
Managing Your Credit Through a Financial Hardship

Johannesburg, Apr. 8, 2020 - With South Africa in lockdown, millions of consumers and businesses are facing some tough financial choices – but it's vital that people stay in control of their credit through this stressful time.

According to TransUnion's latest Q4 2019 [South Africa Industry Insights Report](#), consumer debt balances have increased sharply in the past 12 months, as growing numbers of consumers turn to unsecured credit, including credit cards and personal loans, to cover everyday expenses. With the report showing delinquencies on the rise, many people are struggling to make repayments on their debts.

If you're going to struggle to pay your bills in the coming months, it's critical to talk to your lenders upfront, says Kriben Reddy, consumer lead at TransUnion Africa.

Here are three ways to manage your credit through the COVID-19 pandemic, and beyond.

Protect your credit score

As income streams shrink in the coming months, people may find themselves having to use their credit cards more, or even dip into their home loans. The important thing is to pay all of your bills on time if you can. Paying on time is the biggest factor that affects your credit score.

It's even more vital than usual to protect your credit score during tough times, because access to credit can often help you get through the rough patches.

Talk to your lenders

If money is tight and you're worried you're going to miss a payment or two, it's best to contact your lender before the payment is due. You can explain your situation and ask whether they can offer any assistance.

Consider contacting your bank or credit card issuer if you're affected by the COVID-19 pandemic. You may qualify for some leeway. Several South African banks have already announced payment holidays to help consumers and small businesses get through this time.

Stay in control of your credit health

It's important to check your credit report to make sure all your account information is correct. You can get one free credit report each year from several information providers like TransUnion. That way, if you contact your lenders to discuss your financial situation, they'll have correct data to work with.

"We know many people are feeling anxious about their finances during this challenging time. Organising your credit information and maintaining communication with your lenders are two ways you can help stay in control of your credit health during times of uncertainty," says Reddy.

Ends

About TransUnion (NYSE: TRU)

TransUnion is a leading global information and insights company that makes trust possible in the modern economy. We do this by providing a comprehensive picture of each person so they can be reliably and safely represented in the marketplace. As a result, businesses and consumers can transact with confidence and achieve great things. We call this Information for GoodSM. TransUnion provides solutions that help create economic opportunity, great experiences and personal empowerment for hundreds of millions of people in more than 30 countries. Recognized as a leader in the African credit, risk and fraud markets, TransUnion provides consumer reports, risk scores, analytical services and decisioning capabilities to businesses across the continent. TransUnion is the only company in Africa's IT industry that manages multiple complex databases containing insurance, cellular, consumer, commercial and auto data assets. In addition, we manage leading African databases in property and deeds, qualifications and telecommunications.

Editorial Contacts:

ByDesign Communications

Nhlanhla Kubeka

079 847 8975

n.kubeka@bdcms.co.za

Enquiries

TransUnion +27 11 214 6000 | mcmailbox@transunion.co.za