

## Consumer Pulse Study

# Consumer behaviours and attitudes about current and future household budgets, spending and debt

### South Africa Q4 2024

TransUnion's quarterly survey explores how consumers' personal finances have changed and what changes they expect in the future. The study measures shifting consumer attitudes and behaviours based on the dynamics of income, debt and identity theft. The analyses and insights give consumers a voice and inform businesses' decision-making as they seek to create economic opportunities for consumers.

#### KEY TAKEAWAYS



South African households show rising optimism and financial resilience. In line with signs of economic recovery, consumers were more optimistic in Q4 2024. Only 20% reported a decline in income in the past three months, and positive outlooks about future income rose significantly with 79% expecting an increase (up four percentage points from Q3 2024), especially among Gen Z and Millennials. Three-quarters (76%) felt optimistic about their household finances in the next 12 months, up five percentage points from last year. Inflation remained the top concern, although it has eased slightly. In Q4, 65% of consumers were able to pay their bills in full, indicating improved financial stability, especially among younger generations. Many consumers prioritised faster debt repayment while also increasing their contributions to emergency and retirement savings.



Slight decrease in financial inclusion. Almost all consumers considered access to credit essential for achieving financial goals, but only 38% (particularly Gen Z) felt they have sufficient access, a slight drop from Q3 2024. In Q4 2024, demand for credit rose slightly with 37% (led by Gen Z and Millennials) planning to seek new credit. The top options were new credit cards, personal loans and 'buy now, pay later' services. However, 54% did not proceed with applications, mainly due to the high cost of credit or finding alternative funding.



Increased vigilance after data breaches, but guidance is needed. In Q4 2024, 13% of consumers were targeted and fell victim to digital fraud, a three-percentage point increase from Q3 2024. The most common scams included money and gift card schemes, smishing and phishing. Following a data breach notification, over half of consumers changed passwords for compromised accounts. Actions like changing passwords, checking credit reports and using multi-factor authentication reflect consumers' increased vigilance and proactive digital security measures. However, what's concerning is of 60% of respondents who took no action in response to cybersecurity concerns, 18% remained unsure how to protect themselves, highlighting the need for clearer guidance to enhance security practices.

## Household income

After facing challenging financial conditions over the past few years, South African households appeared to be growing more optimistic, with green shoots emerging in the economy. Only 20% of households reported a decrease in income over the past three months, a slight one-point decline from Q3 2024, while 38% reported an increase, mainly among Gen Z and Millennials (42%).

While South African consumers have been enduring a cost of living crisis marked by rising inflation and shrinking incomes, recent trends offered some relief. Inflation fell to a 16-month low of 4.4% in August 2024,<sup>1</sup> alongside the first interest rate cut in four years in September, with another reduction anticipated in November. These developments eased pressure on household incomes. Inflation is projected to slow further,<sup>2</sup> reaching 3.8% in Q4 2024. With improved outlook for inflation and interest rates, 79% of consumers expected their future incomes to increase in the next 12 months, a four-percentage-point rise from Q3. Optimism was especially high among younger generations; 86% of Gen Z and 85% of Millennials expected income growth. Additionally, 76% of respondents felt optimistic about their household finances in the coming year, a five-percentage-point increase from Q4 2023.

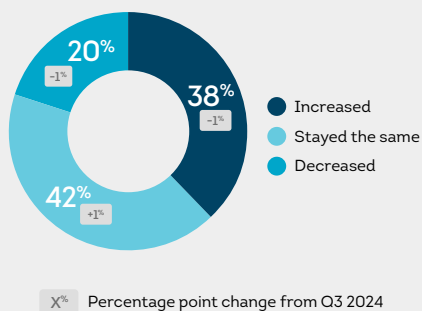
Looking ahead, 74% of respondents cited inflation as the biggest concern impacting household finances, although this was down four percentage points from Q3 2024, consistent with the recent slowdown in CPI inflation. The survey showed 56% of respondents were concerned about interest rates, while another 56% were worried about job security – reflecting South Africa's Q2 2024 persistently high unemployment rate of 33.5%.<sup>3</sup>

## Spending and bill payments

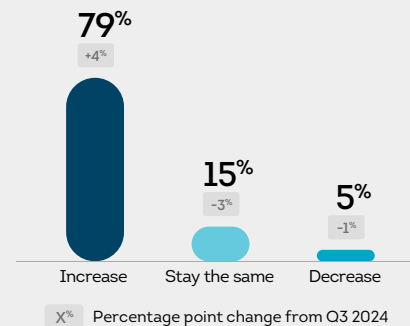
The percentage of consumers able to pay their bills in full in Q4 2024 increased to 65%, with Gen Z at 68% and Millennials at 66%, while those unable to pay decreased to 35%. Fifty-two percent of consumers, particularly Gen X (65%) and Baby Boomers (62%), reduced discretionary spending in the past three months. Thirty percent cancelled subscriptions or memberships, and 26% cut back on digital services.

In Q4 2024, paying off debt faster remained a priority for 33% of consumers, a slight increase of one percentage point from the previous quarter. More consumers also increased their contributions to emergency funds or stokvels (28%) and set aside more for retirement (24%). This trend was particularly pronounced among younger generations; 36% of Gen Z and 30% of Millennials boosted contributions to emergency funds in the last quarter. Over the next three months, the top adjustments to household budgets included 46% of consumers planning to cut back on discretionary spending, 42% aiming to increase retirement investments, and 41% less likely to make large purchases.

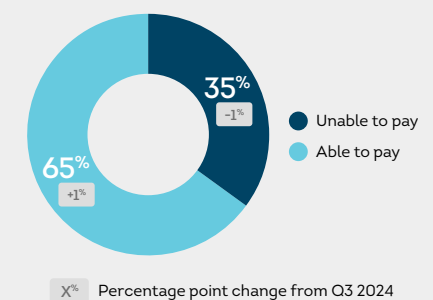
**Figure 1. Household income change last three months**



**Figure 2. Expected household income change next 12 months**



**Figure 3. Expect to be unable to pay at least one of their current bills and loans in full**



<sup>1</sup> StatsSA, Inflation dips below 4,5% | Statistics South Africa (statssa.gov.za)

<sup>2</sup> Monetary Policy Committee, SA Reserve Bank, Statement of the Monetary Policy Committee September 2024 (resbank.co.za)

<sup>3</sup> StatsSA, Media release QLFS Q2 2024.pdf (statssa.gov.za)

Figure 4. Optimism about household finances in next 12 months

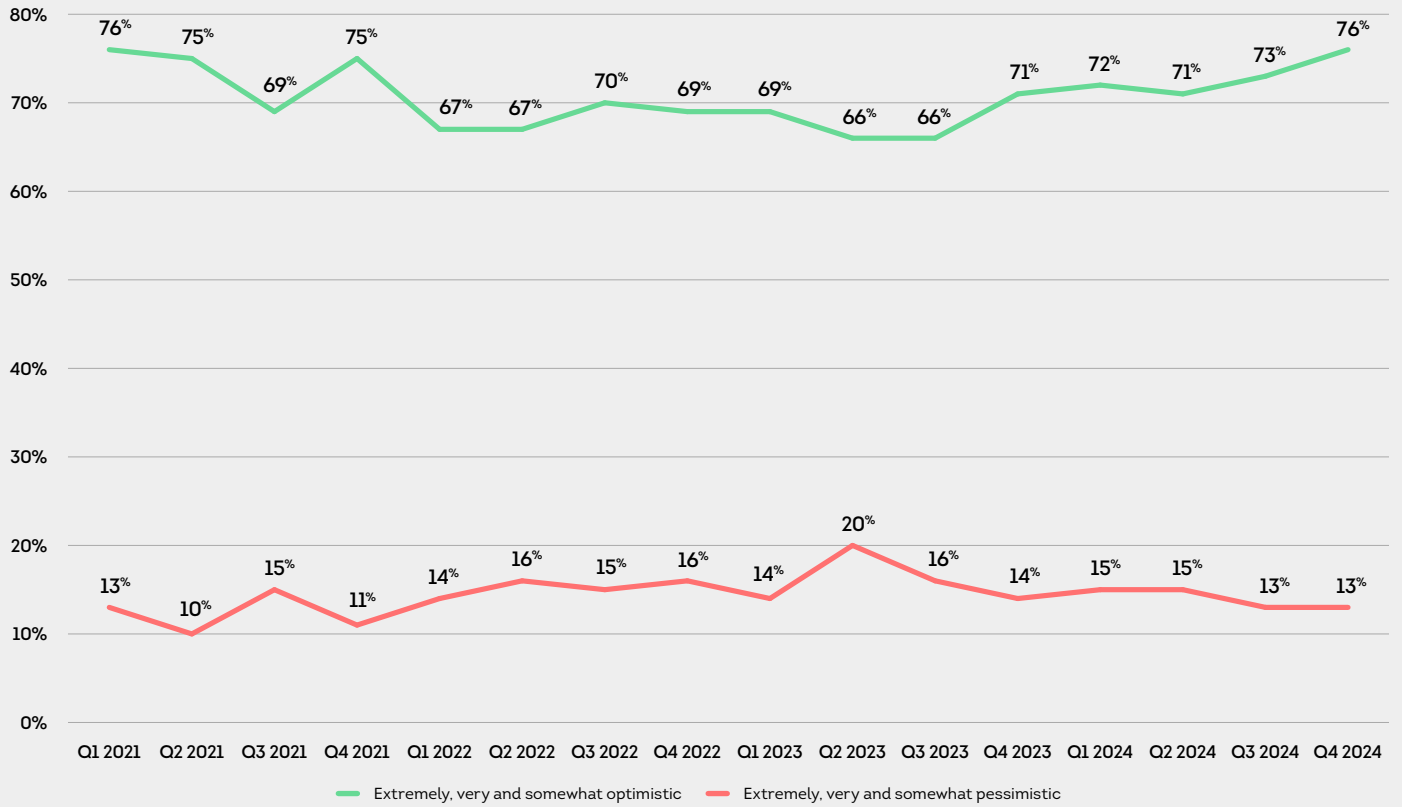


Figure 5. Biggest concerns affecting household finances in next six months

Percentage of consumers who said this concern was in their top three

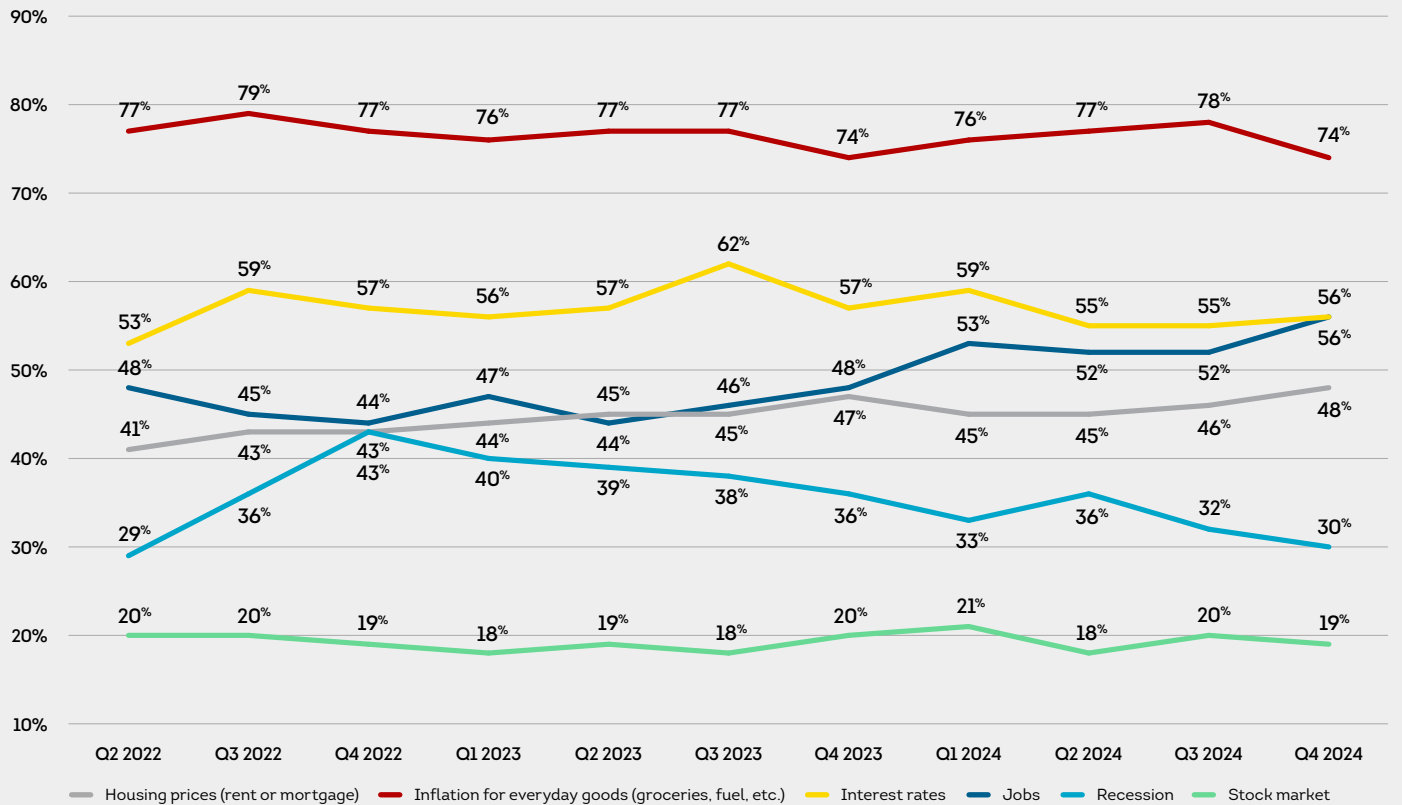
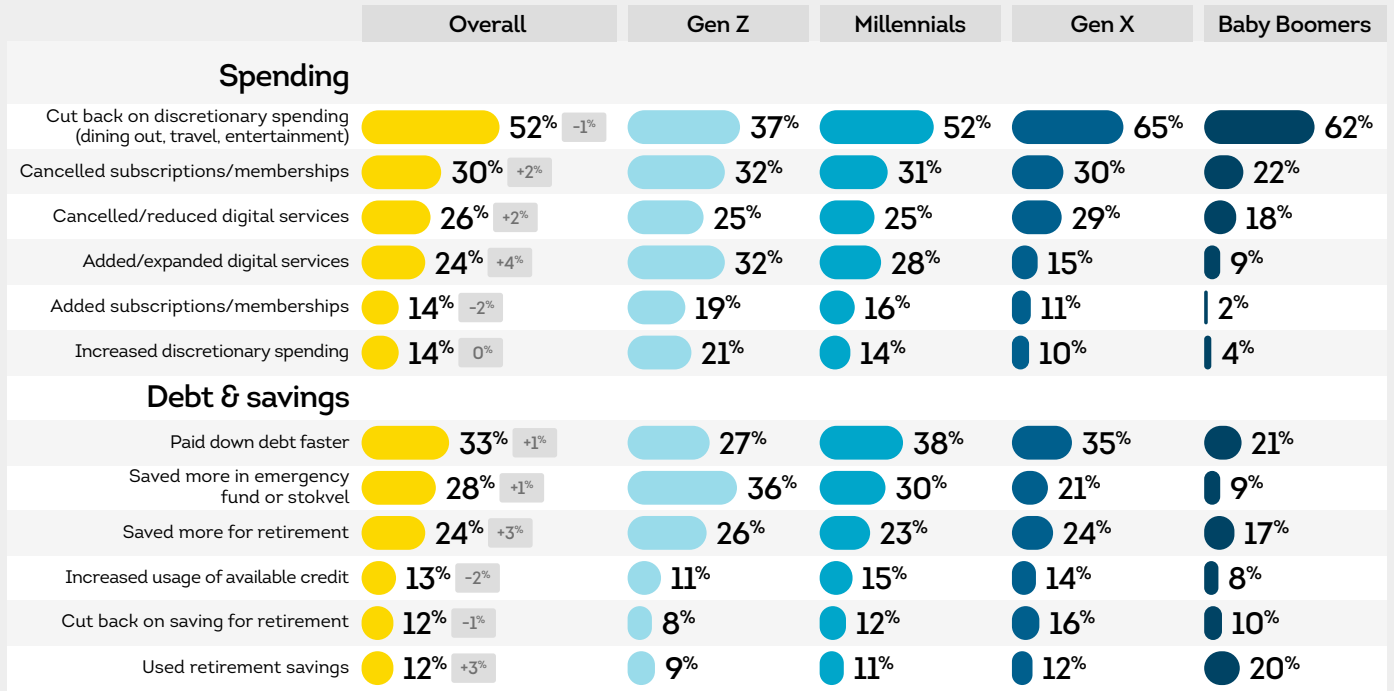
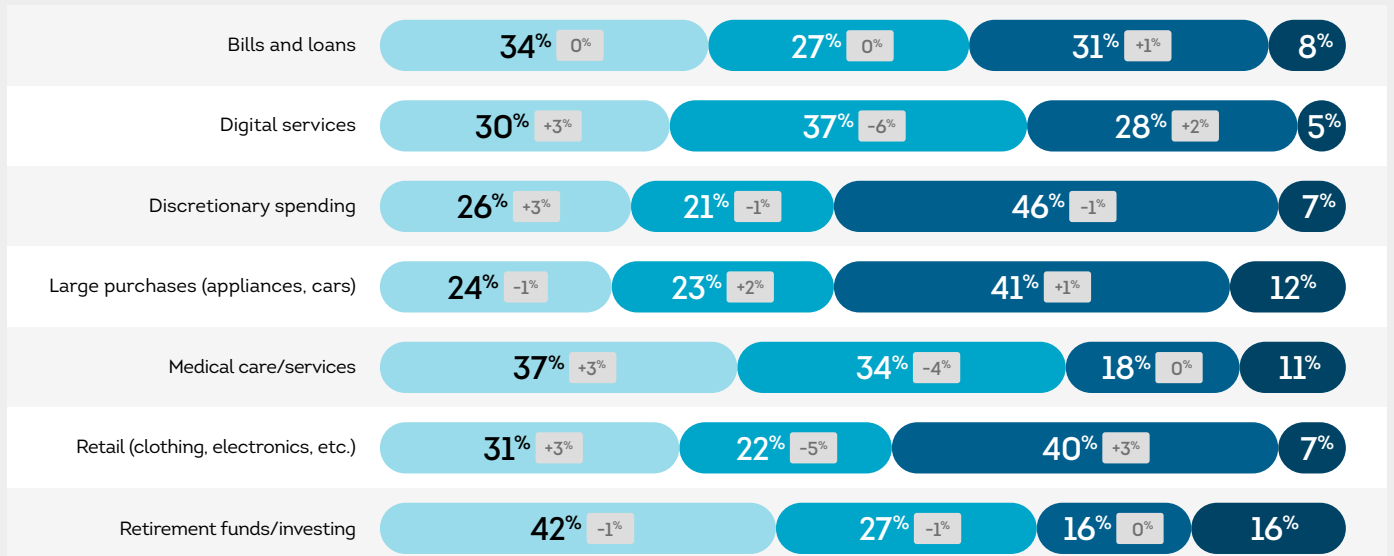


Figure 6. Changes to household budget in the last three months



X\* Percentage point change from Q3 2024

Figure 7. Expected change to household spending over next three months



X\* Percentage point change from Q3 2024    ● Increase    ● Stay the same    ● Decrease    ● Not applicable

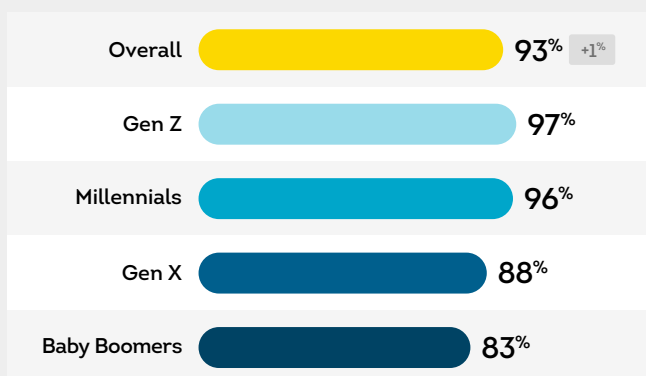
## Attitudes and plans for economic participation

Nearly all (93%) consumers said access to credit is essential to achieving financial goals, yet only 38% felt they had sufficient access, a slight drop from 39% in Q3 2024. This concern was particularly notable among younger generations with only 35% of Gen Z feeling they had adequate access.

In Q4 2024, demand for credit rose slightly with 37% of consumers planning to seek new credit within the next year, up from 36% in Q3 2024. Gen Z (41%) and Millennials (45%) showed the strongest interest, while Boomers showed the least at 12%. This trend highlights younger generations' need for financing, driven by education, housing and lifestyle expenses, while Boomers focus on managing existing commitments.

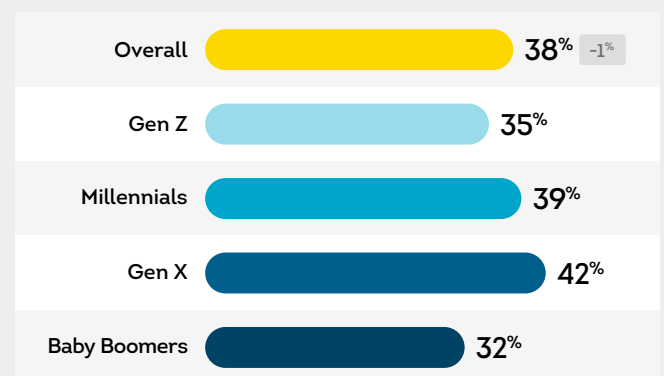
Among those planning to seek credit, 32% considered applying for a credit card, 27% for personal loans, and 25% for buy now, pay later services. However, 54% of consumers did not proceed with their credit applications. Thirty-one percent cited the high cost of credit as their main reason, even after the SARB's recent 25-basis-point cut in September,<sup>4</sup> following a long period of the highest rates in 15 years which strained consumer finances. Other reasons included finding alternative funding sources (30%), deciding they no longer needed credit (30%), and income/job status (28%).

**Figure 8. Believe important to have access to credit and lending products to achieve financial goals**



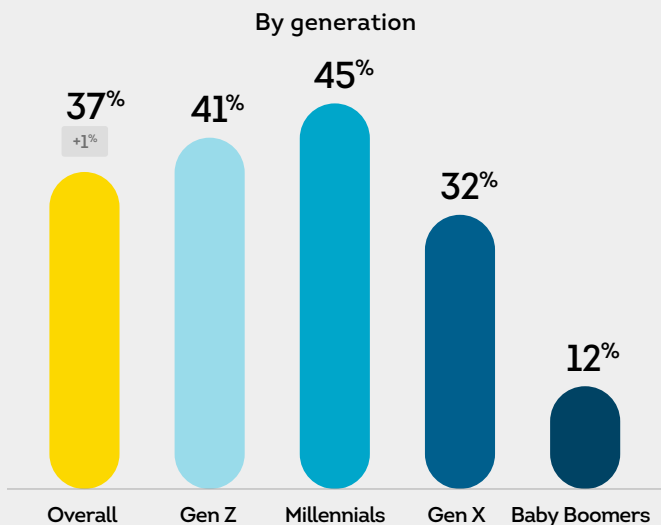
X\* Percentage point change from Q3 2024

**Figure 9. Believe have sufficient access to credit and lending products**

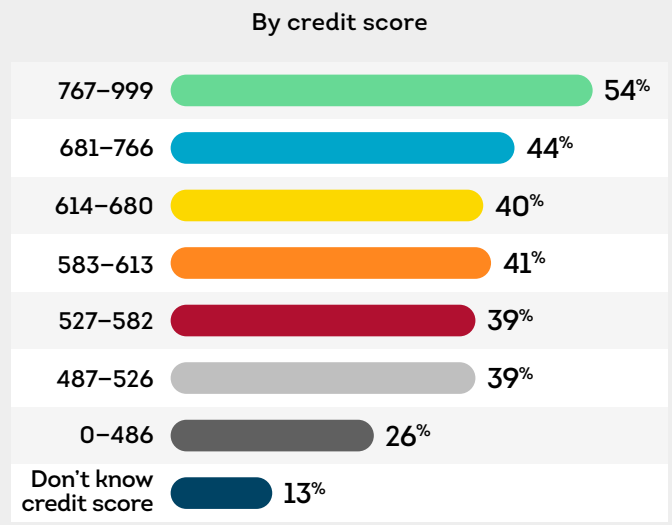


X\* Percentage point change from Q3 2024

**Figure 10. Plan to apply for new credit or refinance existing credit within the next year**



X\* Percentage point change from Q3 2024

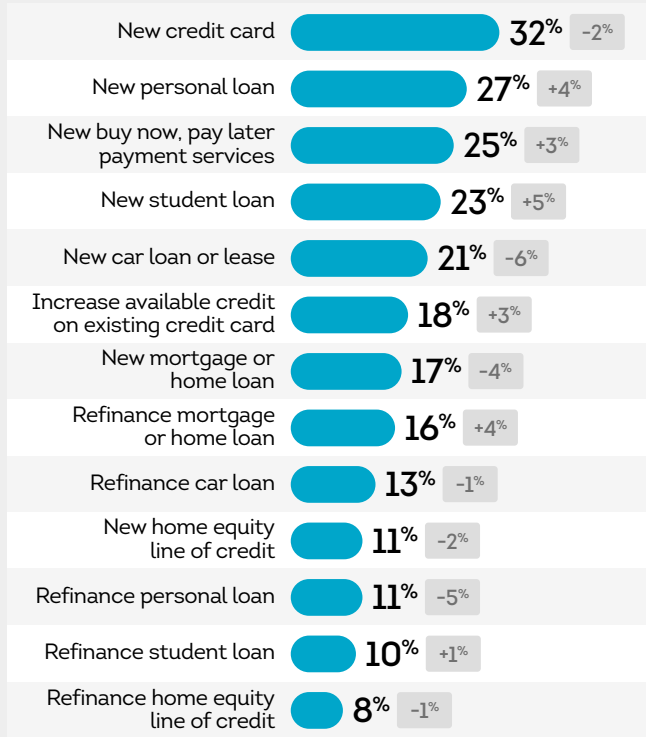


Self-reported credit score ranges

<sup>4</sup> Source: Monetary Policy Committee, SA Reserve Bank, Statement of the Monetary Policy Committee September 2024 (resbank.co.za)

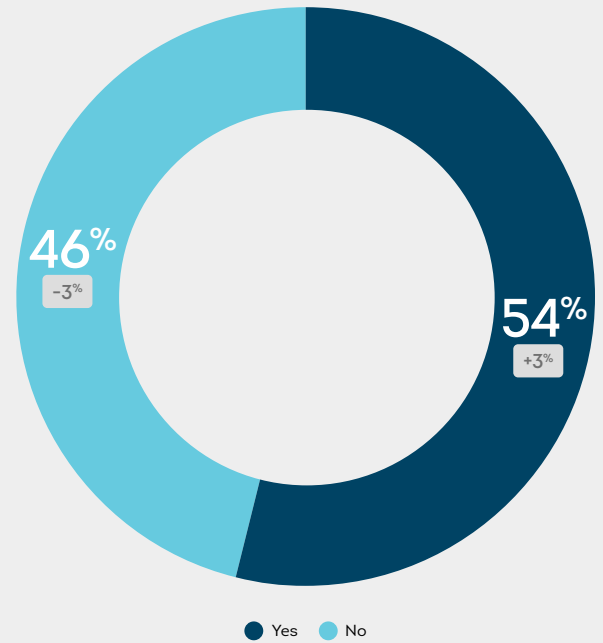
**Figure 11. Type of new credit and loan activity planned in next 12 months**

(among those who plan to apply for new or refinance existing credit)



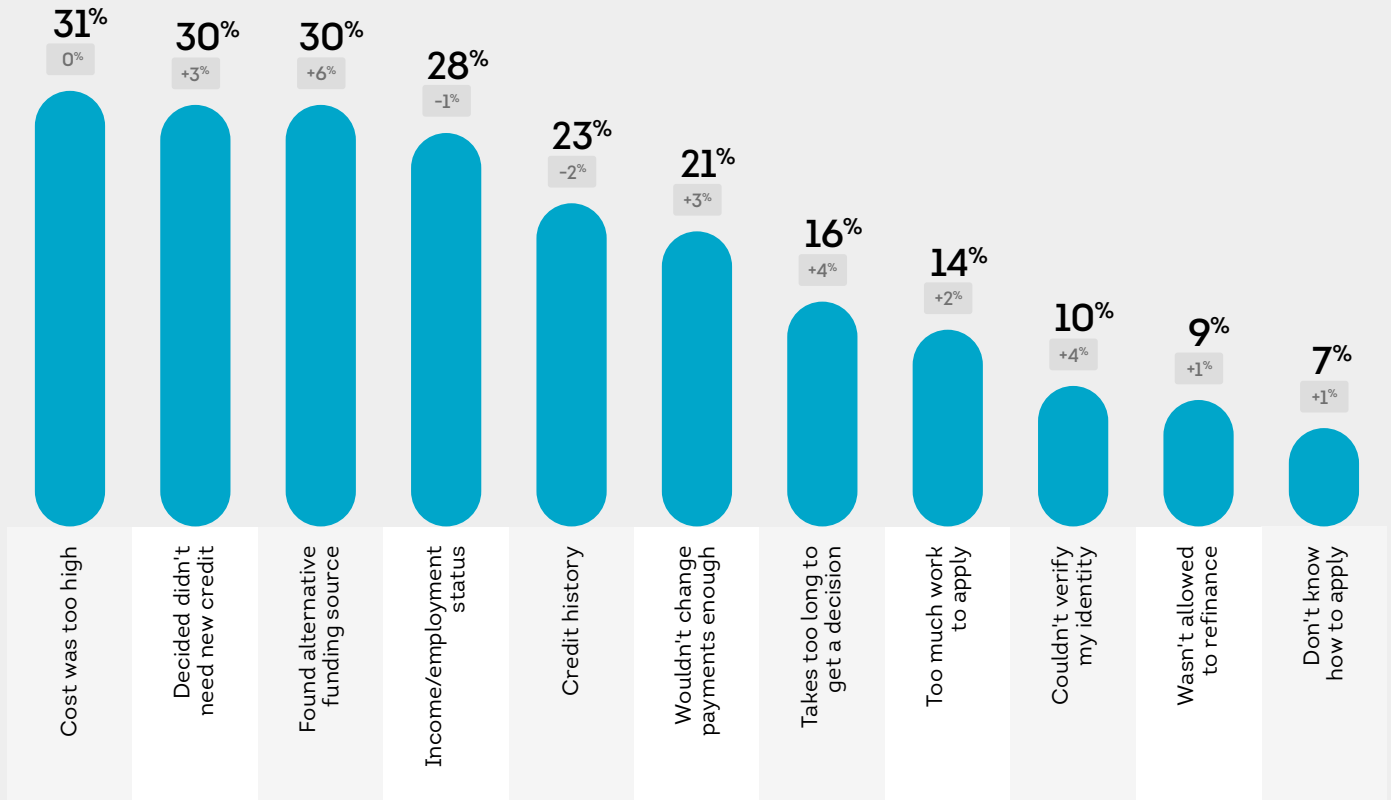
X\* Percentage point change from Q3 2024

**Figure 12. Abandoned plan to apply for new credit or refinance**



X\* Percentage point change from Q3 2024

**Figure 13. Reasons for abandoning application for new credit or refinance**



X\* Percentage point change from Q3 2024

## Attitudes and behaviour to manage financial choices

Almost all (94%) consumers recognised the importance of regularly monitoring their credit reports. Over half (57%) checked their reports at least monthly to optimise their credit health – especially Gen Z (63%) and Millennials (69%). In contrast, Gen X (39%) and Boomers (30%) showed much lower engagement, suggesting a need for targeted financial education among older generations.

To improve their credit scores, 55% of consumers (up five percentage points from Q3 2024) believed adding alternative information to standard credit reports could help. This sentiment was particularly strong among Gen Z consumers (at 62%) who often have the least credit histories.

Only 30% of consumers conducted more than half of their transactions online, led by Gen Z and Millennials, while older generations showed much lower usage. Possibly, the convenience of online shopping, digital literacy and comfort with digital payments drives younger consumers' higher adoption rates.

Figure 14. Credit report monitoring frequency

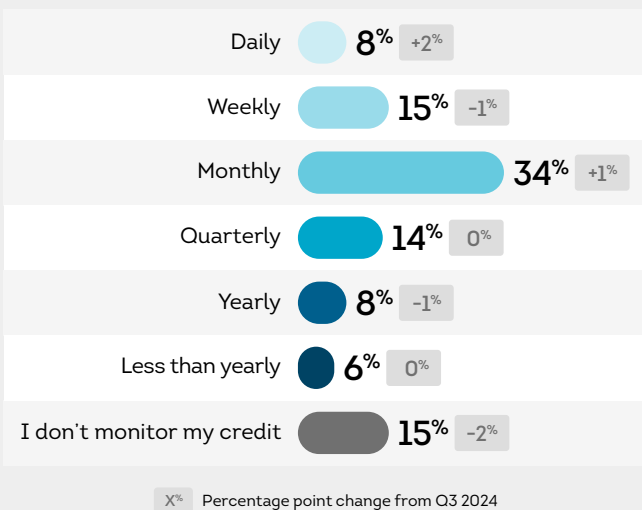


Figure 15. Believe monitoring credit report is important

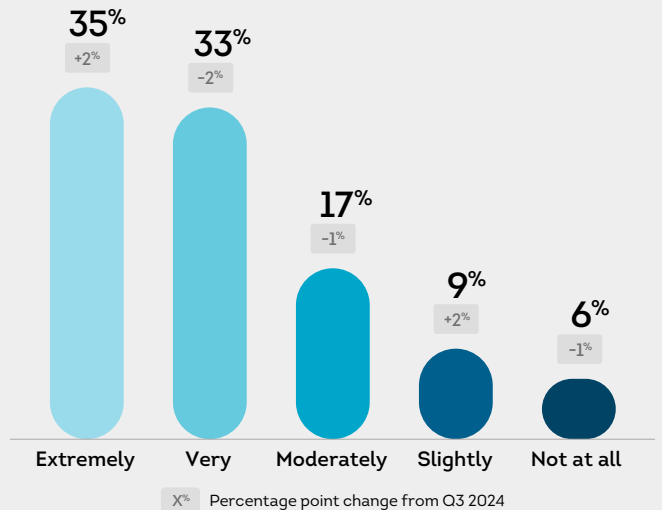


Figure 16. Percentage of transactions done online

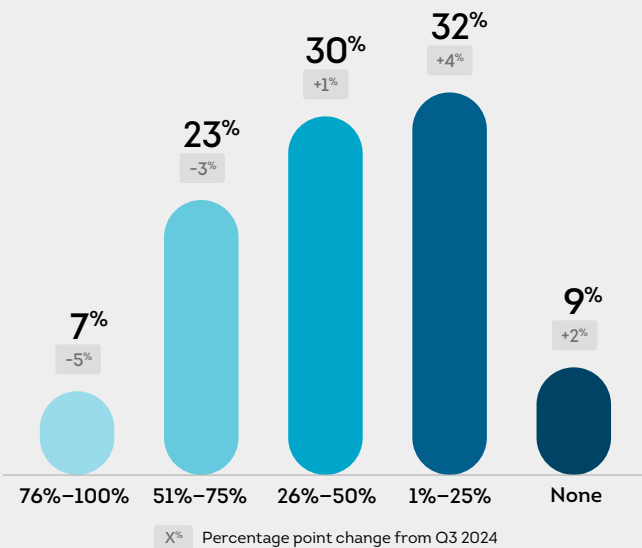
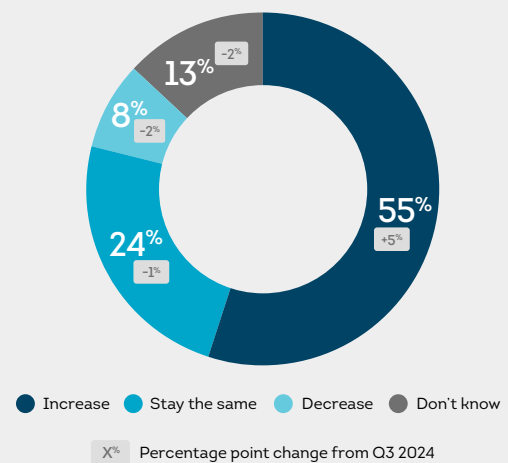


Figure 17. How believe credit score would change if businesses used information not on standard credit report

Examples provided of non-standard information include: rental payments, short-term loan history and buy now, pay later loans



## Identity risks and usage

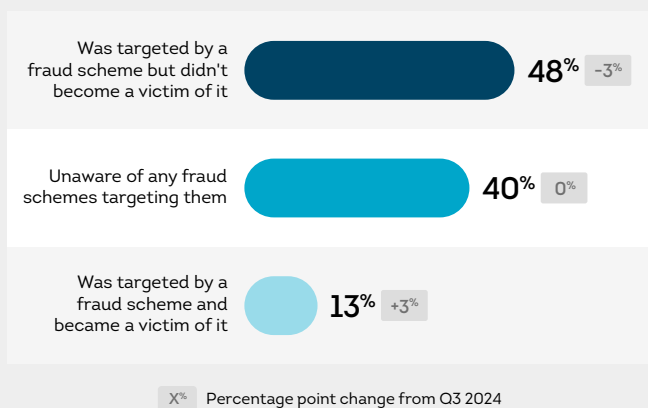
**Digital fraud landscape.** Most (60%) consumers were aware of being targeted by online, email, phone call or text messaging fraud attempts in the past three months. The share of respondents targeted but not victimised by digital fraudsters decreased to 48% in Q4 2024 from 50% in Q3 2024, suggesting progress in anti-fraud efforts. Gen Z had the highest rate (52%) of avoiding scams. Thirteen percent of consumers still fell victim (up three percentage points from Q3), highlighting digital fraud remains a significant issue. Baby Boomers (19%) and Gen X (16%) showed higher vulnerability. Furthermore, 20% of consumers reported their identities or online account information were compromised in a data breach in the last three months. Notably, 40% of respondents were unaware of any fraud attempts, indicating a need for improved education in recognising and reporting fraud, enhancing cybersecurity and promoting digital literacy to reduce fraud risks.

In Q4 2024, money and gift card scams were the most common, affecting 34% of respondents. Smishing (fraudulent text messages) impacted 33%, especially Gen X (39%), while phishing (fraudulent emails, websites, social posts and QR codes) also affected 33%, notably Boomers and Gen X (38%).

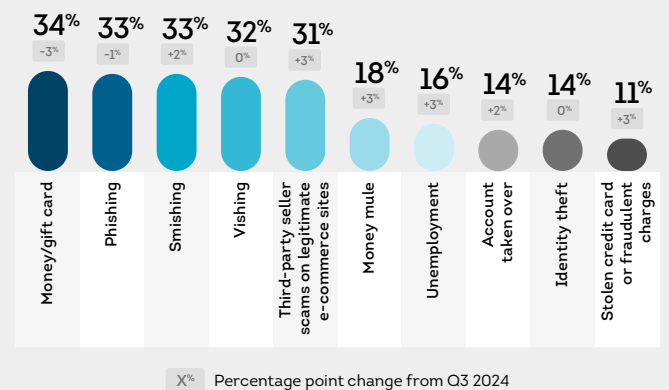
**Consumers' concerns and actions regarding cybersecurity.** Most (88%) consumers expressed concerns about sharing personal information in Q4 2024, mainly due to fears of identity theft. After being notified of a data breach involving their identities or online account information, 52% changed passwords for compromised accounts and 41% checked for unauthorised activity. In the past 60 days, actions like changing passwords (63%), checking credit reports (42%) and implementing passwordless or multi-factor authentication (26%) were widespread, reflecting increased vigilance and a proactive approach to digital security.

While these measures can significantly reduce the risk of unauthorised access, it's concerning some respondents still fail to take these steps. Among those who haven't acted on cybersecurity concerns, 60% felt unsure about what to do, while 20% felt overwhelmed by cybersecurity information. Organisations must provide clearer guidance and targeted campaigns that simplify concepts to improve cybersecurity resilience, empowering consumers to take effective, protective measures.

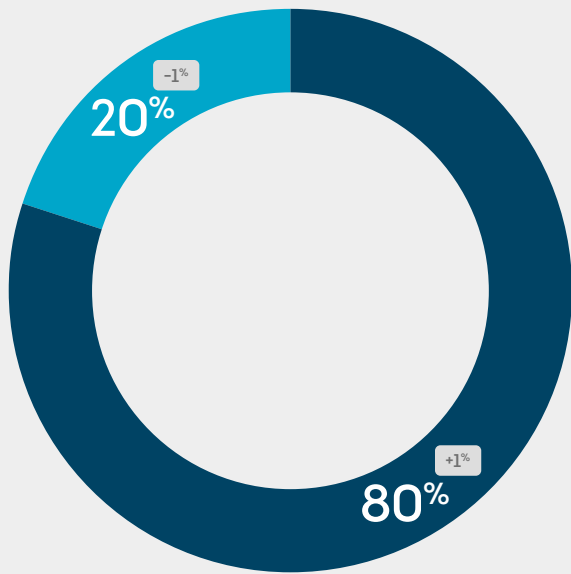
**Figure 18. Personal experience with online, email, phone call or text message fraud attempts in last three months**



**Figure 19. Most frequent fraud schemes targeting consumers**  
(among those targeted with online, email, phone call or text message fraud in the last three months)

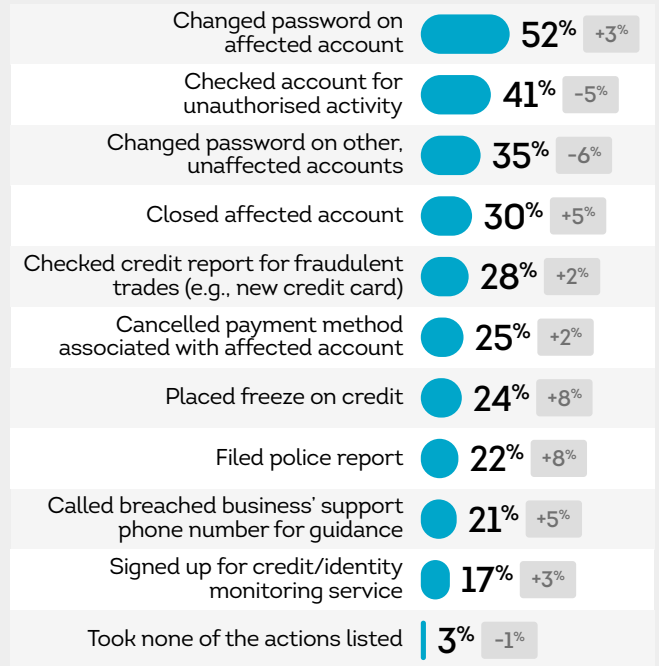


**Figure 20. Personal experience with data breaches in the last three months**



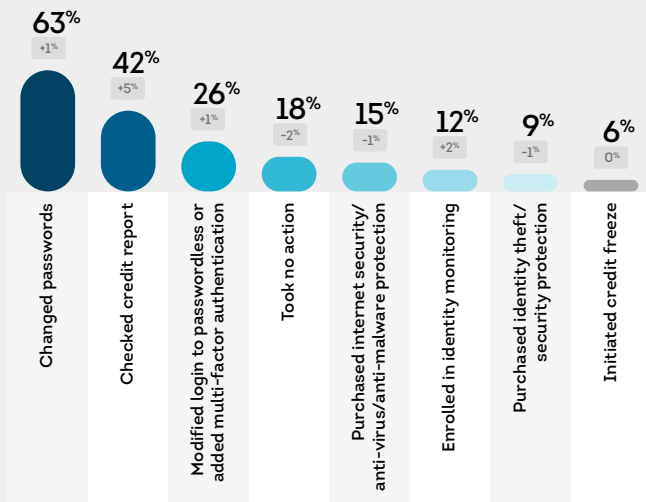
● Not aware of any that have affected them  
 ● Was notified details about their identity and/or online account were stolen in a data breach  
 X% Percentage point change from Q3 2024

**Figure 21. Most frequent actions data breach victims took**  
 (among consumers notified in the last three months that details about their identities and/or online accounts were stolen)



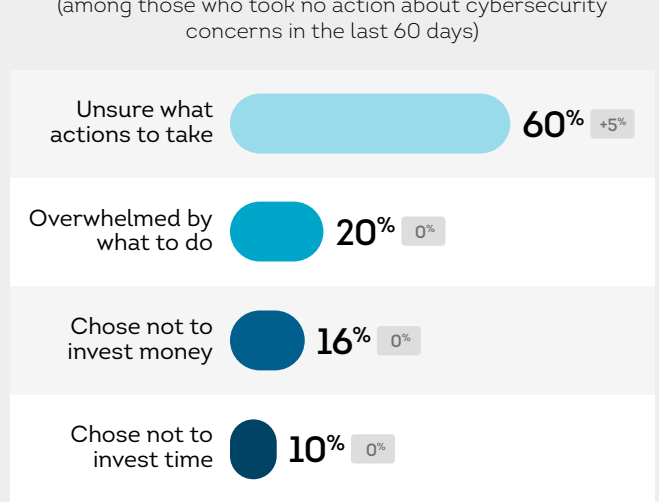
X% Percentage point change from Q3 2024

**Figure 22. Actions taken in last 60 days due to cybersecurity concerns**



X% Percentage point change from Q3 2024

**Figure 23. Reasons did nothing about cybersecurity concerns**  
 (among those who took no action about cybersecurity concerns in the last 60 days)



X% Percentage point change from Q3 2024

## Research Methodology

TransUnion's Consumer Pulse survey of 1,000 adults was conducted 25 Sep.–9 Oct. 2024 by TransUnion in partnership with third-party research provider, Dynata. Adults 18 years of age and older residing in South Africa were surveyed using an online research panel method across a combination of desktop, mobile and tablet devices. Survey questions were administered in English. To increase representativeness across resident demographics, the survey included quotas to balance responses to the census statistics dimensions of age, gender, household income and region. Generations are defined in this research as follows: Gen Z, 18–26 years old; Millennials, 27–42 years old; Gen X, 43–58 years old; and Baby Boomers, age 59 and above. These research results are unweighted and statistically significant at a 95% confidence level within  $\pm 3.10$  percentage points based on a calculated error margin. Please note some chart percentages may not add up to 100% due to rounding or multiple answers being accepted.

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