

Credit Regulator and SANTACO join forces on credit matters for the benefit of the Taxi Industry.

For Immediate Release

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The National Credit Regulator (NCR) and the SA National Taxi Council (SANTACO) held the first of what are to be regular meetings to address issues related to credit as they impact on the taxi industry.

General Secretary of SANTACO, Phillip Taaibosch pointed out that taxi owners needed to be educated on the National Credit Act and general credit financial matters since some of their members are already under debt counselling. "As the official government recognized representative of the Taxi industry, we feel obliged to engage with the NCR to address concerns that the industry has, agree on joint programmes to assist the industry and most importantly educate our members on their rights and obligations," said Taaibosch. Peter Setou, Senior Manager: Education and Strategy at the NCR added that the joint effort is aimed at creating awareness within the sector so that they are better empowered to deal with their challenges.

Before applying for debt counselling, taxi operators, like any other over-indebted consumer, are encouraged to approach their credit providers first to try to resolve their problems. SANTACO through its commercial arm TaxiChoice has the capacity to assist taxi operators who are experiencing debt problems. They would also be able to refer operators for debt counselling. Chene' Motaung, National Marketing manager for TaxiChoice, SANTACO's commercial arm, added that TaxiChoice had already undertaken assistance to hundreds of taxi operators who had been wrongly advised.

SANTACO has raised concerns about the practices of some of the debt counsellors who have been misleading taxi operators. The initiative will also ensure that taxi operators approach reputable debt counsellors who are qualified to provide all the necessary information regarding debt counselling. We have had information about unscrupulous debt counsellors who advise clients incorrectly, even recommending that they do not make payments while under debt counselling. Taxi operators should be on the look out for those debt counsellors who approach them at taxi ranks to try and get them under debt counselling without providing them with correct information.

"Entering into debt counselling does not mean that consumers don't have to pay their debts," stressed Setou. "Consumers who default on their renegotiated monthly debt repayments forfeit their protection from the National Credit Act and could lose their houses, cars and other goods, even while under debt counselling."

Debt counselling is intended for over-indebted consumers. A consumer is over-indebted if money available after payment of essential expenses is not enough to pay all other debts. As at the end of March 2010, there were more than 160 000 debt counselling applications at an average of 7 500 applications per month. It is consequently important for consumers to understand how debt counselling works prior to entering the system.

Tips for consumers when going under debt counselling

- First approach your credit providers to try to resolve your problems before you apply for debt counselling;
- Approach a debt counsellor only if you cannot get help from your major credit providers or banks;
- If you earn less than R2500, note that the NCR has set up a fund to pay for your debt counselling fees. Enquire about this from your debt counsellor;
- Remember that a debt counsellor must disclose the fees upfront before you can go under debt counselling. Insist on obtaining this information;
- You have the right to negotiate this fee. Exercise this right. In most instances, there is more than one debt counsellor in your area and you have the right to choose. Use this as a negotiating tool;
- If a debt counsellor insists on charging you exorbitant fees, you have the right to approach another debt counsellor;
- Make sure that you obtain a copy of the agreement setting out fees for future reference.
- Remember that you are required to make reasonable monthly repayments as agreed to with your debt counselor
- Failure to continue making payments may result in loosing your assets.

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