

Lewis revenue affected by new affordability assessment regulations

Furniture group Lewis (LEW) said on Monday that trading conditions for the nine-month period ended 31 December 2015 had remained extremely challenging.

It said sales had been affected by weak consumer demand, constrained employment, the drought in the agricultural sector and difficulties in the mining sector.

Trading had also been "significantly" affected by the implementation of the National Credit Regulator's affordability assessment regulations requiring customers to present their three latest pay advices or bank statements as part of the credit application process.

"This has proved challenging for consumers in the group's lower-to middle-income target market and impacted the performance for the third quarter ended December 2015, with revenue increasing 1.1% and merchandise sales being in line with the prior year," the group said.

Revenue for the nine month period grew 5.4% and merchandise sales 4.7%.

Source: BDpro

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