

July 2017

National Credit Regulator refers Foschini Retail Group (Pty) Ltd to the National Consumer Tribunal for breach of the National Credit Act

The National Credit Regulator (NCR) has announced that it has referred Foschini Retail Group (Pty) (Foschini) to the National Consumer Tribunal (Tribunal) following an investigation by the NCR which revealed Foschini has charged consumers a club fee on credit agreements. The club fee charged by Foschini is reflected in consumers' credit agreements. The charging of a club fee on credit agreements is not permitted by the National Credit Act.

"The National Credit Act allows consumers to be given a quotation which sets out the cost of credit before signing credit agreements. Consumers should request this quotation from their credit providers so that they can properly check the cost of credit that is being offered", says Jacqueline Peters Manager, Investigations and Enforcement Department at the NCR.

The NCR is asking the Tribunal to:

- Order Foschini to refund the affected consumers the club fees charged;
- Order Foschini to conduct an independent audit into its loan book to determine the number of consumers to be refunded;
- Interdict Foschini from charging consumers a club fee on credit agreements;
- Impose an appropriate administrative fine on Foschini.

The NCR will continue to conduct industry-wide investigations on the cost of credit to root out illegal charges and fees that consumers are charged.

Ends

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