

**MEDIA RELEASE**

**FOR IMMEDIATE RELEASE**

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**Don't be the next victim of a cyber-scam**

“With the advent of digital sophistication in the consumer credit domain, the convenience and privacy of being able to conduct financial transactions has been affected by cyber fraudsters on the hunt to ruthlessly exploit already financially stressed consumers. The National Credit Regulator (NCR) warns consumers to be vigilant of the stealthy methods employed by fraudsters when deploying scams on digital platforms such as WhatsApp, email, fake websites, SMS, telephone etc. These scams target over-indebted consumers applying for credit or through services such as debt counselling. Targeted consumers are usually vulnerable and desperate, thus more susceptible to scams, warns Ms. Poppy Kweyama, Manager: Education and Communication at the NCR.

The modus operandi of these fraudsters differ in accordance to the scam. For example, consumers applying for loans are often demanded an “upfront payment” with a promise of the loan money being released into their bank accounts after paying the “upfront fee”. The “upfront fee” is claimed to pay for different things such as VAT, insurance for the loaned amount, release of funds from overseas to South Africa, attorney fees etc. “Once the initial “upfront fee” is paid by the consumer, there is often repeated demands for more money or the fraudster will vanish without a trace leaving the unsuspecting consumer or sometimes, the already suspecting consumer with increased financial distress, more debt and an egg on the face because of a loan that never materialized”, stated Kweyama.

“There are also bogus debt counsellors or call centres linked to registered debt counsellors who use different tactics to lure consumers into debt review. They promise things such as automatically reducing interest rates, writing off debt, claiming to remove consumers from debt review and issue debt review clearance certificates outside of what is permitted in law , cloning registered debt

counsellors' registration numbers etc. The results of these debt counselling scams ranges from a consumer being conned money or being placed under debt review without actually being over-indebted, understanding what the entails and thus lead to consumers saying that they were placed under debt review without their consent. Some scams involve the cloning of NCR officials' details and unlawful use of the NCR letterhead and charging unsuspecting consumers for services that are meant to be free. Consumers should note that the National Credit Regulator does not charge for its services. The only services that the NCR require payment for are for registration purpose of credit providers, debt counsellors, credit bureaus, payment distribution agents and alternative dispute resolution agents. Even where the NCR charges, consumers who are unsure should verify the account details that they are provided on [info@ncr.org.za](mailto:info@ncr.org.za).

Below are tips to assist consumers to avoid some of the most dubious and misleading scams:

- If someone calls you out of the blue and promises to reduce your debt, don't be afraid to ask how they got your contact number and all your other details and do not agree to anything if you are unsure and not over-indebted
- Remember debt counselling is not a savings mechanism, but a debt relief measure intended to assist over-indebted consumers;
- When under debt review, you will not be able to apply for further credit until you have paid up your debts;
- Do not give out your personal information and/or money to strangers;
- Beware of the following emails that have been identified by the NCR to be involved in fraudulent activities to scam consumers using the NCR's logo: [vendas@signserra.com.br](mailto:vendas@signserra.com.br) ; [financedepartment.sa@gmail.com](mailto:financedepartment.sa@gmail.com) and [ehs.jlle@kwm.eco.br](mailto:ehs.jlle@kwm.eco.br).
- Beware of misleading debt counselling slogans like: "South Africans finally get to use this Debt Reduction Assessment for Fast Debt Relief" or "Your payment can be reduced by as much as 63% in as little as 7 days" or "Government approved debt written off" or "Debt review removal flag even if you have not paid your debt in full";
- Beware of misleading loan offers like: "Blacklisted consumers welcome" or "No credit checks required";
- Only interact with credit providers and debt counsellors registered with the NCR. To verify registration, check on [www.ncr.org.za](http://www.ncr.org.za) under registrants tab;
- Avoid clicking suspicious emails, URLs and links that you do not know the origin of or using One Time Pin (OTP) codes you are unsure of;

- Never pay any upfront fees to anyone when borrowing money;
- Nobody can remove a debt review flag where there is a court order unless all your short term debts are paid up with the exclusion of your bond/home loan which needs to be up to date; and
- Always remember the golden rule “If it sounds too good to be true, it probably is”.

“If you are unsure of any offers online, you may contact the National Credit Regulator on [info@ncr.org.za](mailto:info@ncr.org.za) for clarity or to verify the registration of the company and legality of the service offered.” “Should you be a victim or have unwittingly fallen prey to one of the scams described, you should contact your local South African Police Services for assistance”, concludes Kweyama.

**Ends**

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### **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.

### **For more information contact:**

Media Office: [media@ncr.org.za](mailto:media@ncr.org.za)

Or

Didi Sebothoma

064 752 3910

E-mail: [dsebothoma@ncr.org.za](mailto:dsebothoma@ncr.org.za)

Website: [www.ncr.org.za](http://www.ncr.org.za)