

Number 13 | August 2015

Return of Unallocated Funds

Circular No. 13 Of 2015 – RETURN OF UNALLOCATED FUNDS FROM CREDIT PROVIDERS' SUSPENSE ACCOUNTS

The purpose of this circular is to request all registered credit providers to return all the unallocated funds held in their suspense accounts back to the Payment Distribution Agents' (PDAs) accounts immediately they are unable to allocate.

The National Credit Regulator ("NCR") is aware that some credit providers keep unallocated funds in their suspense accounts and do not make efforts to contact PDAs in order to resolve the cause of non-allocation. Credit providers cannot under any circumstances keep monies paid by the PDAs on behalf of consumers under debt counselling in their suspense account. The detrimental impact of this negligent act to the debt counselling industry generally and, particularly on the affected consumer, is a grave concern to the NCR.

The NCR requires the credit providers to return all the unallocated funds to the respective PDA accompanied by the following:

- Detailed distribution schedules matching the amount returned.
- Use of the PDAs' credit provider reference number with each payment for identification purposes.

We draw your attention to specific condition B.3 of your conditions of registration as follows:

"The credit provider will comply and conduct its business in accordance with the credit industry code of conduct to combat over-indebtedness as referred to in Section 48(1) (b) of the National Credit Act no 34 of 2005, as approved by the National Credit Regulator and as may be amended from time to time"

Failure to return unallocated funds timeously and consistently to the PDAs will be deemed in contravention of your conditions of registration and the NCR will decide on the appropriate action required to address the contravention.

FOR MORE INFORMATION

Please email Lebo Nembulunge at lnembulunge@ncr.org.za

Disclaimer

Disclaimer:

While the NCR has taken reasonable care to ensure the factual accuracy of this circular, it cannot guarantee such accuracy especially with regards to future events. Accordingly, NCR does not accept any liability for damages incurred by any party as a result of decisions or actions taken on the basis of information supplied in this Circular.