

Background

The National Credit Act 34/2005 (NCA) and the National Credit Regulator (NCR) became operational on 1 June 2006. The National Credit Regulator is responsible for the enforcement of the Act.

What is a credit bureau?

A credit bureau is a company that gathers information and updates each consumer's credit history. A credit bureau creates a record of a consumer's credit information indicating how the consumer manages his/her credit.

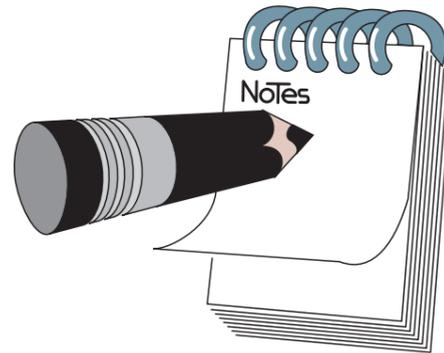
The credit bureau supplies these records to credit providers, such as banks, retailers and other credit providing companies. The information indicates each consumer's payment record. It is also used to detect fraud, corruption or theft.

When I apply for credit from a credit provider, who decides whether or not I qualify for credit?

When you apply for credit, the credit provider uses information received from a credit bureau to assess your application. When your credit record satisfies the standards of the credit provider, a decision to grant you credit is made by the credit provider. It is the bank, retailer or credit provider that approves or rejects the credit application and not the credit bureau.

What does the Act do?

- ✎ The Act stipulates that each credit bureau must register with the National Credit Regulator in order to conduct business legally;
- ✎ It sets out the purposes for which consumer credit information may be used, and the companies to which the credit bureau may provide the information;
- ✎ It sets out standards for data accuracy to ensure that information kept by a credit bureau on your record is always accurate;
- ✎ It ensures that each consumer has the right to check his or her record, and that any mistakes are corrected.



What rights do I have?

You have the right:

- ✎ To be informed that the credit provider intends to report negative information on you to a credit bureau before the credit provider actually reports you;
- ✎ To receive a copy of your credit record from a credit bureau when you request it. You can get one free record per year, but the credit bureau may charge you a fee for any further records;
- ✎ To challenge information kept by the credit bureau if you are unhappy with the information;
- ✎ For your information to be kept confidential, and for your information to be used only for purposes allowed by the Act.

Credit bureaux may not list information that may be discriminatory such as information on race, sexuality, political affiliation, medical status, religion or membership with a trade union.

What can my credit information be used for?

Your credit information can be used:

- ✎ To assess whether or not you can afford credit;

- ✎ To investigate fraud, corruption or theft;
- ✎ To consider you for employment in a position that requires trust and honesty and entails the handling of cash or finances; and
- ✎ To assess whether or not you can afford various services.

Credit information assists credit providers to assess if consumers will be able to meet their financial obligations. Credit information is of benefit to consumers who are not over-indebted and have good payment histories. Credit information assists such consumers to get credit, and prevents them from becoming over-indebted.

How can I get a copy of my credit record?

You can request your credit record from a credit bureau once a year at no charge, thereafter at a fee of not more than R20 per record.



Will I be notified before the information is sent to the bureau?

For the following information, you will receive 20 business days notice before a credit provider

submits your information to a credit bureau. During this period, you must inform the credit provider or credit bureau if the information is incorrect:

- ✎ classifications of consumer behaviour, such as 'delinquent', 'default', 'slow paying', 'absconded' or 'not contactable';
- ✎ classifications related to enforcement action taken by the credit provider, such as handed over for collection or recovery, legal action, or write-off.

How can I verify that the information held by credit bureaux is accurate?

You can verify that the information held by a credit bureau is correct by following the steps below:

- ✎ Contact the credit bureau;
- ✎ Ensure that you have your accurate personal information such as your ID number and your address;
- ✎ The bureau will send you a form to complete;
- ✎ Complete the form and fax it to the bureau;
- ✎ The credit bureau may ask you to pay a fee; this must not exceed R20;
- ✎ Inform the bureau if there is any inaccurate information on your record, or ask the bureau to explain any information where you are uncertain.

Can I challenge information kept by credit bureaux if I don't agree with it?

YES! If you do not agree with the information held by the credit bureau, you can challenge this and request the bureau to correct the information. If they refuse to correct the information, you can complain to the National Credit Regulator.

The Office of the Credit Information Ombud

The office of the Credit Information Ombud resolves complaints from consumers and businesses that are negatively impacted by credit information.



Who is the National Credit Regulator

The National Credit Regulator is also responsible for the regulation of the South African credit industry. It has the responsibility to:

- ✎ implement education campaigns;
- ✎ conduct research and develop policies;
- ✎ investigate complaints; and
- ✎ ensure compliance with the Act.

It also has the responsibility to register and regulate:

- ✎ credit providers;
- ✎ **credit bureaux;** and
- ✎ debt counsellors.

The National Consumer Tribunal

The National Consumer Tribunal hears cases on non compliance with the Act, issues fines and provides redress to consumers. Consumers and credit providers may appeal to the Tribunal against any decision of the National Credit Regulator.

The Tribunal is a separate institution that is independent of the National Credit Regulator. The Tribunal consists of a chairperson and at least 10 other members.

How long can credit bureaux keep my information?

Categories of consumer credit information	Period of retention
Details and results of disputes lodged by consumers	Eighteen months
Enquiries The number of requests made on a consumer's record, including the name of the company or the person who made the request for a consumer's record (and the contact person, if available).	Two years
Payment profile Factual information on the payment profile of the consumer. This includes the details of any credit provided, the payments received and whether any payments were late.	Five years
Adverse information Subjective classification of consumer behaviour: This includes classifications such as 'delinquent', 'default', 'slow paying', 'absconded' or 'not contactable'.	One year
Debt restructuring	Until a clearance certificate is issued
Civil court judgments A judgment granted by a court in a civil dispute between individuals or companies (including default judgment).	Five years or until the judgment is withdrawn by a court or abandoned by the credit provider in terms of section 86 of the Magistrates' Courts Act 32 of 1944
Administration orders An order granted by a civil court in which the management and disposal of the assets of an withdrawn insolvent person (someone who can not pay up his debt) is given to a legally appointed person to administer until that person has paid all his debts.	Ten years or until order is withdrawn by the court
Sequestrations To take legal possession of assets until debts have been paid or other claims have been met.	Ten years or until rehabilitation order is granted
Liquidations To legally place the property of a bankrupt person in the hands of a third party (trustee) for division among creditors.	Unlimited period
Rehabilitation orders An order granted by a civil court restoring the financial standing or reputation of a person who was insolvent (to restore to a former condition).	Five years

How can I report a complaint?

There are **THREE STEPS** to effective complaint solving. Follow these steps and your complaints will be addressed.

STEP ONE

Contact your credit bureau:

Credit bureaux receive credit information from credit providers. They keep a record of your credit history and they can help you correct information that is not accurate.



If your complaint has not been resolved, proceed to step two.

STEP TWO

Contact the office of the Credit Information Ombud

The Credit Information Ombud can request the credit bureau to address your complaint and ensure that your complaint is resolved.



If you are still not satisfied, proceed to step three.

STEP THREE

Contact the NCR

The NCR has a legal mandate to regulate credit bureaux and their business conduct.



TransUnion ITC	
Call centre:	0861 482 482
Experian SA	
Call centre:	0861 105 665
Xpert Decisions Systems (XDS)	
Telephone:	011 645 9100
Micro Lenders Credit Bureau (Microlending)	
Call centre:	0861 287 328
Compuscan Information Technologies (Microlending)	
Call centre:	0861 514 131
Consumer Profile Bureau	
Telephone:	011 278 3800
KreditInform	
Call centre:	011 777 2700
LexisNexis Risk Management	
Call centre:	021 565 9700

Credit Information Ombuds	
Call centre:	0861 OMBUDS (0861 662 837)

National Credit Regulator (NCR)	
Toll share:	0860 627 627 0860 NCR NCR
Email:	complaints@ncr.org.za

