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Debt Counselling Circular

The purpose of this Circular is to notify Debt Counsellors that the National Credit Regulator (NCR) is concerned about non-compliance with some of the provisions of the Conditions of Registration by a number of Debt Counsellors.

Failure to update status codes on the ncrdebthelp database

Paragraph A.4 of the General Conditions of Registration states that “The Debt Counsellor must comply with the requirements specified by the NCR in respect of registering consumers who apply for debt review on the specified database. The Debt Counsellor must update such consumer records with the status of the review and post review performance from time to time.”

According to the ncrdebthelp database, there are a number of consumers whose status codes are stuck on “A” even after 30 days from the date of their application for debt review. This means since the consumers filed an application, the Debt Counsellors concerned have not made any determination whether the consumers are over-indebted or not. The same applies to other status codes.

Implications of not updating the status codes

Inaccurate information on the database makes it difficult for the NCR to gather statistics and information on progress and status of cases. In terms of the Act, the NCR is required to monitor trends and gather necessary information and report to the Minister.

Credit providers also rely on the information reflected on the database for making critical decisions. If the information is inaccurate, it might mislead credit providers and it may influence them to arrive at wrong decisions.

The NCR, therefore, urges all Debt Counsellors to timeously and constantly update records of consumers on the web-base database (ncrdebthelp)

Repercussions of non-compliance

Debt Counsellors must take note that should it be established that they have been contravening any of the Conditions of Registration, the NCR will take enforcement action against them. This enforcement action may include any of the following:

1. Formal instructional letter
2. Issuing of a compliance notice in terms of Section 55 of the National Credit Act
3. Referring the contravention to the National Consumer Tribunal for the imposition of a fine or the cancellation of the registration.

Monitoring visits

NCR Monitoring Officers will be visiting Debt Counsellors as part of monitoring and they will, amongst others, look at Debt Counsellors' compliance with the Act and conditions of registration. The NCR has also appointed a team of consultants who will be assisting Monitoring Officers to conduct these visits.

For more information

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