



The National Credit Regulator
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MEDIA RELEASE

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PROTECT YOUR ID AND PERSONAL DETAILS TO AVOID BEING THE VICTIM OF A SCAM! STAY#SCAMALERT

The month of March marks the basic protection of buyers of goods and services. During this period, the NCR wishes to highlight issues that are important to consumers of credit. The NCR in conjunction with the Consumer Protection Forum (CPF), of which the NCR is a member, has decided to adopt "Safe Products, Safe Consumers: Fostering Accountability and Compliance." as its' theme for 2024.

In enforcing its respective legislation, the NCR has a responsibility to educate consumers about their consumer rights and to empower them to make informed and wise consumer decisions relating to credit related services. Consumers must be aware of their rights and be able to identify scams. Businesses must also be fair to consumers in their provision of services thereby creating a compliant, safe and fair market environment.

"Consumers often lack the proper knowledge and understanding of their rights, the recourse they have in case such rights are violated. Lately consumers have been vulnerable to mushrooming scams as they engage in the credit market. Consumers need to be prudent and alert to avoid being vulnerable to such scams.," says Mr. Ngoako Mabeba, Acting Manager for Education and Communication at the NCR.

With digital technologies reshaping the financial landscape and making all financial transactions, including credit and debt counselling, convenient, simpler and more accessible to consumers, new threats to consumer credit rights in the digital, online and telecoms space have emerged, leaving unsuspecting consumers vulnerable.

Debt Counselling Scams

Consumers are often exposed to unsolicited calls from unscrupulous Debt Counsellors who purport to be working with the government and the NCR. Unrealistic promises of scrapping debt or saving up to 60% in debt repayment are made to lure unsuspecting consumers into the debt counselling program. Consumers take note: Debt Counselling is a debt relief mechanism of last resort for consumers that are over-indebted. Consumers who have been placed under debt review without their consent must contact the National Credit Regulator for assistance.

Loan and Credit Scams

Some unscrupulous credit providers are taking advantage of digital and online platforms to charge consumers an “upfront fee”. This practice contravenes the National Credit Act and must be reported to the NCR of the nearest South African Police Service.

Further, consumers must never consent to retention of their Identity cards, bank cards and SASSA cards as collateral. Never ever give your PIN, ID or cards to credit providers.

The NCR aims to ensure that all consumers performing digital, online and telephonic credit/debt counselling transactions do so in an informed and safe manner, protecting not only their rights and personal information, but also making these transactions smart and sustainable,” adds Mr. Mabeba.

To ensure that your transactions are safe, smart and sustainable the NCR is urging consumers to follow the following:

Consumers must note the following:

- Always verify if the credit provider is registered with the NCR by checking their NCRCP number against the one which appears on the NCR website (www.ncr.org.za) to ensure that the registration number belongs to that credit provider. Alternatively, you can call the NCR on 0860 627 627 to verify for you;
- Beware of fake credit providers when transacting online/digital/telephone;
- Know the full cost of credit you are being offered or applying for by requesting a pre-agreement statement and quotation before committing or signing any credit agreement;
- Beware of deceptive credit advertisements such as “no credit checks”, “blacklisted welcome”, “free credit”;
- Beware of credit providers asking for “upfront fees” before they give you the actual loan. Never pay any upfront fees;
- Pay careful attention to “Terms & Conditions” – click and read, do not accept without

understanding;

- When you apply for debt counselling, ensure that you understand what you are getting yourself into, before agreeing to anything;
 - Only use a registered debt counsellor that is situated close to where you work or live; and
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- Think twice before you volunteer your personal information. Don't give personal information to strangers.
 - "Yes" or "Okay" over the phone amounts to consent, similar to digital or paper signature. Never agree to anything telephonically if you are unsure.
 - Don't be forced or pressured to make quick decisions relating to your money. Do not sign unless you understand and are happy with the terms and conditions. Take your time and make smart choices.
 - Remember the golden rule "If it seems too good to be true, it probably is!"

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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