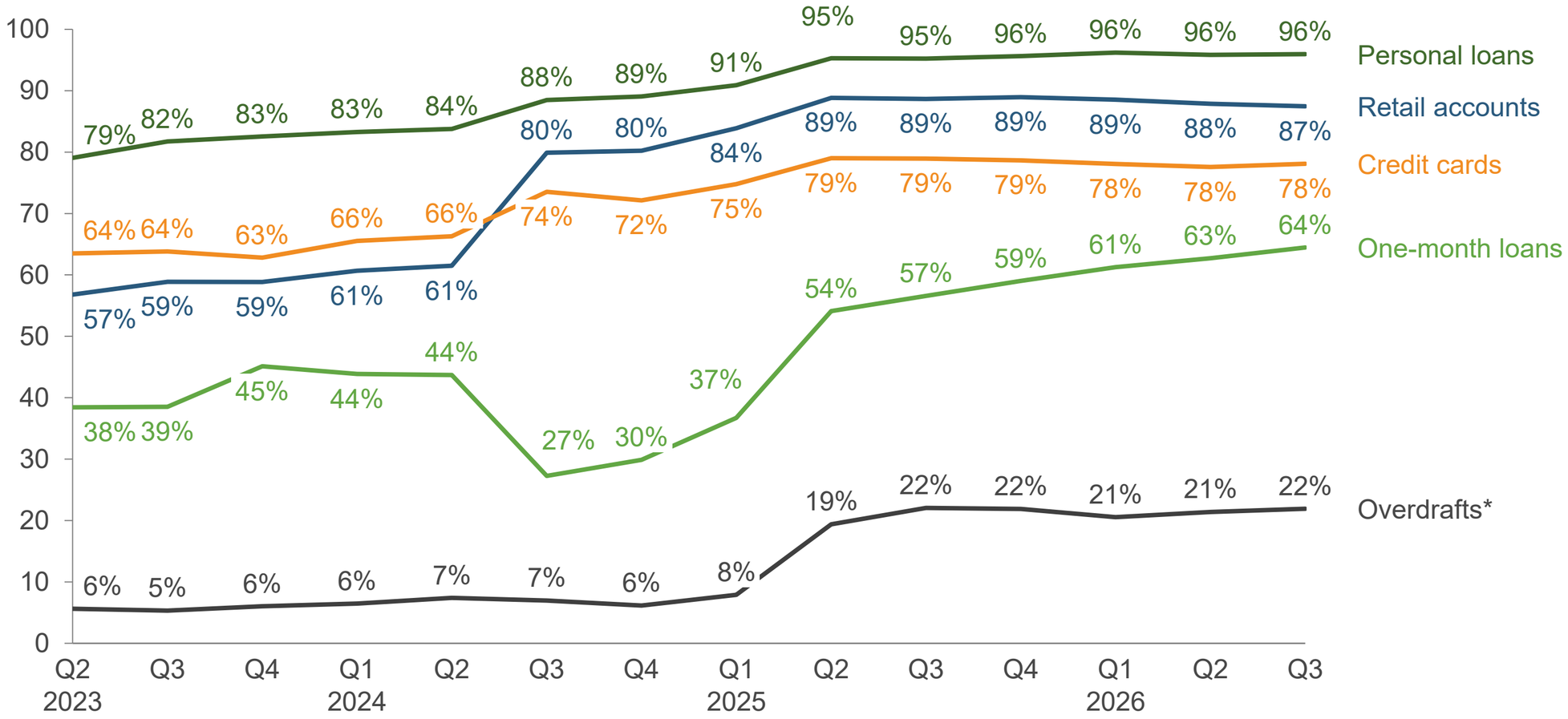
^ Includes retailers, unsecured & microlenders, debt collection agencies

From Q1 2026, figures reflect enriched data, including credit bureau and internal data. Data from the former Consumer Debt Help business (now part of DebtBusters) has also been incorporated for previous years. We believe this provides greater granularity and insights on a wider range of consumer, credit agreement, and credit provider data. It also has an impact on consumer debt profile and creditor classifications. Therefore, historical figures have been restated accordingly, and new metrics have been introduced.

Source: DebtBusters

Looking more closely at unsecured debt: 96% of new applicants have a personal loan at the time they apply for debt counselling; 64% have a one-month (payday) loan

Share of new applicants with…



- 96% of new applicants have a personal loan at time of applying for debt counselling
- 64% have a one-month (payday) loan
- 78% of new applicants rely regularly on their credit cards
- The prevalence of personal loans, one-month loans, and credit card usage indicates SA consumers continue to be under severe cash flow pressure

One-month loans refers to personal loans that have a repayment period of one month
Personal loans refers to all other personal loans that have a repayment term of more than one month. As a result of enhanced data granularity, as of Q3 2024 personal loans and one-month loans were reclassified
Retail refers to clothing accounts, store cards, furniture accounts, and similar
Credit cards refers to revolving credit facilities excluding those linked to stores or retail

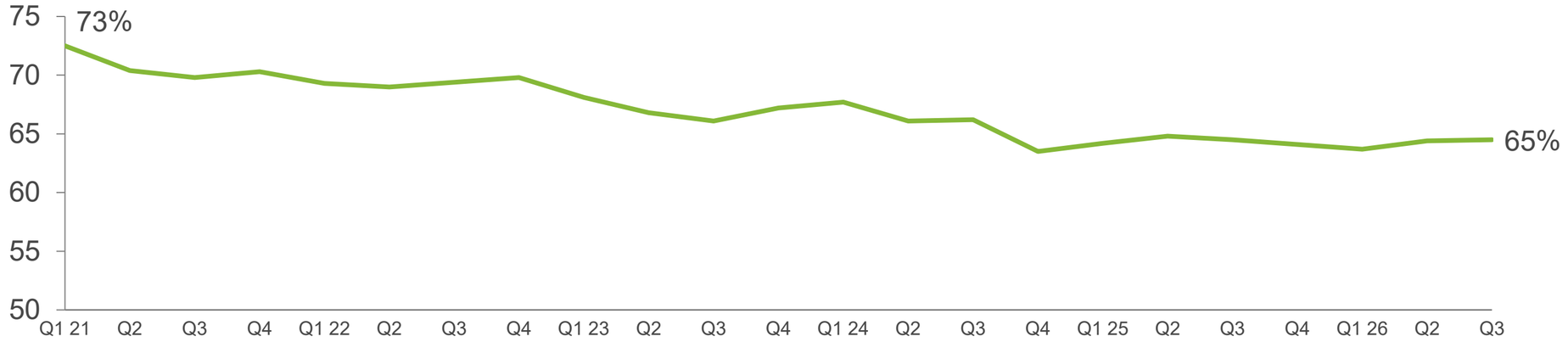
*Overdraft data is available via credit bureaus as of March 2025. For previous quarters, overdraft accounts would only become identifiable after cheque accounts were "split" by lenders post-debt counselling application, resulting in different classifications by different lenders

Source: DebtBusters

Compared to previous years, the debt service ratio has improved. Consumers now need 65% of their take-home pay to service debt. On the other hand, the overall debt to annual net income ratio, at 126%, has started trending upwards again…

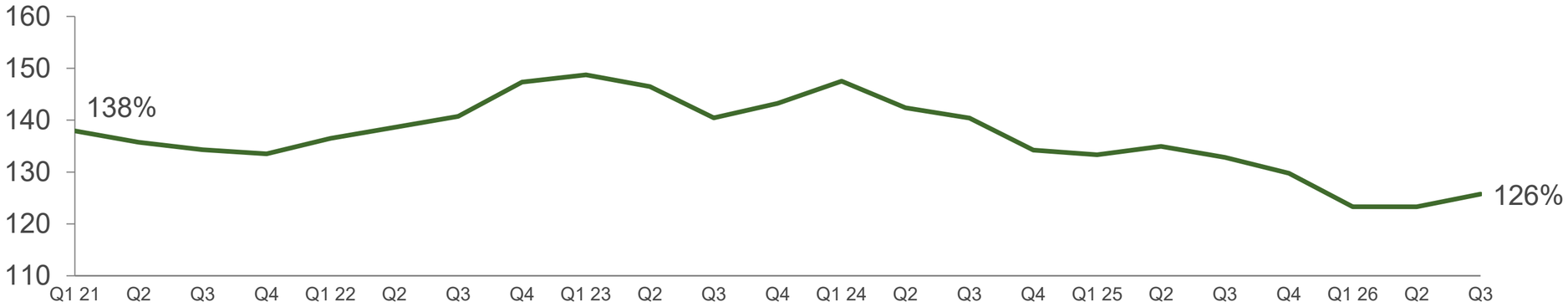
Original monthly debt repayment to net income ratio[1] has improved...

Percent of net income that was required to pay debt before signing up with DebtBusters



…but overall debt to annual net income ratio is trending upwards

Total debt exposure to annual net income ratio, when consumers sign up with DebtBusters



2024 household debt figures for select countries (OECD*):
Mexico 28%
Poland 39%
Italy 80%
Germany 86%
USA 99%
UK 131%
Korea 174%
Australia 210%

In many countries, debt is mostly home loan debt at very low interest rates

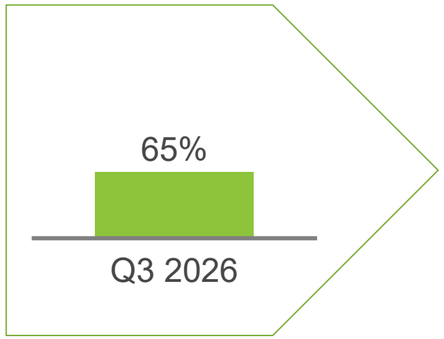
1 Median debt repayment to net income ratio for all new applicants signed up in that quarter

* OECD (2024), "Household debt" (indicator), https://doi.org/10.1787/f03b6469-en (accessed in October 2026). Figures are for 2024.

From Q1 2026, figures reflect enriched data, including credit bureau and internal data. Data from the former Consumer Debt Help business (now part of DebtBusters) has also been incorporated for previous years. We believe this provides greater granularity and insights on a wider range of consumer, credit agreement, and credit provider data. It also has an impact on consumer debt profile and creditor classifications. Therefore, historical figures have been restated accordingly, and new metrics have been introduced.

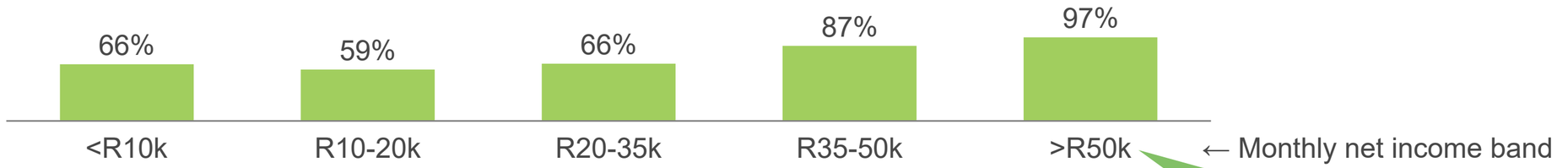
Source: DebtBusters

…for those taking home more than R50k per month, the total debt to annual net income ratio is 300%, and they need 97% of their take-home pay every month to service their debt repayments…

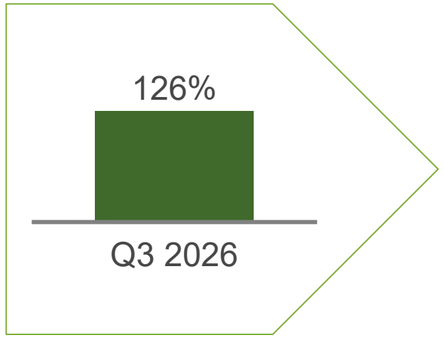


Original monthly debt repayment to net income ratio[1]

Share of net income that was required to pay debt before signing up with DebtBusters

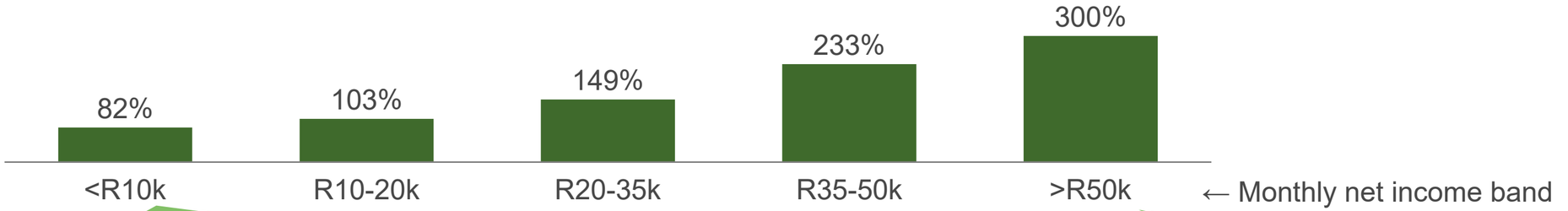


Need almost their full salary to service debt, starting each month financially on the back foot



Original overall debt to annual net income ratio

Debt exposure to net income ratio, when consumers sign up with DebtBusters



High debt to annual net income ratio at 82% and require 66% of net income to pay debt each month, which means interest rates charged are highest (generally ~3-4% p.a. higher compared to highest income groups)

Highest debt to annual net income ratio

1 Median debt repayment to net income ratio for all new applicants signed up in that quarter

Source: DebtBusters

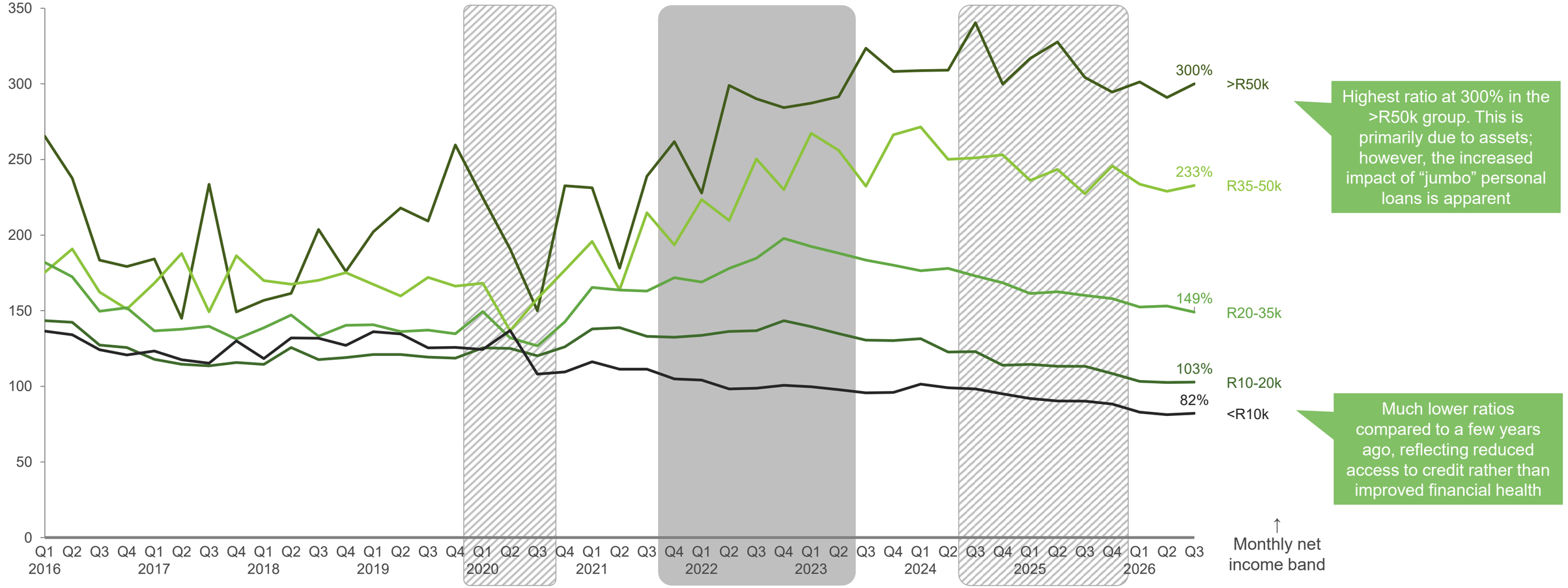
…the overall debt to annual net income ratio appears to have improved for many income bands compared to a few years ago, but the post-covid demand for credit and inflation impact on high earners are still pronounced

Repurchase rate decisions by SARB

- Multiple increases
- Multiple decreases

Original overall debt to annual net income ratio per income band, average

Debt exposure to net income ratio, when consumers sign up with DebtBusters



Highest ratio at 300% in the >R50k group. This is primarily due to assets; however, the increased impact of "jumbo" personal loans is apparent

Much lower ratios compared to a few years ago, reflecting reduced access to credit rather than improved financial health

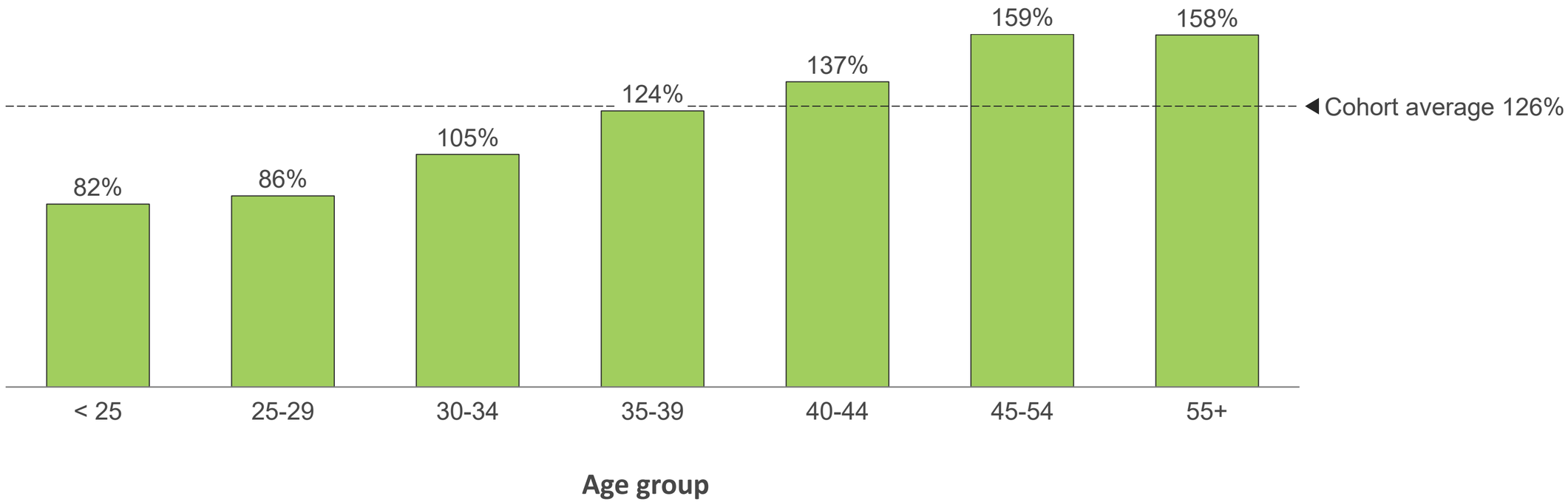
From Q1 2026, figures reflect enriched data, including credit bureau and internal data. Data from the former Consumer Debt Help business (now part of DebtBusters) has also been incorporated for previous years. We believe this provides greater granularity and insights on a wider range of consumer, credit agreement, and credit provider data. It also has an impact on consumer debt profile and creditor classifications. Therefore, historical figures have been restated accordingly, and new metrics have been introduced.

Source: DebtBusters

Debt to income ratio varies with age group, indicating there is an opportunity for younger consumers to address their debt earlier in their professional lives

Original overall debt to annual net income ratio for most recently completed quarter, average

Debt exposure to net income ratio, when consumers sign up with DebtBusters

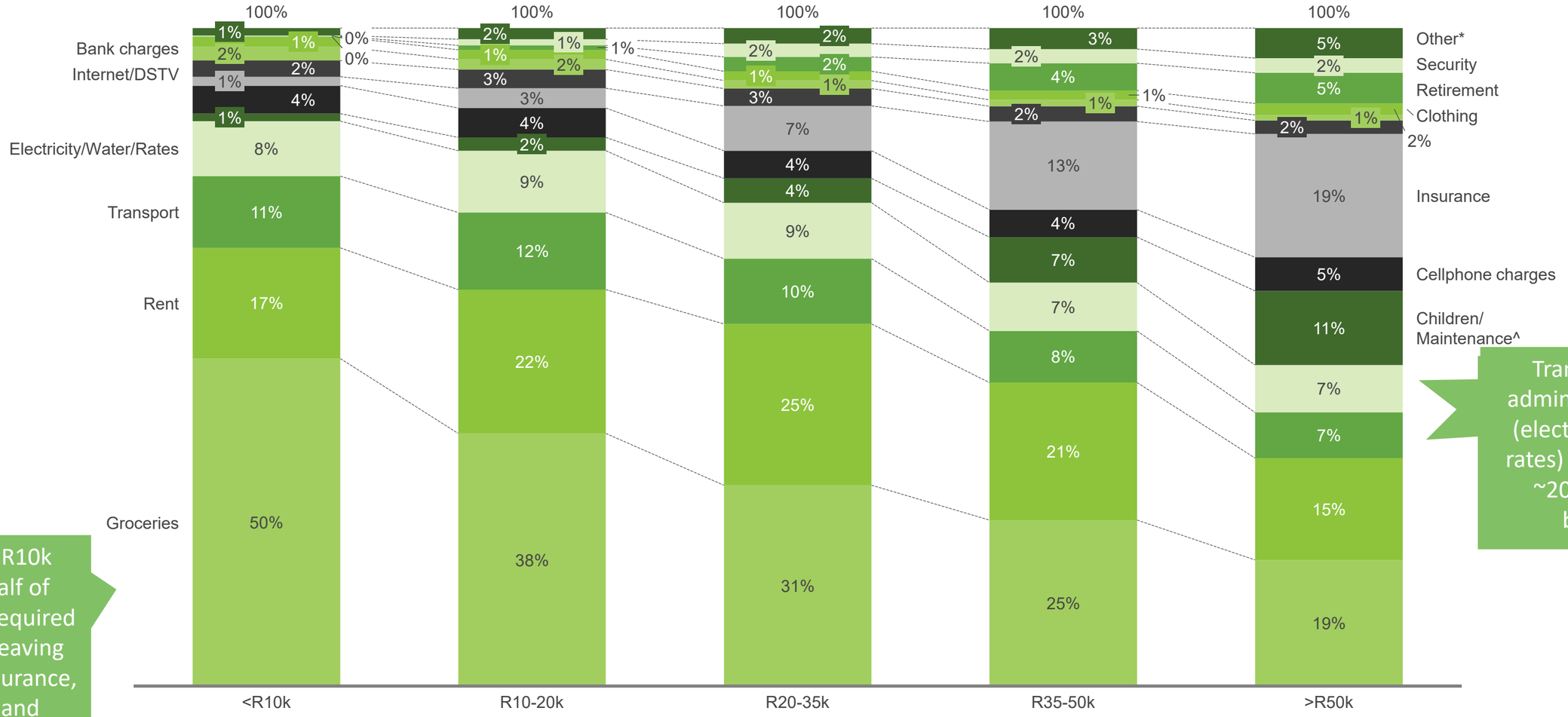


Source: DebtBusters

Debt repayments make up a sizeable portion of take-home pay. But what do the rest of consumers' budgets look like? The largest share of consumers spend ~20% of their disposable income on transport and administered costs (electricity, water, rates), highlighting the impact of the cost-of-living crisis…

Share of disposable income (excluding debt repayments) spent on…

Clients who applied for debt counselling in most recently completed quarter



For the <R10k group, half of income is required for food, leaving little for insurance, savings and emergencies

Transport and administered costs (electricity, water, rates) now take up ~20% of most budgets

*Other = Other sundry items such as home and vehicle maintenance, medical expenses, domestic worker, TV licence, etc

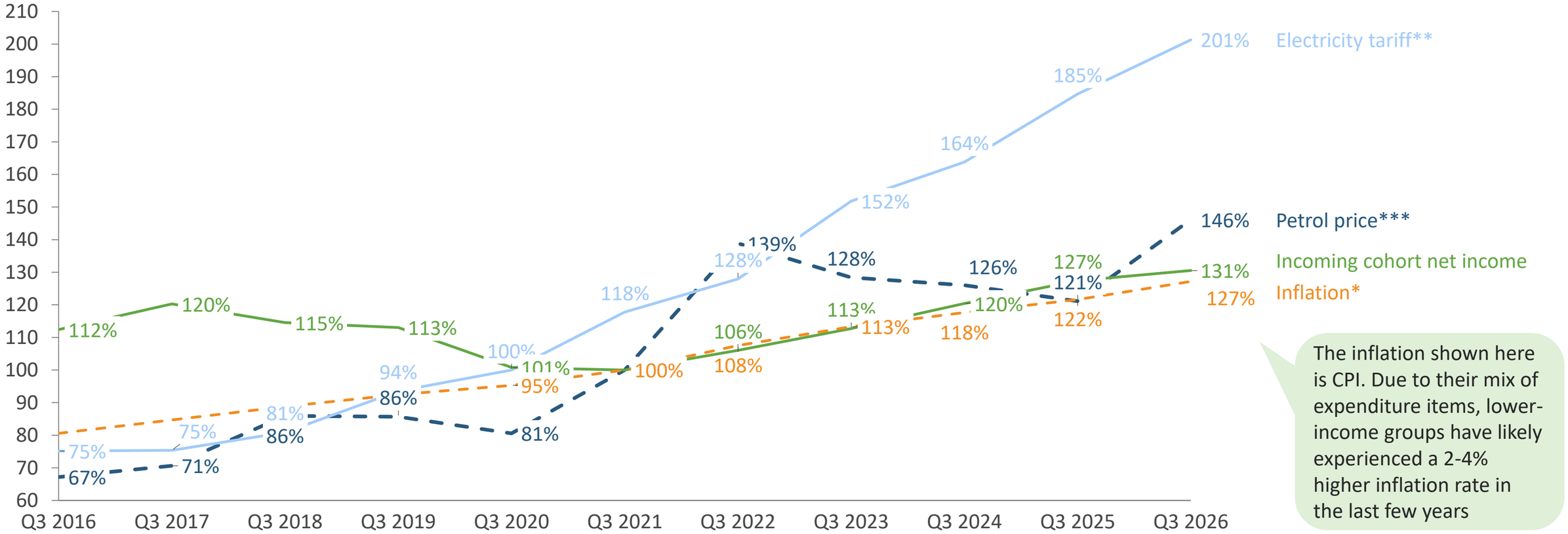
^Includes school fees

Source: DebtBusters

Since Q3 2021, primary cost-of-living indicators have risen substantially faster than incomes. The petrol price increased by 46%, and electricity tariffs by 101%. Over the same period, the average take-home pay of incoming cohorts rose by 31%; income levels that have been suppressed since 2021 are now firmly above pre-covid levels…

Change in primary indicators at end of the quarter

Indexed to 2021 levels | 2021 = 100



* Source: Stats SA CPI history; Stats SA report P0141; https://www.statssa.gov.za/?page_id=1854&PPN=P0141; last accessed 21 Oct 2026

** Source: Eskom municipal rate increases; https://www.eskom.co.za/distribution/5189-2/; last accessed Oct 2026

*** Source: AA; inland price of Unleaded 93 petrol per litre; https://aa.co.za/fuel-pricing/; last accessed Oct 2026

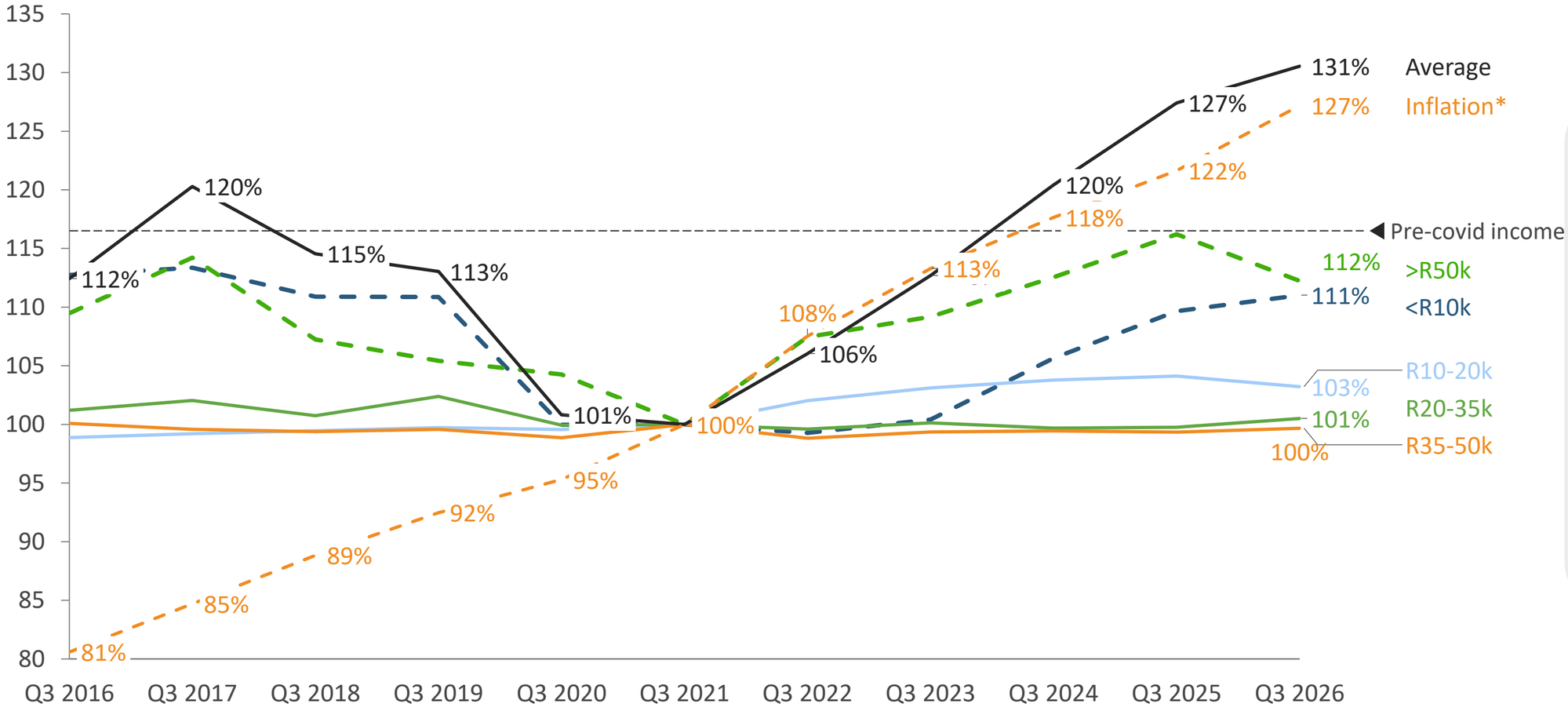
From Q1 2026, figures reflect enriched data, including credit bureau and internal data. Data from the former Consumer Debt Help business (now part of DebtBusters) has also been incorporated for previous years. We believe this provides greater granularity and insights on a wider range of consumer, credit agreement, and credit provider data. It also has an impact on consumer debt profile and creditor classifications. Therefore, historical figures have been restated accordingly, new metrics have been introduced, and the baseline has been moved to 2021.

Source: DebtBusters

Since 2021, the average net (take-home) pay of incoming debt counselling clients has risen by 31%, slightly ahead of inflation (CPI), which rose by 27%. At first glance, it seems that income growth kept up with inflation. But a closer look by income band reveals that for many groups, incomes have barely changed over the same period, especially when compared with pre-covid levels.

Change in net income levels per cohort of incoming consumers, per net income band

Indexed to 2021 levels | 2021 = 100



- On average, it appears net incomes have kept up with inflation since 2021
- However, the average net income increase is led by the highest and lowest earners
- Per income band, average net income growth still lags behind inflation

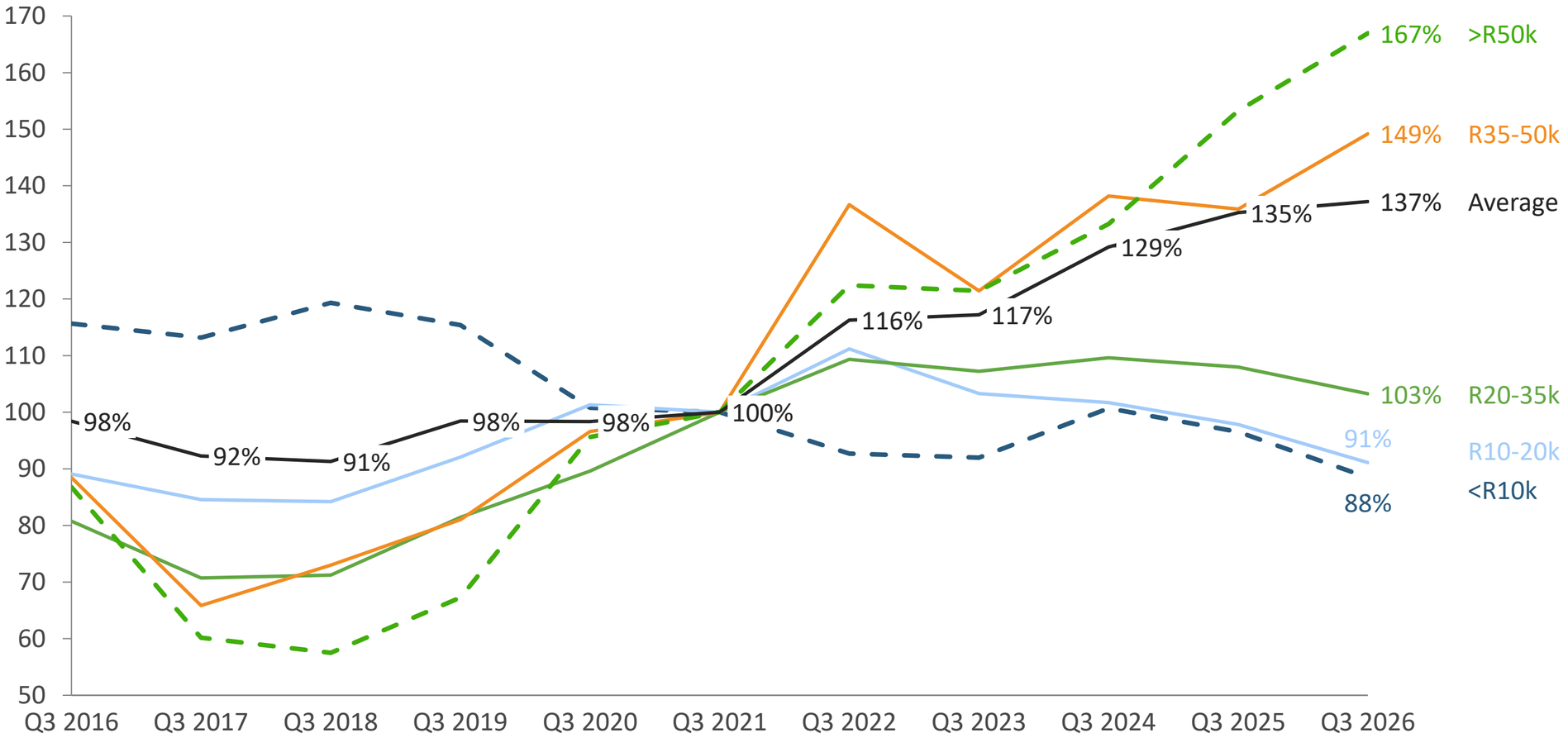
* Source: Stats SA CPI history; Stats SA report P0141; https://www.statssa.gov.za/?page_id=1854&PPN=P0141&SCH=73984; last accessed on 21 Oct 2026

From Q1 2026, figures reflect enriched data, including credit bureau and internal data. Data from the former Consumer Debt Help business (now part of DebtBusters) has also been incorporated for previous years. We believe this provides greater granularity and insights on a wider range of consumer, credit agreement, and credit provider data. It also has an impact on consumer debt profile and creditor classifications. Therefore, historical figures have been restated accordingly, new metrics have been introduced, and the baseline has been moved to 2021.

Source: DebtBusters

On average, consumers have 37% more unsecured debt in 2026 compared to 2021. Those taking home R35-50k have 49%, and those taking home R50k or more have 67% more unsecured debt than in Q3 2021. This outpaces inflation (CPI) growth of 27% and is much higher than the salary growth of 12% during the same period for the top earners, highlighting the pressure they are under…

Change in unsecured debt levels per income band of consumers signed up in the quarter
Indexed to 2021 levels | 2021 = 100



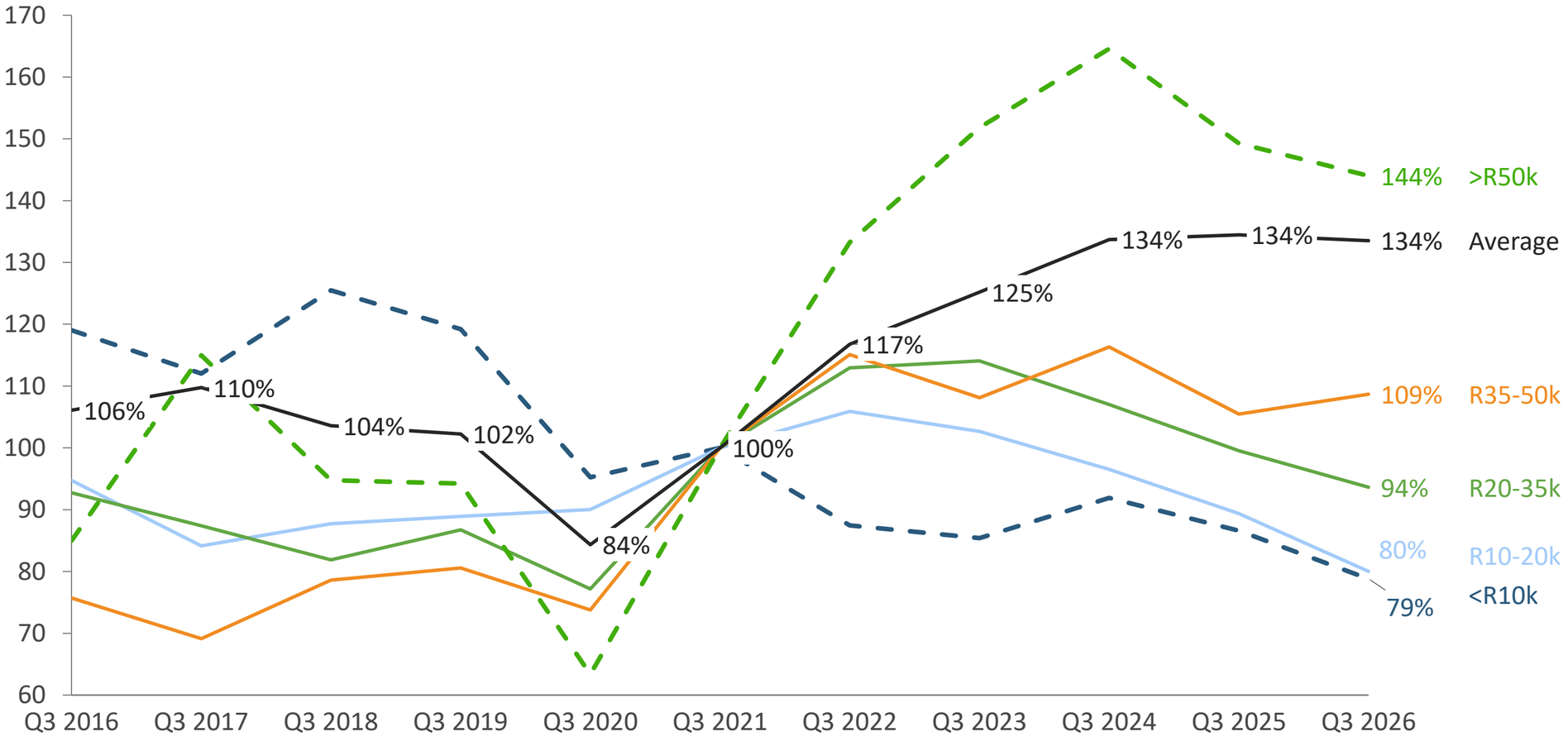
- For top earners, the 67% increase in unsecured debt levels far outpaces inflation (CPI) growth of 27% and salary growth of 12% over the same period
- The gap between salary growth and unsecured debt growth for the top earner group may signal a structural issue
- Lending to lower-income bands has shrunk significantly since 2021

From Q1 2026, figures reflect enriched data, including credit bureau and internal data. Data from the former Consumer Debt Help business (now part of DebtBusters) has also been incorporated for previous years. We believe this provides greater granularity and insights on a wider range of consumer, credit agreement, and credit provider data. It also has an impact on consumer debt profile and creditor classifications. Therefore, historical figures have been restated accordingly, new metrics have been introduced, and the baseline has been moved to 2021.

Source: DebtBusters

On average, total debt levels (secured and unsecured debt) are 34% higher than in Q3 2021. However, this is a tale of two halves: Top earners' total debt has outpaced inflation, while lower-income groups have significantly lower levels of debt. This reflects reduced access to credit rather than improved financial health

Change in total debt levels per income band of consumers signed up in the quarter
Indexed to 2021 levels | 2021 = 100



- Compared to 2021, the increase in total debt is 34%. This has been consistent for the last few years
- There are big differences between income bands, highlighting the concentration of credit risk in top income bands

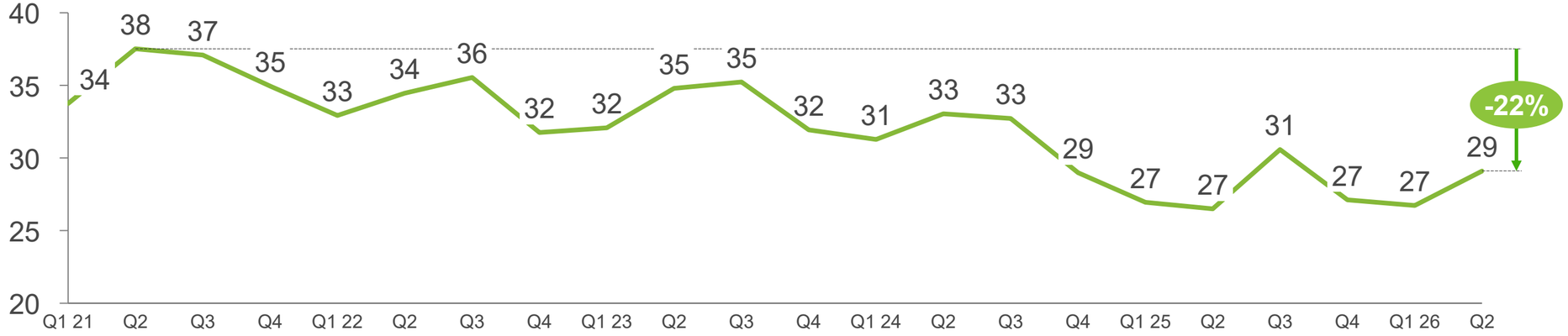
From Q1 2026, figures reflect enriched data, including credit bureau and internal data. Data from the former Consumer Debt Help business (now part of DebtBusters) has also been incorporated for previous years. We believe this provides greater granularity and insights on a wider range of consumer, credit agreement, and credit provider data. It also has an impact on consumer debt profile and creditor classifications. Therefore, historical figures have been restated accordingly, new metrics have been introduced, and the baseline has been moved to 2021.

Source: DebtBusters

Stats SA figures show that both businesses and individuals are leaving larger debts unpaid. Since the same period in 2021, the average value of court judgements obtained to recover unpaid debt has risen by 39%.

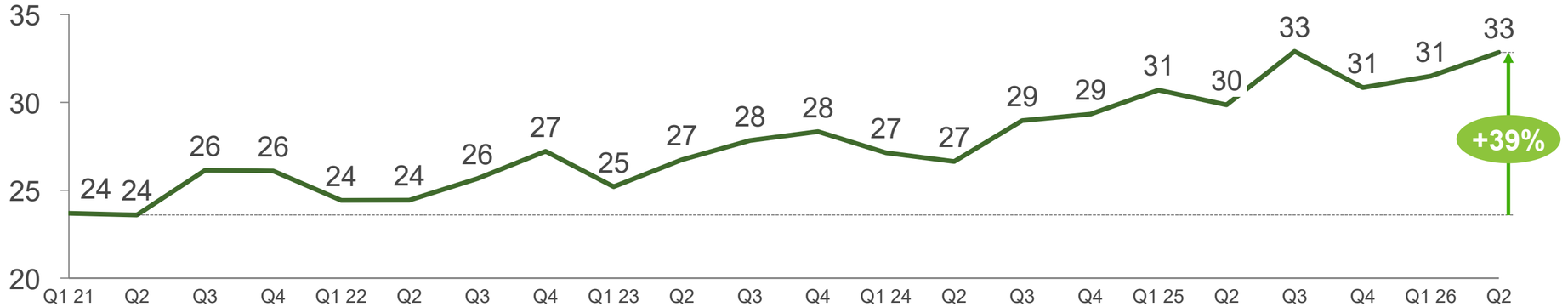
Number of judgements has dropped, indicating courts may not be the preferred method for debt recovery^...

Number of judgements reported in a quarter (businesses and private persons), thousands



...but average value per judgement has increased by 39%

Average value per judgement (thousand Rand) (businesses and private persons)



While the volume has dropped by 22%, the average value has increased by 39% since the same period in 2021

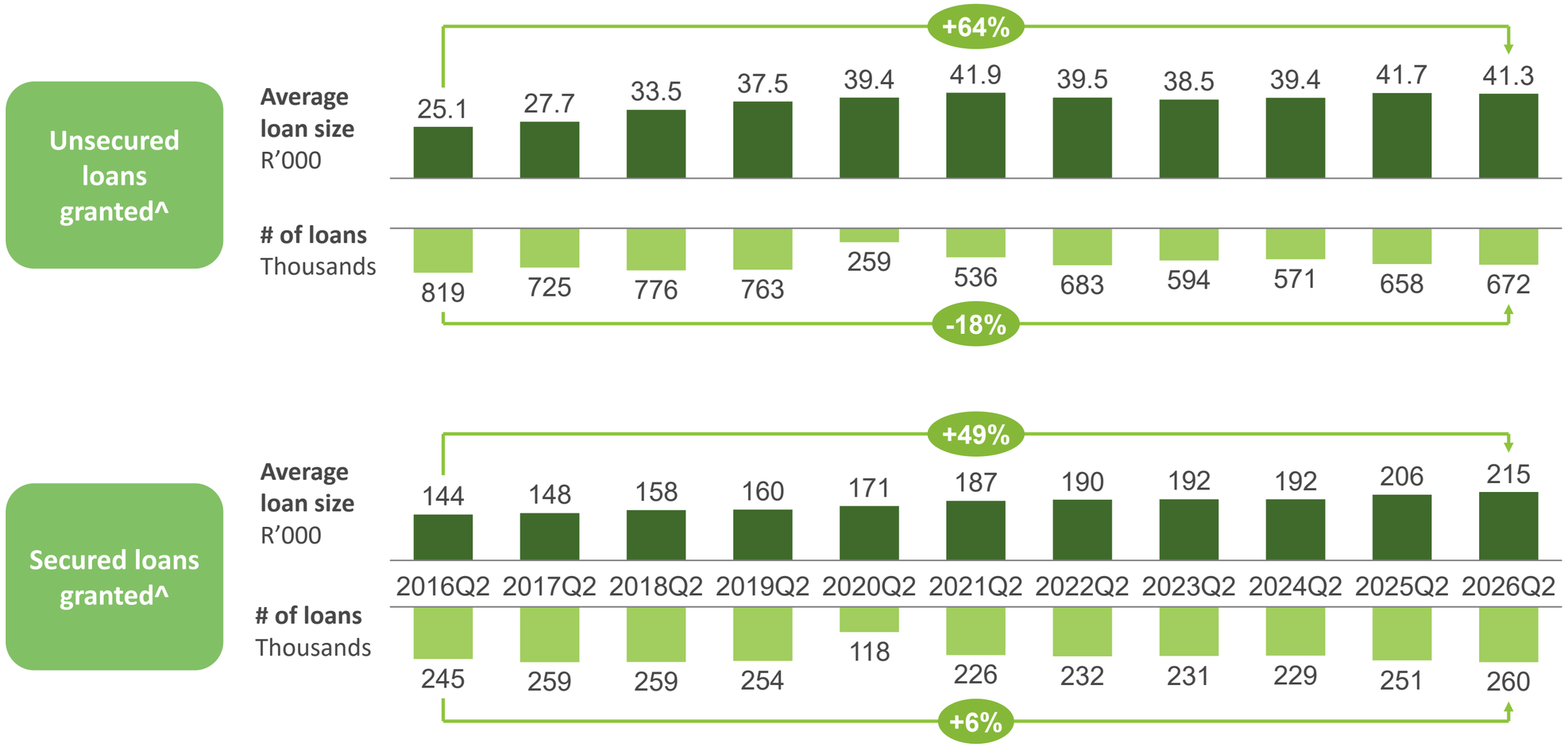
This indicates that larger amounts are going unpaid by both businesses and private individuals

^ Q2 2026 was the most recent full quarter available at time of publication. Includes judgements obtained against businesses and private persons

Judgements include the following categories: Goods sold (including instalment sales and open account sales), rent (unpaid rent), money lent (loans), professional services (medical doctors, dentists, hospital services, advocates, attorneys, auditors, accountants, architects and engineers etc), municipal services, rates, levies, class and tuition fees, cheques and credit cards.

Source: Stats SA P0041 statistics of civil cases for debt

Since 2016, the average unsecured loan size has grown by 64%, while the volume of new unsecured loans has dropped by 18%. This means larger unsecured (personal) loans are being granted to a smaller number of consumers: Risk is being concentrated among an ever-smaller group of consumers



- Since 2016, the average unsecured loan size increased by 64%, while the number of new loans decreased by 18%. This indicates that unsecured lending is extended largely to a smaller pool of consumers, indicating a higher concentration of credit risk
- For secured loans, in contrast, the number of new loans was largely unchanged, but the average loan size increased by 49%

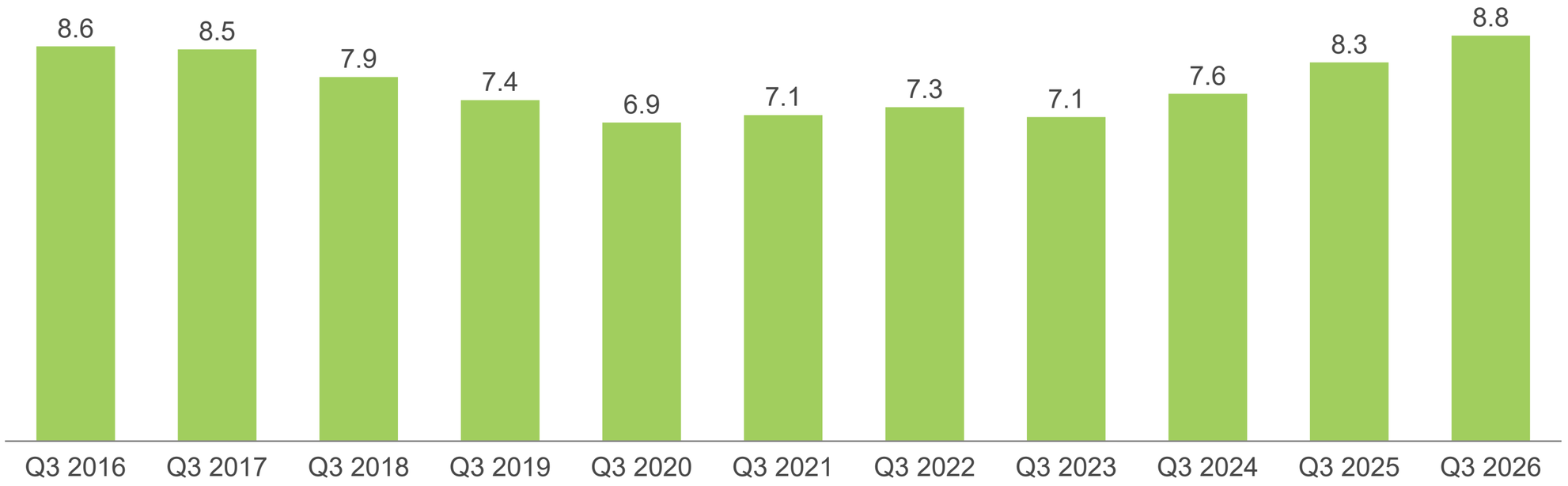
^ Q2 2026 was the most recent quarter available at time of publication

Source: NCR Consumer Credit Market Report Data Q4 2007 – Q2 2026; table 0003

At 8.8, the number of credit agreements per applicant is at its highest level yet. After dropping to 6.9 in 2020, it has rebounded sharply, suggesting a new wave of multi-lender borrowing over the past few years

Credit agreements (open trades) per new applicant

Number



From Q1 2026, figures reflect enriched data, including credit bureau and internal data. Data from the former Consumer Debt Help business (now part of DebtBusters) has also been incorporated for previous years. We believe this provides greater granularity and insights on a wider range of consumer, credit agreement, and credit provider data. It also has an impact on consumer debt profile and creditor classifications. Therefore, historical figures have been restated accordingly, new metrics have been introduced, and the baseline has been moved to 2021.

Source: DebtBusters

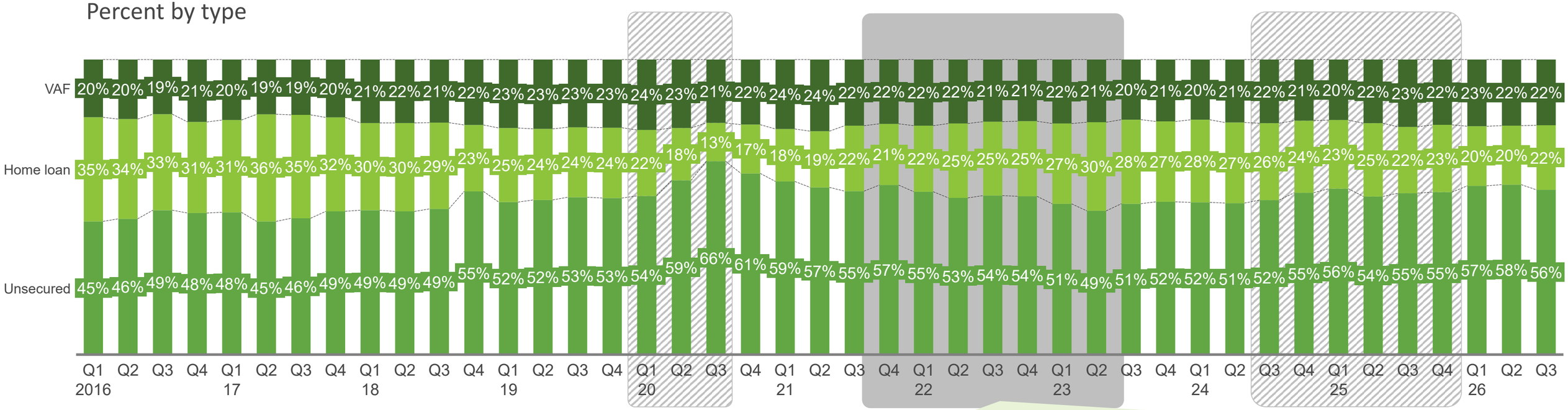
The debt mix for new applicants is sensitive to changes in interest rates. Between 2022 and mid-2023, the share of home loan debt increased and peaked at 30%. Due to the reduction in interest rates since late 2024, this share dropped to 20%, but with more recent interest rate hikes, it's expected to increase

Repurchase rate decisions by SARB

- Multiple increases
- Multiple decreases

Breakdown of new applicants' debt

Percent by type



- Interest rate reduction combined with bank payment holidays in the first three quarters of 2020 resulted in a dip in asset debt share
- Higher interest rates from November 2021 until May 2023 resulted in an increase in the home loan share from Q1 2022 onwards, reaching 30% in Q2 2023
- Interest rate reductions in 2024 and 2025 resulted in a reduction of asset debt share

VAF refers to vehicle finance agreements

Unsecured debt refers to all debt other than vehicle finance and home loans. Therefore, it includes credit card debt, overdraft facilities, personal loans, retail cards, store cards, and the like

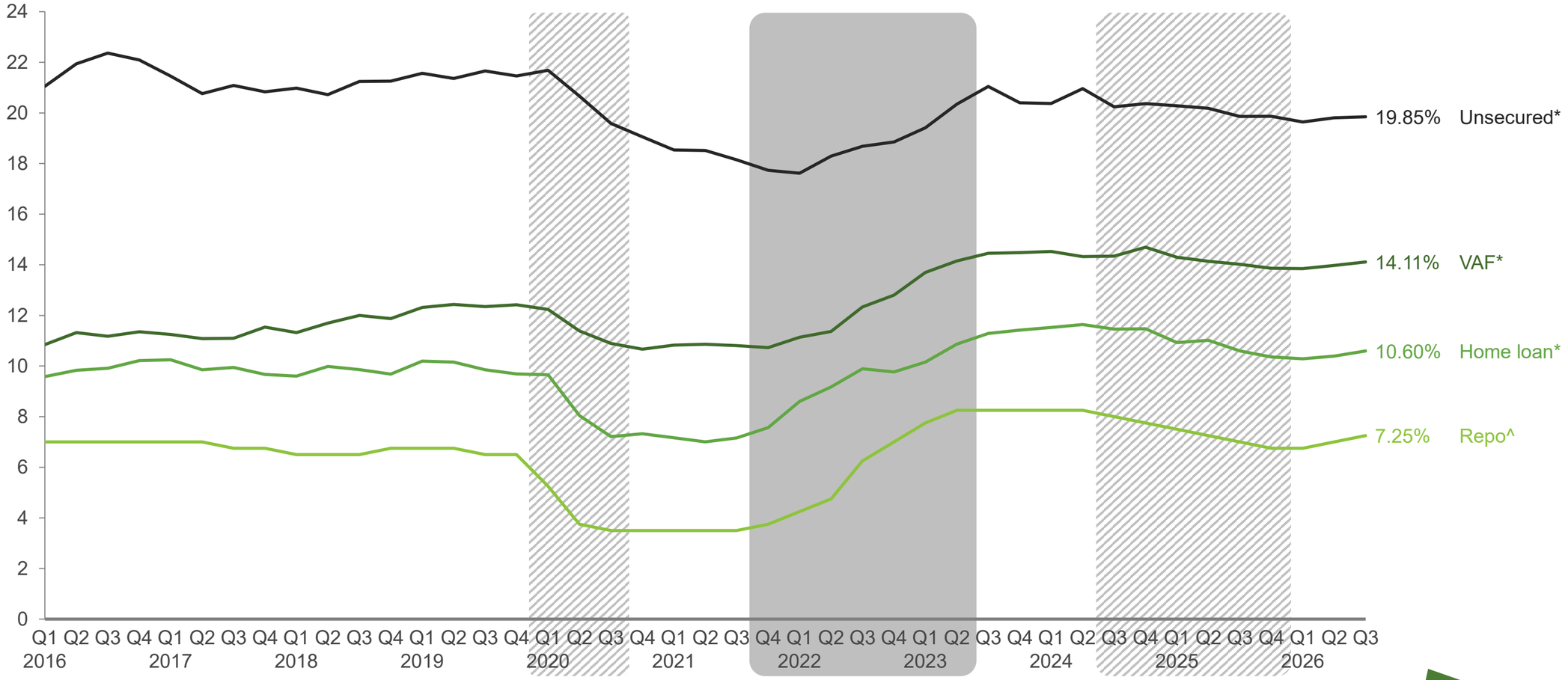
From Q1 2026, figures reflect enriched data, including credit bureau and internal data. Data from the former Consumer Debt Help business (now part of DebtBusters) has also been incorporated for previous years. We believe this provides greater granularity and insights on a wider range of consumer, credit agreement, and credit provider data. It also has an impact on consumer debt profile and creditor classifications. Therefore, historical figures have been restated accordingly, new metrics have been introduced, and the baseline has been moved to 2021.

Source: DebtBusters

While the average (pre-debt counselling) interest rate for unsecured debt is lower than prior years, it remains elevated, mainly due to the prevalence of one-month loans with higher interest rates…

Average contractual interest rate of new applicants' credit agreements on date of application*

Percent, per annum



Repurchase rate decisions by SARB

- Multiple increases
- Multiple decreases

- Unsecured debt interest rate has a large impact on the share of take-home pay required to service debt
- Home loans are very sensitive to changes in interest rates – big swings from 2020 onwards

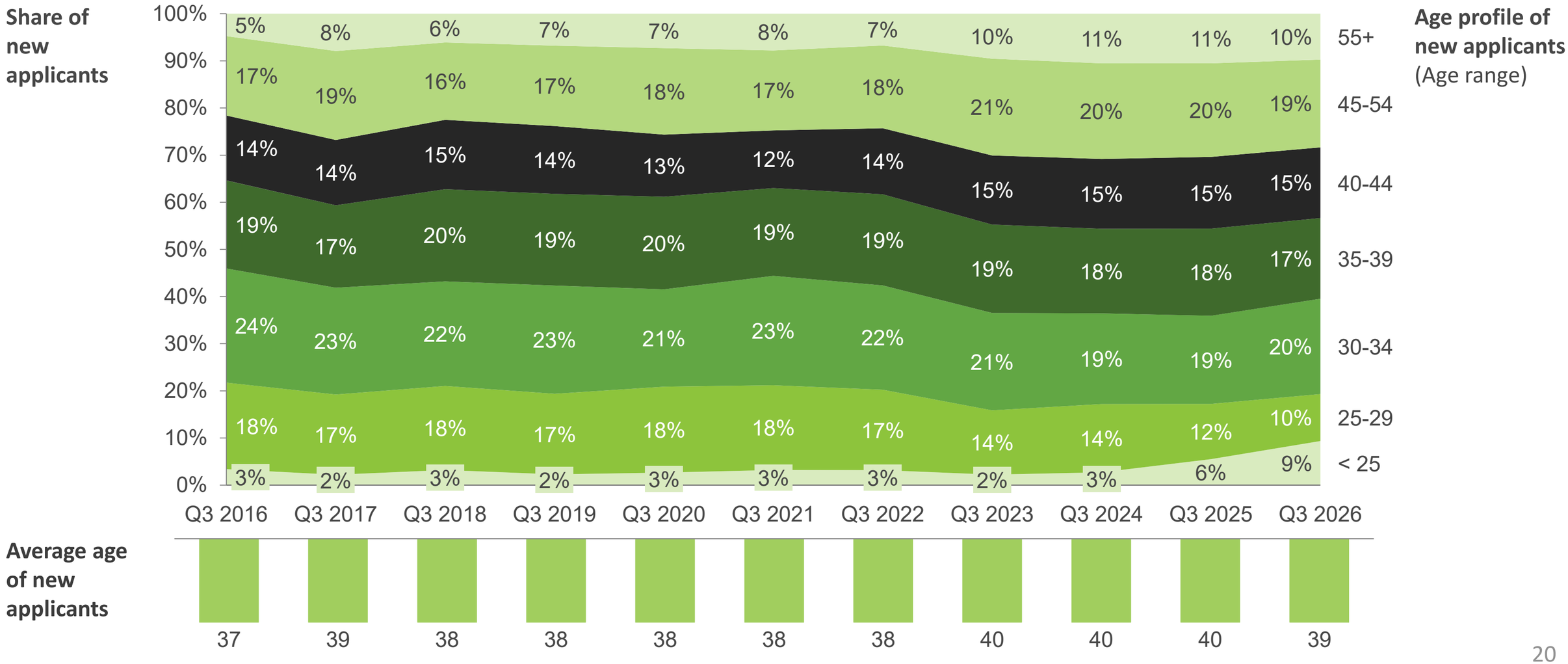
VAF refers to vehicle finance agreements
Unsecured debt refers to all debt other than vehicle finance and home loans: credit card debt, overdraft facilities, personal loans, retail cards, store cards, and the like
* Weighted average interest rate for all credit agreements in that category, calculated based on agreement size mix and interest rate
^ SARB repo rate at the end of that quarter
1 Maximum rate allowed for newly originated credit agreements in that quarter per DTIC regulations

Source: DebtBusters

Max. allowed at end of quarter[1]:
- Unsecured: 28.25% p.a.
- VAF: 24.25% p.a.
- Home loan: 19.25% p.a.

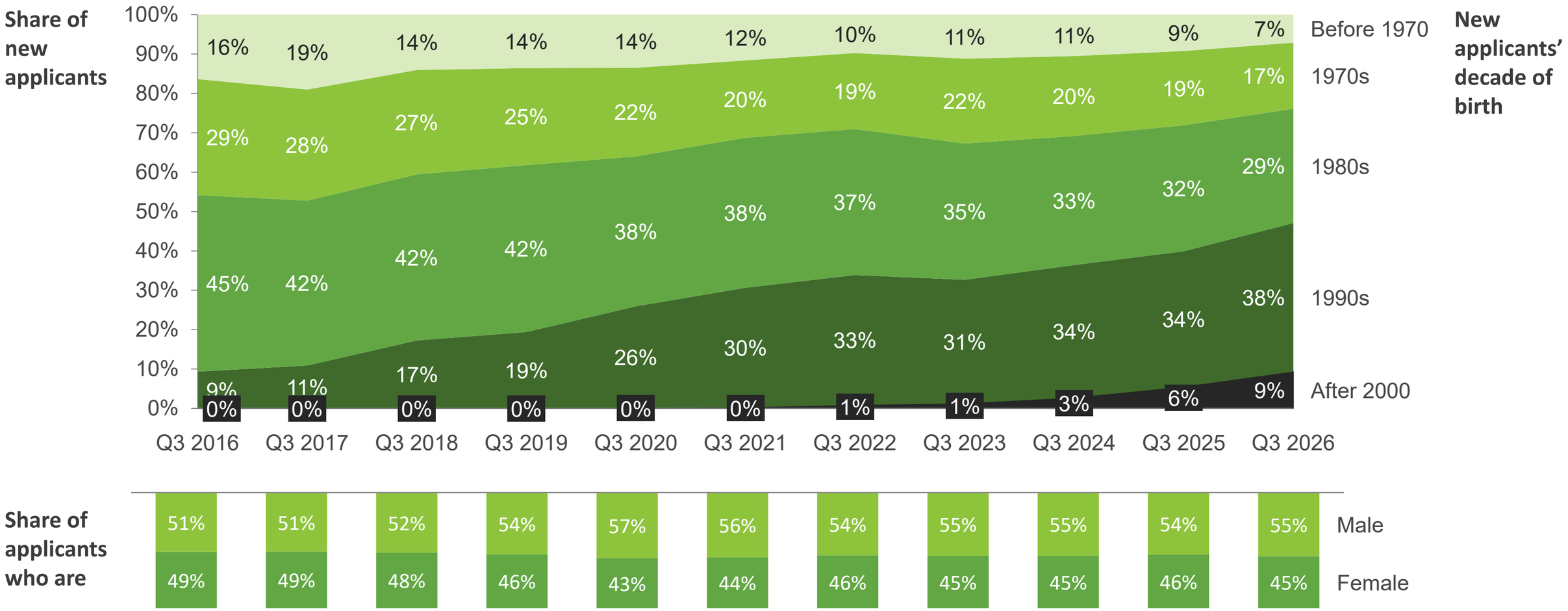
Consumer age profile indicates sustained financial stress in the 45+ and under-25 age groups. Average applicant age is 39

Average age of new applicants has dropped to 39 after an increase in the last few years, and the 45+ age cohort makes up 29% of applicants, up from 22% in 2016. Under-25s make up 9% of applicants. Financial stress is increasingly an early- and late-career phenomenon



Source: DebtBusters

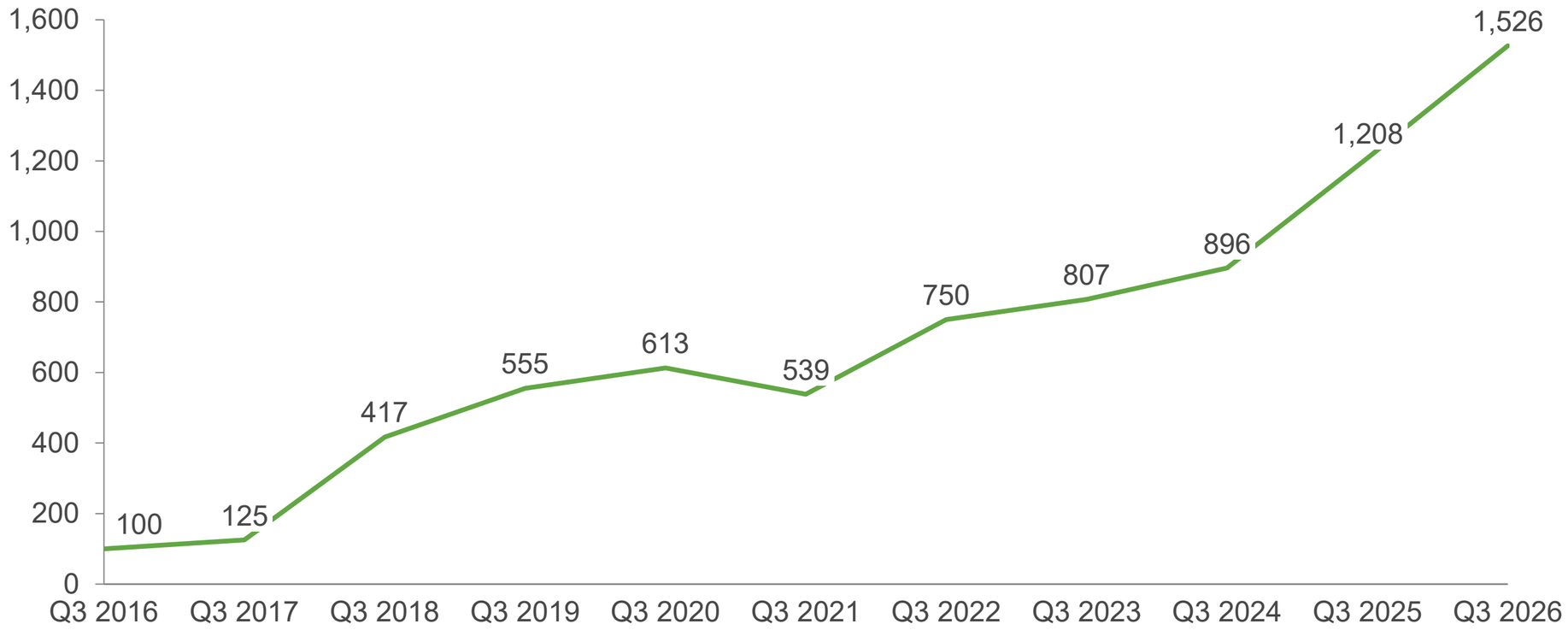
The ratio of male applicants is consistently above 50%, indicating that men are not only the primary applicants, but have also become more proactive about addressing financial distress. During the most recent quarter, 55% of applicants were male



Source: DebtBusters

In the most recent quarter, the number of consumers graduating from debt counselling (successfully receiving their clearance certificate) was ~15 times higher than the same period in 2016. Consumers who graduated in Q3 2026 paid ~R613m to their creditors while in debt counselling

Clearance certificates issued
Indexed to 2016 levels
2016 = 100



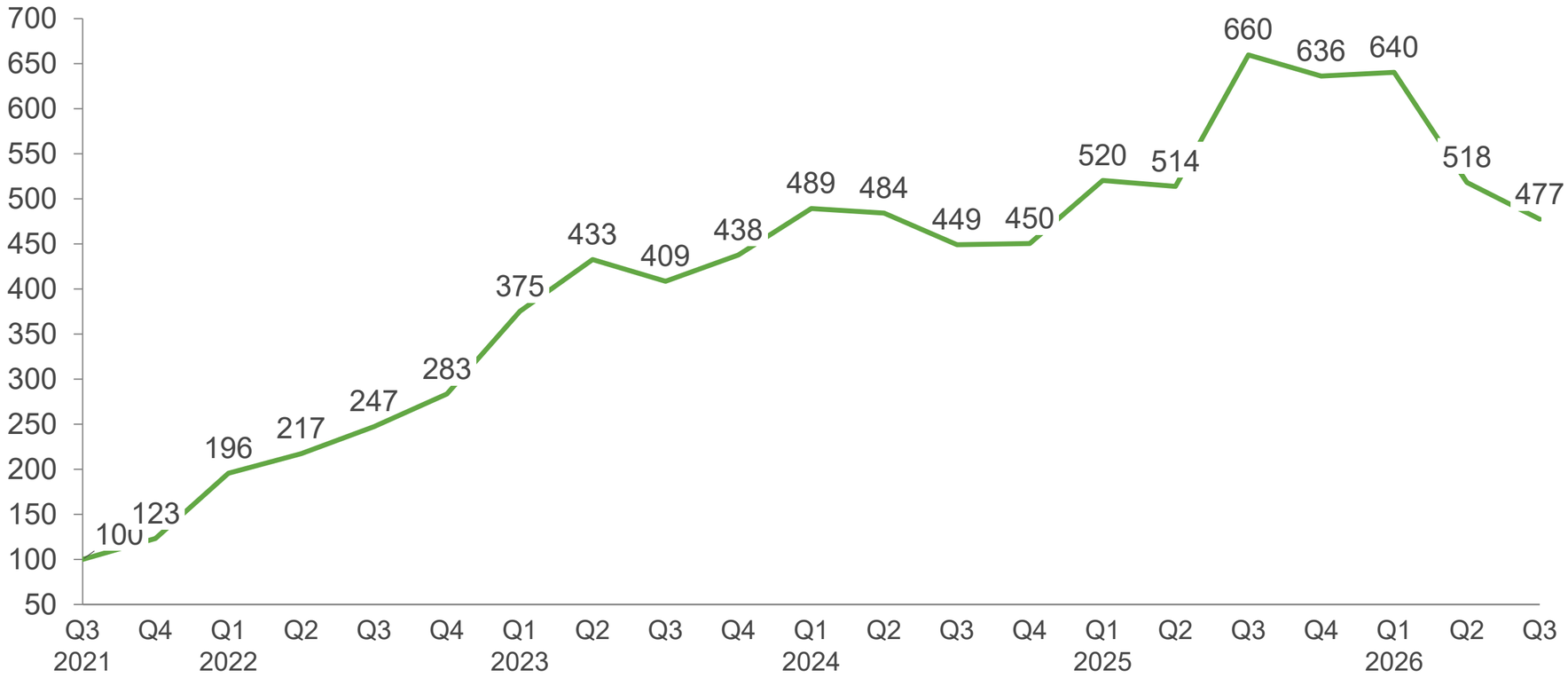
- In Q3 2026, there were around 15 times more consumers “graduating”, i.e., getting clearance certificates, than in 2016
- Consumers who received clearance certificates in the most recent quarter paid ~R613m to their creditors while in debt counselling

From Q1 2026, figures reflect enriched data, including credit bureau and internal data. Data from the former Consumer Debt Help business (now part of DebtBusters) has also been incorporated for previous years. We believe this provides greater granularity and insights on a wider range of consumer, credit agreement, and credit provider data. It also has an impact on consumer debt profile and creditor classifications. Therefore, historical figures have been restated accordingly, new metrics have been introduced. Clearance certificate data is indexed to 2016.

Source: DebtBusters

Sign-ups to the DebtBusters website by non-debt counselling consumers are down from their Q3 2025 peak, but remain almost five times 2021 levels. In total, 2 million people are now subscribed to the site

Number of new non-debt counselling subscribers to the DebtBusters website
Indexed to Q3 2021 levels; Q3 2021 = 100



- New subscriptions for online debt management on the DebtBusters website have eased, but sign-ups remain higher than 2021.
- Consumers enjoy the freedom of managing their debt profile at their own pace, and have access to debt management tools such as the Debt Sustainability Indicator, Debt Radar, and others

Source: DebtBusters

For further information, email Press@confluent.biz