



Voluntary Debt Mediation

1. The National Credit Regulator (NCR) is aware that the Banking Association of South Africa (BASA) and other industry associations are in discussions with various stakeholders to introduce voluntary debt mediation. The NCR stopped the implementation of voluntary debt mediation in 2012 because it undermines the National Credit Act 34 of 2005 (NCA) and statutory debt counselling and will prejudice consumers.

2. The NCA makes provision for debt counselling and a mechanism for voluntary debt restructuring in section 86 which must be supported and used by all credit providers. These mechanisms protect both consumers and credit providers by ensuring debt restructuring which ensures that all credit providers are eventually repaid.

3. The NCR does not support voluntary debt mediation and will not approve it under any circumstance. The NCR has written letters to BASA and other industry associations to cease all work relating to voluntary debt mediation.

4. Credit providers, debt counsellors, credit bureaus and payment distribution agents are requested not to participate in discussions to introduce voluntary debt mediation. In particular, credit providers must continue using statutory debt counselling and allow all consumers to use statutory debt counselling.

This document is available from www.ncr.org.za

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