



The National Credit Regulator
127-15th Road, Randjespark
Midrand
1685
Tel: (011)554-2600/2700
Website: www.ncr.org.za

Media Release

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National Credit Regulator: Do not be duped to pay for free services

According to the National Credit Act (NCA), consumers are entitled to a free copy of their credit report once a year. In the June 2019 quarter, consumers requested 248 785 credit reports from different credit bureaus. Of these credit reports, 75.61% (188,094) were issued without charge, and the remaining 24.39% (60,691) were issued with charge. Nosipho Zikishe, Manager: Credit Bureau Compliance at the National Credit Regulator (NCR) encourages more consumers to make use of their right provided by the NCA by requesting for a free copy of credit reports.

Zikishe says that consumers are often of the impression that information that is contained at the credit bureaus is only negative information. However, this is not true, she added. Credit bureaus hold both positive and negative information and consumers are encouraged to adopt a culture of knowing their credit worthiness and correctness of their information at the credit bureaus.

Zikishe further advised that in 2015, the government introduced Regulations on the removal of paid up adverse information and paid up judgments. These regulations provided that after consumers settle their debts where they were adversely listed or where judgment was obtained against their names, then those listings should be removed within seven (7) days of payment. Unfortunately, some consumers are being charged for a service that is free. It

is the credit provider's responsibility to instruct the credit bureaus to remove the listing from the consumer's credit report after settlement of debt. Consumers should not allow to be taken for granted and made to pay for such services.

This reminder comes at a time when the NCR together with industry noted that consumers are being taken for a ride where companies are charging consumers for services that are being offered free of charge either by the NCR or the different registrants.

If a consumer would like to challenge the listings on his/her credit report, they can do so by contacting the credit bureaus directly. This service is offered for free, says Zikishe. Whether, the dispute is in favour of the consumer or not, the consumer will not be charged for lodging a dispute. Zikishe warns consumers not to fall prey to many advertisements that often mention that they will remove consumers' 'blacklistings', without the consumer having to settle the debt. This is misleading and it is not true.

Zikishe advises consumers to rather use the money they are charged to pay towards their debts and add to their savings. "Our message is clear that consumers should not unknowingly pay for services that are offered for free."

If consumers are not receiving a satisfactory outcome with the credit bureaus when seeking assistance, all is not lost, there is redress where they can escalate their matters to the National Credit Regulator, adds Zikishe.

Other services that are offered for free by the NCR include the registration of credit providers, credit bureaus, debt counsellors, alternative dispute resolution agents and payment distribution agents. Even lodging a complaint at the NCR does not cost a cent, advises Zikishe. Consumers can directly lodge a complaint at the NCR without paying someone to do so for them. Consumers should know that by choosing to have someone offer these services at a fee should be out of choice and not ignorance, concludes Zikishe.

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.

For more information, contact:

Media Office: media@ncr.org.za

Or

Lebogang Selibi

(011) 554-2722

064 752 3920

E-mail: lselibi@ncr.org.za