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National Credit Regulator issues a Compliance Notice to Volkswagen Financial Services South Africa (Pty) Ltd for charging consumers an on the road fee, admin fee and handling fee on credit agreements

The National Credit Regulator (NCR) has announced that it has issued a Compliance Notice to Volkswagen Financial Services South Africa (Pty) Ltd for charging consumers an on the road fee, admin fee and handling fee on credit agreements. These fees are not permitted to be charged on credit agreements by the National Credit Act (Act).

The Compliance Notice instructs Volkswagen Financial Services South Africa (Pty) Ltd to refund consumers and submit an audit report to the NCR.

“The National Credit Act allows consumers to be given a quotation which sets out the cost of credit before signing credit agreements. Consumers should request this quotation from their credit providers so that they can properly check the cost of credit that is being offered”, says Nomsa Motshegare: Chief Executive Officer at the NCR.

The NCR will continue to conduct industry-wide investigations on the cost of credit to root out illegal charges and fees that consumers are charged.

Credit providers are reminded that it is a criminal offence to charge consumers fees and charges that are prohibited by the National Credit Amendment Act of March 2014.

Ends

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