

Media Release

April 2019

Tribunal finds that the on the road fee, admin fee and handling fee charged by Volkswagen Financial Services South Africa (Pty) Ltd on credit agreements are unlawful

The National Consumer Tribunal (Tribunal) has handed down judgment confirming a Compliance Notice issued by the National Credit Regulator (NCR) to Volkswagen Financial Services South Africa (Pty) Ltd for charging consumers the “on the road” fee, admin fee and handling fee on credit agreements.

In its judgment, the Tribunal found that the “on the road” fee, admin fee and handling fee charged by Volkswagen Financial Services to consumers on credit agreements are not permitted by the National Credit Act (the Act).

The Tribunal ordered Volkswagen Financial Services to –

- (a) cease the practice and/or conduct of charging consumers the “on the road”, admin and handling fees on credit agreements from 10 April 2019 and to submit written confirmation to the NCR to this effect;
- (b) calculate the total amount of charges, fees or interest levied on the “on the road”, admin and handling fees; and
- (c) refund all those consumers charges, fees or interest levied and submit a report by independent auditors to the NCR.

“The NCR welcomes this judgment as it affirms the protection given to consumers by the National Credit Act against illegal charges and fees on credit agreements”, says Nomsa Motshegare, Chief Executive Officer of the NCR.

The NCR will continue to conduct industry-wide investigations on fees and charges on credit agreements to root out illegal charges and fees on credit agreements.

Ends

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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