



DEBT COUNSELLING CALL CENTRES

CIRCULAR 7 OF 2017 - DEBT COUNSELLING CALL CENTRES

This Circular is intended to advise all registered debt counsellors that the National Credit Regulator (“NCR”) is considering the legalities of the call centre business model used by debt counsellors.

The NCR has noted the present uncertainty in the industry pertaining to the following aspects of the call centre business model:

- Marketing and advertising material;
- The source of the consumer information; and
- The tasks performed by the call centre agents and administrative staff.

Further to the above, the NCR has also been requested by the industry to address the following issues which are the subject of numerous queries and complaints received from stakeholders:

- The information provided by call centre agents regarding the debt counselling process;
- Consumers who allege they have been placed under debt counselling by the call centre without their consent; and
- Debt counsellors employed by debt counselling companies.

Debt counsellors are reminded that the National Consumer Tribunal (“the NCT”) has already pronounced on several of these issues and are referred to the NCR Circular 18 of September 2016 in that regard.

As the NCR is mandated to enforce the National Credit Act 34 of 2005 (“the Act”) by, amongst others, monitoring the consumer credit market and industry to ensure that prohibited conduct is prevented, detected and prosecuted, the NCR is, in executing this mandate, assessing the call centre business model which is being utilised by an increasing number of debt counsellors to operate their debt counselling practice.

All debt counsellors who wish to provide written submissions on the call centre business model are requested to email same to pmichaels@ncr.org.za by close of business on 21 April 2017.

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.

The NCR will be visiting a number of debt counsellors to gather information on the above aspects and would encourage all debt counsellors to actively participate in this exercise so that the present uncertainty might be clarified.

FOR MORE INFORMATION

Please direct all the queries relating to this Circular to Peter Michaels at pmichaels@ncr.org.za

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