

NCPA

SMALL AMOUNT CREDIT CONTRACT

RESEARCH REPORT

---

AUGUST 2017



This paper was compiled from primary research and other information available at the time of writing. The information is believed to be accurate however no representation or warranty express or implied is made as to its completeness and CoreData Research does not make any warranty to correct any information subsequently found to be inaccurate.

This paper does not constitute investment advice or a business recommendation. This paper may contain the personal views, standards and opinions of the researchers and third party contributors. The inclusion of this material is not an endorsement by CoreData Research.

In all cases, people reading this material should attain appropriate professional advice in evaluating its accuracy, currency, completeness and relevance for their purposes. CoreData Research disclaims any direct or indirect liability or costs arising from any reliance on the information contained within this publication.

The information within this paper remains the express property of CoreData Research.

It may not be reproduced in any form without prior permission from CoreData Research.

# CONTENTS

CONTENTS .....	3
KEY FINDINGS .....	4
METHODOLOGY .....	6
BUSINESS OVERVIEW .....	7
LOAN STATISTICS .....	11
BAD DEBT .....	19
CUSTOMER SERVICE .....	24
FINANCIALS .....	27
COMPLIANCE .....	32
DISPUTE RESOLUTION .....	36
RESEARCH CONFIDENTIALITY .....	40
ABOUT COREDATA .....	41

## KEY FINDINGS

---

### Typical SACC customers are mid 30's and are employed

- In Q2 2017, the average age of male customers who entered into a SACC was 37, while the average age of female customers who entered into a SACC was 35, both largely unchanged compared to previous quarters.
- In the 2016/17 financial year, seven in 10 (69.5%) customers who entered into a SACC were employed, up from 60.2% in the previous financial year.

### SACC loan approval rate increased slightly but remained well below record highs

- In the 2016/17 financial year, 39.5% or around two in five SACC applications were approved, up slightly from 35.3% in the previous financial year. However, approval rates remained well below the levels experienced in the 2014/15 financial year.
- In the 2016/17 financial year, there were 567,910 new SACCs with \$538.5 million advanced, compared to 619,549 new SACCs and \$476.8 million advanced in the last financial year.

### Average size of a SACC increased to \$948

- The average size of a new SACC entered into in the 2016/17 financial year was \$948, up from \$770 in the previous financial year.
- Reflecting the increase in the average SACC size, the average length of a SACC in the 2016/17 financial year was 162 days or around 5.3 months, up from 134 days or around 4.4 months in the previous financial year.

### Multiple-contract customers pertained to a small minority

- In the 2016/17 financial year, one in six (17.0%) SACCs were entered into where a customer with an existing SACC was advanced further funds, on par with 16.7% in the previous financial year.
- In dollar terms however, 18.0% of SACC credit advanced in the 2016/17 financial year was for SACCs entered into where a customer with an existing SACC was advanced further funds, compared to 11.5% in the previous financial year.

### There was an increase in consumer group contacts and dispute cases

- In the 2016/17 financial year, there were 466 contacts from consumer representative groups pertaining to SACCs or 4.2 contacts for every 10,000 active SACCs, compared to 294 and 2.2 respectively in the previous financial year.
- In the 2016/17 financial year, there were 974 new SACC Internal Dispute Resolution (IDR) cases or 7.4 cases for every 10,000 active SACCs, compared to 532 and 4.1 respectively in the previous financial year.
- In the 2016/17 financial year, there were 110 new SACC External Dispute Resolution (EDR) cases or 0.8 cases for every 10,000 active SACCs, compared to 119 and 0.9 respectively in the previous financial year.

**The sector continues to be highly compliant**

- During the 2016/17 financial year, there was one ASIC Enforceable Undertaking (EU) reported as entered into, three instances of ASIC compliance audits and one instance of ASIC licence condition without EU.

## METHODOLOGY

CoreData, in consultation with NCPA, designed the questionnaire for this research.

CoreData independently collected the data between July and August 2017. NCPA members submitted data through a dedicated email inbox managed by CoreData. NCPA only has access to the aggregate-level data and does not have access to the individual submissions.

There were a total of eight submissions from Australia's major providers of consumer credit, including Cash Converters, Money3 and Nimble, which together make up an estimated 70% of the industry's total gross revenue.

Data was collected on Small Amount Credit Contracts (SACCs) and Medium Amount Credit Contracts (MACCs), which make up more than 95% of all loans provided by providers of consumer credit and pertain to the 2016/17 financial year.

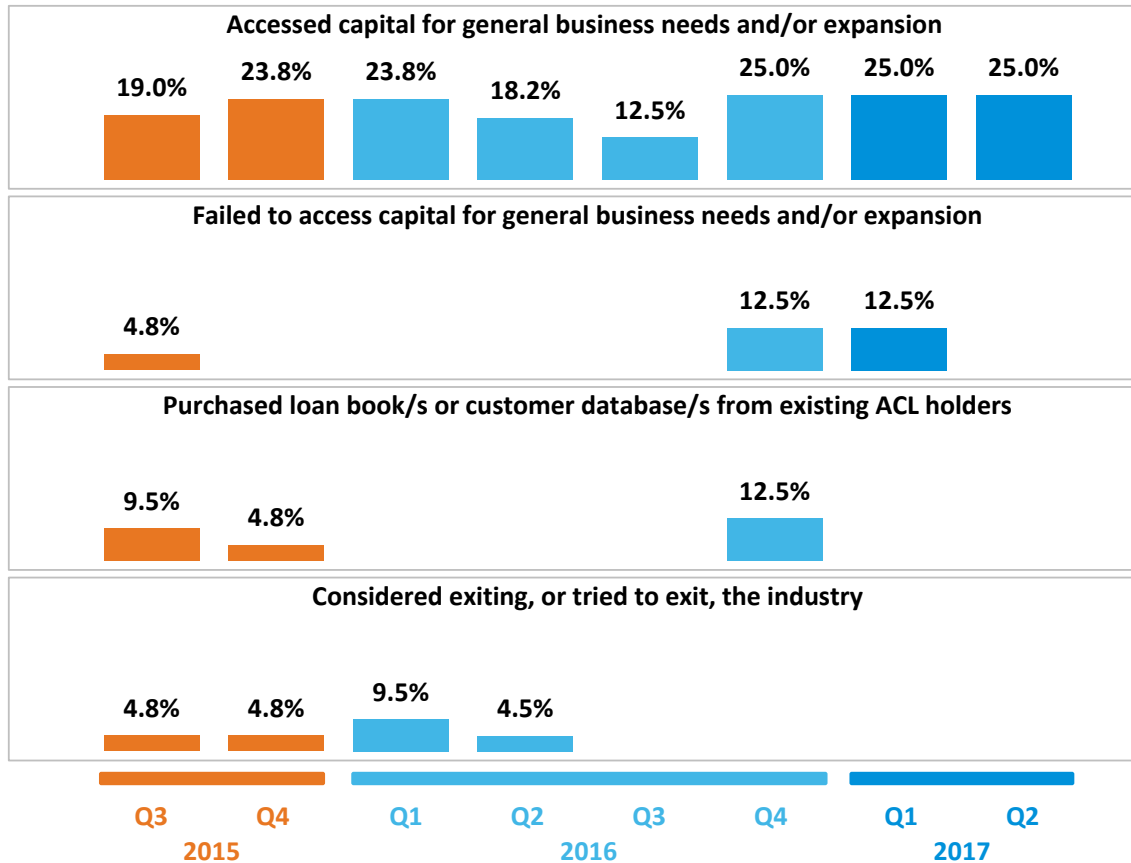
Data from the 2013/14, 2014/15 and 2015/16 financial years were collected in previous years and are included in this report where appropriate to form a rich longitudinal picture of the consumer credit industry.

Q1 refers to the quarter ending March, Q2 refers to the quarter ending June, Q3 refers to the quarter ending September, while Q4 refers to the quarter ending December.

Analysis of the data collected was undertaken independently by CoreData.

# BUSINESS OVERVIEW

Overview of business activities

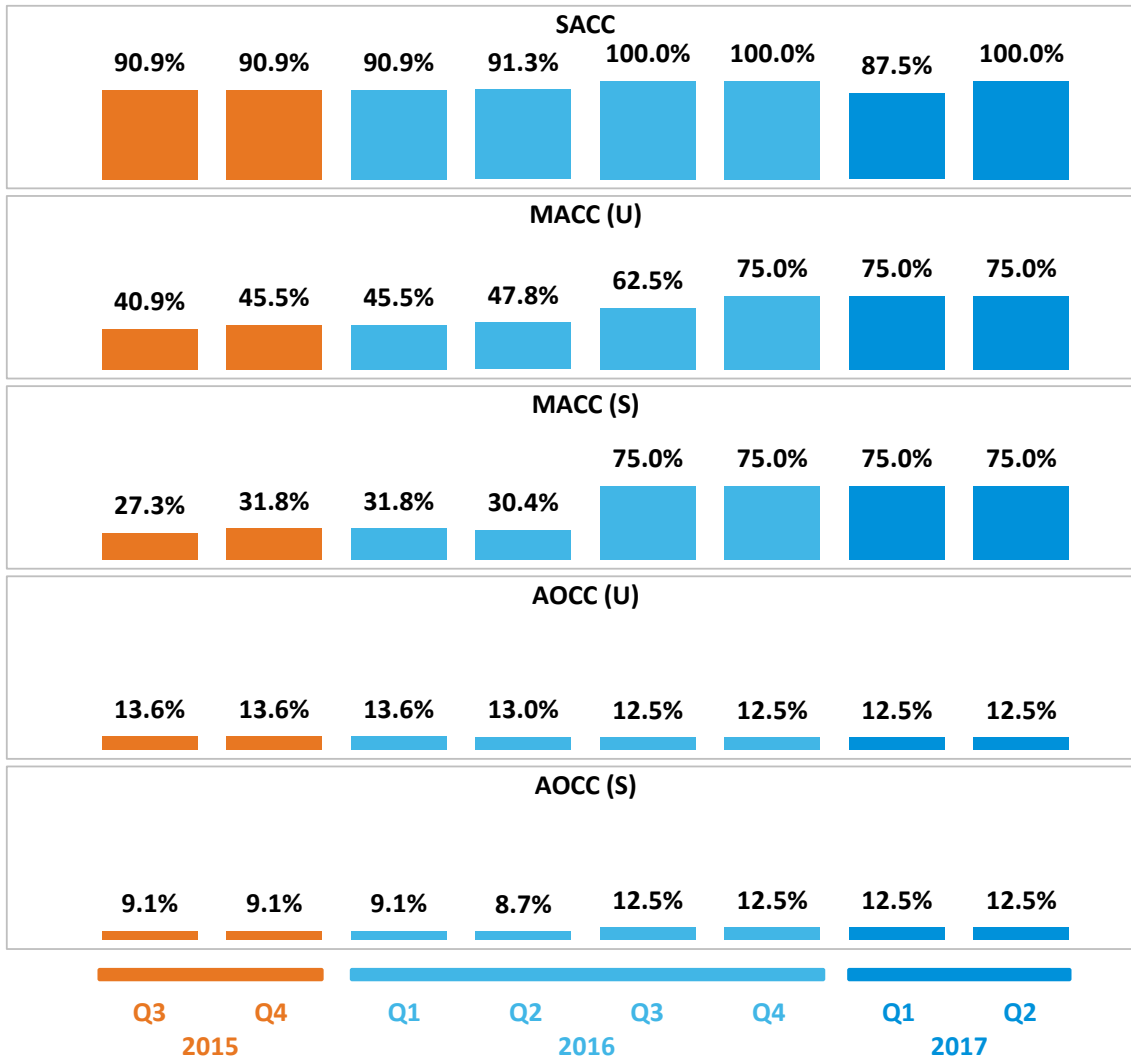


\*Multiple answers allowed

Question: For each quarter, which of the following applied to your business?

In Q2 2017, two providers accessed capital for general business needs and/or expansion. No provider considered existing or tried exiting the industry.

Type of loans provided

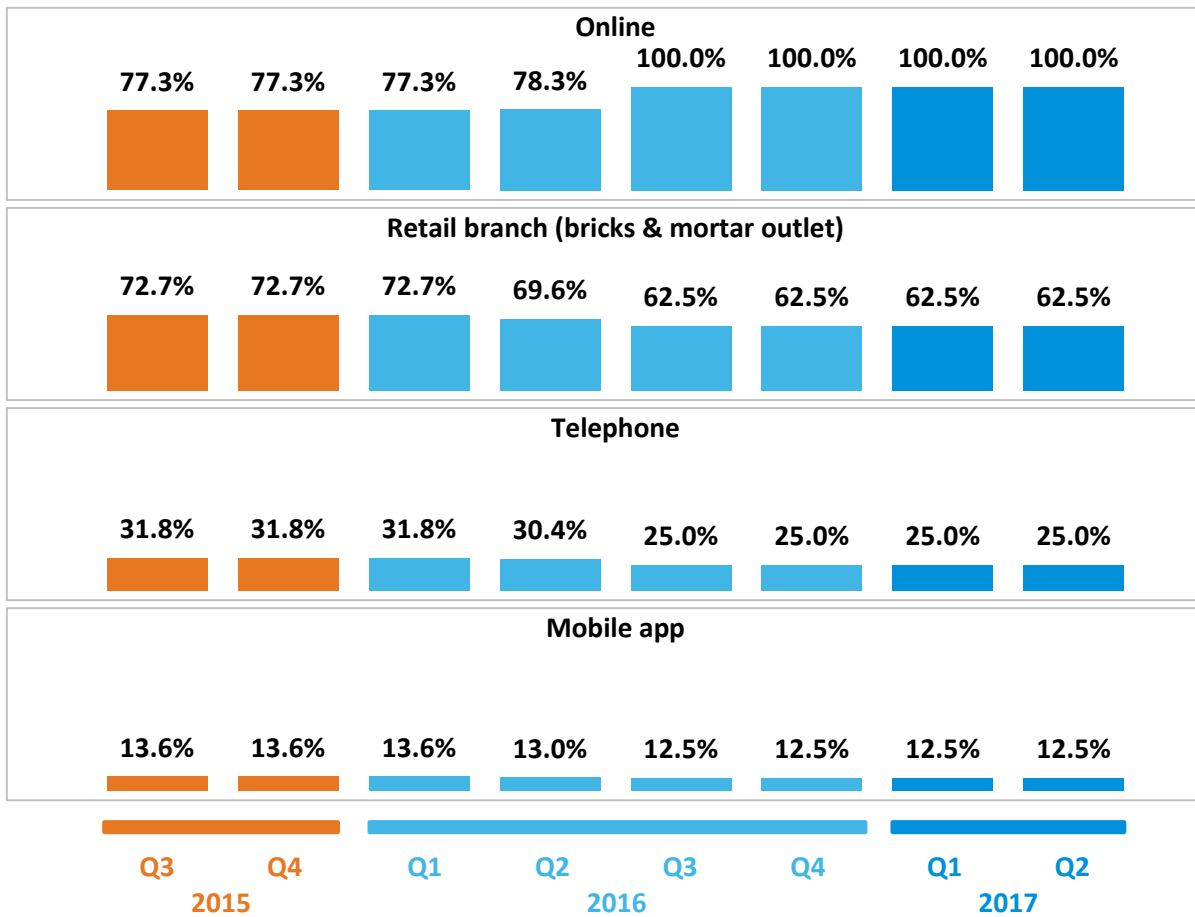


\*Multiple answers allowed  
 Question: For each quarter, what type of loans did you provide?

SACCs remain the most commonly offered loan type, while MACCs are becoming more commonly offered over the past two financial years.



How customers could apply for a loan

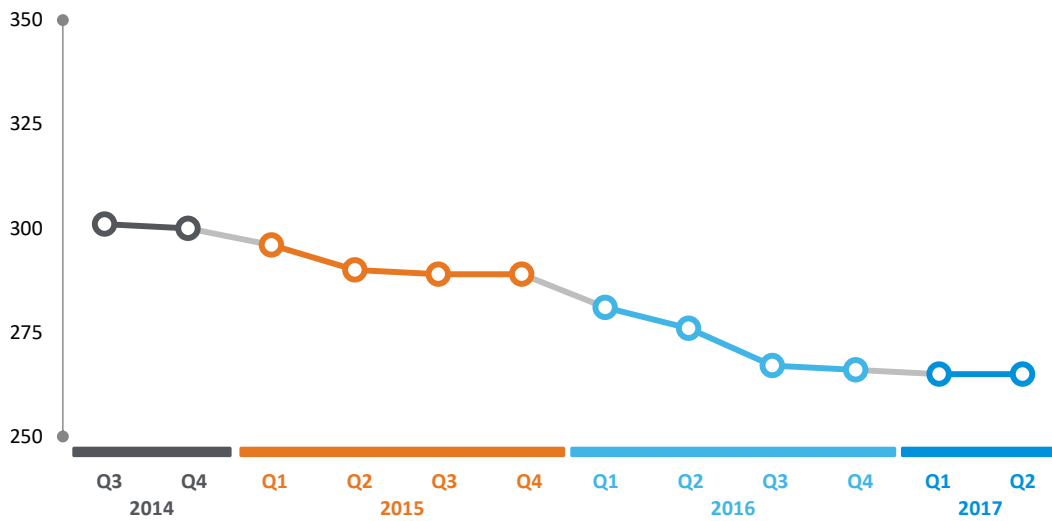


\*Multiple answers allowed

Question: For each quarter, through which of the following channels could your customers apply for a SACC and/or a MACC?

Online remains the loan application channel that is most commonly offered to customers, followed by retail branch.

Number of retail locations across Australia

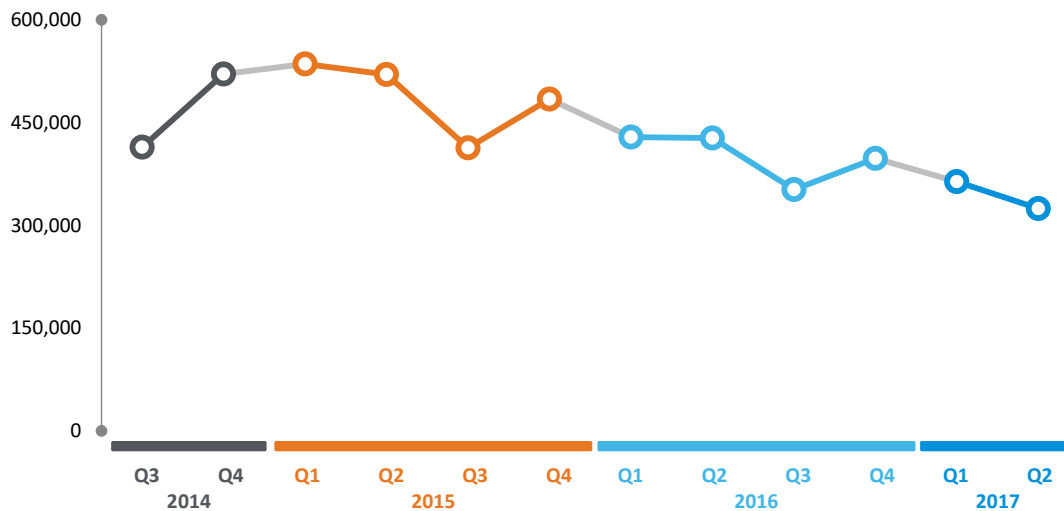


Question: For each quarter, how many retail locations which provided SACCs and/or MACCs did you have in each of these states/territories?

The number of retail locations nationwide has been in a steady downtrend over the past three financial years to reach 265 in Q2 2017, compared to 276 in Q2 2016 and 290 in Q2 2015.

# LOAN STATISTICS

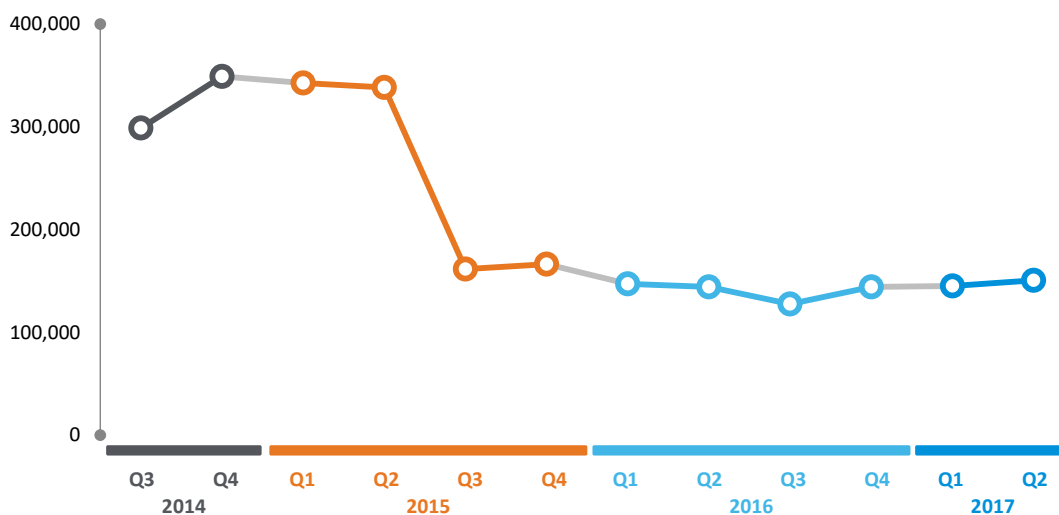
## Number of SACC applications



Question: For each quarter, what was the total number of applications received for SACCs?

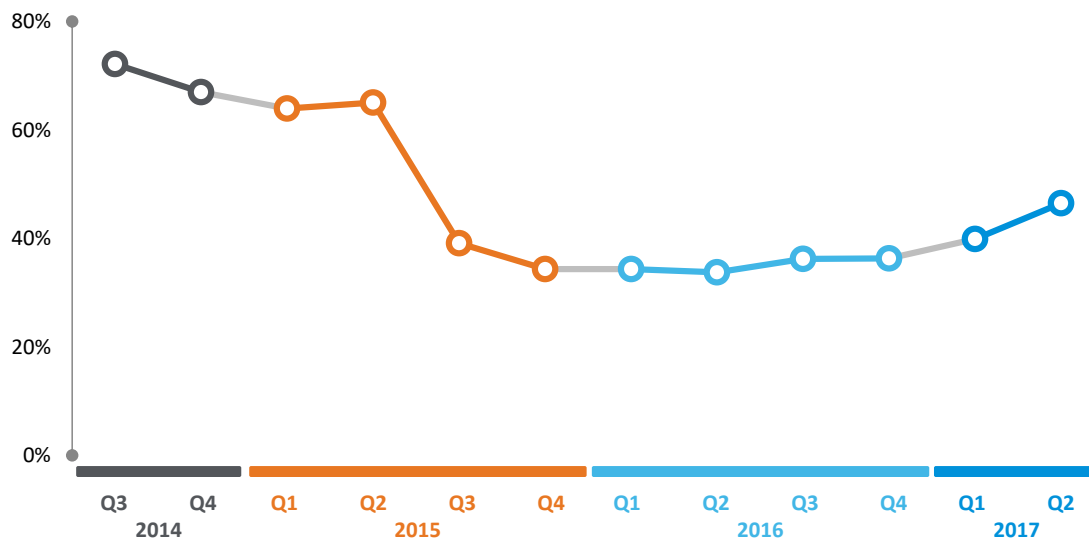
The number of SACC applications has been in a steady downtrend over the past three financial years. There were 324,320 SACC applications in Q2 2017, down from 363,971 in Q1 2017 and 427,310 in Q2 2016. In the 2016/17 financial year, there were 1,438,013 SACC applications, down from 1,753,501 in the previous financial year.

## Number of SACC applications approved



Question: For each quarter, out of the applications for each loan type, what was the number of new contracts entered into with new or previous customers?

Loan approval rate – SACCs



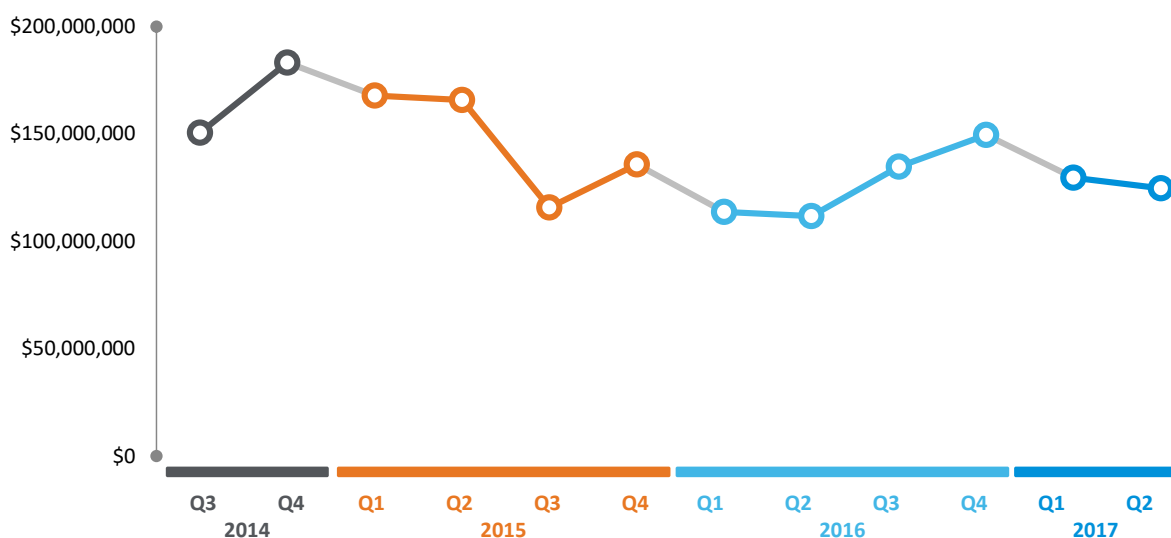
Questions: For each quarter, out of the applications for SACCs, what was the number of new contracts entered into with new or previous customers? *divided by* For each quarter, what was the total number of applications received for SACCs?

There were 150,727 SACC applications approved in Q2 2017, up from 145,196 in Q1 2017 and 144,332 in Q2 2016. In the 2016/17 financial year, there were 567,910 SACC applications approved, down from 619,549 in the previous financial year.

SACC loan approval rate sat at 46.5% in Q2 2017, which meant close to one in two SACC applications were approved. This was higher than 39.9% in Q1 2017 and 33.8% in Q2 2016 but well below the levels experienced throughout the 2014/15 financial year.

In the 2016/17 financial year, 39.5% or around two in five SACC applications were approved, up slightly from 35.3% in the previous financial year.

SACC credit advanced

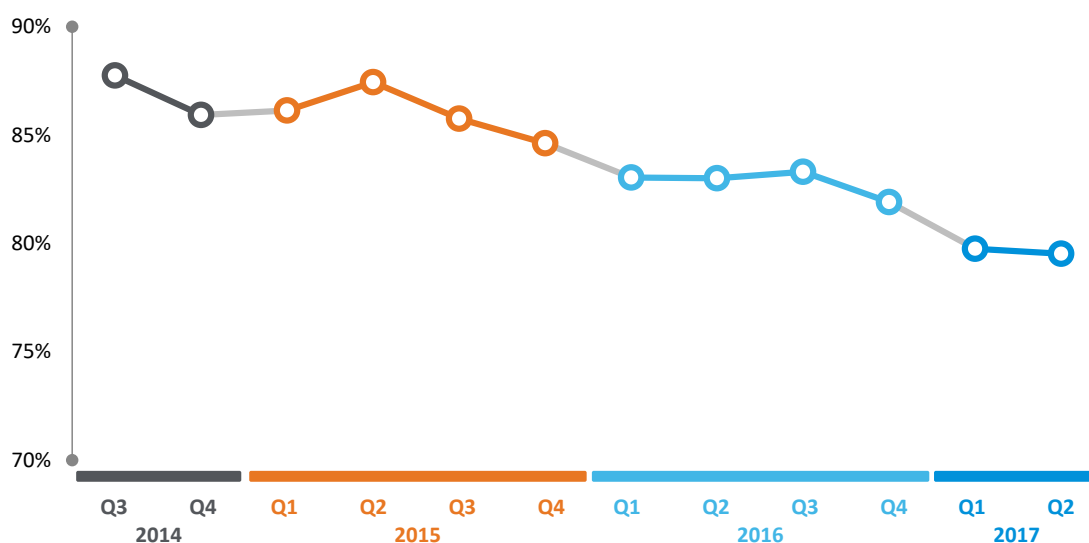


Questions: For each quarter, what was the total dollar principal or total credit amount of SACC credit advanced to your customers?

Total SACC credit advanced in Q2 2017 was \$124.7 million, down slightly from \$129.6 million in Q1 2017 but up from \$111.7 million in Q2 2016. Using these figures and the number of new SACCs entered into, the average size of a new SACC in Q2 2017 was \$827, slightly lower than \$892 in Q1 2017 but higher than \$774 in Q2 2016.

In the 2016/17 financial year, total SACC credit advanced was \$538.5 million, up from \$476.8 million in the previous financial year. The average size of a new SACC entered into in the 2016/17 financial year was \$948, up from \$770 in the previous financial year.

**Proportion of SACC repayments met**

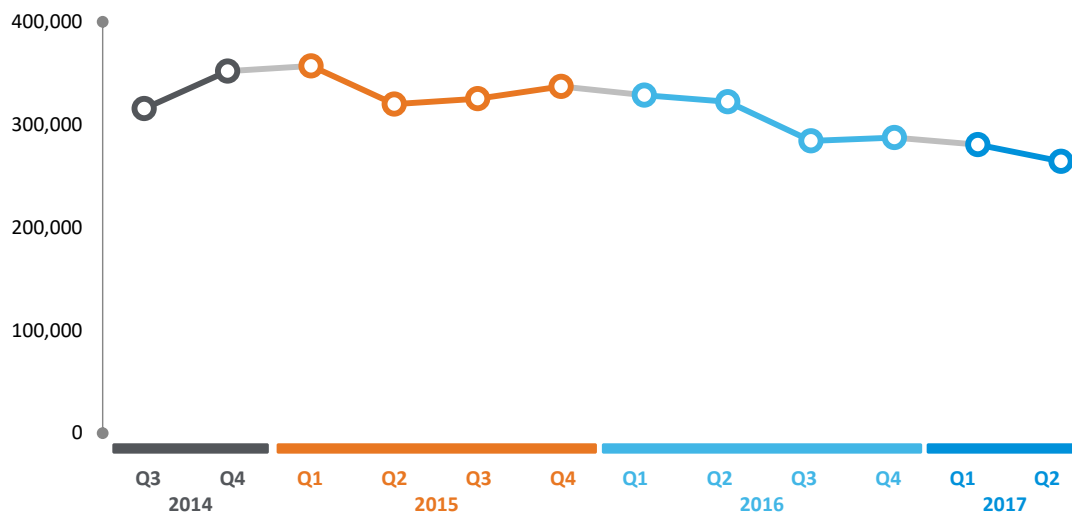


Questions: 1 minus For each quarter, what was the total number of failed or dishonoured repayments for SACCs? divided by For each quarter, what was the total number of repayments expected for SACCs?

Using data on the total number of expected repayments and the total number of failed or dishonoured repayments, it was calculated that 79.5%, or around four in five, of all SACC repayments were met in Q2 2017, on par with 79.8% in Q1 2017, but down slightly from 83.0% in Q2 2016.

In the 2016/17 financial year, 81.2% of all SACC repayments were met, down slightly from 84.1% in the previous financial year.

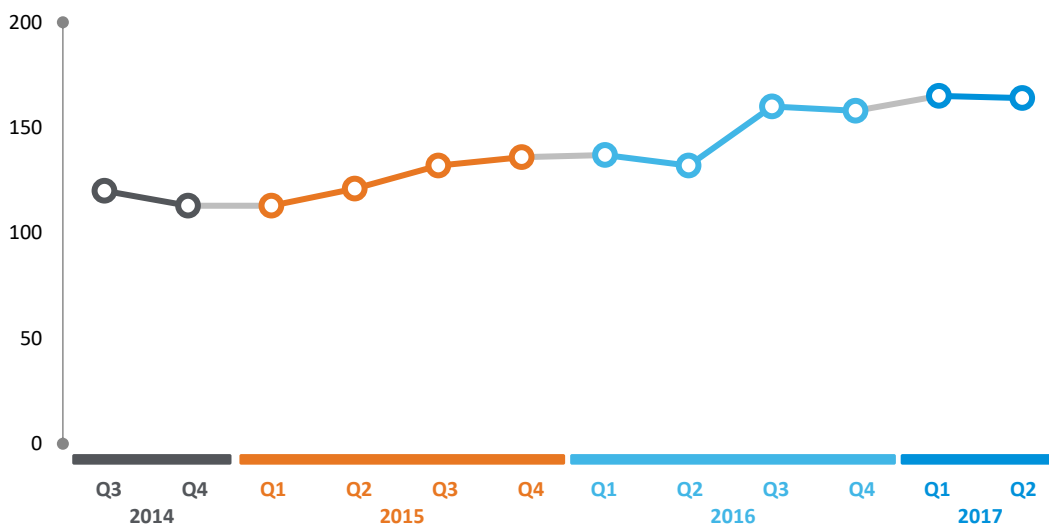
Number of active SACCs at quarter end



Question: At the end of each quarter, what was the total number of active SACC loans?

There were 264,373 active SACCs at the end of Q2 2017, lower than 280,533 at the end of Q1 2017 and 322,210 at the end of Q2 2016.

Average length of SACC (days)

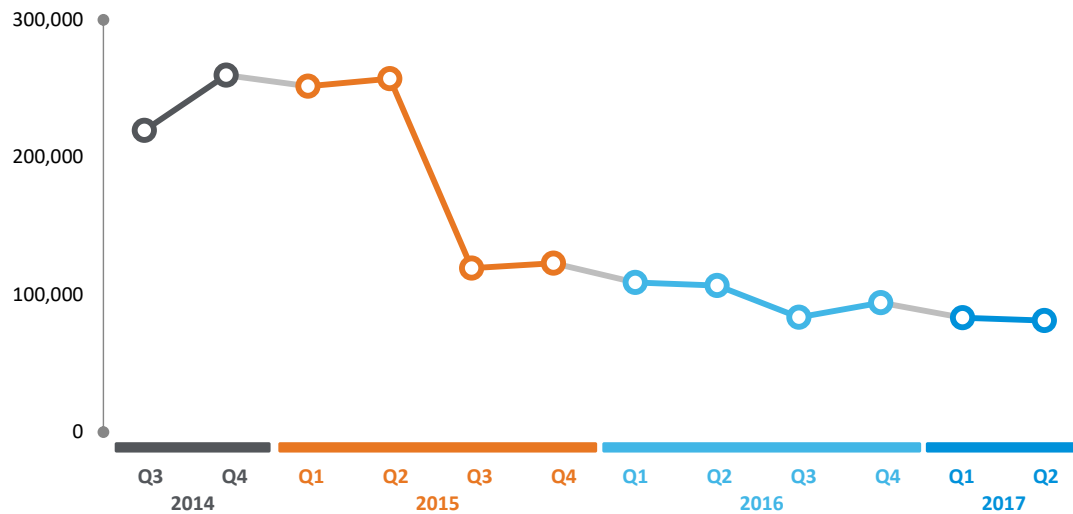


Question: For each quarter, what was the average length of contract entered into for SACCs?

The average length of contract entered into for SACCs was 164 days in Q2 2017, on par with 165 days in Q1 2017 but up from 132 days in Q2 2016.

The average in the 2016/17 financial year was 162 days or around 5.3 months, up from 134 days or around 4.4 months in the previous financial year. The increase could be explained by the increase in the average size of a new SACC in the 2016/17 financial year.

Number of customers who took out a SACC

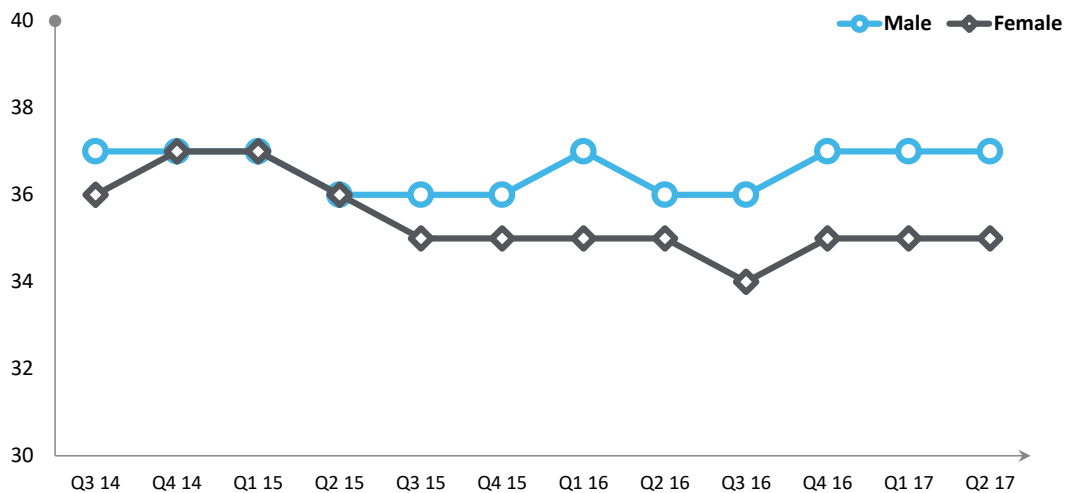


Question: For each quarter, what was the total NUMBER of customers who entered into SACCs?

There were 81,229 customers who entered into a SACC in Q2 2017, on par with 83,316 in Q1 2017 but lower than the 106,661 customers who entered into a SACC in Q2 2016.

In the 2016/17 financial year, there were 342,318 customers who entered into a SACC, down from 457,845 in the previous financial year. The gender split of customers was approximately equal throughout all quarters.

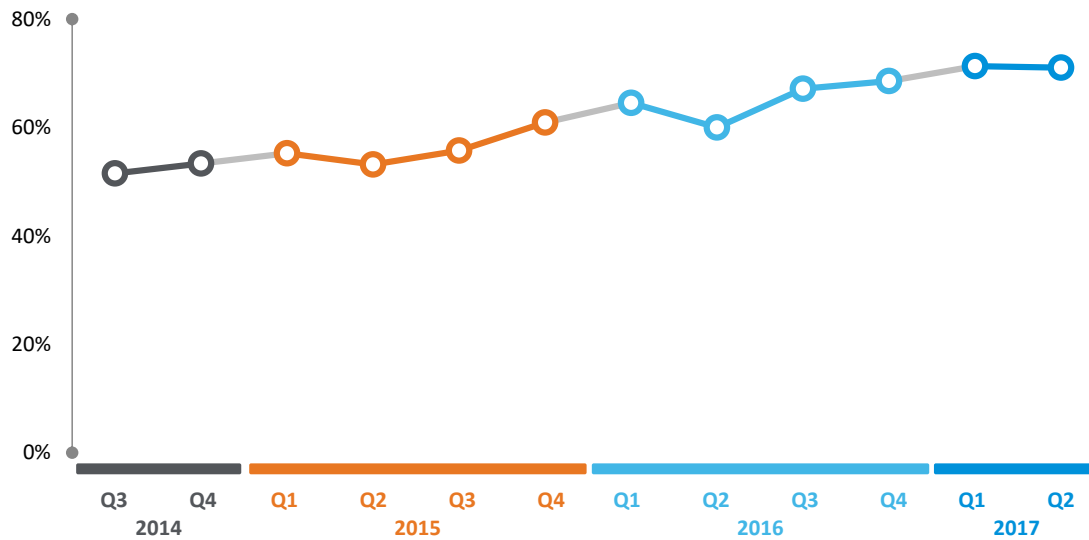
Average age of SACC customers



Questions: For each quarter, what was the AVERAGE age of all customers who entered into SACCs?

The average age of male customers who entered into a SACC was 37 in Q2 2017, while the average age of female customers who entered into a SACC was 35 in Q2 2017, both largely unchanged compared to previous quarters.

Proportion of employed SACC customers

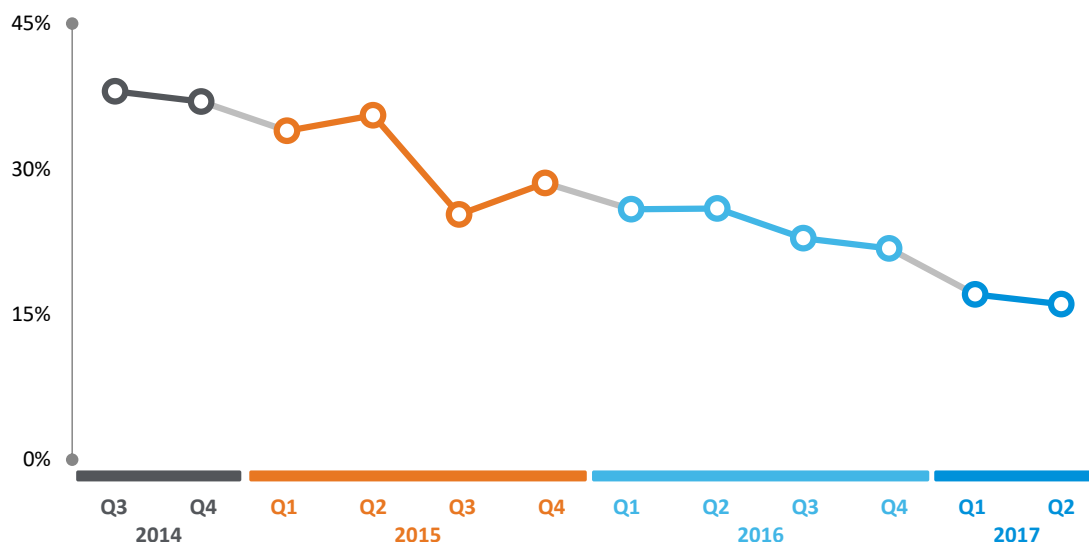


Questions: For each quarter, what was the total NUMBER of customers who received some or all of their gross income through paid employment of any kind (including self-employment) when they entered into SACCs? *divided by* (For each quarter, what was the total NUMBER of MALE customers who entered into SACCs? *plus* For each quarter, what was the total NUMBER of FEMALE customers who entered into SACCs?)

In Q2 2017, seven in 10 (71.1%) customers who entered into a SACC were employed and received some or all of their gross income through paid employment of some kind, including self-employment. This was on par with 71.3% in Q1 2017, this was up from 60.0% in Q2 2016.

In the 2016/17 financial year, seven in 10 (69.5%) customers who entered into a SACC were employed, up from 60.2% in the previous financial year.

Proportion of SACCs which triggered the PEA provision



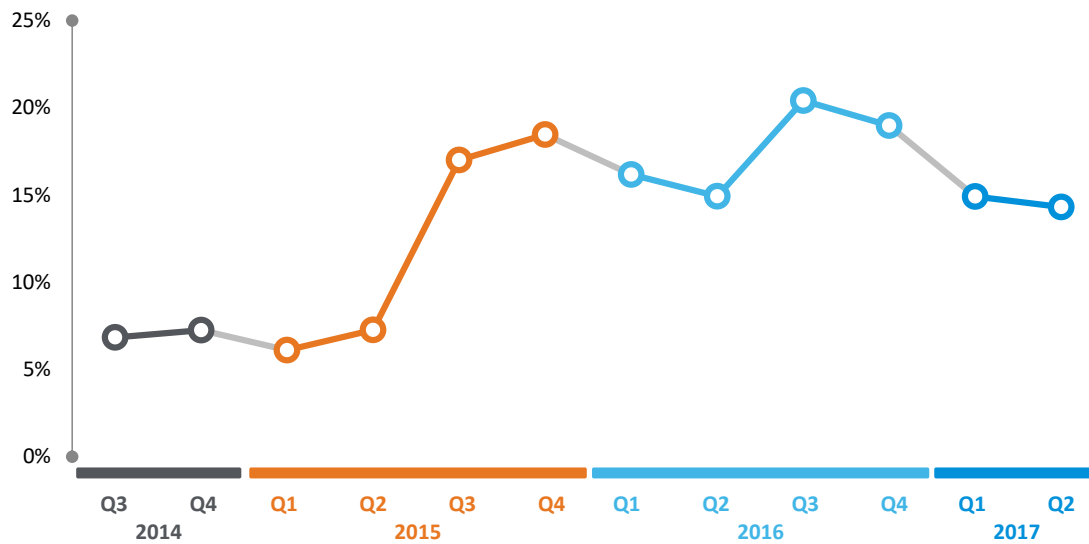
Questions: For each quarter, how many SACCs were entered into where the Protected Earnings Amount (PEA) provision was triggered? *divided by* For each quarter, out of the applications for SACCs, what was the number of new contracts entered into with new or previous customers?



In Q2 2017, one in six (16.0%) new SACCs triggered the Protected Earnings Amount (PEA) provision, on par with 17.1% in Q1 2017 but down from 25.9% in Q2 2016.

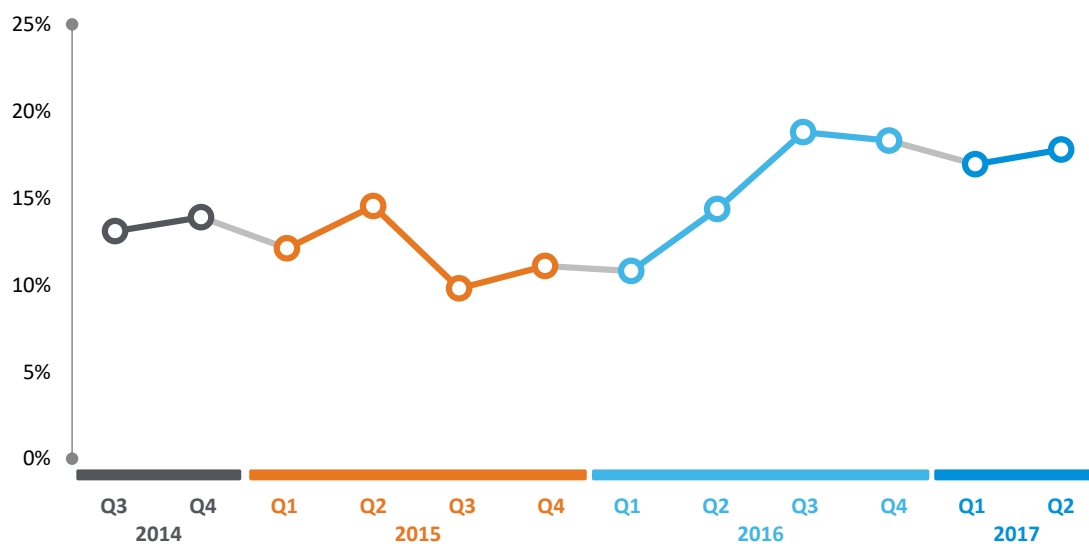
In the 2016/17 financial year, one in five (19.3%) new SACCs triggered the PEA provision, down from 26.4% in the previous financial year, coinciding with an uptrend in the proportion of employed SACC customers over the same period.

**Multiple-SACC instances as a proportion of all new SACCs**



Questions: For each quarter, what was the number of SACCs entered into where a customer with an existing loan of the same type was advanced further funds? *divided by* For each quarter, out of the applications for SACCs, what was the number of new contracts entered into with new or previous customers?

**Multiple-SACC credit advanced as a proportion of credit advanced on all new SACCs**



Questions: For each quarter, what was the total dollar amount of the total principal or adjusted credit amount for each situation where a customer with an existing SACC was advanced further funds with the same loan type? *divided by* For each quarter, what was the total dollar principal or total credit amount of SACC credit advanced to your customers?

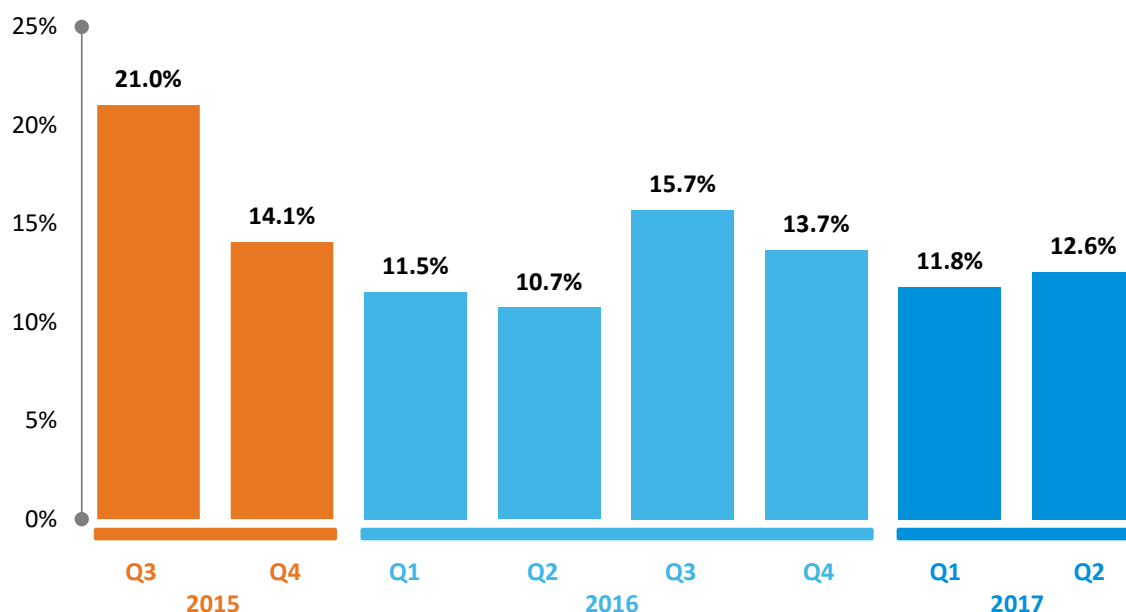
In Q2 2017, one in seven (14.3%) SACCs were entered into where a customer with an existing SACC was advanced further funds, on par with 14.9% in Q1 2017 and Q2 2016.

In the 2016/17 financial year, one in six (17.0%) SACCs were entered into where a customer with an existing SACC was advanced further funds, on par with 16.7% in the previous financial year.

In dollar terms, 17.8% of SACC credit advanced in Q2 2017 was for SACCs entered into where a customer with an existing SACC was advanced further funds, on par with 16.9% in Q1 2017 and up slightly from 14.4% in Q2 2016.

In the 2016/17 financial year, 18.0% of SACC credit advanced was for SACCs entered into where a customer with an existing SACC was advanced further funds, up from 11.5% in the previous financial year.

**Proportion of SACCs approved after the rebuttable presumption procedures had been undertaken**

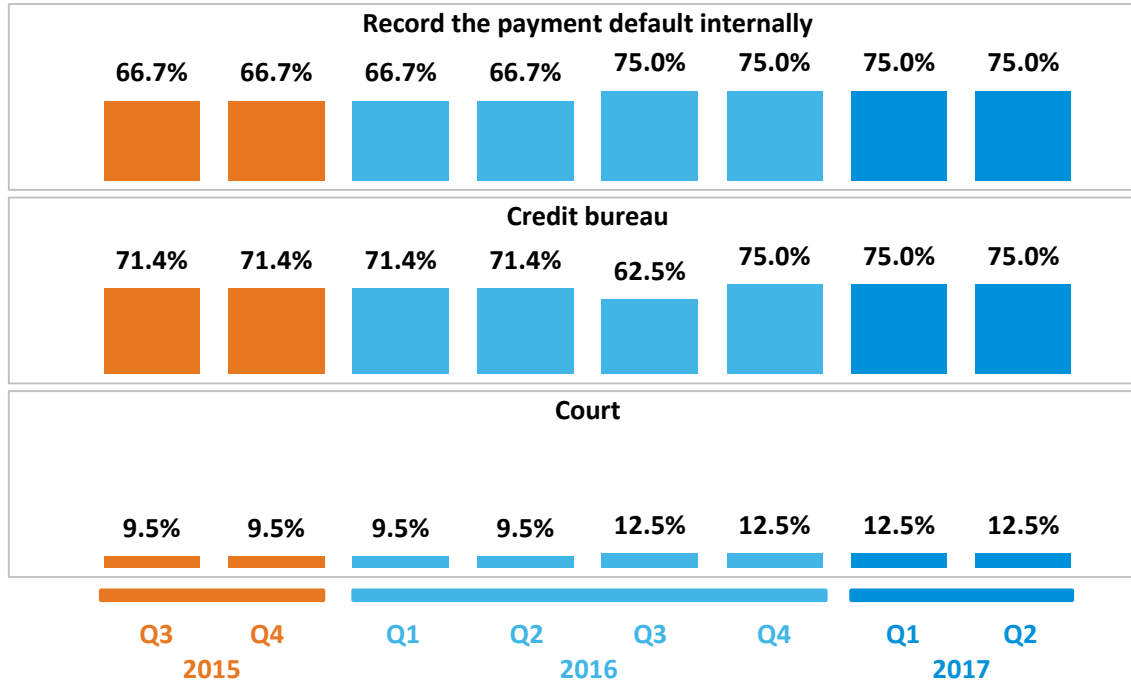


**Questions:** In each quarter, how many SACC did you approve after the rebuttable presumption procedures had been undertaken when you identified a consumer as having 2 or more SACCs in the previous 90 days? *divided by* For each quarter, out of the applications for SACCs, what was the number of new contracts entered into with new or previous

In Q2 2017, one in eight (12.6%) SACCs entered into were approved after the rebuttable presumption procedures had been undertaken whereby it was identified that a consumer had two or more SACCs in the previous 90 days, on par with 11.8% in Q1 2017 and 10.7% in Q2 2016.

# BAD DEBT

Lodging a default in relation to uncollectable debt

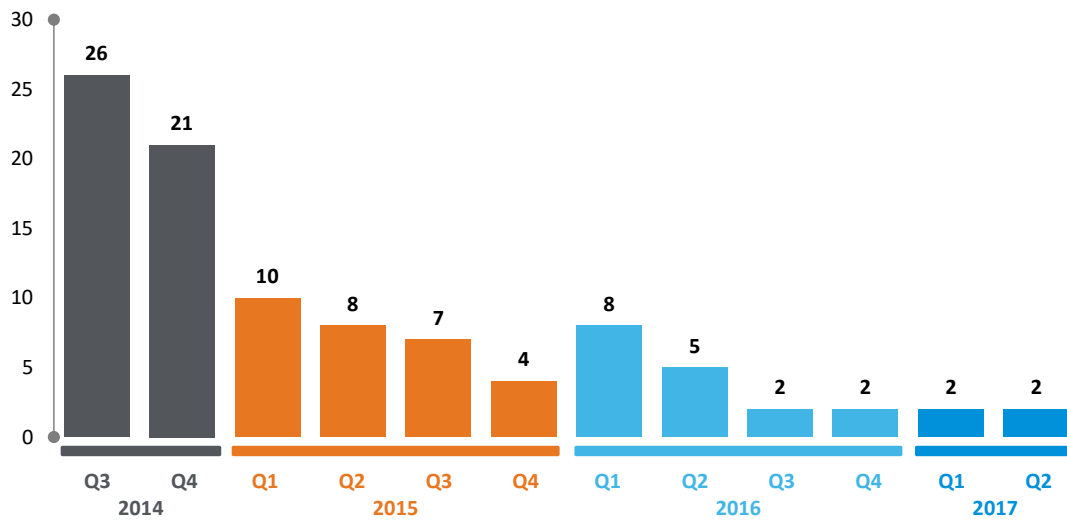


\*Multiple answers allowed

Question: For each quarter, how did you typically lodge a default if a debt (from loans ≤ \$5000) was deemed to be uncollectable?

In Q2 2017, seven providers lodged a default in relation to uncollectable SACC and/or MACC debt to a credit bureau and recorded the payment default internally. Only one provider lodged a default to a court. These figures are largely consistent with past quarters.

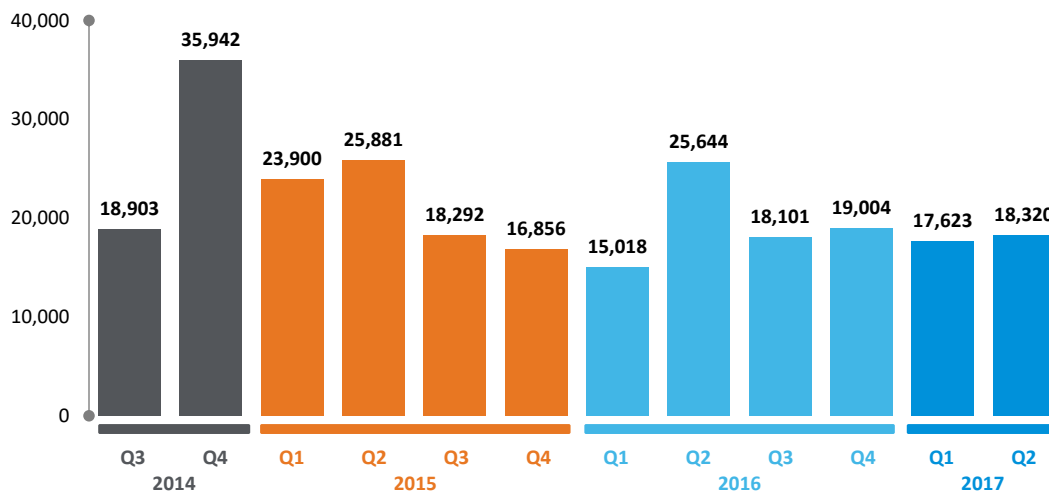
Court actions commenced to recover SACC bad debt



Question: For each quarter, how many court actions did you commence to recover bad debt for SACCs?

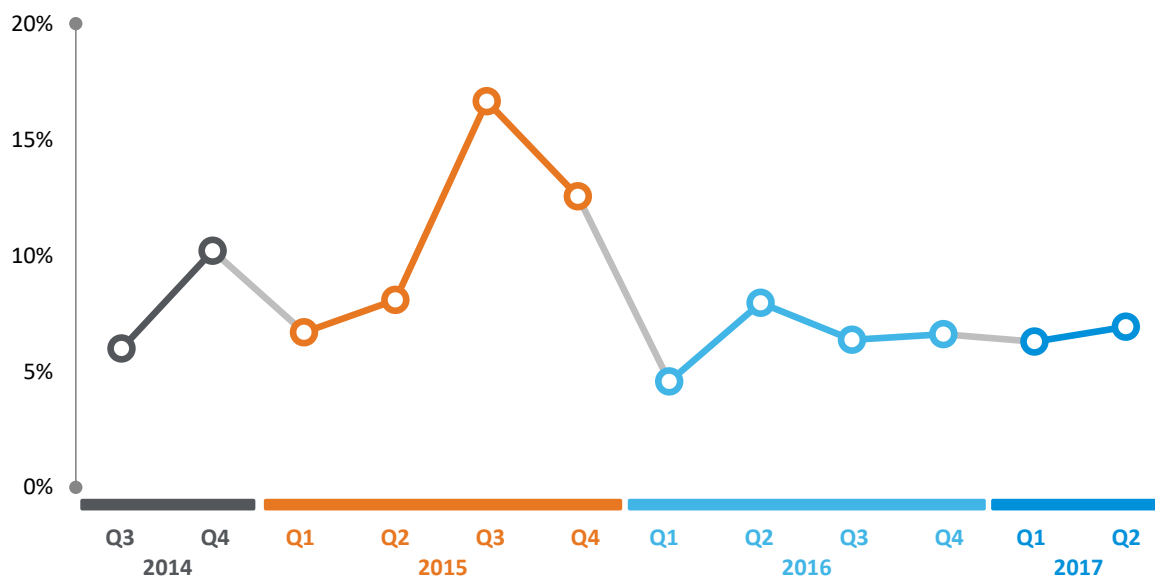
The number of reported court actions commenced to recover bad debt for SACCs has declined steadily to two in Q2 2017, compared to five in Q2 2016 and eight in Q2 2015. There were a total of eight court actions commenced in the 2016/17 financial year, down from 24 in the previous financial year.

Number of SACCs written off as uncollectable



Question: For each quarter, what was the total number of contracts written off as uncollectable, i.e., you decided the contract had become a bad debt?

Number of SACCs written off as uncollectable as % of active contracts



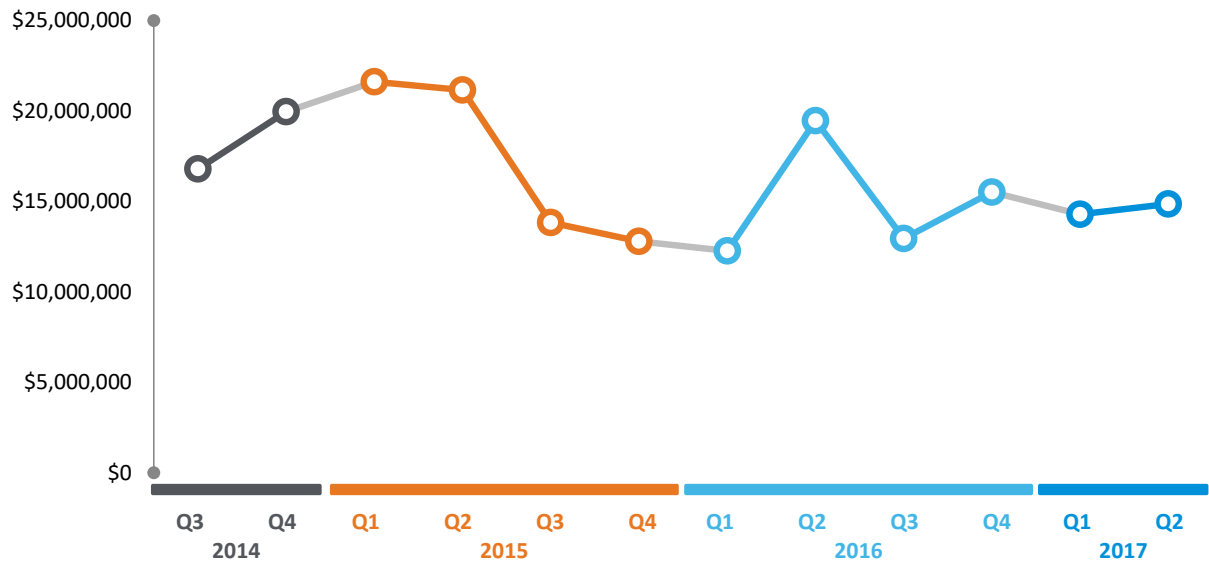
Questions: For each quarter, what was the total number of SACCs written off as uncollectable, i.e., you decided the contract had become a bad debt? *divided by* At the end of each quarter, what was the total number of active SACC loans?

There were 18,320 SACCs written off as uncollectable in Q2 2017, on par with 17,623 in Q1 2017 but down from 25,644 in Q2 2016.

As a proportion of active SACCs, the proportion of SACCs written off as uncollectable sat at 6.9% in Q2 2017, on par with 6.3% in Q1 2017 and 8.0% in Q2 2016.

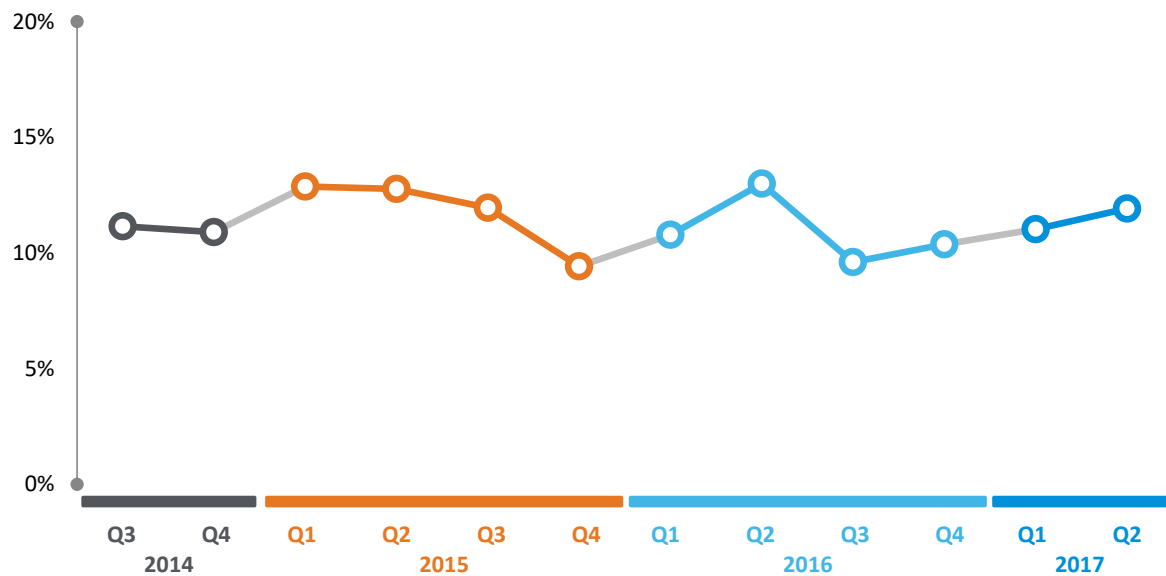
In the 2016/17 financial year, 73,048 SACCs were written off as uncollectable, representing 6.5% of active SACCs. In the previous financial year, 75,810 SACCs were written off as uncollectable, representing 8.5% of active SACCs.

Dollar amount of SACCs written off as uncollectable



Question: For each quarter, what was the total dollar amount of SACCs which were written off as uncollectable including any remaining principal plus all unpaid fees and charges?

Dollar amount of SACCs written off as uncollectable as % of credit advanced



Questions: For each quarter, what was the total dollar amount of SACCs which were written off as uncollectable including any remaining principal plus all unpaid fees and charges? *divided by* For each quarter, what was the total dollar principal or total credit amount of SACC credit advanced to your customers?

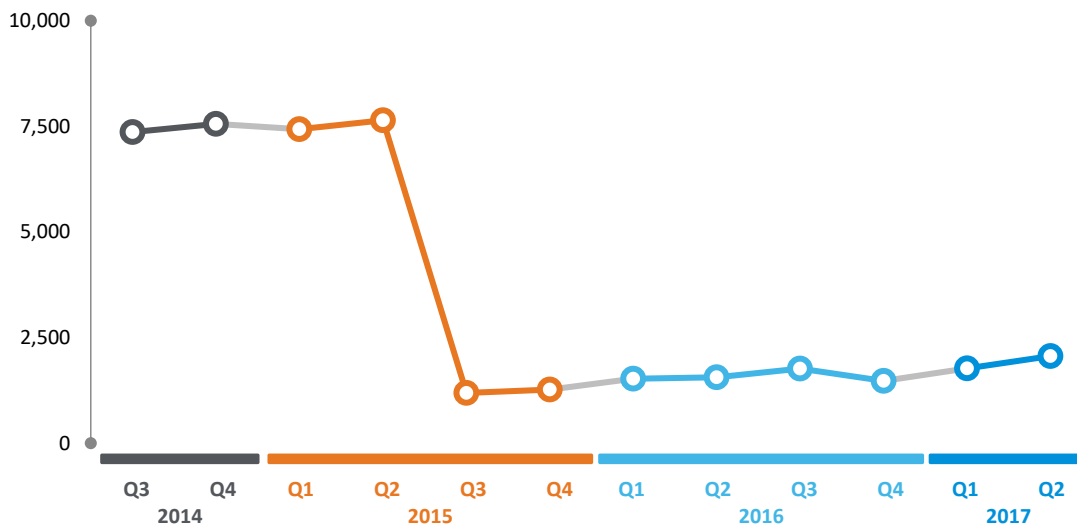
The total dollar amount of SACCs written off as uncollectable in Q2 2017 was \$14.9 million, on par with \$14.3 million in Q1 2017, but down slightly from \$19.5 million in Q2 2016.

The total dollar amount of SACCs written off represented 11.9% of total SACC credit advanced in Q2 2017, on par with 11.0% in Q1 2017 and 13.0% in Q2 2016.

In the 2016/17 financial year, \$57.6 million or 10.7% of SACC credit advanced was written off as uncollectable SACCs. In the previous financial year, \$58.3 million or 12.2% of SACC credit advanced was written off as uncollectable SACCs.

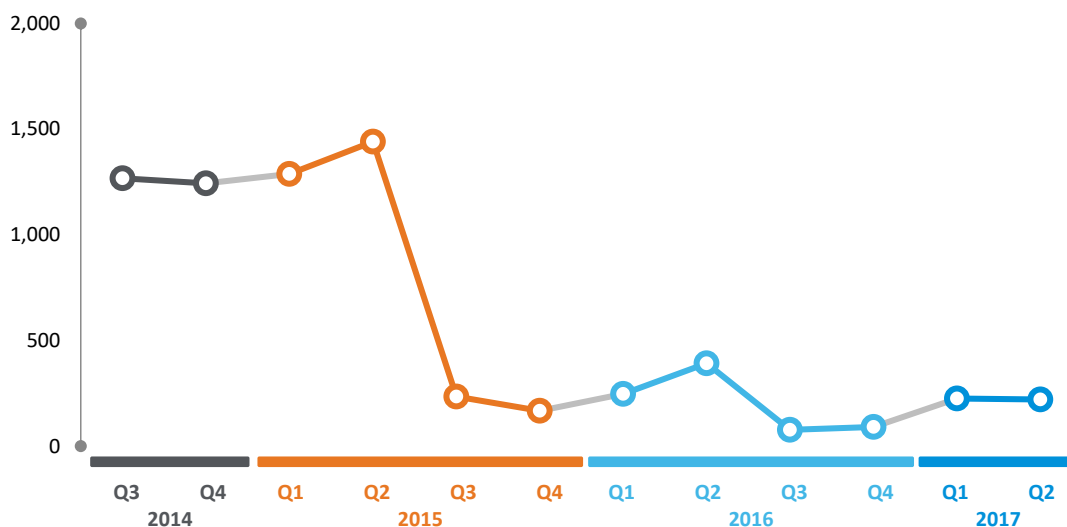
# CUSTOMER SERVICE

## Customer hardship approaches – SACCs



Question: For each quarter, how many of your customers approached you for help because they were experiencing difficulties and needed temporary relief in making their payments for SACCs?

## Formal hardship applications – SACCs



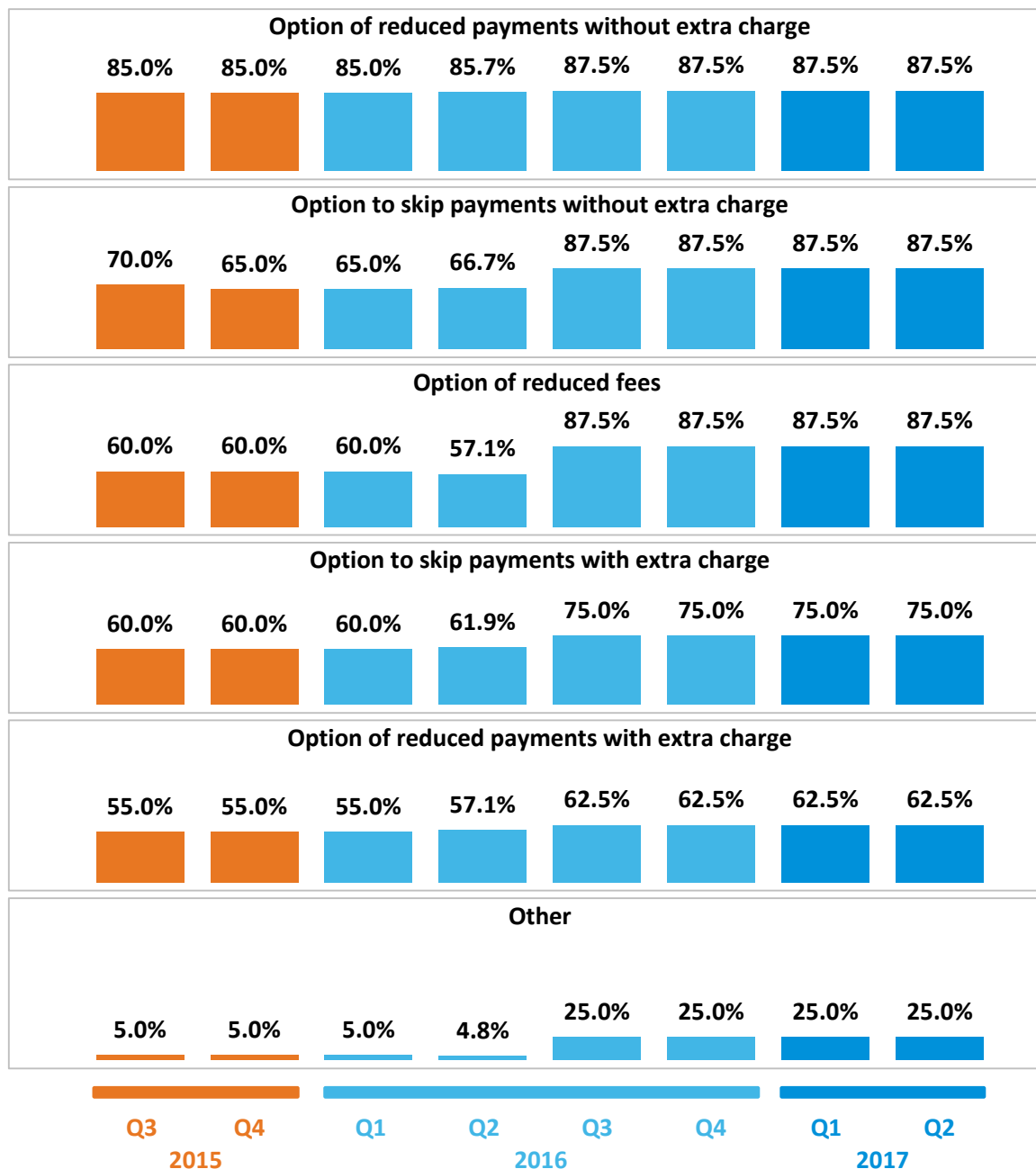
Question: For each quarter, how many formal applications for hardship did you receive from customers for SACCs?

There were 2,063 customer hardship approaches and 221 formal hardship applications in relation to SACCs in Q2 2017, compared to 1,770 and 225 respectively in Q1 2017 and 1,560 and 392 respectively in Q2 2016. These were well down from the highs observed in the 2014/15 financial year, likely a reflection of the downtrend in SACC approval rates since Q2 2015.



In the 2016/17 financial year, there were 7,074 customer hardship approaches and 614 formal hardship applications in relation to SACCs. In the previous financial year, there were fewer approaches (5,544) but more hardship applications (1,041).

Options offered to customer with hardship



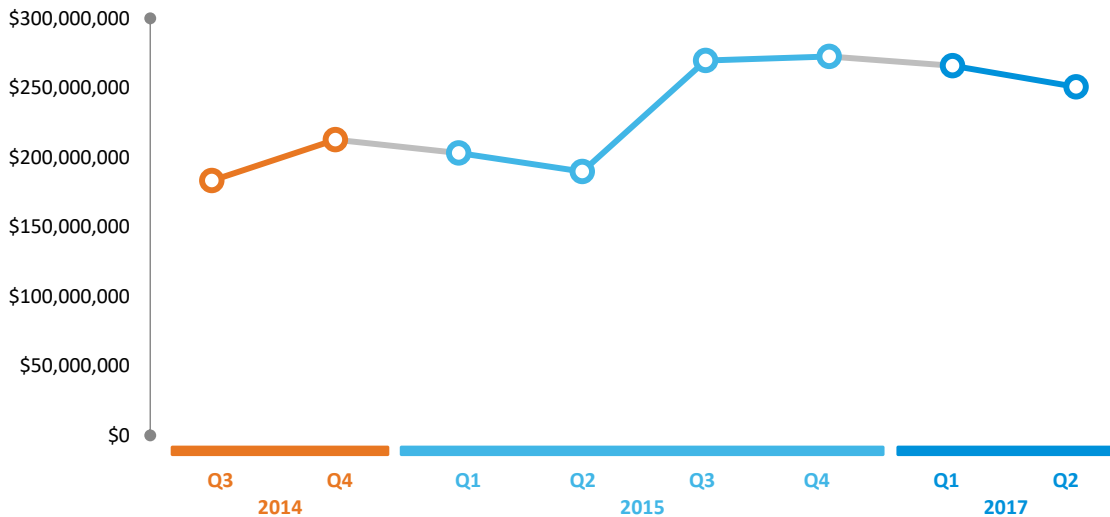
\*Multiple answers allowed

Question: For each quarter, which of the following options did you offer to customers with a SACC or a MACC who were experiencing difficulty repaying their loan?

The most commonly offered options to customers experiencing difficulty in repaying their loan were an option of reduced payments without extra charge, an option to skip payments without extra charge and an option of reduced fees.

# FINANCIALS

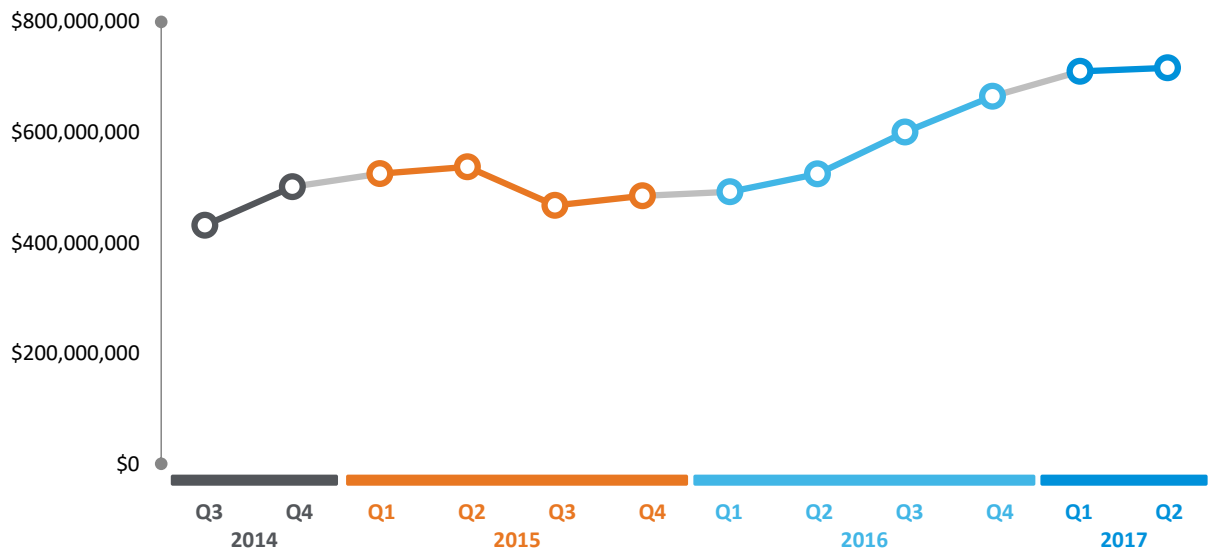
## Size of loan book – SACCs



Question: At the end of each quarter, what was the closing balance (including all fees charges to date) for SACCs?

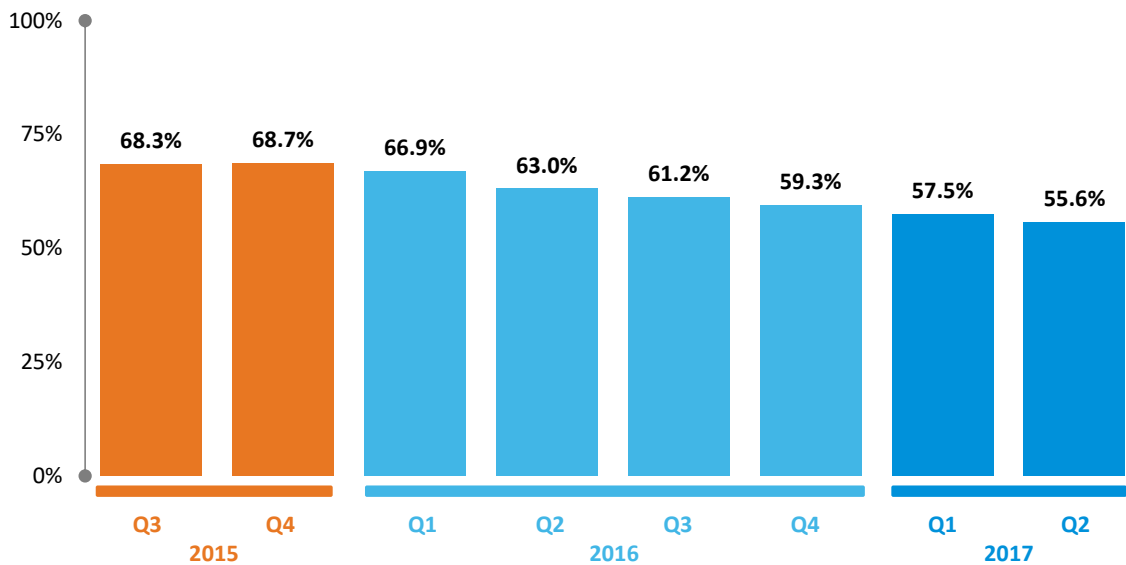
The estimated size of SACC loan book across all consumer credit providers in the industry was \$250.6 million at the end of Q2 2017, down slightly from \$265.9 million at the end of Q1 2017 but up from \$189.7 million at the end of Q2 2016.

## Total assets



Question: At the end of each quarter, what was the value of Total Assets?

Average % of total assets used for SACCs

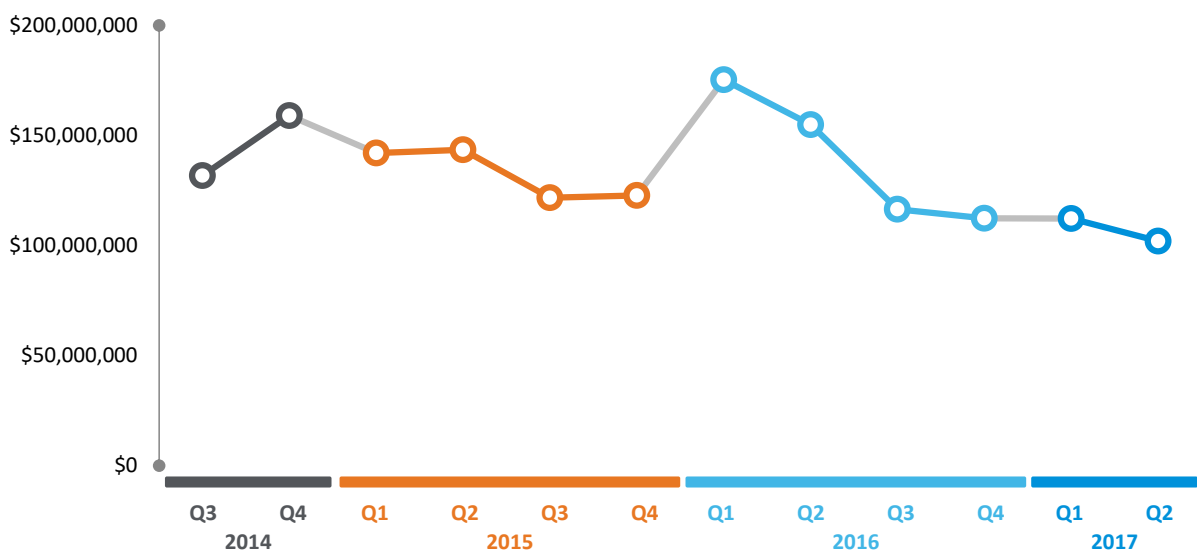


Question: At the end of each quarter, what was your estimated percentage of your Total Assets in the question above that was used for earning revenue from SACCs?

The estimated value of total assets across all consumer credit providers in the industry was \$717.0 million at the end of Q2 2017, up slightly from \$710.3 million at the end of Q1 2017. This was also higher than \$524.7 million at the end of Q2 2016.

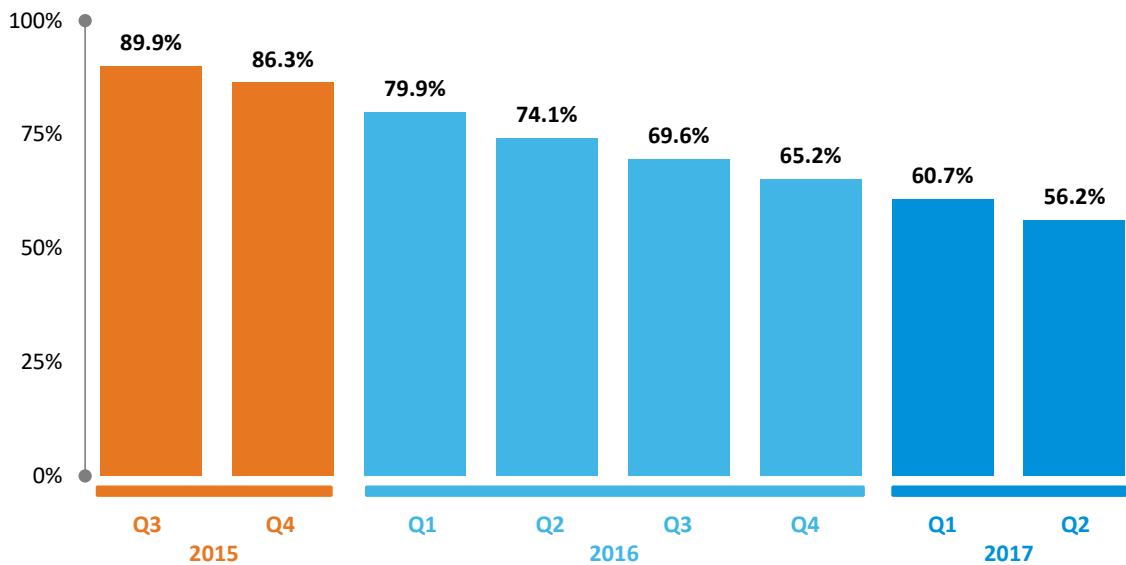
On average, 55.6% of total assets were used by providers to earn revenue from SACCs in Q2 2017, on par with 57.5% in Q1 2017 but down from 63.0% in Q2 2016.

Current liabilities



Question: At the end of each quarter, how much were your Current Liabilities?

Average % of current liabilities used for SACCs

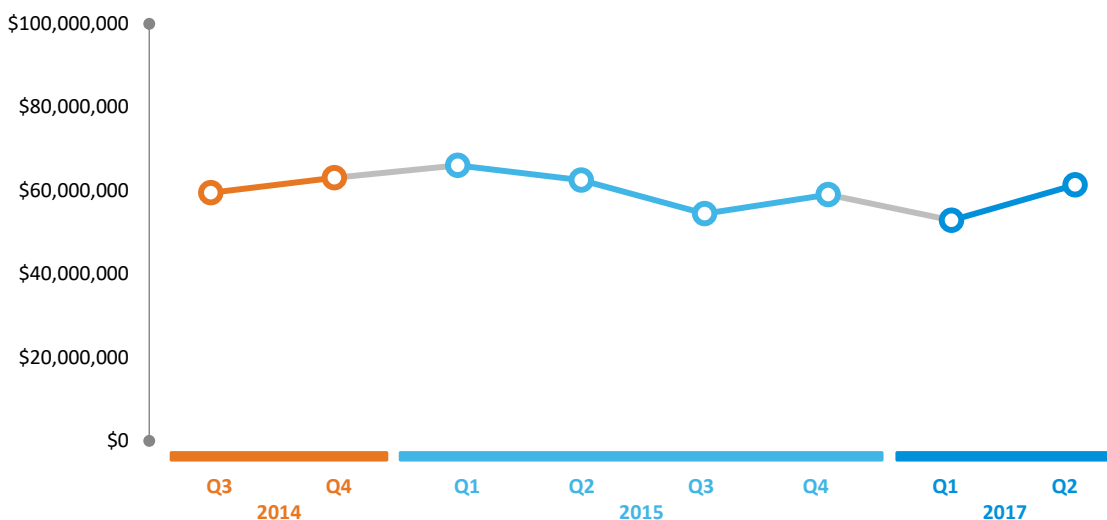


Question: At the end of each quarter, what was your estimated percentage of your Current Liabilities in the question above which related to that section of your business which provided SACCs?

The estimated value of current liabilities across all consumer credit providers in the industry was \$102.0 million at the end of Q2 2017, down from \$112.3 million at the end of Q1 2017 and \$154.9 million at the end of Q2 2016.

On average, 56.2% of current liabilities were related to the provision of SACCs in Q2 2017, down slightly from 60.7% in Q1 2017. This was also lower than 74.1% in Q2 2016.

Gross revenue – SACCs

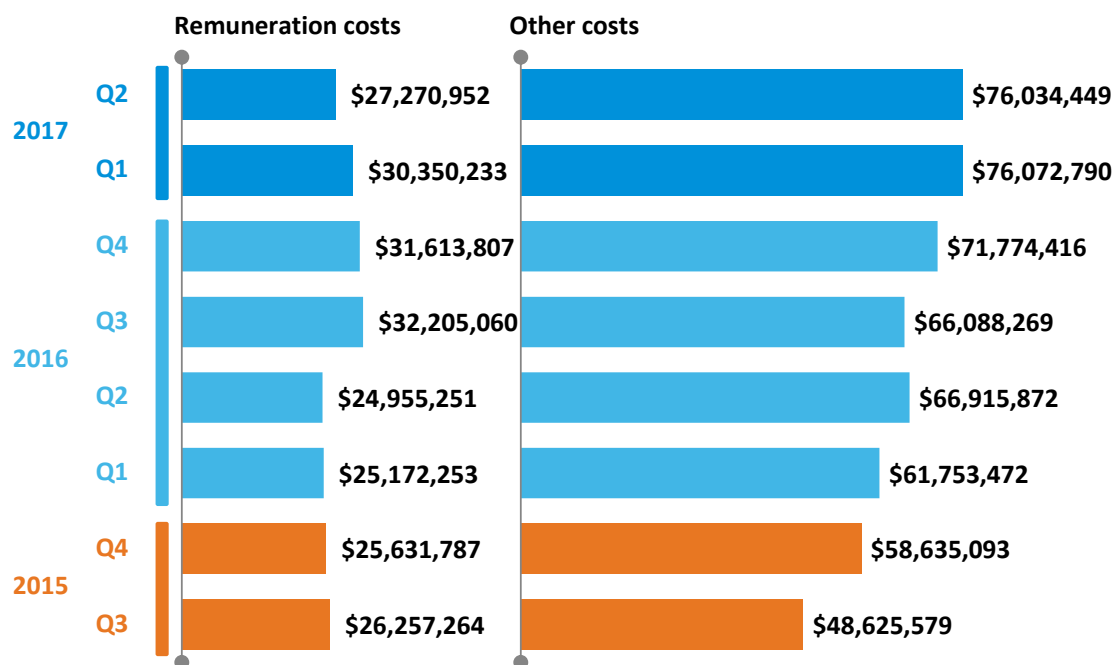


Question: For each quarter, what was your Total Gross Revenue from all SACCs?

The estimated total gross revenue from all SACCs was \$61.4 million in Q2 2017, up from \$52.9 million in Q1 2017 and on par with \$62.5 million in Q2 2016. For the 2016/17 financial year,

total gross revenue from all SACCs was \$227.7 million, down from \$251.2 million in the previous financial year.

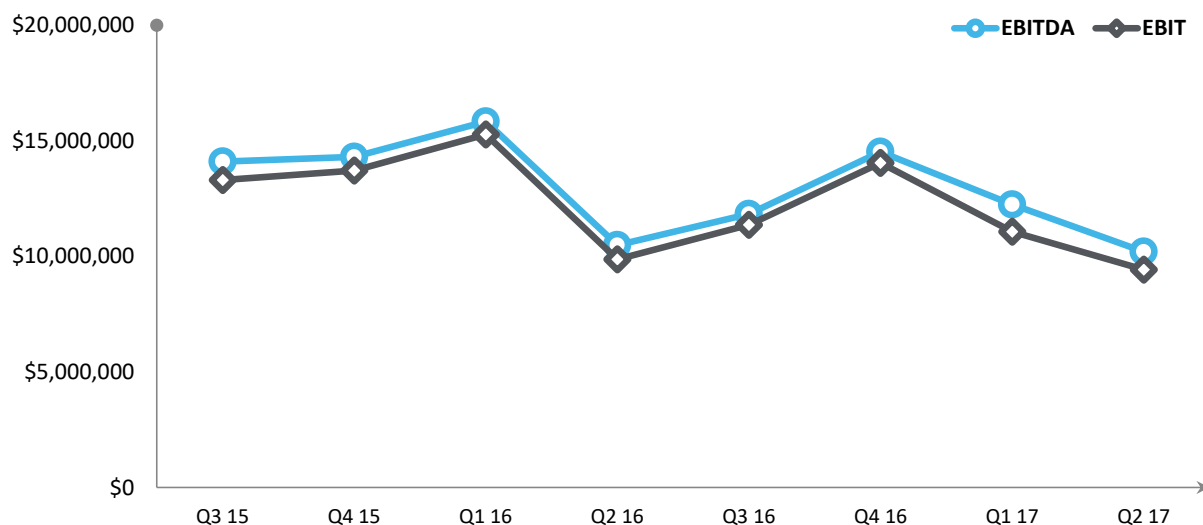
**Business costs**



**Questions:** For each quarter, what was the dollar value paid to all people working in the business? For each quarter, what was the dollar value of all other costs (apart from the wages/remuneration in the question above) to operate your business for lending SACCs and/or MACCs?

Total operational costs for the provision of SACCs and/or MACCs amounted to \$103.3 million in Q2 2017, which comprised of \$27.3 million of remuneration costs and \$76.0 million of all other costs. There has been an uptrend in total operational costs over the past two financial years. For the 2016/17 financial year, total operational costs for the provision of SACCs and/or MACCs amounted to \$411.4 million, up from \$337.9 million in the previous financial year.

EBITDA and EBIT – SACCs



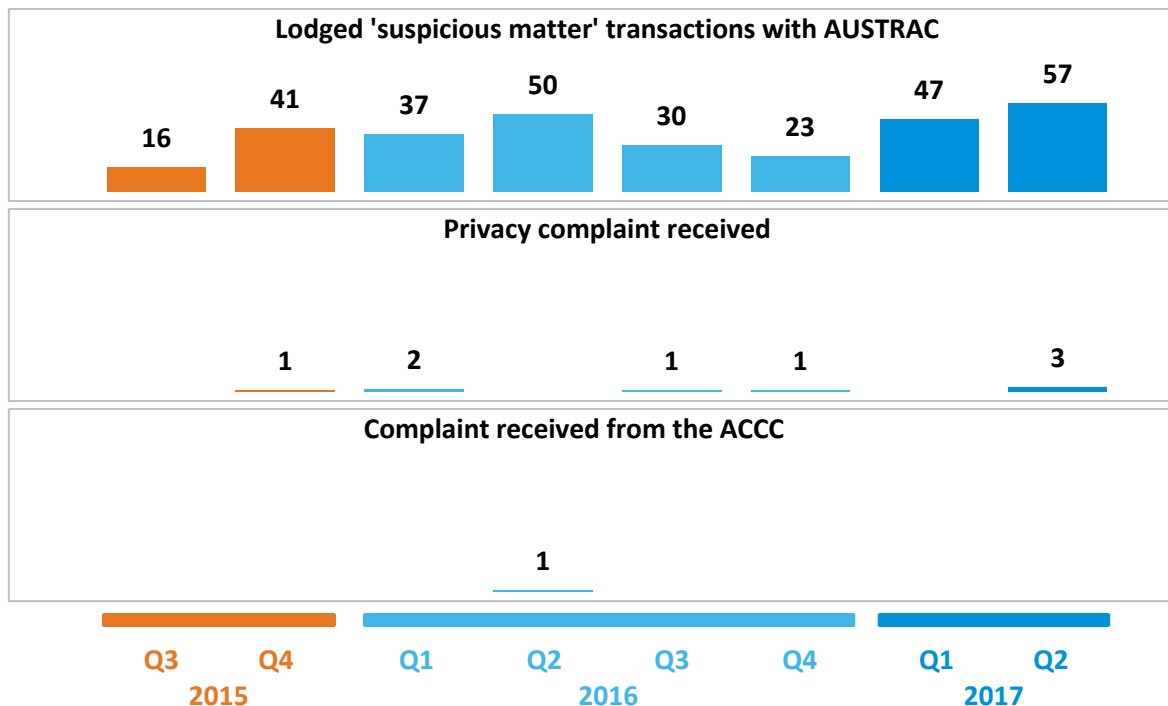
**Questions:** For each quarter, what was your EBITDA for the following loan types where EBITDA equals earnings before interest, taxes, depreciation and amortisation? *and* For each quarter, what was your EBIT for the following loan types where EBIT equals earnings before interest and taxes?

Earnings before interest, taxes, depreciation and amortisation (EBITDA) for SACCs was \$10.2 million in Q2 2017, down slightly from \$12.2 million in Q1 2017 but on par with \$10.5 million in Q2 2016. EBITDA for SACCs for the 2016/17 financial year was \$48.8 million, down from \$54.7 million in the previous financial year.

Earnings before interest and taxes (EBIT) for SACCs was \$9.4 million in Q2 2017, down from \$11.1 million in Q1 2017 but on par with \$9.9 million in Q2 2016. EBIT for SACCs for the 2016/17 financial year was \$45.9 million, down from \$52.2 million in the previous financial year.

# COMPLIANCE

## Incidence of events



\*Multiple answers allowed

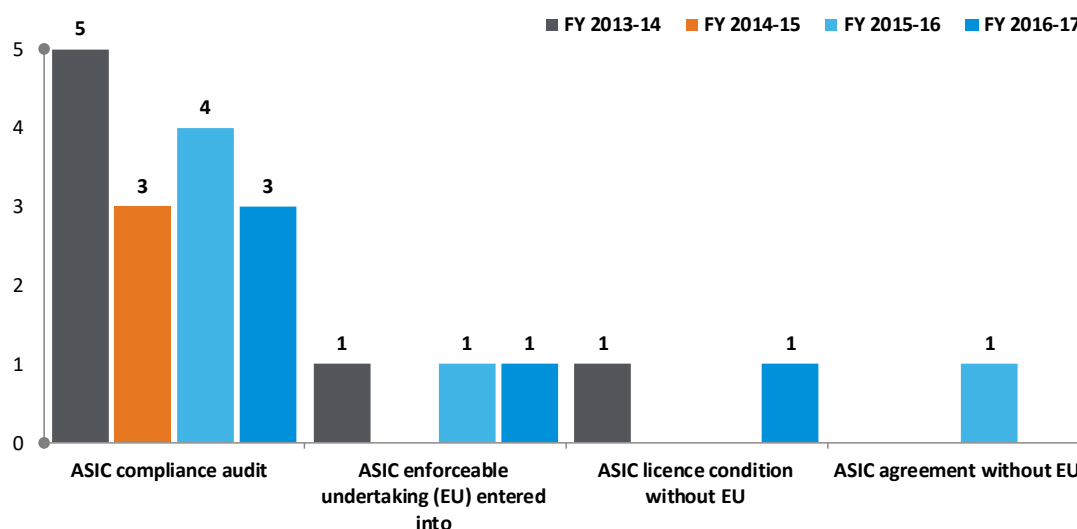
Question: For each quarter, how many times did the following events pertaining to SACCs and/or MACCs occur?

In Q2 2017, providers lodged 57 'suspicious matter' transactions pertaining to SACCs and/or MACCs with AUSTRAC, up from 47 in Q1 2017. There were 157 such instances in the 2016/17 financial year, up from 144 in the previous financial year.

In the 2016/17 financial year, there were also five privacy complaints reported as being received. There were no complaints received from the ACCC in the 2016/17 financial year.



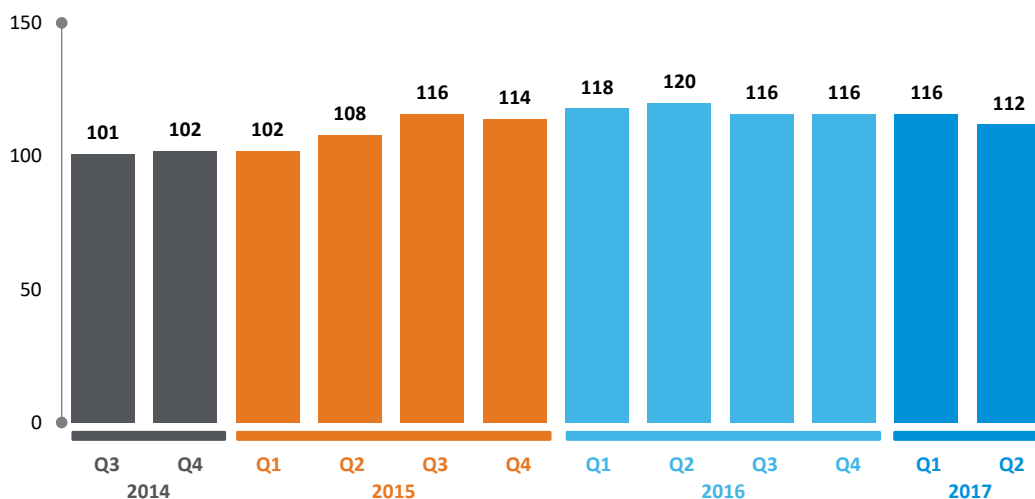
For each quarter, how many times did you have contact from ASIC for any of the following matters pertaining to SACCs and/or MACCs?



Question: For each quarter, how many times did you have contact from ASIC for any of the following matters pertaining to SACCs and/or MACCs?

During the 2016/17 financial year, there was one ASIC Enforceable Undertaking (EU) reported as entered into, three instances of ASIC compliance audits and one instance of ASIC licence condition without EU.

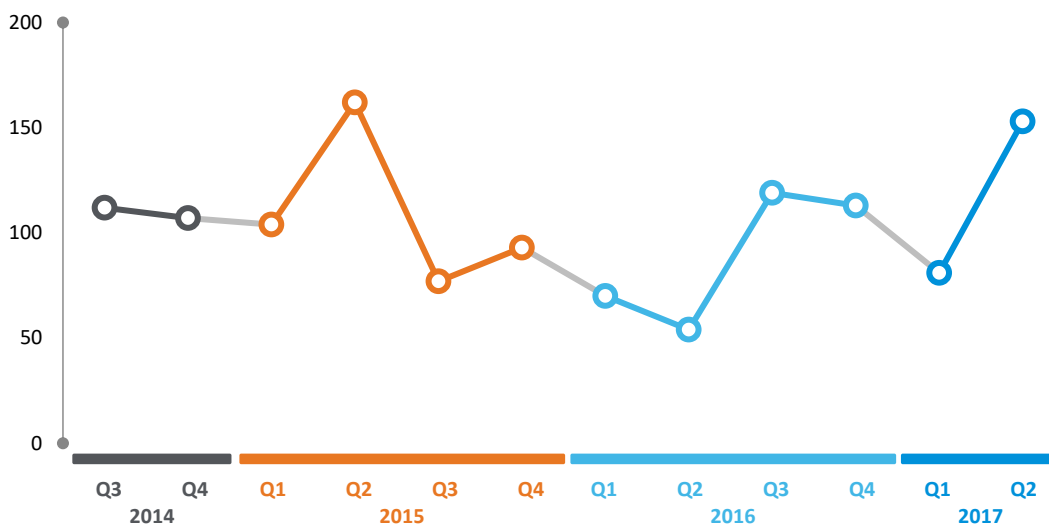
### Number of responsible managers for SACCs and MACCs



Question: At the end of each quarter, how many responsible managers were involved in credit activity for SACCs and/or MACCs?

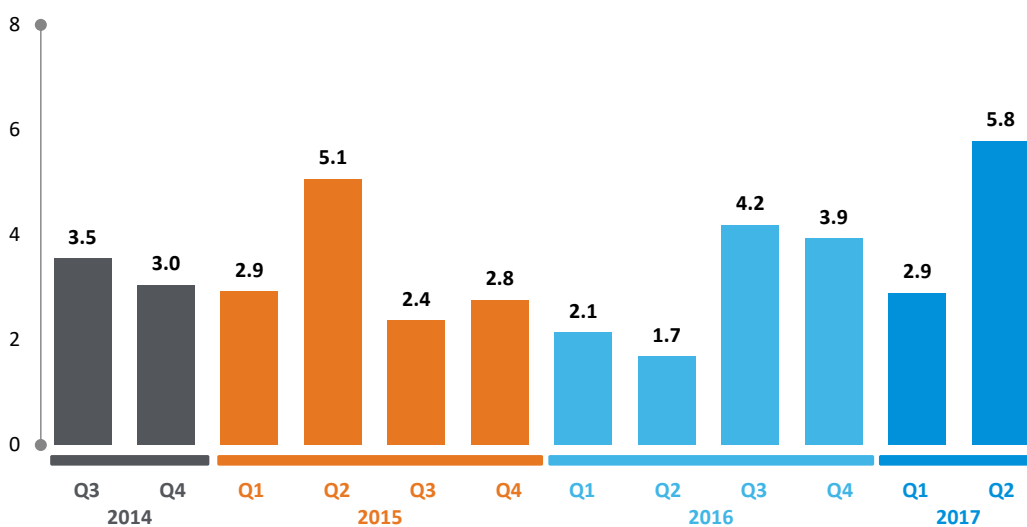
There were 112 responsible managers who were involved in credit activity for SACCs and/or MACCs in Q2 2017, compared to 116 in Q1 2017 and 120 in Q2 2016.

**Contacts from consumer representative groups – SACCs**



Question: For each quarter, how many contacts for new issues pertaining to each loan type did you have from a consumer representative such as Legal Aid, Financial Counselling Australia, CALC, CCLC, etc.?

**Contacts per 10,000 active SACCs**



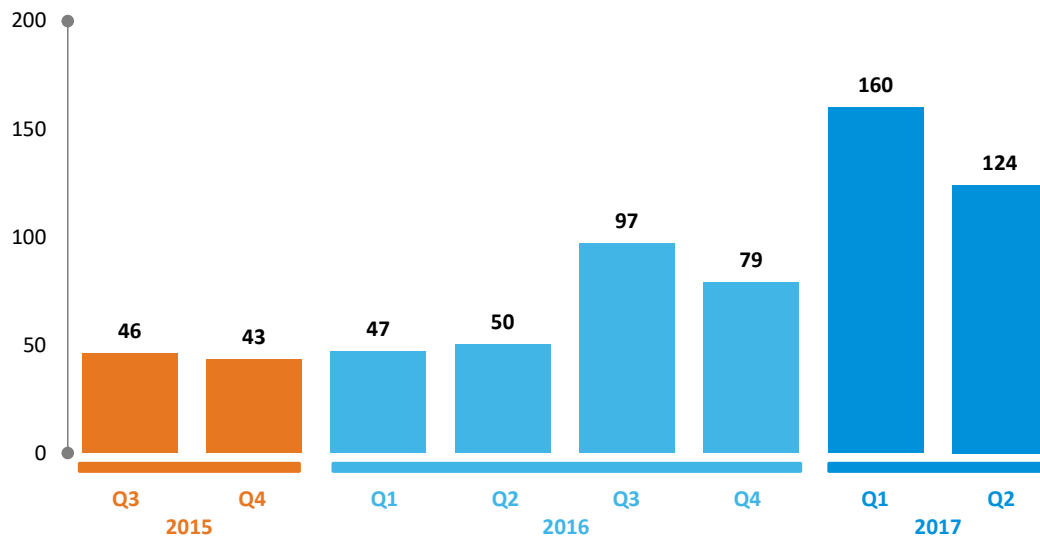
Questions: For each quarter, how many contacts for new issues pertaining to SACCs did you have from a consumer representative such as Legal Aid, Financial Counselling Australia, CALC, CCLC, etc.? *divided by* At the end of each quarter, what was the total number of active SACC loans?

In Q2 2017, providers reported receiving 153 contacts for new issues pertaining to SACCs from consumer representative groups, up from 81 in Q1 2017 and 54 in Q2 2016.

As a proportion of active SACCs, there were 5.8 contacts for every 10,000 active SACCs in Q2 2017, up slightly from 2.9 in Q1 2017 and 1.7 in Q2 2016.

In the 2016/17 financial year, there were 466 contacts in total or 4.2 contacts for every 10,000 active SACCs. In the previous financial year, there were 294 contacts in total or 2.2 contacts for every 10,000 active SACCs.

Contact from credit repair companies – SACCs

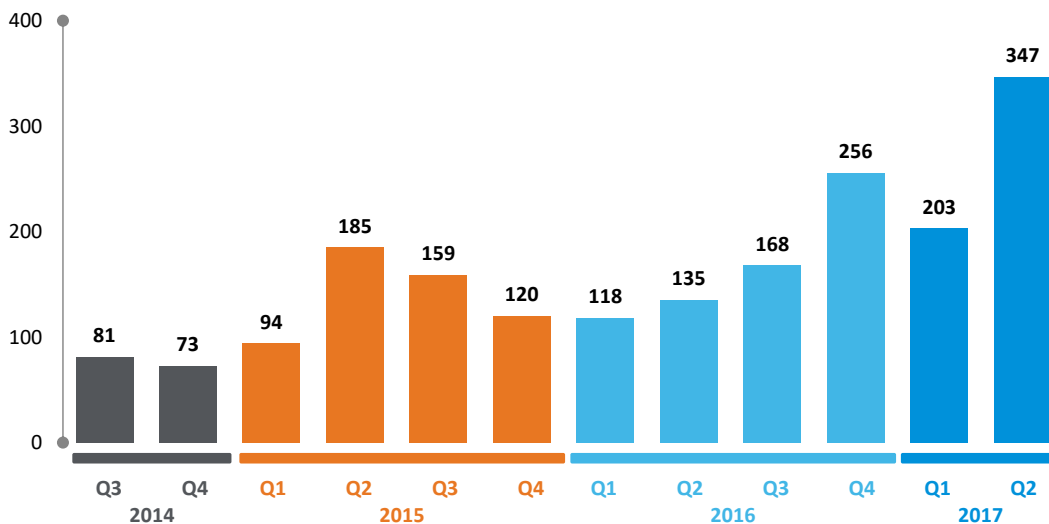


Question: For each quarter, how many times were you contacted by a credit repair company to remove a default listing pertaining to SACCs?

In Q2 2017, there were 124 contacts from credit repair companies to remove a default listing pertaining to SACCs, down from 160 in Q1 2017 but up from 50 in Q2 2016. There were 460 contacts in total for the 2016/17 financial year, up from 186 in the previous financial year.

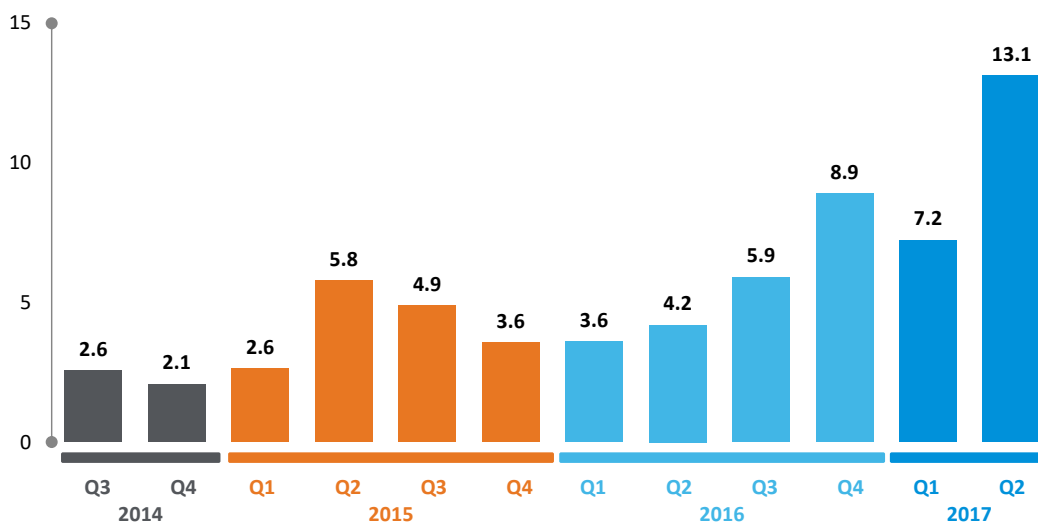
# DISPUTE RESOLUTION

New SACC IDR cases recorded on IDR register



Question: For each quarter, how many new Internal Dispute Resolution cases were recorded on your IDR register as required by the NCCP Act for SACCs?

New IDR cases per 10,000 active SACCs



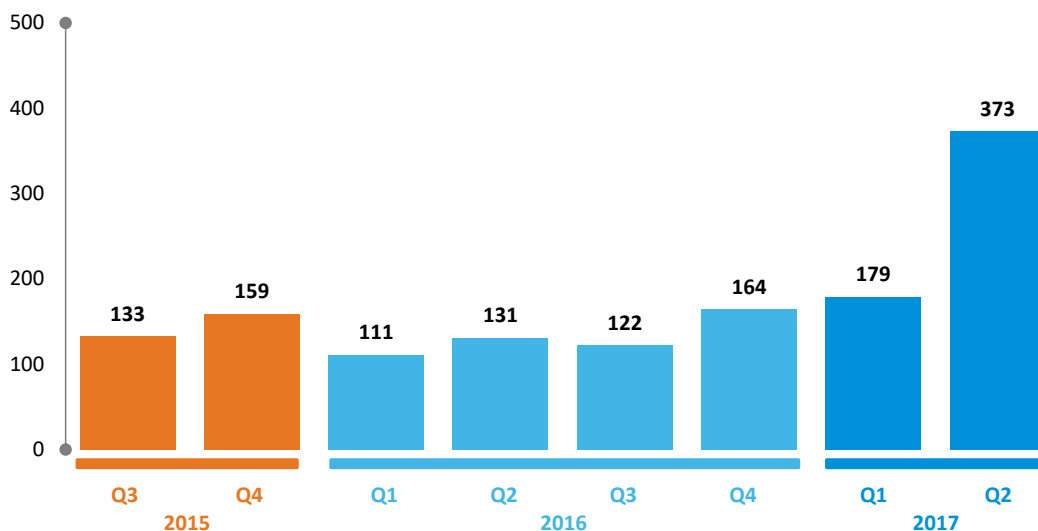
Questions: For each quarter, how many new Internal Dispute Resolution cases were recorded on your IDR register as required by the NCCP Act for SACCs? *divided by* At the end of each quarter, what was the total number of active SACC loans?

Across all providers, there were 347 reported new Internal Dispute Resolution (IDR) cases pertaining to SACCs recorded in Q2 2017, up from 203 in Q1 2017 and 135 in Q2 2016.

As a proportion of active SACCs, there were 13.1 new IDR cases recorded for every 10,000 active SACCs in Q2 2017, up from 7.2 in Q1 2017 and 4.2 in Q2 2016.

In the 2016/17 financial year, there were 974 reported new SACC IDR cases in total or 7.4 cases for every 10,000 active SACCs. In the previous financial year, there were 532 new SACC IDR cases in total or 4.1 cases for every 10,000 active SACCs.

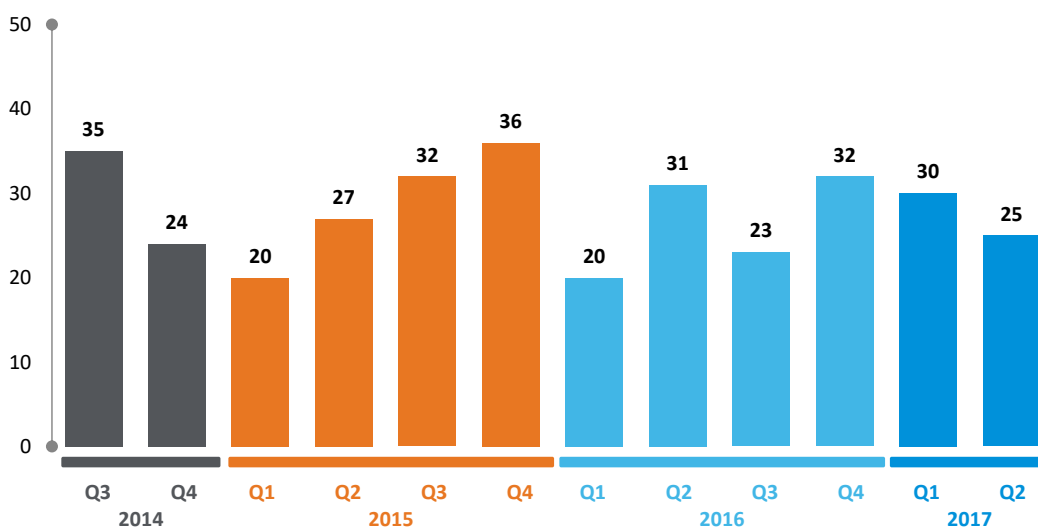
**SACC IDR cases closed**



Question: For each quarter, how many times were you contacted by a credit repair company to remove a default listing pertaining to SACCs?

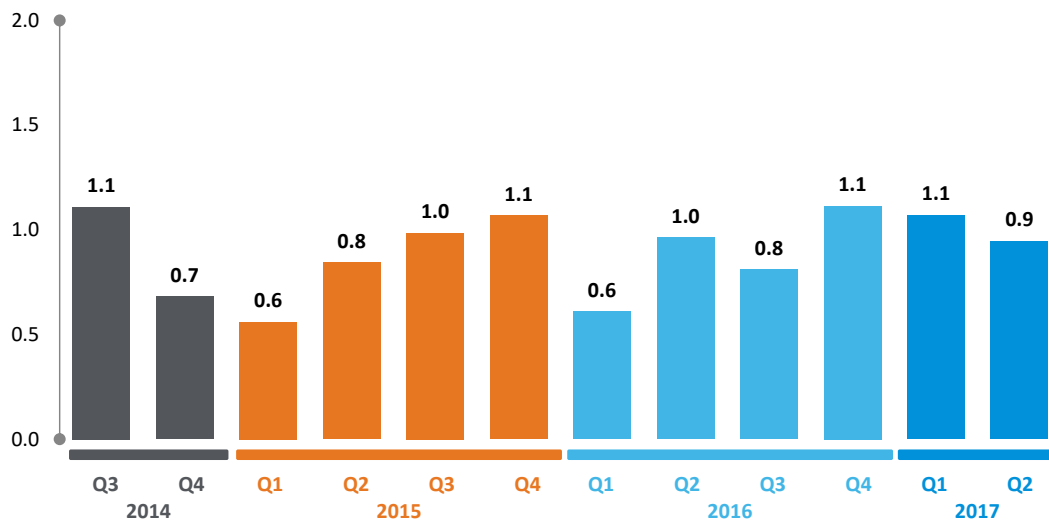
In Q2 2017, 373 IDR cases for SACCs were closed, up from 179 in Q1 2017 and 131 in Q2 2016. There were a total of 838 SACC IDR cases closed in the 2016/17 financial year, compared to 534 in the previous financial year.

**New SACC EDR cases notified**



Question: For each quarter, how many new EDR cases were you notified of for SACCs?

New EDR cases per 10,000 active SACCs



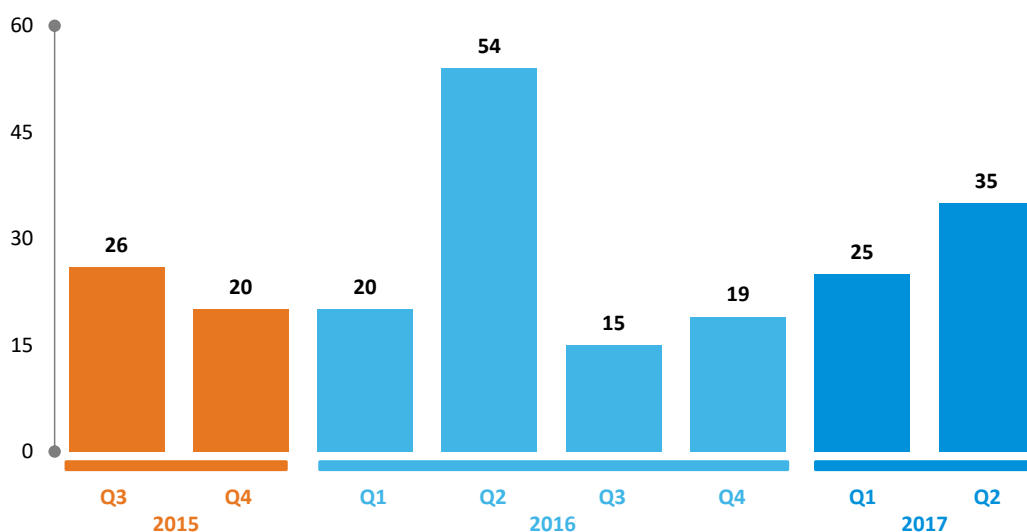
Questions: For each quarter, how many new EDR cases were you notified of for SACCs? *divided by* At the end of each quarter, what was the total number of active SACC loans?

Across all providers, there were 25 new External Dispute Resolution (EDR) cases pertaining to SACCs reported as recorded in Q2 2017, compared to 30 in Q1 2017 and 31 in Q2 2016.

As a proportion of active SACCs, there were 0.9 new EDR cases recorded for every 10,000 active SACCs in Q2 2017, on par with 1.1 in Q1 2017 and 1.0 in Q2 2016.

In the 2016/17 financial year, there were 110 new SACC EDR cases in total or 0.8 cases for every 10,000 active SACCs. In the previous financial year, there were 119 new SACC EDR cases in total or 0.9 cases for every 10,000 active SACCs.

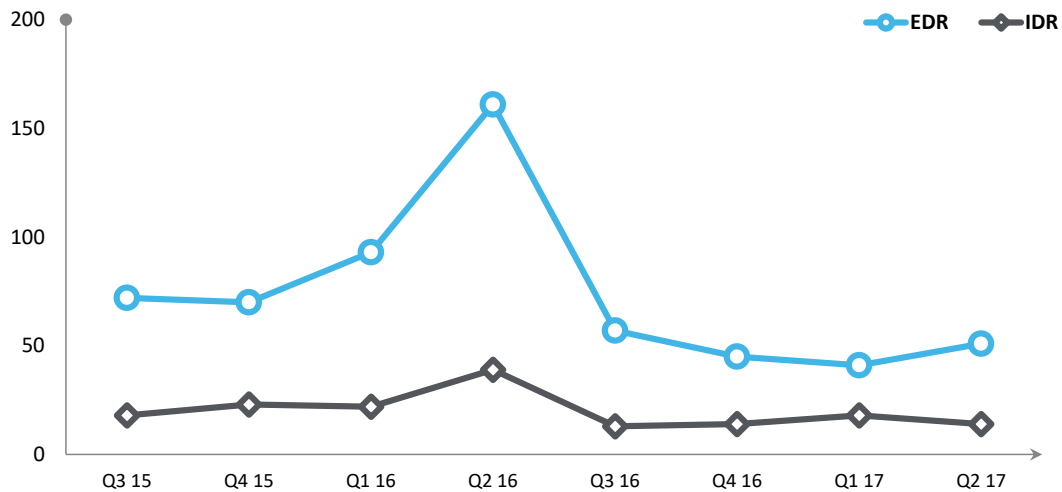
SACC EDR cases closed



Question: For each quarter, how many EDR cases were closed for SACCs?

In Q2 2017, there were 35 EDR cases closed for SACCs, up from 25 in Q1 2017 but down from 54 in Q2 2016. There were a total of 94 SACC EDR cases closed in the 2016/17 financial year, compared to 120 in the previous financial year.

**Average days of open SACC cases**



**Questions: For IDR cases closed in each quarter, what was the total number of days in which those cases were open for SACCs? For EDR cases closed in each quarter, what was the total number of days in which those cases were open for SACCs?**

SACC EDR cases are open for longer than SACC IDR cases. On average, SACC IDR cases closed in Q2 2017 were open for 14 days, while SACC EDR cases closed in Q2 2017 were open for 51 days, compared to 18 and 41 respectively in Q1 2017. Both figures are lower than in Q2 2016 (39 and 161 respectively).

## RESEARCH CONFIDENTIALITY

---

CoreData was commissioned to complete this research as an independent third party provider with no vested interest in the findings. CoreData will complete the research and present the findings with no influence from any stakeholders and entered into informal agreements with ASIC to this effect.

CoreData strictly adheres to the AMSRS Code of professional behaviour in relation to research confidentiality and data security. All responses are strictly confidential and anonymous. The final report will only display aggregated data and will not allow the identification of individual providers.

Only CoreData as the independent primary researchers shall have access to the raw data in the individual submissions. The NCPA or any other third parties shall have no access to the raw data in the individual submissions.

CoreData will not allow for the data collected to be used for any purpose other than market research.

CoreData maintains the highest standards of data security requiring careful management of data security and storage on certified protected servers. All research findings, research briefs and other information will not be disclosed to third parties without prior explicit arrangement from all the research participants.

CoreData conforms to currently agreed professional practice relating to the keeping of records securely for at least five years after the project has ended if this data has not already been deleted.

All data is stored on secure onsite servers with well-maintained firewall facilities and backed up daily to a secure offsite server that also has well-maintained firewall facilities. The security of our servers is managed by a dedicated IT provider who has explicitly agreed to adhere to the AMSRS standards for data storage and security.



## ABOUT COREDATA

CoreData Research is a global specialist financial services research and strategy consultancy. CoreData Research understands the boundaries of research are limitless and with a thirst for new research capabilities and driven by client demand; the group has expanded over the past few years into the Americas, Africa, Asia, and Europe.

CoreData Group has operations in Australia, the United Kingdom, the United States of America, Brazil, Singapore, South Africa and the Philippines. The group's expansion means CoreData Research has the capabilities and expertise to conduct syndicated and bespoke research projects on six different continents, while still maintaining the high level of technical insight and professionalism our repeat clients demand.

With a primary focus on financial services CoreData Research provides clients with both bespoke and syndicated research services through a variety of data collection strategies and methodologies, along with consulting and research database hosting and outsourcing services.

CoreData Research provides both business-to-business and business to- consumer research, while the group's offering includes market intelligence, guidance on strategic positioning, methods for developing new business, advice on operational marketing and other consulting services.

The team is a complimentary blend of experienced financial services, research, marketing and media professionals, who together combine their years of industry experience with primary research to bring perspective to existing market conditions and evolving trends.

CoreData Research has developed a number of syndicated benchmark proprietary indexes across a broad range of business areas within the financial services industry.

- Experts in financial services research
- Deep understanding of industry issues and business trends
- In-house proprietary industry benchmark data
- Industry leading research methodologies
- Rolling benchmarks

The team understands the demand and service aspects of the financial services market. It is continuously in the market through a mixture of constant researching, polling and mystery shopping and provides in-depth research at low cost and rapid execution. The group builds a picture of a client's market from hard data which allows them to make efficient decisions which will have the biggest impact for the least spend.



## AUSTRALIA

---

### SYDNEY

CoreData Pty Limited  
Suite 7, Level 9, 66 Hunter St  
Sydney, NSW, 2000

T: +61 2 9376 9600

E: [sydney@coredata.com.au](mailto:sydney@coredata.com.au)

### PERTH

CoreData Pty Limited  
191 St Georges Terrace,  
Perth WA 6000

T: +61 8 6500 3216

E: [perth@coredata.com.au](mailto:perth@coredata.com.au)

## PHILLIPINES

---

CoreData Research Services Inc.  
Unit E-1608 Philippine Stock  
Exchange Centre,  
Exchange Rd, Ortigas, Pasig City,  
1605

T: +63 2 667 3996

E: [info\\_ph@coredataresearch.com](mailto:info_ph@coredataresearch.com)

## UK

---

CoreData Research Ltd  
6 Foster Lane,  
London ECV 6HH  
United Kingdom

T: +44 (0)207 600 5555

E: [info\\_uk@coredata.com](mailto:info_uk@coredata.com)

## US

---

CoreData Research LLC  
15 Court Square, #450  
Boston, 02108

T: +1 (857)239 8398

E: [info\\_us@coredataresearch.com](mailto:info_us@coredataresearch.com)