

TransUnion

Affordability Reshapes South Africa's Credit Market in Q2 2026

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As many South Africans continue to feel the pressure of rising living costs, affordability is affecting popular credit products in diverse ways as consumers adapt their borrowing strategies rather than stepping away from credit altogether. The latest TransUnion Q2 2026 South Africa Industry Insights Report shows that households are becoming more selective about how they borrow, with consumers prioritising products that align with their needs while carefully managing affordability.

South Africa's consumer credit market remained resilient in Q2 2026, but growth is becoming increasingly selective, segmented and dependent on how consumers manage affordability. Demand for credit remains evident across major products, yet both consumers and lenders are adapting to a more complex operating environment. Rather than withdrawing from the market, consumers continue to seek credit, mobility and household spending solutions, although they're becoming more deliberate in how they access and use them. At the same time, lenders are increasingly balancing growth opportunities against affordability considerations and portfolio risk.

One of the defining features of Q2 was the growing divergence beneath headline market performance. Aggregate credit growth increasingly masks very different underlying dynamics across products and lenders. In credit cards, portfolio activity and exposure continued to expand despite a material slowdown in new account acquisition, reflecting a market where growth opportunities remain present, but lenders continue to balance acquisition with prudent risk and affordability considerations. In personal loans, banks and non-bank lenders followed distinct paths to growth, reflecting different consumer needs and risk profiles. Within retail

credit, clothing, revolving and instalment products produced markedly different outcomes despite operating in the same consumer environment. Home loans continued to demonstrate value growth despite declining borrower participation, while vehicle finance remained resilient even as consumers become more selective in their purchase decisions.

Affordability remains a defining influence on consumer behaviour, but its effects are becoming more nuanced. Rather than suppressing demand entirely, affordability concerns are changing how consumers engage with products and services. Vehicle buyers are placing greater emphasis on financing costs, fuel efficiency and total cost of ownership, while lenders across multiple products are increasingly focused on managing exposure, credit limits and portfolio quality. The result is a market where growth remains achievable but is becoming increasingly dependent on product design, affordability management and risk discipline.

Resilience is also not being felt uniformly across the market. Some portfolios continued to demonstrate an ability to balance expansion with improving credit performance, while others experienced increasing repayment pressure despite sustained consumer demand. These contrasting outcomes highlight a widening gap between volume and value, participation and performance — and ultimately between opportunity and risk. As a result, traditional indicators, such as account growth, balance growth and origination volumes, increasingly require greater context to understand what they're truly signalling about consumer financial health and portfolio sustainability.

For lenders, the key implication is traditional growth indicators are becoming less informative on their own. Origination growth, balance growth and account growth increasingly require deeper interpretation because similar outcomes can be driven by fundamentally different consumer and portfolio dynamics.

As the market becomes more segmented, competitive advantage is likely to depend less on expanding exposure and more on understanding where growth is occurring, how sustainable it is and which consumers have the capacity to absorb additional credit responsibly.

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