

MEDIA RELEASE

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2020 has been difficult for many, spend wisely for a better New Year

Do not allow impulsive and spontaneous spending during the festive season make your January an excruciating one, says Anne-Carien Du Plooy, Acting Manager: Education & Communication at the National Credit Regulator (NCR). “If you enter January unprepared, the month will seem longer compared to other months”. “Avoid excessive spending with an aim of impressing friends, family or even strangers”, she cautions.

Many will receive their December salaries mid-month as opposed to the end of the month as is usually the norm. This does not mean that you should spend all of it before the end of December. Bear in mind that the very same salary should cater for debit orders at the end of December and also for all January’s expenses such as rent, food, electricity, transport and additional expenses such as school fees, school uniforms, registration fees, stationery etc. advises Du Plooy.

Many consumers who spend without a proper budget during the festive season end up applying for credit in order to get through January. When their applications for credit are declined by registered credit providers due to affordability, they opt for unregistered credit providers such as Mashonisas, Skoppers etc. Unregistered credit providers charge consumers exorbitant interest and uses unlawful tactics such as retention of cards and PINs to collect their monies. Du Plooy urges consumers to report such conduct by

unregistered credit providers to the National Credit Regulator on 0860 627 727 / complaints@ncr.org.za.

The COVID-19 pandemic has caused financial strain to many consumers, which calls for consumers to save more and spend less. She advises consumers battling to repay their debts to seek assistance by contacting their credit providers for assistance. If this fails, they should contact registered debt counsellors for assistance. Du Plooy, however, cautions consumers to be wary of debt counsellors who use misleading marketing and advertising practices, particularly on social media platforms such as Facebook to lure consumers into their businesses. “These advertisements are misleading in nature as they misrepresent the spirit and the objectives of the National Credit Act regarding the provisions of debt counselling as a debt relief measure.” An example of these advertisements is “NCR DC is giving South Africans “Extra Cash” to enjoy by reducing debt interest and protection from repossession of assets. Free assessment sms “YES”.”

Du Plooy gives the following tips to consumers during these difficult times:

- If you have credit life insurance, submit a claim in the event of loss of income, retrenchment, disability or death;
- If you get a bonus, count yourself lucky and use it wisely to repay debt and save as you do not know what the future holds;
- Do not be tempted by “Sales / Specials” in the shops, stick to your budget;
- Always remember that budgeting is crucial, do one and spend wisely!

ENDS

About The National Credit Regulator

The National Credit Regulator (NCR) was established as the regulator under 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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