



CIRCULAR ON ADR AGENTS

CIRCULAR 02 OF 2021

1. In 2016, the National Credit Regulator (“NCR”) issued Circular no. 14 of 2016 setting out the legislative requirements in terms of section 134A read with Regulation 10B of the National Credit Act 34 of 2005 (“the Act”). The said provisions require entities who are operating as Alternative Dispute Resolution Agents (“ADRs”) for the resolution of consumer complaints on credit agreements to be registered with the NCR, provided that the complaints do not involve credit providers who are financial institutions as defined in the Financial Services Ombud Schemes Act 37 of 2004.
2. It has come to the NCR’s attention that there are still entities operating as ADRs for the resolution of consumer complaints on credit agreements without being registered with the NCR. It must be noted that it is only NCR registered ADRs who are authorised to facilitate the resolution of consumer complaints in respect of credit agreements.
3. The Act promotes that credit providers participate in good faith with registered ADRs for the resolution of complaints on credit agreements. Participation in good faith by credit providers provides for not only alternative means to resolve complaints of this nature, but also ensuring expeditious resolution of complaints.
4. The NCR re-emphasises that Credit providers are requested not to provide consumer documents and information to, or interact with any unregistered ADRs. Credit providers who are in doubt about the registration status of any entity or person can contact the NCR for verification.
5. Please be advised that the NCR will take appropriate enforcement action against entities that operate as ADRs without being registered.

FURTHER INFORMATION

Any queries should be addressed to **Adv. Theodore Smith** at TSmith@ncr.org.za

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