

Be informed and assert your consumer rights

For Immediate Release

March 2008

The National Credit Regulator (NCR) has joined the nationwide campaign to create awareness about the rights of borrowers. 15 March is annually celebrated as World Consumer Rights Day. It is a time for promoting the basic rights of all consumers and for demanding that those rights be protected. The NCR has dedicated March as Consumer Rights Month.

“The majority of South Africans across race, class and gender are increasingly dependent on loans and other forms of credit for various reasons like the establishment and/or expansion of small businesses, housing, education and general consumption,” says Setou.

He says the lack of awareness on rights and obligations makes consumers vulnerable to unfair lending practices and other pitfalls, and this may result in consumers being caught in debt trap or spiral.

Peter Setou, NCR Education and Communications senior manager says “As part of our education and awareness drive, we empower consumers with information that will enable them to make informed financial decisions. We believe that “an informed consumer is a protected consumer”.

During this period, the NCR will intensify its education campaign to reach more consumers, in a bid to better protect them against unscrupulous lenders and promote fair lending practices.

Consumer rights as provided for in the Act are as follows:

- When entering into a credit agreement, you as a consumer have the right to receive documentation regarding that agreement;
- A credit provider must provide you with a pre-agreement statement and quotation before you can sign the credit agreement. This must disclose the amount borrowed, deposit to be paid (if any), number of instalments, interest payable, any additional charges, credit life insurance, date of first instalment and the date of last payment. Always make sure that you get a pre-agreement statement and quotation;
- You have the right to receive information and documents in plain language. This means that the contents, meaning and importance of the document must be easy to understand. Ask if you do not understand. Do not sign unless you understand the terms and conditions of the agreement.

- You also have a right to have information held about you treated confidentially. This means the credit provider may only use information for the purpose for which it was given;
- With regards to credit information, you have the right:
 1. to be informed that the credit provider intends to report negative information on you to a credit bureau before the credit provider actually reports you;
 2. to receive a copy of your credit record from a credit bureaux when you request it. You can get one free record per year, but the credit bureaux may charge you a fee for any further records;
 3. to challenge information kept by credit bureaux if you are unhappy with the information;
 4. for your information to be kept confidential, and for your information to be used only for purposes allowed by the Act
- If you experience problems with servicing your debts take the following steps:
 5. Contact your credit provider to discuss your situation and negotiate an affordable repayment plan;
 6. If you cannot reach an agreement with your credit provider, you may contact a debt counsellor in your area;

Note that when you are under debt counselling you will not be able to get further credit until you have settled all your debts.

“The implementation of the NCA has marked a milestone towards effective regulation of the credit market and consumer protection. We will intensify our efforts to raise awareness levels amongst consumers” says Setou.

Issued by:
Bullion PR & Communication
Lola Lazarus

On behalf of:
National Credit Regulator
Bongiwe Gambu
Tel: (011) 554-2722