

Media Release

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Don't let Black Friday lead to "Blacklisting"!

Black Friday fever is here and consumers are cautioned against making reckless spending decisions and encouraged to be smart and responsible spenders this Black Friday. To be smart and avoid unnecessary future financial troubles, consumers are advised to first draw up a list, separating "needs" from "wants", then look into the budget to check whether the available money is enough. If it's not enough and you have an option to buy on credit, consider the credit related costs that you will have to pay overtime, your ability to repay the debt and decide whether it is worth spending on credit for Black Friday.

"If you did not plan and budget for Black Friday, you are cautioned not to use credit. This is because you will not be saving as credit costs more", advises Adv. Kedilatile Legodi, Acting Manager: Education & Communication at the National Credit Regulator (NCR). When you buy on credit, you will be liable for related costs such as interest, monthly service fees, once-off initiation fees, credit life insurance and others.

Consumers should never take for granted the value of planning and budgeting. By drawing up a list, you avoid falling into the trap of buying things you don't need. By budgeting, you will be ensuring that your spending is within your means. "Although Black Friday may indeed be providing consumers with an opportunity to buy goods on special and discounted prices, consumers still need to make use of this opportunity in a wise and responsible manner", adds Legodi.

Buying on credit without a plan may lead to inability to repay the credit granted. Should the consumer be in a position not to repay the credit, credit providers will take legal action and this will negatively affect your credit record. Once you have a negative record as a consumer, not only will accessing future credit be a struggle, it will be expensive, because credit providers will charge you higher interest rates in comparison to those who have positive credit records. This can also affect people seeking employment in cases where the job requires you to deal with cash and / or finances.

Adv. Legodi reminds consumers that reckless and impulsive buying on credit for unplanned Black Friday specials will not be saving consumers any money. She further cautions consumers not to allow Black Friday lead to a “Blacklisting” and letting a one-day event lead to a life time struggle. “Blacklisting” is an informal term used by many to refer to negative/adverse listings and /or judgments at the credit bureaus.

Below are helpful tips that Adv. Legodi offers to consumers for Black Friday:

- Plan and draw up a list of what you need;
- Set a realistic budget of what you can afford to spend and stick to it;
- Check the items and prices before Black Friday to do a comparison on the prices and to ensure that you are getting a better deal;
- Should you decide to buy, stick to what is on the list;
- If buying on credit, consider the related costs; you may not be saving;
- If buying on credit, consider your ability to repay the debt; you may be signing up for financial troubles;
- Remember, Cash is king;
- Remember, not everything is really a deal, some items may drop even further closer to Christmas;
- Avoid buying food on credit;
- Do not forget to conduct a financial health check and get a free copy of your credit report from registered credit bureaus on the NCR’s website: www.ncr.org.za.

ENDS

About The National Credit Regulator

The National Credit Regulator (NCR) was established in terms of 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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