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## Media Release

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### **Don't let Black Friday be the reason for your financial woes!**

Out of the 24.59 million credit active consumers, 61.1% are in good standing. However, 38.9% or 9.6 million consumers have impaired records. This is a record on which a consumer and/or any of the accounts are either classified as three or more payments or months in arrears, have an adverse listing, have a judgment or an administration order.

“If you did not budget for “Black Friday” this year, do not be tempted because buying on impulse may cause you to have a bad credit record”, says Jimmy Golele, Acting Manager: Education & Communication at the National Credit Regulator (NCR).

By preparing a budget, consumers can prevent buyers’ remorse and stress of arriving home with products and items that they do not really need. “Credit needs to be paid back with interest and fees”. “It does cost more to pay by credit than to pay cash”, adds Golele.

The Consumer Credit Market Report (CCMR) which is a publication issued by the NCR indicates that a large number of consumers have taken out credit facilities which largely include credit / garage cards and store cards. The NCR advises consumers to use credit wisely and only when it is necessary.

Golele says that consumers need to take credit that they can afford and pay accordingly as per their credit agreements. Skipping payments will adversely affect consumers' credit reports which will limit their future chances of accessing further credit when they really need it.

Golele reminds consumers that the festive season is around the corner and if they do not spend wisely during this Black Friday, this could set them back financially in the new year and it will be difficult to catch up. "Consumers should prioritise necessities like their bond / rent, transport, groceries, school fees, insurance etc. before splurging on Black Friday", advises Golele. "It is really not wise to fund Black Friday shopping spree by taking unnecessary debt because debt is costly and should be used for asset building", says Golele.

To help consumers avoid the urge to unnecessarily spend this Black Friday, Golele offers these helpful tips:

- Set a realistic budget of what you can afford to spend and stick to it;
- Don't spend what you don't have – this means do not live beyond your means and don't buy if you haven't budgeted;
- If an item is on sale and you buy it on credit, remember that interest and fees will push up the price. Therefore, cash is king!
- Don't be impulsive when you shop;
- Have a shopping list to avoid buying unnecessary items - if you don't need it now, chances are you may never need it. So avoid wasting your time and hard earned money;
- Don't forget to get a free copy of your credit report from registered credit bureaus on the NCR's website: [www.ncr.org.za](http://www.ncr.org.za).

"Don't let Black Friday burn a hole in your pocket and be a reason for your financial woes next year", concludes Golele.

**ENDS**

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## **About The National Credit Regulator**

The National Credit Regulator (NCR) was established as the regulator under the National Credit Act 34 of 2005 (the Act) and is responsible for the regulation of the South African credit industry. The NCR is mandated with the registration of Credit Providers, Credit Bureaus, Debt Counsellors, Payment Distribution Agents, and Alternative Dispute Resolution Agents; and monitoring their conduct in compliance with the National Credit Act as amended. The National Credit Regulator offers education and protection to consumers of credit in promotion of a South African credit market that is fair, transparent, accessible and dynamic.

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