

## **Media Release**

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**December 2019**

### **Spend wisely this festive season, January is a few weeks away!**

Many consumers complain that January is a long month, but like many other months, January also has 31 days. What makes it longer though, is how you spend your money during the festive season, says Adv. Kedilatile Legodi, Acting Manager: Education & Communication at the National Credit Regulator (NCR).

Adv. Legodi reminds consumers that some will receive their December salaries earlier than usual and others will be receiving bonuses. Often times, bonuses present a great temptation to buy more, however, consumers are strongly encouraged to draft a budget to ensure that they spend what they have. Consumers are further encouraged to get into a habit of allocating a portion of their budget to savings.

Consumers must remember that the salary paid in December is the same income that has to cater for January expenses such as school fees, school uniform, food, transport and others. Failure to consider January expenses before spending during the festive season, will indeed make January feel longer and financially stressful, adds Legodi.

Reckless spending over this period without due consideration of January which is a few weeks away, may lead some consumers directly into the trap of unregistered credit providers informally referred to by many as “Abomashonisa”. Desperation to borrow money in order to cope with January expenses will make you a target of unregistered credit providers who would usually advertise using phrases such as “Blacklisted consumers

welcome”, “cheap credit” and often require you to pay a fee before they pay out the alleged approved loan.

Unregistered credit providers usually charge excessive interest rates and fees that are not in line with the National Credit Act. They also use unlawful tactics to collect on their debt such as retaining consumers’ identity documents, bank cards / pin numbers, SASSA cards and others. “Consumers are advised to only use NCR registered credit providers and report those that retain their instruments such as bank cards to the NCR”, advises Legodi.

Consumers should remember that credit is expensive as it includes interest, monthly service fees, once off initiation fees, etc. “Spending wisely during the festive season, will alleviate the need for consumers to borrow money in January”, concludes Legodi.

**Below are tips for the festive season:**

- Plan and draw up a list of your needs;
- Set a realistic budget for what is on the list;
- Prioritise your home loan, rent and school fees. Where possible, pay more;
- Buy school uniforms and stationery now when you have money;
- Start saving for next year’s projects such as holidays, renovations, studying, retail sales/specials and do not rely on credit for this;
- If you are battling with your debts, contact a registered debt counsellor for assistance.

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**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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